



Corporate Governance

Ethical Standards and
Code of Business Ethics
Handbook



Revised Version 4

Acknowledgement and Conformity Form

I have received and read this PTT Public Company Limited Corporate Governance, Ethical Standards and Code of Business Ethics Handbook.

I understand, acknowledge and will comply with these practices.

Signature : _____
(_____)

Employee ID : _____

Position : _____

Business Unit : _____

Date : _____ / _____ / _____

Note : Please confirm your acknowledgement and comply with these practices via PTT Intranet.





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Announcement of PTT Public Company Limited

PTT has established a policy on good corporate governance with the aim of enabling the Board of Directors, management and employees to efficiently conduct their business, through good corporate governance, excellent management, business ethics, transparency and accountability.

Since May 2003, PTT has announced the Good Corporate Governance Principles, and the Handbook of the Principles was developed and distributed to the Board of Directors, management and employees for their acknowledgement and adoption as working discipline, which has been well accepted by all relevant parties. The Board now considers it timely appropriate to revise and update the essential content presented within the Handbook, including the policy, principles, ethical standards, code of business ethics and good practices. This is to develop and enhance PTT's good corporate governance in a sustainable manner, to build confidence for all stakeholders, and to create sustainable growth of the organization.

In order to demonstrate a mutual commitment to adhere to the content of this fourth revision Handbook, as a working guideline, PTT personnel at all levels shall sign to acknowledge that they have studied, understood and embraced them as working guidelines with the aim of preserving PTT's good corporate governance.

(Mr. Piyasvasti Amranand)
Chairman of
the Board of Directors
PTT Public Company Limited
April 2017

(Gen Chatchalerm Chalermsook)
Chairman of the Corporate
Governance Committee
PTT Public Company Limited
April 2017

(Mr. Tevin Vongvanich)
President and
Chief Executive Officer
PTT Public Company Limited
April 2017



PTT's Corporate Governance Policy

“

The intention of the Board of Directors is to enable PTT to conduct its business efficiently, have good corporate governance and excellent management with the aim of benefiting shareholders' interests, taking into account the interest of other stakeholders, maintaining business ethics and transparency. Therefore, the Board of Directors has established a policy on good corporate governance as a guideline to which directors, management and employees shall adhere, as follows:

”



01

The Board of Directors (“The Board”), management and employees shall commit to PTT’s six Good Corporate Governance Principles, namely Accountability, Responsibility, Equitable Treatment, Transparency, Vision to Create Long-Term Value and Ethics. PTT’s organization structure shall fairly balance the roles of the Board, management and shareholders.



02

The Board shall perform its duties with dedication, a sense of responsibility and independence and there shall be a clear segregation between the roles and responsibilities of the Chairman and the President and Chief Executive Officer.



03

The Board shall play a vital role in formulating PTT’s vision, strategies, policies and plans, while taking into consideration risk factors and establishing appropriate risk management, as well as ensuring that the accounting systems, financial reports and accounting audits are all reliable.



04

The Board shall be the role model for ethics and shall perform their duties in accordance with PTT’s good corporate governance guidelines, as well as overseeing and resolving conflicts of interest and connected transactions.



05

The Board may appoint specific committees, as deemed appropriate, to assist in reviewing critical matters.



06

The Board shall perform an annual self-assessment to be used as a framework for reviewing the Board’s performance.



07

The Board shall establish the PTT code of ethics, which the Board, management and employees, as well as all contract employees must adhere to in conjunction with PTT's rules and regulations.



10

There shall be an appropriate system for the selection and appointment of key management positions at all levels with a transparent and fair nomination process.



08

Disclosure of PTT's information, both financial and non-financial, shall be adequate, reliable and timely, so that PTT's shareholders and other stakeholders receive such information in a fair and equitable manner. The Corporate Communications Department and the Investor Relations Department shall be responsible for providing information to general public and investors.



09

PTT's shareholders shall receive equitable treatment and have equal rights to access PTT information and appropriate communication channels with PTT.



11

There shall be the anti-fraud and corruption principle in PTT's corporate governance policy to ensure that the management is aware of and pays attention to anti-fraud and corruption practices and implementation.



PTT's Ethical Standards

In order to comply with PTT's corporate governance policy and the Constitution of the Kingdom of Thailand stipulating the making of the Code of Ethics for state employees, PTT has established ethical standards for directors, management and employees to abide by as corporate values, along with other rules and regulations of PTT, in order that all business operation will be transparent, explicit, justifiable and efficient, upholding the honor and prestige worth the confidence and trust of customers and the public. Ethical standards of PTT are as follows:



01

To adhere to moral and ethics.

02

To have good conscience, honesty and responsibility.

03

To uphold the benefits of the country beyond oneself, with no conflict of interest.

04

To adhere to the righteousness, fairness and legitimacy.

05

To provide prompt, courteous and non-discriminative service to the public.

06

To disclose complete information to general public without distortion.

07

To aim at the result, standard, quality, transparency and accountability of work.

08

To uphold the democratic regime of government with the King as Head of State.

09

To adhere to the professional ethics of the organization.



General Statement

01



PTT Group Vision

Thai Premier Multinational Energy Company

Ensuring long-term energy security by providing sufficient high-quality energy supply at fair prices to support economic growth

To the country

Maintaining a good standing corporate status in Thai society by exercising environmental stewardship of internationally accepted standards and helping to improve the quality of life for community and society

To community and society

Operating profitable business that leads to sustainable growth while generating optimum returns

To shareholders

Ensuring customer satisfaction and loyalty by delivering world-class quality products and services at fair prices

To customers

Conducting fair business practice with all partners while promoting trust, relationship and cooperation to expand business capability and increase efficiency in long-term business partnership

To business partners

To employees

Promoting capability building professionally and ensuring employees' well-being is on the level with other leading companies

Mission

To conduct integrated energy and petrochemical business as the nation's energy company whose mission to equally respond to all stakeholders through the following aspects:



S

Synergy



P

Performance
Excellence



I

Innovation

PTT Group Values



R

Responsibility
for Society



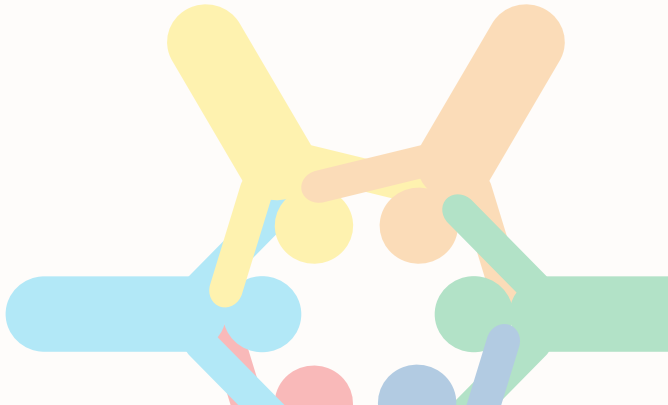
I

Integrity
& Ethics



T

Trust
& Respect





Instructions and Mechanism

for PTT's Corporate Governance, Ethical Standards and Code of Business Ethics Handbook

PTT personnel at all levels must commit to and abide by PTT Corporate Governance, Ethical Standards and Code of Business Ethics as the discipline of their daily operation. In case a failure to comply with these principles is discovered and is confirmed by the results of a fair investigation, PTT shall take disciplinary and / or legal action as appropriate in compliance with PTT's personnel management rules and regulations.

Hierarchical superiors in each department are responsible for overseeing and supporting their subordinates to strictly follow PTT Corporate Governance, Ethical Standards and Code of Business Ethics.

In case of violation, the behavior of such violation, intention or intent, motive, record, position, duty and responsibility of the violator, including the damage and other significant reasons shall be taken into consideration.



PTT personnel who comply with

their particular professional codes of ethics, e.g. engineers, accountants, doctors, pharmacists and lawyers, must strictly adhere to their professional ethics as a part of PTT's Ethical Standards and Code of Business Ethics.



PTT personnel must keep in mind

that PTT cannot specify written guidelines for every behaviour, event or circumstance in the code of ethics handbook. If PTT personnel encounter difficulties in decision making or operation, they shall first employ their own judgment before proceeding by asking the following questions:

- Is it against the law?
- Is it against PTT's policies?
- Is it against PTT's values or corporate culture?
- Could it have any adverse effects on PTT's stakeholders?
- Could it have any adverse effects on PTT's reputation?
- Could it initiate any undesired corporate culture in the future?

If the answer to any of the above questions is “yes”, they should refrain from acting in the situation.

Should any employees have doubts whether a certain action complies with the good practices or code of ethics presented in this handbook, they should seek advice from colleagues, supervisors or committees.

The management is responsible for advising its subordinates or consulting with Good Governance and Corporate Ethics Department



Whistleblowing Policy

PTT expects all personnel to monitor the compliance with PTT's Corporate Governance, Ethical Standards and Code of Business Ethics, and encourages all personnel to raise any questions and concerns they may have regarding these policies. In addition, personnel can report any misconduct or non-compliance, or send their enquiry to Governance and Corporate Ethics Department, the Office of Corporate Audit or the Corporate Human Resources Department.

PTT promises that every enquiry will be treated fairly, transparently, and with due care and fair judgment will be provided in a timely manner. Whistleblowers will be kept confidential and safeguarded both during and after the investigation.

Complaints Channels on Business Ethics

In case of violation or non-compliance with PTT's Corporate Governance, Ethical Standards and Business Ethics, any enquiry or complaint can be sent to the following channels:

- E-mail GRChelpdesk@pttplc.com

- Regular Mail
 Good Governance and Corporate Ethics Department
 PTT Public Company Limited
 555 Vibhavadi Rangsit Rd., Chatuchak,
 Chatuchak, Bangkok 10900, Thailand



PTT's
Corporate Governance

02



Definition and Meaning

Good corporate governance means establishing a management structure and mechanism within the organization to create relations between PTT's Board of Directors, the management, employees and shareholders to serve the best interests of shareholders, taking into account the interests of all stakeholders.

PTT's corporate governance embraces the following six principles:

Accountability

Responsibility for one's own decisions and actions, and ensuring they can be explained and clarified.

Responsibility

Efficient performance of duties and to the best of one's abilities.

Equitable Treatment

Fair and equitable treatment of all stakeholders.

Transparency

Ensuring corporate operations can be examined and information is disclosed to relevant parties.

Vision to Create Long-term Value

Looking towards the future to create long-term added value and sustainable growth.

Ethics

Existence of business ethics and code of conduct.



