

Compliance Charter

PTT Public Company Limited

Preamble:

PTT Public Company Limited (“**PTT**”) adheres to its business operation with integrity, transparency, and fairness; implements anti-corruption practices against different forms of corruption; and strictly complies with the laws, rules, regulations, criteria, orders and notifications issued by PTT, as well as those issued externally, in order that its business operation will be conducted in a smooth and sustainable manner. For this reason, in the attainment of the objective, the President and Chief Executive Director deems it appropriate that PTT’s business operation be under compliance. The Compliance Department is, then, established to be charged with the compliance of PTT’s business operation. Its roles, duties, and responsibilities are defined in the Compliance Charter in order for the concerned functions to develop a true understanding of the roles and duties of the Compliance Department and create awareness about the performance of work in strict adherence to the principles of law related to one’s own responsibilities, as well as to be in cooperation with the Compliance Department. Accordingly, the President and Chief Executive Director hereby defines the roles, duties, and responsibilities of the Compliance Department as follows:

Definitions:

1. “**PTT**” means PTT Public Company Limited;
2. “**Compliance Department**” means the Compliance Department and the functions under its supervision;
3. “**PTT Board of Directors**” means the Board of Directors of PTT Public Company Limited;
4. “**President and Chief Executive Director**” means the President and Chief Executive Director of PTT Public Company Limited;
5. “**PTT Personnel**” means all levels of executives, staff members, and employees of PTT Public Company Limited, and includes any employees of PTT’s subsidiaries who are seconded to work at PTT;
6. “**Compliance**” means the supervision process to ensure compliance with the laws and organizational regulations that cover the determination of policies, structures, roles, duties and responsibilities of PTT Personnel on complying with the laws and organizational regulations for the operational and support units. The process includes the gathering and monitoring of legislation,

identifying and assessing risks, disseminating knowledge, and providing training to create better understanding about the laws and organizational regulations, as well as giving advice, overseeing compliance and the prevention of any non-compliance, reporting, and monitoring to promote the performance of work in compliance with the laws and organizational regulations, and mitigate potential impacts which may arise from non-compliance with the current laws and organizational regulations and those to be issued in the future, which may result in the organization being subject to a statutory penalty or loss of economic benefits or reputation.

7. **“External Agencies”** means regulatory compliance authorities or external audit agencies which prescribe laws, criteria, regulations, and rules with which PTT must comply, such as the Office of the National Anti-Corruption Commission, the Office of the Securities and Exchange Commission, the Stock Exchange of Thailand, the State Enterprise Policy Office, the Office of the Energy Regulatory Commission, the Ministry of Energy, the Ministry of Commerce, etc.;

8. **“Law”** means the laws, rules, and cabinet resolutions in relation to or applicable to PTT, regulations, decrees, and announcements prescribed by External Agencies with which PTT must comply;

9. **“Organizational Regulations”** means the regulations, requirements, orders, guidelines, announcements and bylaws issued by PTT under the law with which PTT Personnel must comply.

Objectives:

1. To define PTT's Compliance Framework in conformity with and in support of its business operation. PTT's Compliance Framework serves as a tool to cultivate PTT Personnel to adhere to the guidelines, to enable a good understanding by educating and giving advice, and to promote the proper and effective implementation of the Compliance Framework.

2. To create and develop law and regulatory compliance tools, such as an information technology system, communication system, etc., in order to effectively and thoroughly convey the Compliance Framework to PTT Personnel.

3. To promote and encourage PTT Personnel's awareness of their roles and duties in the Compliance Framework, such as the functions which are required to comply with the laws and regulations (the first line of defense), the organizational compliance functions and the specific compliance functions (the second line of defense), the internal audit functions (the third line of defense), as well as to facilitate good cooperation between the Compliance Department and PTT Personnel and internal functions.

4. To install values and create a culture of complying with the laws and organizational regulations as basic principles to which PTT Personnel strictly adhere to in the performance of their work.

