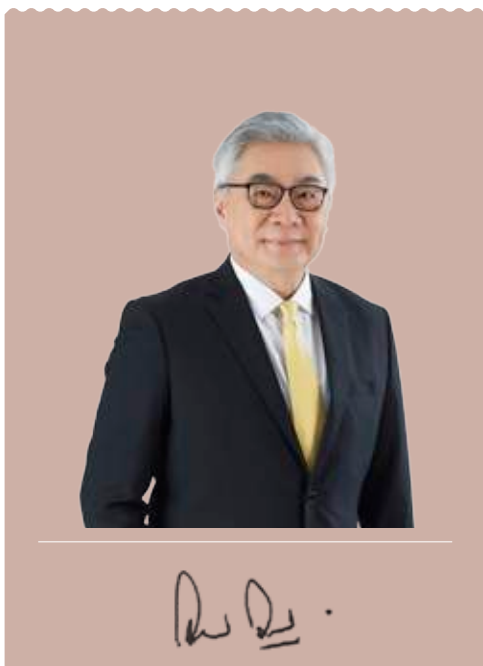


Report of the Corporate Governance Committee



Professor Dr. Kittipong Kittayarak
Chairman of the Corporate
Governance Committee

The current Corporate Governance Committee is made up of three independent directors, namely Professor Dr. Kittipong Kittayarak (Chairman), Professor Dr. Surapon Nitikraipot (member, replacing Mr. Don Wasantapruerk from December 23, 2018), and Mr. Thon Thamrongnawasawat (member since October 1, 2019). The Senior Executive Vice President, Corporate Governance and Regulatory Affairs, and the Senior Executive Vice President, Office of General Counsel, serve as secretaries.

Highly valuing business conduct with integrity, accountability, and resistance to all forms of fraud and corruption, the Board stresses PTT's firm commitment to becoming a corporation of transparency and morality under Corporate Governance (CG), a high ethical standard, a Code of Business Conduct, and PTT Group's scope of sustainability development to upgrade PTT's CG system for relentless efficiency to in turn boost fairness and confidence among all its stakeholders and lead to PTT's sustainable growth.

To this end, the Board has assigned this committee to propose CG guidelines and oversee the conduct of the directors and the management to ensure conformance to CG principles, SEC's and SET's CG principles, IOD's recommendations from the Corporate Governance Assessment Report, and the international principles of the Organization for Economic Cooperation and Development (OECD) together with the ASEAN Corporate Governance Scorecard (ACGS), the Ten Principles of the United Nation Global Compact (UNCG), and the DJSI Corporate Sustainability Assessment, as well as sustainability management and scope formulation for the oversight of PTT's applicable anti-fraud and corruption tasks.

In 2019 the committee held five meetings as planned to track and assess CG and anti-fraud and corruption tasks, corporate communications and corporate image plans as well as social, community, and environmental responsibility together with sustainable development plans, as highlighted below:

Information disclosure and transparency

- Completed the annual information disclosure form (Form 56-1) and the annual report, and disclosed PTT's quarterly performances and material information for shareholders, investors, and the public, complete with material, adequate, credible, and timely details through assorted channels, including SET's publicity channels and www.pttplc.com. The core units taking charge of information distribution were Investor Relations and Corporate Communications.
- Developed the 2019 annual sustainability report for the 12th consecutive year to disclose economic, social, and environmental data under the applied Global Reporting Initiative (GRI) Sustainability Reporting Standard 2016 and Oil and Gas Sector Disclosure (OGSD). It presented performance data under Integrated Reporting (IR) formats, provided updates in compliance with the elements of the United Nations Global Compact (UNGC), and reported operating outcomes that confirmed PTT's staunch support for sustainable development goals in line with the scope of the UN Sustainable Development Goals (SDGs) with the applied Recommendations of The Task Force on Climate-related Financial Disclosure (TCFD) in reporting business outcomes related to climate change. Also, a third party was commissioned to constantly review the report, with disclosure of this and previous years' reports on PTT's websites, GRI's websites, and UNGC's websites. In addition, PTT advocated preparation

of this report by PTT Group companies, namely PTTEP, GC, Thaioil, IRPC, GPSC, and OR, in compliance with SET's direction of convincing listed companies to disclose performance data on the economic, social, environmental, and CG sides on a par with international practices.

Rights of the shareholders

- Held the 2019 AGM and provided in advance adequate and timely information on the date, time, venue, and agenda as well as all information relevant to matters needing decisions at the AGM. Informed the shareholders about meeting rules and distributed such information on PTT's website before sending out meeting notices to give shareholders adequate time to study details. Facilitated their full exercising of meeting and voting rights. As a result, PTT achieved an "outstanding" score on the AGM Checklist assessment.