The Importance of Good Corporate Governance

1. To establish a transparent management system of international standards in order to strengthen PTT's competitiveness, as well as protect against and eliminate any conflicts of interest.
2. To build confidence among domestic and foreign investors by encouraging communication between PTT and its stakeholders, and to maximize the value of the company's shares.
3. To provide a tool to measure PTT's performance and monitor its operations to improve efficiency.
4. To build a responsibility framework of the Board and management towards all stakeholders and the management's delegated authorities





Good Practices

according to PTT's Good Corporate Governance Principles

1. Rights of Shareholders

Shareholders have the rights as the owners of the company to attend the Shareholders' Meeting to establish the direction of business operation through the Board of Directors elected by the shareholders. Shareholders have the rights to make decisions on issues that have an impact on the company. The Shareholders' Meeting is an essential opportunity for shareholders to communicate, express their opinions, pose questions and make decisions on key issues. Shareholders are entitled to attend the Shareholders' Meeting, and have sufficient time for consideration and acknowledge the resolutions executed therein.

- 1.1 PTT shall not act in such a way that restricts access to its information, i.e. PTT shareholders shall receive adequate information on procedures governing the meetings and all items on the agenda, along with complete supporting data, at least seven days prior to the Shareholders' Meeting, and PTT shall provide multiple communication channels for shareholders to raise any questions regarding the Shareholders' Meeting.
- 1.2 The Board of PTT shall facilitate the participation of shareholders in the meeting. The meeting venue shall be in Bangkok or nearby provinces that are conveniently accessible and can accommodate all shareholders. The venue must have facilities for disabled persons, a good security system and be ready to respond to any emergency situations.

- 1.3 PTT shall not act in such a way as to restrict access to information or attendance at the Shareholders' Meeting. Shareholders shall be able to attend at any meeting session, be given equal opportunities to express their opinions, raise questions relating to the agenda and the issues presented and to vote at the meeting. The chairman of the meeting shall allocate sufficient time and encourage shareholders to participate in the meeting.
- 1.4 Shareholders shall have the rights to vote separately on each item on the agenda. Voting procedures and equipment for the election of directors shall be transparent, convenient, efficient and effective. The equipment should be able to compute the results in a timely manner so they can be promptly presented to shareholders.
- 1.5 All directors, including members of specific committees and the corporate secretary, shall attend the Shareholders' Meeting to answer shareholders' questions and acknowledge their opinions.



2. Equitable Treatment of Shareholders

PTT shall treat each and every shareholder equally regardless of gender, age, race, nationality, religion, beliefs, political opinions, or disabilities. If a shareholder cannot attend the Shareholders' Meeting for any reason, the shareholder shall be entitled to appoint a proxy to attend the Shareholders' Meeting.

- 2.1 PTT directors shall protect shareholders' rights and treat each shareholder equally. Every shareholder has the rights to receive information and documents either in Thai or in English. Any document provided for foreigners shall be translated into English.
- 2.2 Shareholders shall be entitled to appoint a proxy to attend the Shareholders' Meeting. Each shareholder has the rights to receive a proxy form and instructions to complete the form. Any proxy who submits a completed proxy form to the committee at the Shareholders' Meeting shall be allowed to attend the meeting and vote on behalf of the shareholder. Alternatively, a shareholder may appoint an Independent Director as his proxy, and request the background and personal information of each Independent Director for their consideration.
- 2.3 PTT directors shall encourage minority shareholders to propose additional items for the meeting's agenda and to nominate candidates for the position of director in compliance with applicable laws and PTT regulations. The Office of President shall prepare for any proposals and provide support and advice to shareholders on this matter.

2.4 PTT directors, management, employees with privilege of inside information including their spouses and children not yet of legal age shall be forbidden to prevent insider trading as follows:

- Forbidding to purchase or sale PTT shares within 45 days (for quarterly statements) and 60 days (for the annual statements) of the last effective date of the financial statements to the notification date of the financial statements to SET, ahead of the public dissemination of the statements. Moreover, they shall refrain from PTT Group securities trading. In case of necessity to trade PTT Group shares, they must notify Corporate Secretary at least 2 days in advance.
- Forbidding to disclose such information that may affect PTT share price to external or unrelated parties.



3. Responsibilities of Company to Stakeholders

PTT business operation may involve several parties, including shareholders, directors, management, employees, creditors, customers, business partners, competitors, the community, the country and the global society. Each party has different needs and interests. The policy for each stakeholder shall be established in accordance with their requirements.

- 3.1 PTT has divided stakeholders into the following groups: minority shareholders, majority shareholders and institutional investors, creditors, debtors, customers, business partners, PTT affiliates / subsidiaries, PTT personnel, the community and society as a whole. Communication channels shall be sufficiently established for each group to communicate their needs and concerns.
- 3.2 PTT has a commitment to its consumers to continuously develop its products and services and to set fair prices in each circumstance. In accordance with the Consumers Protection law and the Anti-Monopoly law, PTT shall not take advantage of consumers, but shall operate neutrally on its best interests without taking advantage of its business partners.
- 3.3 PTT shall consider the welfare of its personnel. Their employment contracts shall be fair. Reasonable remuneration shall be appropriate to the employee's capability and maintaining their motivation. Training and development shall be provided to enhance the performance of employees. PTT shall maintain a high standard of safety and a disciplined work environment. An appropriate compensation plan shall be drawn up if, under any circumstances, a PTT employee must cease working for the company.

- 3.4 PTT shall establish a Corporate Social Responsibility department to provide support and contribute to the community and society as a whole. PTT shall have a plan to protect the environment and maintain safety in its operations, especially if PTT operations produce an adverse effect on the environment. PTT shall have an appropriate plan for responding to accidents and shall prepare sustainable remedial plans to protect the environment and maintain its reputation in the community.
- 3.5 The Board shall consistently and continuously address PTT's consideration of and concern for its stakeholders.

4. Information Disclosure and Transparency

PTT has an obligation to disclose accurate information of significance to its stakeholders to support their decision-making. Disclosure indicates operational transparency, which is both a key factor for building investor trust and an inspection mechanism for PTT. Therefore, PTT shall emphasise the disclosure of information and expand its communication channels.

- 4.1 The Board has a duty to disclose both financial and non-financial information. Such disclosures should be adequate, reliable and current. PTT's shareholders and stakeholders obtain information equally, as the law, regulations and rules of PTT and related state agencies require. PTT shall develop the company's website and regularly update information to ensure its completeness, accuracy and timeliness. Shareholders shall be able to conveniently and efficiently access all relevant information and contact the business unit responsible for its disclosure.

- 4.2 A Corporate Communications Department shall be established to regularly publish useful information for shareholders, investors, employee, related parties and the general public. In addition, an Investor Relations Department shall represent PTT in collaboration with institutional investors, creditors, securities analysts and shareholders through quick, convenient and accessible communication channels.
- 4.3 The Board must ensure that the balance sheet, profit and loss statement and the company's audit report, as well as the Board's report, are prepared and presented to the shareholders at the Shareholders' Meeting for their approval.
- 4.4 The Board is required to prepare a summary report of PTT's status and outlook for the annual report along with a statement of the Board's responsibilities in the preparation of the financial statements along with the auditor's report. The Board shall also provide a management report supporting the analysis in addition to the financial statements, audit reports and the meeting attendance records of the directors and / or members of specific committees in annual comparisons.
- 4.5 The Board shall disclose any changes in PTT's securities holdings in accordance with the regulations established by the Securities and Exchange Commission and provide the report of such changes to the Board of Directors' Meeting and shall be disclosed in the Annual Information Disclosure (Form 56-1) and Annual Report (Form 56-2).



5. Responsibilities of the Board

PTT's Board of Directors shall comprise the persons who have knowledge, expertise and experience considered beneficial to the company. They shall devote their time to their duties and endeavor to perform them well. The Board is appointed by shareholders to oversee the company's operation. The Board in turn appoints the management team in charge of business operation; the specific committees to oversee the delegated specific matters; the company's auditor; and the Corporate Secretary to manage meetings and the compliance with laws and regulations.

5.1 Composition, Qualification and Appointment of the Board

The Board of directors, led by the Chairman of the Board, shall direct and control management to ensure the effectiveness and efficiency of operations, achieving the company's targets and adding value for shareholders, the government, the general public and other stakeholders.

- 5.1.1 The Board must comprise a minimum of five, but not exceed fifteen members, and must constitute the maximum number of professional, Independent Directors possible, but not less than half of the total number of directors. Thereby, the Chairman of the Board should be an independent director.
- 5.1.2 The Board members should represent diverse fields. At least three should have expertise in the petroleum business, at least one in law and one in finance and accounting.
- 5.1.3 Each director must be qualified under the Public Company law and the Standard Qualifications for State Enterprise Directors and Employees law. Each director must have no record of suspicion concerning any behaviour against the fiduciary duty for public limited company under the law or the regulations and notifications announced by the Securities and Exchange Commission.

- 5.1.4 The appointment of Board members must be transparent with regardless of gender, race or religion. The Nominating Committee shall initiate the nomination process and nominate candidates for the position of director. The list of candidates and their appropriate resume shall be provided to the Board for consideration and presented at the Shareholders' Meeting for approval.
- 5.1.5 The profile of all directors must be disclosed in the Annual Information Disclosure (Form 56-1), Annual Report (Form 56-2) and on the PTT website.
- 5.1.6 Within three months after their appointment, newly appointed directors shall be briefed with the necessary and useful information to perform their duties as the company's directors.
- 5.1.7 PTT directors shall serve in a director position for a state enterprise and / or a juristic person as follows:
 - 5.1.7.1 Serving in a director position for no more than three state enterprises and / or juristic persons shared by a state enterprise.
 - 5.1.7.2 Serving in a director position for no more than five companies listed in the Stock Exchange of Thailand, which must not contradict the criteria in 5.1.7.1

The total number of director positions in 5.1.7.1 and 5.1.7.2 must not exceed five(5).
- 5.1.8 Independent director and member of specific committee shall serve no more than nine consecutive years.
- 5.1.9 PTT directors shall not be more than sixty-five years of age.

5.2 Independence of the Board

Directors shall consider, express opinions on and vote for activities under their authority. The independence of the Board must be emphasised in order to protect the company's benefits. If a decision is made under pressure from work, family or any conflict of interest, it may be biased to benefit the director, their family or other contacts. Therefore, any director who is not wholly independent shall not make decisions.

- 5.2.1 To ensure that the Board of Directors, led by the Chairman, can effectively and efficiently direct and control management, the roles of Chairman and the President and Chief Executive Officer of the Company shall be clearly segregated.
- 5.2.2 Independent Directors must have access to financial information and other business matters so they are able to express their opinion independently and protect stakeholders' interests. The Independent Directors' meeting must be held at least once a year. Independent Directors shall prepare a report verifying their independence upon their appointment and annually thereafter and information in the report shall be disclosed in PTT's annual report.
- 5.2.3 An Independent Director must be qualified under the Securities and Exchange Commission's notification regarding the qualifications and scope of work of the Audit Committee, as well as other qualifications as required by PTT (*as defined in the Appendix*). The Independent Directors must work equitably on behalf of the best interests of all shareholders and prevents conflicts of interest between PTT and management, major shareholders, or other companies sharing common management or major shareholders. Independent Directors must freely express their opinion in meetings as specified in Roles and Responsibilities of PTT Independent Directors (*in the Appendix*).