Roles, Duties, and Responsibilities of the Compliance Department

The roles, duties, and responsibilities of the Compliance Department are to oversee PTT Personnel and PTT's internal functions and to ensure that in the performance of their work or the entering into any type of transaction, PTT Personnel and PTT's internal functions are in strict compliance with the laws, rules, regulations, criteria, orders and notifications issued by PTT, as well as those issued externally, consistent with Good Corporate Governance. The President and Chief Executive Director hereby defines the roles, duties, and responsibilities of the Compliance Department as follows:

1. To determine the Compliance Policy to be consistent with the laws and the rules and regulations of PTT Public Company Limited;
2. To determine the Compliance Framework, as well as to disseminate knowledge, educate and give advice to PTT Personnel on the Compliance Framework in order to properly comply with the Compliance Framework. ;
3. To determine the cooperation framework for the 14 specific regulatory compliance functions (the second line of defense within PTT) to convey the meaning of and give advice on the Compliance Policy and the Compliance Framework to PTT's internal functions under their responsibility and provide counsel and report any results, problems, or difficulties to the Compliance Department.
4. To disseminate knowledge, provide training, and give advice to PTT Personnel in order to create awareness about the importance of working in compliance with the laws, rules, regulations, criteria, orders and notifications issued by PTT, as well as those issued externally, which are related to an employee's own responsibilities and potential impacts which may result from non-compliance.
5. To provide counsel to PTT Personnel on any laws, rules, regulations, criteria, orders and notifications which have an impact on PTT's business operation and to inform the management level of any change to those laws and regulations without delay.
6. To verify the accuracy of legal information that PTT's internal functions report to External Agencies.
7. To define the laws and organizational regulations of the compliance inspection plan to be consistent with an organizational risk level related to the risks associated with an overview of non-compliance and perform random checks on the results of self-assessments by PTT's internal functions which are required to comply with the Compliance Framework by adopting a self-assessment approach under the specified checklist and report the results to the Board of Directors and the relevant executives.
8. The operation of the Compliance Department must be independent from every internal function to ensure that PTT's strict adherence to the relevant laws and regulations and to be consistent with PTT's business plan.

9. The Compliance Department must review its principles and the Compliance Framework on a regular basis in order to be consistent with international practices, suggestions from the Board of Directors, and the internal and external audit functions.

10. The Compliance Department shall represent PTT in dealing with External Agencies on important matters concerning regulatory compliance, other than those under the responsibility of the specific regulatory compliance functions.

Criteria on Compliance Function

1. The Compliance Department shall be independent and shall have the right to access PTT's functions, PTT Personnel and PTT's business information.

1.1 The structure of the Compliance Department and the reporting lines are clearly and officially identified whereby its independency is allowed in order for the compliance function be carried out effectively.

1.2 The Compliance Department must be independent in reporting any non-compliance to the top management level.

1.3 The Compliance Department must have access to all functions and PTT Personnel in order to seek cooperation and review the performance of such function if it considers that there may be a risk of non-compliance with relevant laws and organizational regulations.

1.4 The Compliance Department must have access to the relevant information of PTT as necessary in the interest of performing its compliance function.

1.5 The Compliance Department shall not undertake any act or participate in any decision to which it has interests, whether directly or indirectly, or which may give rise to any conflict of interest.

2. The allocation of human resources and personnel qualifications must be in accordance with the relevant roles, duties and responsibilities.

2.1 The personnel must be knowledgeable and understand the relevant laws and organizational regulations, and must be able to analyze the implications that such laws and regulations will have on PTT's operation. The personnel must inform PTT Personnel of any potential risks which may arise from non-compliance with the relevant laws and regulations and be able to give advice to rectify such non-compliance.

2.2 Proper education and training on the relevant laws and organizational regulations must be provided on a regular basis.

3. The duties, responsibilities, and scope of a compliance function must be clearly defined.

3.1 The Compliance Department serves as the center for gathering and monitoring the relevant laws, organizational regulations and PTT's important information.

3.2 The results of a compliance inspection will be reported to the Board of Directors and the top management level on a yearly basis. The report shall include the review of the compliance with the Compliance Policy, any non-compliance with the Compliance Framework

and any breach or violation of the laws or organizational regulations. Suggestions and solutions to rectify non-compliance will also be proposed.

4. The coordination with regulatory and other internal audit functions and External Agencies,

The Compliance Department may be required to coordinate with other internal functions within PTT; for example, the internal audit function of PTT, the 14 specific regulatory compliance functions, as well as External Agencies, in order to remain up-to-date with the monitoring of any changes to relevant laws, rules, regulations, criteria, orders and notifications and to acquire knowledge and understanding of such laws and regulations to ensure PTT's proper compliance.

This shall be effective from 15 August B.E. 2560 (2017) onwards.

Announced on August B.E. 2560 (2017).

(Mr. Tevin Vongvanich)

President and Chief Executive Officer