Equitable treatment of shareholders

- Allowed shareholders to propose additional agenda items and nominate directors for election in advance from September 1 to November 30, 2019, as required by PTT.
- Required directors with potential vested interests on any meeting agenda items to abstain, refrain from commenting, and skip such agenda items. Required all directors and executives to disclose vested interests about themselves and related parties for 2019 so that the Board might review PTT's transactions with potential conflicts of interest and decide to the utmost benefit of PTT.
- Required all directors, executives, and employees to electronically report their conflicts of interest for 2019 on the PTT intranet. No significant conflict was reported this year.
- Required all directors and executives to report their securities portfolios as required by law and assigned the Company Secretary to compile and report these to the Board every quarter.
- Ensured enforcement of the Insider Trading Guidelines by asking the directors and the management to refrain from PTT Group companies' securities trading. If such trading is necessary, for transparency they must notify the Company Secretary ahead of time.

Responsibilities of the Board

- Assessed Board performance (overall, self-assessment, cross-assessment, specific committee assessment and Chairman's Role & Duties and Performance Assessment, Work Satisfaction survey of the Committees and Chairman of each), with "outstanding" outcomes for the year.
- Attended training courses to develop competencies in directorship, such as courses hosted by the Thai Institute of Directors (IOD).
- Studied business management practices in PTT Group and matters related to energy and related businesses.
- Held one meeting among the independent directors.
- Held one non-executive meeting.

Recognition of stakeholders

- Endorsed an action plan on PTT's CG and anti-fraud and corruption for 2019 together with the annual goals before cascading to implementation, followed by constant monitoring, with recommendations provided to upgrade PTT's CG to conform with international standards.
- Provided oversight for the review of "PTT Corporate Governance, Ethical Standards and Code of Business Ethics Handbook" regarding the amendment of duties and responsibilities of the Enterprise Risk Management Committee to embrace the screening of and comments on agenda items related to investment, modification of the PTT and PTT Group anti-fraud and corruption policy, and the Fraud and Corruption risk assessment manual for inclusive contents and guidelines.
- Assigned policies and provided recommendations to the management on the definition of a PTT Group governance policy. To this end, a PTT Group Way of Conduct was developed to house guidelines, code of practice, and business processes of various aspects of PTT and PTT Group that align and harmonize with one another. PTT Group Way of Conduct then aids the oversight of PTT-invested companies through the implementation and driving of all PTT Group companies to adopt the same standard.
- Assigned the Corporate Governance Policy and advised the Governance, Risk and Compliance Management Committee (GRCMC), in charged with steering CG, operational risk management, internal control, and compliance management. GRCMC also serves as PTT's Anti-Corruption Operation Center for State Enterprises.
- Advocated and urged PTT's business allies to declare their intention to join Private Sector Collective Action Coalition against Corruption (CAC).

CSR and sustainable development

- Defined a Corporate Social Responsibility (CSR) approach and PTT Group Sustainable Framework by committing to corporate citizenship that values the stewardship of society and communities, which forms PTT's major groups of stakeholders at all operating sites whose wellbeing PTT aims to raise. PTT's stewardship also covers social network communities across the country under the two-dimensional sustainable development goal - People and Planet - in line with PTT's business direction. PTT applies PTT group's expertise to the driving of community self-development, particularly support for creating inclusive businesses which stress inclusion of the underprivileged and low-income earners as part of PTT's business.

People (development of human resources, communities, and society) - promotes items 4, 7, and 8 of the UN Sustainable Development Goals (SDGs) involving access to quality education, clean energy, decent vocational skills, and income generation opportunities.

Planet (conservation of natural resources and the environment) - promotes items 13, 14, and 15 of the UN SDGs involving expansion of green areas, life below water, life on land, and absorption of greenhouse gases.

- Passed assessment by RobecoSAM Corporate Sustainability Assessment and qualified as a member of Dow Jones Sustainability Emerging Market Index (DJSI Emerging Markets) in the Oil and Gas Upstream & Integrated Industry (OGX) category for the 8th consecutive year among the eight out of 63 companies invited to join DJSI Sustainability World Index (DJSI World) and among the 2 out of 17 companies on Dow Jones Sustainability Emerging Markets Index (DJSI Emerging Markets). PTT achieved an industry-best score on Materiality, Code of Business Conduct, Policy Influence, Tax Strategy, Energy Mix, Environmental Policy & Management Systems, Social Reporting, and Human Rights.

Awards of pride

Thanks to its firm commitment to operating businesses with CG and social responsibility, coupled with constant sustainability management and improvement, in 2019 PTT earned extensive acclaim from domestic and international entities alike. The awards included:

- NACC Integrity Award presented by the Office of the National Anti-Corruption Commission (NACC).
- Passed NACC Integrity & Transparency Assessment (ITA) at the "very high" level for the fifth consecutive year; the assessment outcome for 2019 was in the "A" range.
- Received "Excellent" ranking based on the 2019 survey of listed companies (Corporate Governance Report of Thai Listed Companies 2019) for the 11th consecutive year.
- Received a Corporate Governance Asian ESG Recognition Award 2019: Icon on Corporate Governance for the 15th consecutive year.
- Received The Asset Corporate Award 2019 (Platinum level) in its 11th consecutive year of assessment.