5.3 Roles, Responsibilities and Authority of the Board

The Board shall act professionally on behalf of the shareholders with high responsibility and accountability in order to steer the company in the right directions, make decisions on important matters with care and loyalty, and protect the benefits of all stakeholders. Therefore, the Board must perform their duties independently from management. Responsibilities of the Board also include, but are not limited to, overseeing management's operations and results, managing risks and determining remuneration.

- 5.3.1 The Board is authorized to supervise and manage PTT under applicable law, objectives, articles of association and resolutions of the Shareholders' Meeting.
- 5.3.2 The Board shall emphasize and devote time to establishing PTT's vision, direction, strategy, policies and major plan. They shall express their views, seeking relevant and useful information for setting direction and considering potential risk factors in order to ensure that management can implement the determined vision, direction, strategies, policies and plans effectively. Thereby, the board shall review vision, direction and strategy annually.
- 5.3.3 The Board shall review and endorse the company's strategies and policies including objectives, financial targets, budgets and other business plans at least once a year in order to fully share opinions. The Board shall regularly monitor, supervise, control and review the performance of management to ensure that they are performing according to the approved business plans in line with the company's direction and strategy.
- 5.3.4 The Board shall ensure that the company's accounting system, financial reporting and auditing are reliable, and the processes for assessing internal controls and internal audit are effective and efficient.

- 5.3.5 The Board shall review and approve significant transactions that create obligations for PTT in line with relevant laws and PTT's rules, policies, regulations or operational authority e.g. connected transactions, key transaction with optimal interests of shareholders and stakeholders as a whole. The Board also shall oversee and resolve potential conflicts of interest or connected transactions.
- 5.3.6 The Board shall ensure that potential risk factors are considered and the comprehensive risk management policy is established. The management are obliged to implement the policies and report the results thereof regularly to the Board. The Board shall review and evaluate risk management processes and systems by emphasizing the potential signs of alarm and irregularity while seeking business opportunities arising from such risks.
- 5.3.7 The Board shall establish a proper remuneration system or mechanism for PTT's senior executives to motivate them in both short- and long-term.
- 5.3.8 The Board must conduct an annual self assessment to examine its performance and disclose the results in the Annual Report.
- 5.3.9 The Board shall assign the President and Chief Executive Officer to take responsibility for daily management of PTT's operations, ensuring that the operations are in compliance with strategic plans, business directions, objectives, policies and budget approved by the Board. In addition, the President and Chief Executive Officer's performance shall be appraised on a regular basis and his / her remuneration package shall conform with his / her performance.
- 5.3.10 The Board shall provide appropriate communication channels for shareholders and the disclosure of information shall be monitored to ensure high standards of accuracy, clarity, transparency and reliability.

- 5.3.11 The members of the Board shall be leaders and role models for performing duties in accordance with PTT's principles of good corporate governance.
- 5.3.12 When the company gains sufficient profits and does not retain cumulative loss, the Board shall propose the distribution of dividends for shareholders' approval at the Shareholders' Meeting.

5.4 Roles and Responsibilities of Chairman of the Board

- 5.4.1 The Chairman is independent from the management and have not to involve in routine management with clear segregation of roles between the Chairman and the management.
- 5.4.2 The Chairman shall regulate the Board for ensuring high efficient operations. Also, the Chairman shall support and provide assistance to the management's operations as under the authority delegated by the Board.
- 5.4.3 The Chairman shall determine, together with the President and Chief Executive Officer, the Board's Meeting agenda.
- 5.4.4 The Chairman shall serve as an effective Chairman of the Board's Meetings and the Shareholders' Meetings.
- 5.4.5 The Chairman shall encourage the directors to perform their duty with responsibility to shareholders and stakeholders, and adhere to PTT's Corporate Governance, Ethical Standards and Code of Business Ethics.

5.5 Establishment of Specific Committees

To ensure thorough and efficient examination of key operation, the Board has established the following four specific committees:

- 5.5.1 **The Audit Committee** shall comprise at least three PTT directors, with at least one member having financial and accounting expertise. The Audit Committee members must bear independent qualifications in accordance with the Securities and Exchange Commission's notification regarding the qualifications and scope of work of Audit Committees.

Duties and Responsibilities

- Review and reassess the adequacy of the Audit Committee Charter annually in accordance with PTT strategic objectives. Final approval of the charter resides with PTT Board of Directors.
- Review the effectiveness and efficiency of governance, risk management and control processes.
- Review and ensure that PTT financial statement is appropriate and in accordance with the accounting standards.
- Review and ensure that PTT business processes are in accordance with the Securities Law, the Stock Exchange's regulations, policy, rules, ordinances, the Articles, the Cabinet Resolutions and the relevant laws.
- Review and ensure that PTT internal audit system is appropriate including the sufficiency of internal audit budget, resource, and the organizational independence of the internal audit activity.
- Consider any connected or Conflict of Interest transaction or fraud occurrence that may affect PTT business in accordance with the Stock Exchange's regulations and rules.
- Recommend to PTT Board of Directors, the Chief Audit Executive appointment, removal and performance.
- Recommend to PTT Board of Directors, the external auditor nomination, appointment or termination including its fee.

- Coordinate with the external auditor and may purpose to review or assess any significant accounting and reporting issues.
- Report to PTT Board of Directors, the Audit Committee performance at least one time quarterly. For the fourth quarter, the Audit Committee Annual Report must be prepared and submitted to Responsible Ministry of Government agencies and the Ministry of Finance.
- Report to PTT Board of Directors, the Audit Committee performance on internal audit activity assessment at least one time annually.
- Disclose the Audit Committee Annual Report and the external auditor annual fee in the PTT annual report.
- Either the Chairman or a member of the Audit Committee must attend the PTT annual general shareholder meeting.
- If competent advice or assistance is needed to perform internal audit activity or other the Audit Committee tasks, the Audit Committee can purpose PTT Board of Directors to appoint any independent consultant or expert. The costs and expenses of such services or invitations shall be on PTT's account.
- Inform the CEO, any breach of the Securities Law, the Stock Exchange's regulations, policy, rules, ordinances, the Articles, the Cabinet Resolutions and the relevant laws to resolve the issue.
- Meet at least one time quarterly and must hold private meeting with the external auditor at least one time annually.
- Officially meet with the managements at least one time annually.
- Perform any designated tasks by the laws or PTT Board of Directors under the Audit Committee duties and responsibilities.

- 5.5.2 **The Nominating Committee** shall comprise at least three PTT directors, at least one or half of whom must be an Independent Director. Thereby, the Chairman thereof should be an Independent Director.

Duties and Responsibilities

- Define the methods and criteria for directors' nomination for transparency.
- Select director nominees to fill vacancies (due to resignation or term completion) for the Board's or the shareholders' meeting's consideration and appointment regarding to the composition of the Board, expertise, competencies and experience that would be useful to PTT in compliance with PTT's Board Skill Matrix and the Director's Pool of Ministry of Finance and IOD. Equally important, nominees must have no conflicts of interest with PTT. The qualifications of desirable directors must prove compatible with PTT's business strategies.
- Propose directors for committee duties with due regard for the compositions of the committees in question, qualifications, expertise and competencies. Then these names are to be tabled for the Board's appointment. An exception is for the committee itself, appointed by the Board.
- By its mandate, be accountable to the Board directly while the Board is accountable to all stakeholders.
- Assess its own performance and report the findings to the Board for acknowledgment and disclose them in the annual report.
- Disclose its own performance in the annual report.
- Hold at least two meetings a year.
- Perform other Board-assigned tasks.

5.5.3 **The Remuneration Committee** shall comprise at least three PTT directors, at least one or half of whom must be an Independent Director. Thereby, the Chairman thereof should be an Independent Director.

Duties and Responsibilities

- Define the criteria or method for compensation and propose fair, sensible compensation for the directors and the committee members for the Board's and the shareholders' approval.
- Propose guidelines for assessing the performance outcomes and compensation for the President and Chief Executive Officer for the Board's approval.
- Acknowledge and comment on organization restructuring and job levels, and assess and decide compensation for the senior executive vice presidents.
- By its mandate, be accountable to the Board directly while the Board is accountable to all stakeholders.
- Assess its own performance and report the findings to the Board for acknowledgment and disclose it in the annual report.
- Disclose its own performance in the annual report.
- Hold at least two meetings a year.
- Perform other Board-assigned tasks.

- 5.5.4 **The Corporate Governance Committee** shall comprise at least three PTT Independent Directors.

Duties and responsibilities

- The duties and responsibilities on Corporate Governance, Operational Risk Management and Internal Control, and Compliance (GRC), Anti-Fraud and Corruption, Sustainability Management (SM) and Corporate Social Responsibility (CSR) include the following matter;
 - Advise the Board and the Management on matters dealing with the PTT Good Corporate Governance, Code of Conduct and Code of Business Ethics.
 - Review and endorse strategies, objectives, framework, including policies and guidelines annually to be aligned with PTT's strategies and objectives, as well as international practices.
 - Monitor the implementation and report to the Board
 - Advise the Governance, Risk, Compliance Management Committee (GRCMC)
- Establish the policy of allowing minority shareholders to nominate directors and propose AGM agenda items.
- Establish the policies and define the scopes for supervising matters dealing with PTT's whistleblowing mechanism for complaints and anti-fraud and corruption practices.
- Perform other Board-assigned tasks.
- Hold at least one meeting each quarter.

5.5.5 **The Enterprise Risk Management Committee** shall comprise at least three PTT Directors, at least one of whom must be an Independent Director.

