



PTT Independent Director Qualification (revised edition)

(More restrictions than the Stock Exchange Commission and Stock Exchange's minimum requirements)

PTT independent director must;

- A. Holding shares not exceeding 0.5 percent of the total number of shares with voting rights of PTT, its parent company, subsidiary company, associate company, major shareholder or controlling person, including shares held by related persons of such independent director.
- B. Neither being nor used to be an executive director, employee, staff, advisor who receives salary, or controlling person of PTT, its parent company, subsidiary company, associate company, same-level subsidiary company, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of being appointed as independent director. Such prohibited characteristic shall not include the case where the independent director used to be a government official or advisor of a government unit, which is a major shareholder or controlling person of PTT.
- C. Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child of other director, executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of PTT or its subsidiary company.
- D. Neither having nor used to have a business relationship with PTT, its parent company, subsidiary company, associate company, major shareholder or controlling person, in the manner which may interfere with his independent judgement, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with PTT, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of being appointed as independent director.

The term 'business relationship' under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in PTT or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of PTT or twenty million baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences.

- E. Neither being nor used to be an auditor of PTT, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of PTT, its parent company, subsidiary company, associate company, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of being appointed as independent director.

- F. Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million baht per year from PTT, its parent company, subsidiary company, associate company, major shareholder or controlling person, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of being appointed as independent director.
- G. Not being a director appointed as representative of directors of PTT, major shareholder or shareholder who is related to major shareholder.
- H. Not undertaking any business in the same nature and in competition to the business of PTT or its subsidiary company or not being a significant partner in partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of other company which undertakes business in the same nature and in competition to the business of PTT or its subsidiary company.
- I. Not having any other characteristics, which cause the inability to express independent opinions with regard to PTT's business operations.

After being appointed as an independent director with all qualification items A-I specified above, such independent director may be assigned by the Board of Directors to make decisions relating to business operations of PTT, its parent company, subsidiary company, associate company, same-level subsidiary company or any juristic person which may have a conflict of interest on the basis of collective decision, whereby such actions of the independent director are not deemed partaking of management.

In case that the appointed independent director is the person who has or used to have a business relationship, or provision of professional services at a value exceeding the specified amount under item D-F, PTT shall be granted an exemption from such prohibition of having or having had a business relationship or provision of professional services at such excessive value, provided that PTT has obtained an opinion of the Board of Directors indicating that after a consideration in accordance with Section 89/7 of the Securities and Exchange Act, the appointment of such person does not affect the performance of duties and the giving of independent opinions, and that the relevant information is disclosed in the notice of shareholders' meeting under the agenda of the appointment of an independent director.

- a) Business relationship or professional services that render such person qualification as independent director
- b) Reason and necessity to having such person as independent director
- c) The Board's observation on nominating such person as independent director

As mentioned in paragraph 1 of E and F, "Partner" means a person assigned by an audit firm or a provider of professional service to give a signature on behalf of such juristic person in audit report or professional service provider's report.

In addition, the aforementioned qualification must not conflict with any related law or regulations.

In case, the independent directors serve in this position in PTT, its parent company, subsidiary company, associate company, same-level subsidiary company, PTT must also disclose information about such service and the total remuneration of such directors in Form 56-1 One Report.

Roles and Responsibility of PTT's Independent Directors

1. Recommend essential and beneficial matters to PTT and all its shareholders to the Board or the President & CEO, or both.
2. Advocate roles and responsibility of the Board and provide views commonly expected of independent directors for the benefit of PTT and all its shareholders.
3. Review matters to ensure PTT's compliance with the law dealing with independent directors, and revise the definition of independent directors for suitability and legal completeness.
4. Take other Board-assigned actions provided that these actions do not compromise their independence.
5. An independent director's term begins once he or she fulfills all the requirements under the definition for PTT's corporate governance; it ends when he or she lacks qualifications or completes the PTT term.
6. The independent directors must hold their own meeting at least once a year.