Duties and Responsibilities

- Define and review PTT's risk management and corporate stakeholder management policies and scopes.
- Supervise and support risk management and stakeholder management practices in line with strategies and business goals as well as prevailing circumstances.
- Provide recommendations, monitor, and evaluate risk management and stakeholder management for further implementation of the Corporate Plan and Risk Management Committee (CPRC) (management level).
- Review risk management outcome reports and provide recommendations on risks, including specifications of control measures or mitigation plans and development of the risk management system to CPRC for continued efficiency.
- Review reports of corporate stakeholder management outcomes and provide recommendations on relevant plans to extend positive outcomes or minimize/offset potential impacts on stakeholders, including development of the stakeholder management system for CPRC to ensure continued efficiency.
- Support the Chief Risk Officer (CRO) and Chief Stakeholder Officer (CSO) in achieving PTT's corporate risk management and stakeholder management goals.
- Report risk management outcomes and stakeholder management outcomes to the Board at least every quarter. For factors or events with potential significant impacts on PTT, the Board must be notified immediately.
- Screen and comment before submitting for the Board's approval contractual items that are complicated businesswise and contain risks potentially affecting PTT or potentially and significantly affecting PTT's stakeholders, as endorsed by the Management Committee.
- Screen and comment on investment agenda:
 - PTT's and PTT Group's wholly-owned investment projects with investment values exceeding THB 5 billion presented to the Board for approval.
 - PTT's investment projects in companies where it holds less than 100% shares and those not SET-listed, with investment values exceeding THB 5 billion, presented to the Board for approval before PTT's representative votes in the shareholders' meetings or board meetings in question.
 - Investment with risks potentially significantly impacting PTT or its stakeholders, as endorsed by the Management Committee.
- Define and review the corporate innovation policy.
- Provide recommendations and guidelines for the monitoring and assessment of the long-term and annual innovation management master plan for further implementation.
- Supervise and promote implementation under the innovation policy and master plan to ensure that the annual operation plan can achieve its goals.
- Report the results of the implementation outcomes of creative thinking and innovation to the Board for acknowledgement at least every quarter.
- Hold at least one meeting each quarter.
- Perform other Board-assigned duties.

5.6 Board Meetings and Receipt of Relevant Documents and Information

Every Board member should attend the Board meetings on a regular basis. The Office of President is responsible for coordinating the meetings, arranging the venue and preparing the appropriate documents. Each director shall be informed in advance of the date and agenda of the meeting and receive supporting information.

- 5.6.1 The Board should fully devote its time and efforts to concentrating on PTT's operation and shall regularly hold meetings, at least once a month or more frequently, as deemed necessary. The Corporate Secretary shall coordinate the meetings and prepare necessary documents and invitations. The quorum shall comprise at least half the total number of directors.
- 5.6.2 If a director is necessarily unable to attend a meeting, a written notice must be submitted to the Chairman of the Board. If a director is absent from more than three consecutive Board meetings without an acceptable reason, it shall be interpreted as unwillingness to act as a director of PTT.
- 5.6.3 The Chairman, in consultation with the President and Chief Executive Officer, approves the meeting's agenda. The President and Chief Executive Officer shall consider proposals from directors for additional important agenda items for the next meeting.
- 5.6.4 The Chairman must ensure that the Board allocates sufficient time for the management to present information and for directors to discuss important matters.
- 5.6.5 The Chairman should ensure that directors receive relevant information at least seven days in advance of each Board meeting to allow adequate time to study, examine and decide important matters. Exceptions may be made in certain emergency situations.
- 5.6.6 The Board can request supplementary documents, information, advice and other services concerning PTT's operation from senior executives to support the information in each meeting. The Corporate Secretary shall

collaborate in the delivery of such information and services. The Board can request, at PTT's expense, independent advice from external advisors as necessary.

- 5.6.7 On Board voting, the minimum quorum must consist of no less than two-thirds of the total attending directors. However, if the quorum is not present as prescribed, it is then at the Chairman's discretion whether to proceed with the meeting.
- 5.6.8 Any director who may either have interest or involvement in any item on the agenda must not vote or express views on that item and / or shall leave the meeting room when it is discussed.
- 5.6.9 The minutes of the Board meetings must be clear and contain the resolutions of the meeting and the comments of the Board for reference.

5.7 Corporate Secretary

The Corporate Secretary is responsible for arranging Board meetings and the Shareholder's Meeting to ensure that they are organized in a transparent way and in compliance with applicable law and regulations.

- 5.7.1 The Board shall appoint the Corporate Secretary in accordance with the Securities and Exchange law. The responsibilities of the Corporate Secretary are to assemble documents for meetings, retain and submit a copy of the report of interests filed by directors or executives to the Chairman of the Board and the Chairman of the Audit Committee within seven days. The Corporate Secretary shall be in charge of other tasks as directed by the Capital Market Supervisory Board in accordance with the Securities and Exchange law. After appointing the Corporate Secretary, the Chairman of the Board shall notify the Office of the Capital Market Supervisory Board within 14 days.
- 5.7.2 Corporate Secretary is responsible for arranging the Board Meetings and the Shareholders Meeting as well as providing legal advice, training and other useful information to the Board.

5.8 Evaluation of the Performance of the Board

The Board shall evaluate its performance annually to be used as the framework for evaluating the Board's performance. This is, to consider, review and analyze the operation outcomes in order to develop and improve the Board's performance. The Performance Assessment Form consists of the following evaluations:

- Assessment of the Board
- Assessment of Individual Directors (Self-assessment)
- Individual Assessment of Other Directors (Cross-assessments)
- Self-assessment of the Committees (the entire committees)

The performance evaluation results shall be reported to the Board and disclosed in the annual report.

5.9 Remuneration of Directors and the President and Chief Executive Officer

The Board and the President and Chief Executive Officer shall not remunerate themselves due to conflict of interest. The Remuneration Committee shall be responsible for determining remunerations and proposing them to the Board and shareholders for subsequent approval.

- 5.9.1 The Remuneration Committee is responsible for providing advice to the Board concerning the remuneration of directors and the President and Chief Executive Officer. The formulation and structure of such remuneration shall be fair and reflect the Board's performance and responsibilities. The package should be attractive enough to retain decent directors, or competitive with the general level in the same industry. The structure of the remuneration shall be clear, transparent and easy to comprehend.
- 5.9.2 Shareholders have the rights to consider remuneration structures and policies for each directorial position annually. The Board shall propose remuneration packages as an item on the agenda for shareholders to consider at the Shareholders' Meeting.
- 5.9.3 The Board and senior executives must disclose the policy, principle and rationale under lying the director's remuneration in the PTT annual report and financial statements.

5.10 Succession Plan

The Board must ensure that PTT has an appropriate nomination process for key management positions at all levels. The President and Chief Executive Officer will be selected through a nomination process that will consider both internal and external candidates which follow the Standard Qualifications of Directors and State Enterprise Officer Act.

PTT has taken steps to develop its executives and set up Group Leader Development to lay down a succession plan for personnel when the time comes for assuming higher positions that become vacant, namely: the President and Chief Executive Officer, Senior Executive Vice President or equivalent, Executive Vice President or equivalent, and Vice President or equivalent.

5.11 Directors' Development

For new directors, PTT arranges an orientation program and provides each director with a Directors' handbook, documents and useful information. Furthermore, the lectures on introduction to PTT's business operations, including policies and practices of good corporate governance, are provided in order to create knowledge and good understanding of the company.

The directors are also required to enhance their knowledge, capability and skills in terms of business operation, good corporate governance and other courses that are beneficial to their operations. Accordingly, PTT shall support and encourage their training with Institute of Directors Association (IOD) as well as other institutions in all relevant courses throughout the year.

In addition, PTT supports their training with regular in-house briefing by experts and consultant companies with helpful business data.

5.12 The Criteria for Serving in Various Positions of PTT Group's Executives

The principles for PTT Group executives when taking the positions as committee, advisor, professional or other positions in other companies or other juristic persons, effective from 31 January 2014, shall be as follows:

- (1) In case the chief executives of PTT Group are appointed by the royal command or by the cabinet, according to any jurisdiction, to take other positions apart from working for PTT Group, the chief executives shall notify the board, which they are working for, of such appointment.
- (2) In case the chief executives of PTT Group are appointed by government units, state-enterprises, NGO or public education institutes to take the position as committee, member of a working group, specialist, professional, advisor or other positions apart from working for PTT Group, the chief executives shall notify the board, which they are working for, of such appointment for their consideration and acknowledgement.
- (3) In case the chief executives of PTT Group are about to take the position as committee, member of a working group, specialist, professional, advisor, or other positions in other companies or other juristic persons apart from those provided in item (2) and not working for PTT Group, the chief executives shall notify the board, which they are working for, before accepting such appointment.
- (4) The executives and the employees who are not the chief executives of PTT Group but subjected to item (1), (2) and (3) above shall notify the chief executives of PTT Group for recognition and consideration, before accepting such appointment.
- (5) In case the taking of other positions as the chief executives in item (1), (2), or (3) and other positions as the executives and the employees, who are not the chief executives in item (4) occur before this principles is being approved and these persons are still working in the positions at present, these persons shall notify the board or the chief executives of PTT Group for recognition.



PTT's Code of
Business Ethics

03



Definition and Meaning

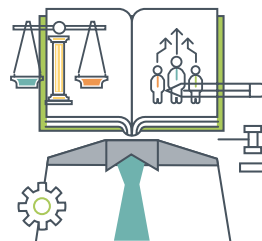
PTT's Ethical Standards is

a set of standards for decent behaviors of PTT personnel.

PTT's Code of Business Ethics is

the code of behaviors that PTT personnel should follow in order to protect and promote the reputation and prestige of PTT.

The PTT's Code of Business Ethics is a code of frameworks, standards, conducts and behaviours that all PTT personnel, including the Board, management and employees at all levels, in all units, shall adopt when operating the business and conducting their work. They shall be applied consistently, with ethical and moral integrity in an orderly manner, with fairness, in order to establish firm foundations and maintain PTT's image as an organization with sustainable growth.



1. Ethics for Compliance with Laws and Regulations, and Human Rights Principles

Global society is governed by rules of law. Although each country that PTT invests in or associates with has a different legal system, culture and traditions, they share common Human Rights Principles. PTT and its personnel shall respect and operate in compliance with them as well as adhere to the righteousness, fairness and legitimacy.

Good Practices

- 1.1 PTT personnel shall understand and abide by laws related to his / her roles and responsibilities. In case of doubt, they must consult the Legal Department. When doubt arises, do not proceed without taking legal advice.
- 1.2 When PTT personnel perform their duties overseas, they must understand the laws, traditions, customs and cultures of their destination countries before departure to ensure that merchandise, samples and all belongings; travel documents; trip objectives and designated tasks are legitimate and culturally acceptable.
- 1.3 PTT shall systematically collect laws, government rulings and regulations for PTT personnel to study and provide appropriate legal training for PTT personnel if necessary. PTT directors shall provide orientation and legal training on applicable laws and regulations for executives and employees.
- 1.4 PTT shall strictly abide by Human Rights Principles and provide PTT personnel with knowledge and understanding of Human Rights Principles in order that they can apply such principles in their work. PTT shall not support any business that violates Human Rights Principles.

2. Ethics for Anti-Money Laundering

PTT raise the awareness of the importance of national and international laws on Anti-Money Laundering and Combating the Financing of Terrorism (AML / CFT). Therefore, PTT has established the practices that conform to the Anti-Money Laundering Act with an aim to prevent itself at all times from falling into any cycle of money laundering or the financing of terrorism. PTT places great importance on the stringent monitoring and reporting to responsible authorities any sign of misconduct or unlawful acts. And at the same time, accurate accounts and records of all transactions, financial facts and assets, are to be professionally and properly maintained as stipulated by applicable national and international laws.

Good Practices

- 2.1 PTT personnel are required to strictly comply with applicable national and international laws, rules and regulations in respect of the Anti-Money Laundering and Combating the Financing of Terrorism in every region or country where they conduct business.

- 2.2 Before engaging in business, PTT personnel are to be reminded to obtain fundamental facts regarding the customers or trading partners they are dealing with. Such facts include basic business information like people who are directors and the person with authorised signatories, rules and regulations; their business objectives, as well as, business relationships with PTT. The information can be obtained simply by checking with readily available government documents or those issued by trustworthy independent organizations in order to prevent PTT from being used as an intermediary in money laundering or terrorism financing.

- 2.3 Fully co-operate with relevant agencies in complying with regulatory national and international measures to prevent and suppress money laundering and combat terrorism financing.
- 2.4 Refrain from any acts aimed at concealing or covering up any unlawful conditions in order to make them appear legal. The conditions include the acquisition of any location, distribution right, transfer right, or any other rights which involve illegal activities according to the Anti-Money Laundering and Combating the Financing of Terrorism (AML / CFT). Also, any behavior that supports the aforementioned acts must be avoided.
- 2.5 Caution must be taken when completing a transaction with any person or juristic person suspected of violating the laws on money laundering and terrorism financing. The violations are, for example, offenses relating to drugs and sexuality (such as trafficking in women and children, and female prostitution); public fraud; embezzlement and business fraud in financial institutions; malfeasance; any act of extortion, blackmail or any similar illegal wrongdoing; customs evasion according to customs law; terrorism offences according to the Criminal Code gambling offences (only when charged for hosting or facilitating gambling activities); election fraud; and human trafficking.

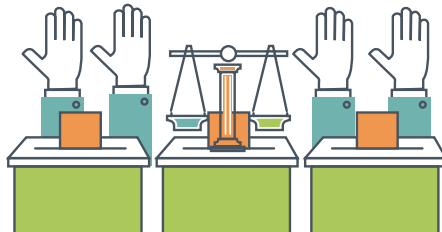


3. Ethics for Political Support

PTT is a politically neutral organization and does not support any political party, group, or politician at the national, international or global level. PTT supports its personnel to uphold the democratic regime of government with the King as Head of State, as well as activities that align with the local governing system and encourages its personnel to exercise their political rights in compliance with law.

Good Practices

- 3.1 PTT shall be a politically neutral organization. It is prohibited to utilize its resources directly or indirectly to support the political activities of any political party, group or politician nor may anybody exploit its resources and / or premises for political purposes.
- 3.2 PTT encourages its employees to express, join, support and exercise their political rights outside office hours, using their personal resources only. PTT personnel are prohibited from using PTT's authority, resources, capital or reputation for fundraising or political purposes.
- 3.3 PTT does not support lobbying on inappropriate, unreasonable or unethical principles such as utilising personal relationships or offering paybacks.



4. Ethics for Stakeholding and Conflicts of Interest

PTT personnel shall carry out their duties for the optimal benefits of the Nation and PTT, without any regard for personal interest or influence from close relationships, by neither seeking for their own benefit nor having the conflict of interest, PTT personnel shall always consider their duty to avoid conflicts of interest. If a conflict of interest occurs, PTT personnel shall refrain from involvement in such operation and a replacement will be sought to avoid any accusation of conflict of interest or abuse of authority for personal benefit that may damage PTT. All PTT personnel shall strictly comply with precautionary measures and disclosure policy as directed by PTT.

Good Practices

- 4.1 PTT personnel are prohibited from using personal influence or authority in executing transactions between PTT and themselves; any partnership or other legal entity; to which they may belong; or their relatives beyond the ordinary welfare and benefits that PTT personnel deserve. Exceptions may be made if conflict of interest is disclosed and approval is specifically granted or approval is obtained in principle.
- 4.2 PTT personnel and their relatives may enter normal business agreements not influenced by PTT personnel and such business terms and conditions shall be conducted at arm's length with PTT or its subsidiaries.
- 4.3 Any orders given for self-benefit are prohibited.

- 4.4 When agenda items are raised during the meetings, any person with a conflict of interest shall temporarily leave the meeting and shall not be given any related meeting documents to allow other attendees to consider, analyze and discuss the item without the influence of such person.
- 4.5 The Board and executives shall consider connected transactions between PTT and its subsidiaries or affiliates independently with prudence and honesty and ethically taking into account the benefits to PTT.
- 4.6 PTT personnel at all levels shall report every potential conflict of interest that may arise involving themselves and / or their relatives using the designated form provided in this handbook. They shall report to their direct supervisor and submit the report to Good Governance and Corporate Ethics Department. PTT personnel shall review and assess conflicts of interest as indicated in the annual self-assessment plan.
- 4.7 Directors, executives and the company's auditors must report any conflict of interest with PTT, its subsidiaries or affiliates, as well as their PTT share holdings or those of connected persons in accordance with the rules and regulations established by the Securities and Exchange law.
- 4.8 Secondment to PTT subsidiaries or affiliates is allowed with approval from supervisors, executives or directors, on a case-by-case basis. PTT personnel shall not accept any temporary or permanent external engagements considered as competing with PTT's business operations or that might cause any conflicts of interest. Exceptions may be made with the specific approval of supervisors.
- 4.9 The hiring of PTT personnel's relative shall be undertaken on a transparent and fair basis, as with others with the same qualifications. PTT personnel shall not intervene in, influence or facilitate the hiring of their relatives.

5. Ethics for Confidentiality, Safeguarding and Use of Inside Information

Confidential information is not public information; it is information that would adversely affect or severely damage the company if disclosed to the public or competitors. Confidential information includes all information given in trust to PTT from trade partners and customers. PTT is responsible for maintaining the confidentiality of information and may only disclose it to authorized personnel. It is the duty of the person in charge of or possessing the information to strictly maintain confidentiality and safeguard the information.

Good Practices

- 5.1 PTT shall establish appropriate levels of confidentiality and applicable procedures. PTT personnel must understand each confidentiality level. PTT personnel shall seal confidential information to keep it from being viewed by unauthorized PTT personnel or the public.
- 5.2 PTT personnel shall not disclose confidential information even after their retirement, resignation or termination of their position at PTT.
- 5.3 PTT shall maintain customer and trade privacy. PTT personnel shall not disclose private information to the public or other unauthorized PTT personnel unless it is required by law, for court cases, or approved by the Board.
- 5.4 Inside information is operational and managerial confidential information that is not yet ready to be disclosed to the public. If such information was disclosed, it would impact PTT, its subsidiaries and affiliates, particularly the trading prices of PTT shares on the stock exchange. PTT personnel must maintain the confidentiality of inside information and shall not disclose, exploit for self gain or to affect PTT's benefit.

- 5.5 PTT personnel shall receive warnings notices and campaigns regarding inside information, especially in relation to important situations such as the issue of company shares or debentures. PTT personnel shall strictly comply with PTT's good corporate governance in terms of Use of inside information in Section 2 Equitable Treatment of Shareholders, item 2.4.
- 5.6 When employing candidates who have previously worked with competitors or the government, PTT shall enquire and study any confidential agreements the candidates may have had with their previous employers. PTT shall not force the candidate to break their agreement with trade competitors or the government, which might give rise to consequent legal actions.
- 5.7 Information shall only be disclosed by authorized PTT personnel. Unauthorized personnel shall not disclose the information. If any unauthorized person is asked to disclose information, a direct enquiry must be made to the authorized person to ensure the correctness and consistency of the disclosed information.
- 5.8 PTT personnel shall retain information, both on paper and in an electronic format, for at least ten years for future retrieval. For such documents that must be kept in compliance with the law, PTT personnel shall consider the requirements on a case-by-case basis and safely destroy such documents when their retention period has expired.

6. Ethics for Practices with Customers and Consumers

A customer is anyone who purchases goods and services from PTT. A consumer is anyone who uses products and services manufactured and offered by PTT. PTT aims to foster customers and consumers' satisfaction by providing quality products and service at reasonable prices, as well as being accountable to both customers and consumers. In addition, PTT personnel shall promptly, courteously and non-discriminatively provide services to customers and consumers.

Good Practices

- 6.1 PTT is committed to developing high-quality products, providing quick services and offering comprehensive range of products and services to continuously meet the needs of customers and consumers. PTT personnel shall completely devote themselves to fully responding to customers' and consumers' requirements for good-quality products and services at a reasonable price, with fair terms and conditions without any restriction of consumers' fundamental rights.
- 6.2 PTT must neither deceive nor mislead regarding product or service quality. PTT shall conduct detailed surveys or research studies of its products and services advertising. PTT shall promote the consumer's understanding of its products and services without deception.
- 6.3 PTT shall strive to develop the safety of its products and services. PTT shall provide warning labels and product description, inspect safety on PTT premises and strictly and continuously encourage and train its personnel on consumer safety. PTT will take responsibility when any accident occurs to consumers who use our products or services correctly.

7. Ethics for Practices with Business Competitors

Business competitors are outsiders with whom PTT competes liberally, adopting a capitalist approach. Competition shall be fair, without information distortion, deception or other malicious means of competition. In some circumstances, PTT may need to cooperate with its business competitors and such cooperation shall be transparent and not conceal illegal agreements.

Good Practices

- 7.1 PTT operates its business by free and fair competition. Untruthful accusations libel, unreasonable or doubtful information to discredit competitors shall not be tolerated.
- 7.2 PTT shall promote beneficial cooperation with its business competitors when it benefits consumers. Cooperation between PTT and its business competitors shall not take the form of monopoly, trade cartels, decreasing the quality standards of products and services, or price fixing. PTT personnel shall in all circumstances associate carefully with business competitors and their personnel and shall not disclose confidential information either intentionally or negligently to trade competitors.
- 7.3 Any merger or acquisition between PTT and its business competitors shall be transparent and after such transaction, PTT shall not use its dominant market power in any way that would harm consumers' interests.



8. Ethics for Procurement and Practices with Trade Partners

PTT regards procurement an important process to support its business operation under good corporate governance and thorough review as a state-owned enterprise. Trade partners are underscored with equitable treatment under fair competition for long-term business partnership. PTT has defined “PTT Suppliers Sustainable Code of Conduct” along with supply chain management to ensure that our business partners conduct their operation with business ethics, human rights respect, occupational health care and safety and sustainable environmental management.

Good Practices

- 8.1 PTT personnel who need to procure products and services shall consider needs, value, prices and quality. The procurement process shall be transparent. All vendors shall receive information equally and accurately. The vendor selection shall be made with fair treatment, fair competition and without bias. Selection shall be in accordance with academic standards, with care and suited to the circumstances, and strictly comply with law, regulation, relevant order that regulating public agencies.
- 8.2 PTT promotes fair treatment with and among its trade partners. When procuring products and services, PTT personnel should not rush to completion. PTT shall allow trade partners adequate time for preparation. Contracts between PTT and its trade partners shall be fair and drawn up in the presence of a legal advisor.

- 8.3 PTT personnel shall remain neutral, refraining from any request for or acceptance of benefit relevant to the procurement. PTT personnel shall refrain from close association with the trade partner that might, however slightly influence their decision-making. PTT personnel must also comply with the good practices outlined in the Ethics for Stakeholding and Conflicts of Interest.
- 8.4 PTT divisions or personnel in charge of procurement shall keep all documents about approval, price quotation, negotiation, contracts, or the implementation of contracts as supporting evidence for a specific period.
- 8.5 PTT shall strictly adhere to contractual agreements. If either PTT or the trade partner should fail to comply with the agreed terms and conditions or circumstances arise that render compliance impossible, PTT personnel shall discontinue their work and communication with the trade partner and immediately report to their supervisor to seek corrective action, if possible and without detriment to either PTT or its trade partner.
- 8.6 PTT personnel in charge of procurement must monitor trade partners to strictly comply with PTT Suppliers Sustainable Code of Conduct.



9. Ethics for Community, Social and Environmental Responsibilities

PTT cannot be separate from the community in which it operates and has the responsibility to develop sustainably and give back to the community and society as a whole. PTT considers it one of its duties and key policies to become involved in the development of society and the community by concentrating on social; community and environmental development; religious support; conserving and increasing natural resources; educational support for youths; and support encouragement and strengthening of impoverished communities.

Good Practices

- 9.1 PTT will publish information about the business, its social responsibilities and its environmental responsibilities without concealing disclosable information. PTT shall collaboratively and rapidly disclose information to investors, shareholders and public.
- 9.2 PTT seriously and continuously strives to fulfill its social responsibilities regarding quality, safety, health and environmental protection, using natural resources efficiently with due regard to the security and environmental awareness of its stakeholders. PTT also supports environmental conservations and the sustainable development of the quality of life in the community.
- 9.3 PTT shall consider alternative use of natural resources to alleviate adverse effects on the community, environment and quality of life. PTT supports the reduction in consumption of energy and resources.

- 9.4 PTT shall foster awareness of individual social and environmental responsibilities in all personnel at all levels. PTT shall also associate with trade partners who share its concern for social and environmental responsibility. PTT shall lead the efficient conservation of energy for the benefit of future generations.
- 9.5 PTT shall use a portion of its profit to support appropriate social and environmental activities that actually benefit community, society and environment. In the case of donation, PTT shall review recipient information and ensure that any donation it makes is for charity purposes, effectively and efficiently used and adequately documented.



10. Ethics for Treatment of Employees

Employees are the most important part of the business. PTT shall recognize all employees without discrimination, regardless of unit or department. PTT promotes unity, harmony and trust in its employees and encourages them to treat each other with politeness and respect. PTT is committed to protecting its personnel from both internal and external security threats. PTT shall provide a safe and satisfactory working environment and offer appropriate welfare and benefits to employees and use initiative and innovative technology to support their best efforts for PTT's best benefit. All employees shall perform their duties with care; alacrity; diligence; conscientiousness; rationality; smartness; enthusiasm and composure, applying their best professional knowledge.

Good Practices

- 10.1 PTT treats its personnel equally without discrimination, regardless of origin; ethnicity; gender; age; race; religion; disability; financial status; family; or educational background, or other status that is not directly related to their working performance.
- 10.2 PTT shall provide all employees the opportunity to perform to their best ability with reasonable compensation. PTT shall motivate employees by determination of salaries, bonuses and operating expenses under the company's regulations. In addition, PTT shall provide its employees with opportunities for university education as well as short-term and long-term training.
- 10.3 PTT personnel shall perform their duties to the best of their ability and with integrity, fairness, morality and ethics and responsibility. PTT personnel shall not assign any other person to complete their work, either directly or indirectly, except when necessary in specific circumstances or under time constraints when there is no concern over specific capability requirements.

- 10.4 PTT personnel shall perform their duties within the chain of command, receiving orders from and being directly responsible to their supervisor. The chain of command should only be crossed if absolutely necessary. PTT personnel shall refrain from making comments about their supervisors and colleagues that could have adverse effects on the person or PTT and personnel shall be thoughtfully and reasonably open to the opinions of their subordinates and colleagues without prejudice.
- 10.5 PTT personnel shall supervise and monitor the operations of their subordinates so as to prevent the possible failure to doing or refraining their duty. There by, PTT personnel shall consider the merits of subordinates and impose any appropriate penalties for violations with no discrimination, in good faith and in compliance with rules and regulations.
- 10.6 PTT personnel shall use all company resources, labourers, premises and other facilities to carry out their assignments. Their use for other purposes or beyond the benefit to which he or she is entitled is prohibited.
- 10.7 PTT personnel shall be polite and well-dressed and behave in accordance with their roles and the local customs without damaging PTT's image.
- 10.8 PTT personnel may use their name and position for charity fund-raising that PTT sponsors. However, the use of their position and the company name for personal fund-raising is prohibited under any circumstances.
- 10.9 PTT personnel shall cooperate fully with PTT activities or organised to promote unity, harmony and cooperation, including those involving corporate social responsibilities.
- 10.10 PTT personnel shall avoid the risks of sexual harassment by dressing properly, avoiding staying in unseen place or working privately with the supervisor / the unacquainted / opposite gender, or being accompanied by a trusted person when summoned or assigned to do the job out of office hours, etc.

- 10.11 PTT personnel shall not cause trouble, annoyance, assault, or demean other PTT personnel or outsiders. Prohibited behaviors include: sexual assault, insults, verbal or visual obscenity and sexual harassment. In case the practices are detected, they shall be reported to the relevant department.
- 10.12 PTT supports employees' rights in accordance with the State Enterprise Labor Union Law. PTT shall not interfere with labour union activities except those that are against the law, business ethics or that severely damage PTT.



11. Ethics for Creditors

Good Practices

- 11.1 PTT shall stringently, transparently and equally observe contracts / agreements with creditors both in terms of payment and other conditions.
- 11.2 PTT shall consistently report the company's financial status with integrity, accuracy and timeliness to creditors.
- 11.3 If terms and conditions in the contracts / agreements cannot be observed, PTT shall inform creditors in advance to jointly find solutions and remedies.



12. Ethics for Internal Control and Internal Audit

PTT recognizes that public companies necessarily require effective, accurate and reliable internal control and internal audit systems. PTT will establish, maintain and monitor internal control systems to ensure that risks are managed at an acceptable level. Internal control systems will be regularly assessed through an efficient internal audit office monitored by the Audit Committee. Management and employees also recognize the importance of Internal Control and Internal Audits.

Good Practices

- 12.1 PTT shall establish a good control environment with a positive attitude towards internal control and appropriate assessment of significant risks that may impact the company's objectives, goals and success. PTT shall set up appropriate controls for all levels and functions of the entity and provide adequate, reliable and appropriate information technology and communication to both internal and external parties. PTT shall create a monitoring and evaluation system to ensure that internal controls are being implemented appropriately, support the company goals and continually improve to reflect changing circumstances.
- 12.2 PTT shall establish dedicated units directly responsible for risk assessment and risk management; internal control assessment and compliance reviews. Those units shall recommend improvements in internal controls to suit changing circumstances, business environments and risk factors. Senior and middle executives shall fully cooperate with the implementation of such recommendations for improvement.

- 12.3 The Audit Committee shall review the internal control system, risk management system and internal audit system. The Audit Committee shall report the results to the Board of Directors and shareholders.
- 12.4 PTT shall establish an independent unit which directly reports to the Audit Committee. This independent unit shall perform efficient internal audits and shall be adequately resourced with qualified Internal Auditors and operate under the Code of Ethics for Internal Audit Professions.
- 12.5 PTT shall educate personnel to understand and cooperate with internal control and audit systems. Transaction reports shall be regular, precise, accurate, consistent, up-to-date and appropriately reviewed to ensure that the process is strictly followed.
- 12.6 PTT personnel shall support and provide accurate information to the Office of Internal Audit as well as the company's auditors. PTT personnel are responsible for the accuracy of financial information and must report any mistakes or suspicious cases immediately.



13. Ethics for Receiving and Offering Gifts, Assets or Other Benefits

PTT conducts its business with adherence to good corporate governance principles while observing business ethics and transparency. PTT treats all stakeholders equally and avoids any act that may lead to discrimination or may cause conflicts of interest. In this regard, PTT sets no gifts or other benefits policy because the gifts or other benefits may bring about difficulty or effects on performance. The objectives of this policy is to establish a higher standard for business practices in the hope of having all employees perform to the best of their ability without expecting benefits. PTT personnel can learn further information in the announcement of PTT Public Company Limited about Guidelines for Receiving and Offering Gifts, Hospitality, or Other Benefits Under PTT Group's Anti-Fraud and Corruption Policy.

Good Practices

- 13.1 PTT personnel must never receive or offer any gift / souvenir in the form of cash, cheque, bond, share, gold, jewel, property, or equivalent objects for outsiders in any circumstances.
- 13.2 PTT personnel must never receive any gifts, assets or other benefits in any circumstances. They are also required to inform outsiders about PTT's No Gift Policy.
- 13.3 In the event that refusal to accept gifts, souvenirs or other benefits is not appropriate while such gifts, souvenirs, or other benefits cannot be returned to the giver, the recipients shall complete PTT's Gifts, Assets or Other Benefits Acceptance Form and submit it along with the goods received to Good Governance and Corporate Ethics Department. Exception is made for the following;

Consumables with an expiry date of less than one month should be at the discretion of direct executive overseeing department receiving the goods.

- 13.4 Good Governance and Corporate Ethics Department is responsible for collecting all gifts, assets or other benefits, and donating them to persons or organizations outside PTT for charity or for the common good. In case of consumables, the aforementioned practice must be conducted immediately.
- 13.5 Good Governance and Corporate Ethics Department shall report the receiving gifts, assets or other benefits to the President and Chief Executive Officer.
- 13.6 PTT prohibits its personnel and their family members at all levels, under any circumstances, to solicit or receive gifts, assets or other benefits from contractors, sub-contractors, customers, trade partners or other related parties, which may lead to unfair judgments, impair decision-making or create conflicts of interest.
- 13.7 PTT personnel are required to inform the outsiders, contractors, sub-contractors, customers, business partners, or those involved in PTT's business, about PTT's No Gift Policy.
- 13.8 PTT personnel shall not offer bribes or other similar benefits to other PTT personnel or outsiders, especially government officials. When offering gifts, assets or other benefits to government officers in Thailand and other countries, it must be ensured that such offerings are not against the local law and customs.
- 13.9 Expenses for providing business hospitality and other expenses directly relating to business operations are acceptable. However, the expenses must be paid in a reasonable manner.

14. Ethics for Safety, Health and Environment

PTT emphasises the safety and health of its personnel and the surrounding community. PTT is committed to a high-quality, safe and healthy environment as a part of its employees' daily lives and supports the efficient and conservative use of resources for the benefit of the entire community and society.

Good Practices

- 14.1 Safety is important to PTT. It will establish rules, standards and handbooks for quality, safety, health and environmental protection, that are legal and meet international standards, and will require personnel to understand and strictly adhere to them. PTT personnel shall be required to be trained in quality, safety, health and environmental courses according to PTT's standards.
- 14.2 PTT shall make every effort to avoid and prevent losses from accidents, fire, occupational illness and injury, loss or damage of assets, violation of safety measures, improper working practices and other errors. PTT will maintain a safe working environment and regularly train its personnel on safety and security plans. It is the responsibility of executives and employees to report any accidents and incidents following the required procedures.
- 14.3 PTT operates in the energy industry as a professional in petroleum management. PTT shall establish emergency control and prevention plans for all areas in its operations, as well as emergency and crisis management plans to be prepared for any emergencies such as fire, or oil, gas, chemical or waste spills and leaks. PTT shall also have a contingency plan for any other crisis that might interrupt operations or damage the company's image and reputation.

- 14.4 PTT shall have internal communications with employees, contractors' employees and relevant stakeholders to educate them on policies, regulations, procedures and precautions related to quality, safety, health and environment, and shall act accordingly to protect their health, assets and environment.
- 14.5 PTT is committed to seriously and continuously demonstrating social responsibility by recognizing the importance of quality, safety, health and environment and will maximize the benefits of natural resources for the well-being and safety of all stakeholders. PTT will support social activities to protect the environment and enhance the quality of life in the community in accordance with the principles of sustainable development.
- 14.6 If PTT discovers non-compliance with the rules and standards regarding quality, safety, health and environment, or if unsafe operations that severely affect the environment, are discovered, personnel will be required to temporarily cease such operations and notify colleagues, supervisors and related business units for further actions or plans for resolution. Continuing operations in these circumstances shall be strictly prohibited.

15. Ethics for Intellectual Properties and Use of Information Technology and Communication System

To facilitate smooth business operations and enhance education, as well as promote the company, PTT supports its personnel in conducting research; writing books, manuals and articles to publish for PTT and external parties; creating innovative media; and developing communications. PTT personnel shall use PTT information technology and communication channels to communicate with external parties with care and caution, respecting the rights of the owners of intellectual properties.

Good Practices

- 15.1 PTT supports its personnel in writing and publishing books, textbooks and articles for various publications and in developing computer programmes and presentations for education, publication and expression of opinion. Any returns from such work, as well as associated legal rights would belong to the creator. However, PTT shall hold the legal rights and returns from any work commissioned by PTT and / or based on PTT information or knowledge within the company.
- 15.2 PTT supports its personnel in conducting research and the researcher shall own the related rights and returns from their studies. However, PTT shall own the exclusive rights, patent submission rights, patent exclusive rights and any benefits, associated with any such research commissioned and undertaken by PTT, based on PTT information or knowledge within the company.

- 15.3 PTT personnel shall protect the confidentiality and prevent any leak of the company's trade secrets, secret formulas and secret business methods.
- 15.4 PTT encourages its personnel to use the Internet to support their work. PTT personnel shall not perform any act that might interfere with or cause disruption to others on the computer and Internet system in the office. Personnel shall not use the PTT's computer system to release inappropriate information that is against the law, morality, culture or tradition; e.g. causing damage to reputation or property, propagating pornography, sending spam email, disrupting mail forwarding, or advertising merchandise or businesses that are irrelevant to PTT products and services.
- 15.5 PTT personnel shall conduct their business using genuine software and, if they must use a computer or software that belongs to outside parties, they shall check for the copyrights and consult their supervisor. Installing and using illegal software in the office is strictly prohibited.
- 15.6 PTT personnel shall safeguard their passwords and not disclose them to others to prevent unauthorized access to the computer system. Accessing unfamiliar websites should be avoided since it may cause damage to the PTT's computer system.
- 15.7 If PTT personnel request access to PTT's information technology system for temporary employees or contractor's employees, they shall oversee such person's use of the computer and be held responsible for any consequent damages.
- 15.8 PTT shall review, supervise, monitor, investigate and control the use of its information technology system by its personnel to ensure PTT's information system security.



PTT's Anti-Fraud and Corruption Policy



PTT's Anti-Fraud and Corruption Policy

PTT Public Company Limited (PTT) has commitment to honesty, fairness, and transparency in business practice following the principles of good corporate governance. PTT places great importance on compliance with relevant laws and regulations in all business activities in the country and abroad. Also, we are intolerant of direct or indirect fraud and corruption in any form. On these grounds, PTT established an Anti-Fraud and Corruption Policy. All directors, executives, employees and any persons acting for benefit of PTT, or on behalf of PTT must strictly comply with the policy

Definition

Fraud

means to do an act in order to procure, for himself or the other person, any advantage to which he is not entitled by law. This includes asset misappropriation, financial statement fraud, and corruption. Examples of corruption are providing, offering, promising or agreeing to provide, accepting or requesting money, assets or other benefits that are inappropriate to, from or for (i) government officers (ii) private officers or (iii) any relevant person in charge either directly or indirectly in order to do or refrain from their duty of which deliver or preserve inappropriate business affair or other business benefit.

PTT personnel

means PTT's directors, executives and employees at any level.

PTT related person

means contract employees, representatives, subsidiary companies or any person acting for or on behalf of PTT, regardless of whether having the power or authority to take such action.

Scope of Implementation

This policy applies to PTT personnel and PTT related person.



Practices

1. PTT personnel shall strictly comply with PTT's Anti-Fraud and Corruption Policy including fraud and corruption prevention processes.
2. PTT personnel shall perform their duties to the best of their ability and with integrity, fairness, morality, ethics, professional codes of ethics and responsibility.
3. PTT personnel shall not commit or involve in any form of fraud and corruption, whether directly or indirectly. PTT personnel shall comply with the Anti-Fraud and Corruption Policy, Corporate Governance, Ethical Standards and Code of Business Ethics Handbook, including regulations and relevant articles.
4. PTT personnel shall avoid any behaviour that could potentially signal a conflict of interest with PTT. Any action must be reasonable for the benefit of PTT, and not violating any applicable laws and regulations. If any action or circumstance involves conflicts of interest with PTT, such persons shall report the conflicts of interest through channels designated by PTT.
5. PTT personnel shall perform their duties with care in receiving and offering gift, assets or other benefit including hospitality and other expenses. The practice must be in line with Guidelines for Receiving and Offering Gifts, Hospitality, or Other Benefits Under PTT Group's Anti-Fraud and Corruption Policy
6. Donation and contribution by PTT shall have review, approval and audit processes. Document evidences must be precise and comply with PTT regulations. Such process can ensure that donation and contribution are not used to cover fraud and corruptions.
7. PTT shall establish an integrated Governance, Risk, and Compliance (GRC) to promote Anti-Fraud and Corruption oversight, such as risk assessment for fraud and corruption in all business processes, e.g. sales, marketing, procurement, and contracting. PTT shall develop proper mitigation plan, as well as regularly assess the efficiency and effectiveness of such mitigation.

8. PTT shall have human resource management system that reflects anti-fraud and corruption commitment.
9. No PTT Personnel will suffer demotion, penalty or other adverse consequences for refusing to pay bribes or involve in fraud and corruption, even if such refusal may result in PTT losing business. PTT shall have clear communication for this principle.
10. The internal control unit shall report control self-assessment result to internal audit unit for inspection. If any non-compliance to the Anti-Fraud and Corruption Policy is found, a notice to improve controlling measures shall be issued to the non-compliance or related unit.
11. PTT shall establish procedures to ensure that the internal controls of accounting and record keeping process are reviewed to verify the accuracy and appropriateness of the financial report. Also, the process aims to confirm that the evidence for the financial report is sufficient for auditing, as well as ensuring the effectiveness of the anti-fraud and corruption measures.
12. PTT shall provide communication and training that genuinely educate PTT personnel on the Anti-Fraud and Corruption measures, PTT expectations and punishment for violation.
13. PTT shall communicate the Anti-Fraud and Corruption Policy and practice to PTT related person, subsidiaries, affiliates and other controlled companies, business partners and stakeholders including general public through various communication channels. The objective of this communication is to create awareness and ensure that the Anti-Fraud and Corruption Policy is implemented.
14. PTT shall monitor business partners to ensure that the business partners comply with anti-fraud and corruption measures.
15. Internal Audit Department can report -as an urgent matter- violation or suspicious behaviour relating to fraud and corruption to the President and Chief Executive Officer and the Audit Committee. Then the matter will be reported to the Board of Directors.

Whistleblowing Policy and Whistleblower Protection

PTT personnel shall not neglect or ignore any action that may violate the Anti-Fraud and Corruption Policy. When personnel need to notify information or clues, or require consultation on anti-fraud and corruption measures, whistleblowing channels provided by PTT are available. PTT shall provide protection to the whistleblower. This is in accordance with PTT Public Company Limited Articles on Whistleblowing Policy.



Penalty

PTT shall establish appropriate punishment system on non-compliance and direct or indirect violating personnel against the Anti-Fraud and Corruption Policy. Disciplinary punishment including redundancy if deems necessary and legal procedure shall be considered. In the case that PTT related person fails to comply with this policy, PTT may consider terminating the relationship. PTT personnel and PTT related person shall understand and comply with the Anti-Fraud and Corruption Policy in every operating procedure. Either genuine or false fraud and corruption accusation may defame PTT personnel and PTT reputation. Any concerns in relation to the violation of this policy can be raised via the channels as stipulated by PTT.





APPENDIX



Definition and Qualifications of PTT's Independent Directors

1. Hold up to 0.5% of the voting shares of PTT, its subsidiaries, associates, or related companies (including the shares held by connected parties under Section 258 of Securities and Exchange laws).
2. Have not been involved in the management or employees, wage earners – including audit advisors, legal or other advisors – on the payroll of PTT, or have control over PTT, its subsidiaries, associates or juristic persons that could pose conflicts of interest for the past two years.
3. Have no blood relationship or relationship through registration as parents, spouses, siblings and children. This definition also applies to children's spouses, executives, major shareholder, controllers, or people due to be nominated as an executive or controller of PTT or its subsidiaries.
4. Business relationship with PTT

(a) Types of relationship

- Professional service rendering
 - Types of relationship: Auditor and other professional service provider, including legal adviser, financial adviser, property valuator
 - “Non-independent” criteria:
 - ◇ Total prohibition for auditors
 - ◇ Other professional services: when the total value exceeds 2 million baht per year
- Commercial / business relationship (similar to SET's requirements for connected transactions)
 - Types of relationship: Full coverage of business transactions, that is, normal transactions, real-estate leasing, asset / service transactions, and financial assistance transactions

- “Non-independent” criteria: Transaction value from 20 million baht or 3% of PTT’s NTA upward (whichever is lower), the total value must include items occurring within six months before this transaction.
- (b) Should the relationship under (a) apply to a juristic person, the parties regarded as “non-independent” consist of the major shareholder, directors that are not independent ones or not a member of the audit committee and executives (or partners) of that juristic person**
- (c) The forbidden periods for (a) and (b):** Two years before the appointment
- (d) Exceptions:** If necessary and suitable (exceptional cases), independent directors / audit committee members may have more relationship than the non-independent criteria while holding directorship, provided that a prior unanimous approval has been given by the Board. Besides, PTT must disclose such relationship in Form 56-1 and its annual report (Form 56-2). And should PTT decide to extend the term of that independent director, it must disclose details about such relationship in the meeting notice for the next shareholders’ meeting (in the directors’ election agenda item).
5. Are not appointed to represent PTT’s directors, its major shareholder, or shareholders that are related to PTT’s major shareholder.
 6. Have no qualifications that compromise the expression of free views.
 7. Independent directors with qualifications (1) through (6) above may be assigned by the Board to decide on business matters of PTT, its subsidiaries, associated companies, sister companies, or juristic persons that could pose conflicts of interest; such decisions will be collective decisions.

Incidentally, if independent directors serve in this position in PTT, its subsidiaries, associated companies, or sister companies, PTT must also disclose information about such service and the total compensation of such directors in Form 56-1 and Form 56-2.



Roles and Responsibilities of PTT's Independent Directors

1. Recommend essential and beneficial matters to PTT and all its shareholders to the Board and / or the President and Chief Executive Officer.
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.



Definitions: Transactions Involving Conflicts of Interest

Related party refers to

any executives, major shareholders, controlling entity, or person appointed as a controlling entity of PTT, or its subsidiaries including affiliates and close relatives of the aforementioned persons.

Connected Transaction refers to

any transaction in which PTT or its subsidiary engages with PTT's related parties or a transaction in which a subsidiary engages with a subsidiary's related parties. Connected Transactions can be classified into six categories as follows:

1. A normal business transaction is a transaction related to assets / services under PTT's normal business operations and which follows general trade terms and conditions such as the sale of petroleum products, procurement of raw materials and the offering of services.
2. A transaction that supports normal business is a transaction related to assets / services that support smooth business operations, such as providing transportation, advertising, technical assistance and management contracts.
3. The lease / sublease of short-term assets is leasing or subleasing assets that are not included under normal business conditions and which have contract period of less than three years.
4. Transactions related to other assets or services.
5. Financial assistance to subsidiaries and affiliates such as cash flow in the form of a loan, or collateral for which PTT receives returns such as the market interest rate.
6. Other Connected Transactions than stated in (1) to (5) above.

A Subsidiary refers to

A company having any of the following characteristics:

- (a) Company over which PTT has control;
- (b) Company over which the company under (a) has control;
- (c) Company under the chain of control beginning with that under control of the company under (b).

An Affiliated Company refers to

A company which PTT or a subsidiary has authority to participate in decision making related to the company's financial policy and business operation, but has no control over such policy and is not deemed as subsidiary or joint ventures.

In case where PTT or subsidiary directly and indirectly holds shares in an aggregate amount of twenty percent, but not exceeding fifty percent of the total number of the voting rights of such company, it shall be presumed that PTT or subsidiary has the authority to take part in the decision making under the first paragraph except where it is proven otherwise.

Control refers to

any of the following relationships:

- (a) Holding of shares with voting rights of company in an amount exceeding fifty percent of the total number of the voting rights of such company;
- (b) Having control of the majority voting rights in the shareholders' meeting of company whether directly or indirectly or by any other reasons;
- (c) Having direct or indirect control over appointment or removal of a least half of all directors.

General Trade Conditions refers to

fair prices and conditions that will not lead to a transfer of assets, as described below.

- Prices and conditions that PTT or its subsidiaries may be offered, or that PTT or its subsidiaries may offer to others.
- Prices and conditions that related parties may offer to others.
- Prices and conditions that PTT is able to prove are being offered by other companies engaging in similar business.



Definitions in Practices: Receiving Gifts, Assets or Other Benefits

Other Benefits refers to

any item of value, including discounts, entertainment, services, training, or other items of a similar nature.

Relative refers to

ascendant, descendant, sibling of full or half blood, uncle, aunt, spouse, ascendant or descendant of spouse, or an adoptive child, or parent.



Definition in Practices: Information Technology and Communications

Information Technology and Communications (ICT) refers to

the combination of information technology and communications covering communication systems, namely radio, television, facsimiles, telephone and other communication tools with computer systems, software, databases and services providing information, as well as communication systems which can be shared and connected.

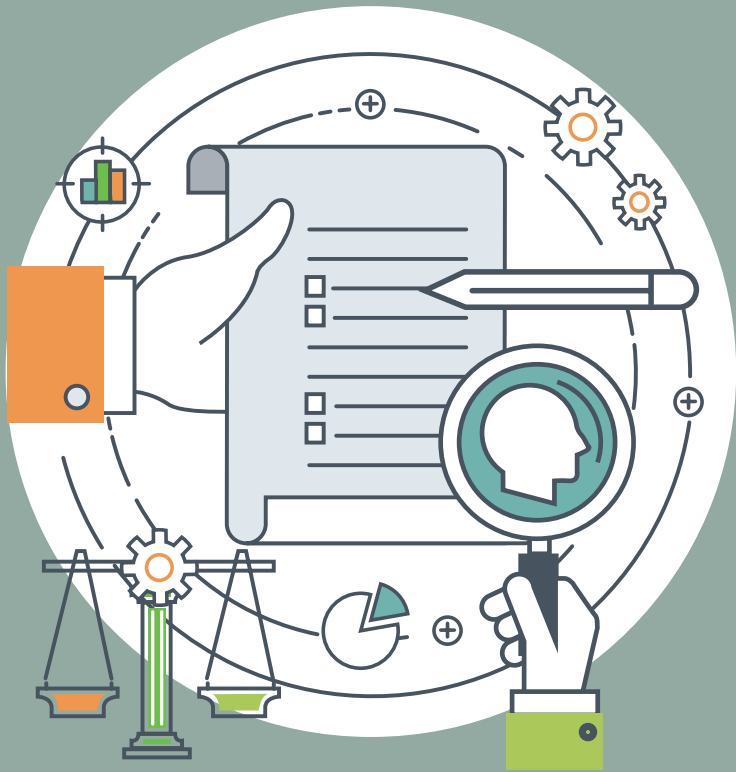


Definition of Qualifications and Key Roles of an Internal Auditor

An internal auditor shall have qualifications and authority as follows:

1. The Internal Auditor demonstrates independent judgment in auditing in accordance with the professional standards of internal auditors.
2. The Internal Auditor has the rights to audit assets and activities including the accounting books, supporting documents, correspondence and other relevant reports.
3. The Internal Auditor has the rights to request the employee of the audited department to clarify and provide relevant information.
4. The Internal Auditor shall report the results of PTT's internal control assessment to the Audit Committee at least once a year.





Forms

PTT's Conflict of Interest Disclosure Form



PTT's Conflict of Interest Disclosure Form

In accordance with PTT regulations and Principles of Good Corporate Governance, which instruct personnel how to carry out their duties according to the highest standards, personnel at all levels must disclose any transactions which represent a conflict of interest against PTT.

This report is classified as (Please indicate X in)

Annual Report Incident Report

I have read the PTT Public Company Limited Corporate Governance, Ethical Standards and Code of Business Ethics Handbook (Revised Version 4). I fully understand the information in this disclosure form and will strictly follow. I acknowledge that violation or non-compliance with this code shall be subject to disciplinary action, based on the degree of potential impacts.

Therefore, I hereby would like to report as follows:

Information of the relative working in PTT and PTT Group

(The information must be updated. Attachments are required in case of more than one relative.)

Name (Mr. / Mrs. / Ms.) _____ Surname _____

Relationship _____ Employee ID: _____

Division _____ Company _____

(Please indicate X in and provide any necessary additional information.)

I **Do Not** have any interests that might cause a conflict of interest against PTT.

I **Have** an interest or interests that might cause a conflict of interest against PTT with details below:

Transaction with general trade agreement, as business partner or participation in procurement with PTT and PTT Group

Dispute that may affect the function of duty

Other subjects that may pose conflict of interest against PTT

I _____ , hereby, report the following:

- Myself, under my own name
- Myself, under other names (please specify) _____
- My relatives* or my agent
Name (Mr. / Mrs. / Ms.) _____ Surname _____
Relationship _____

Details of items that may or could pose conflict of interest against PTT.

(Please attach additional documents, if any.)

Corrective actions taken, if any:

Signature : _____
(_____)

Employee ID : _____

Position : _____

Unit Abbreviation : _____

Date : _____ / _____ / _____

Supervisor's opinion*:

- Acknowledged
 - Others _____
-

Signature : _____
(_____)

Position : _____

Date : _____ / _____ / _____

Opinion of Vice President, Good Governance and Corporate Ethics Department:

Acknowledged

Others _____

Signature : _____

(_____)

Position : _____

Date : _____ / _____ / _____

Remarks*:

*In the case of employee below division level, the authorized supervisor is the department manager

*In the case of employee below division level who does not report to any department, the authorized supervisor is the person one level higher than the department manager.

*In the case of departmental management and higher, authorized personnel are the Executive Vice President or a supervisor one level higher in rank.

(If you have any enquiry, please contact extension 13472, 13505.)

PTT's Gifts, Assets or Other Benefits Acceptance Form



PTT's Gifts, Assets or Other Benefits Acceptance Form

To _____ (Supervisor)*

I (Mr. / Mrs. / Ms.) _____ Employee ID _____

Position _____ Section _____ Division _____

Department _____ Unit _____

received the gifts, assets or other benefits as below:

1. _____ from company / person _____ date _____

2. _____ from company / person _____ date _____

3. _____ from company / person _____ date _____

Please kindly be informed for consideration. The said gifts, assets or other benefits shall be sent to Good Governance and Corporate Ethics Department within the date _____

Signature : _____

(_____)

Date : _____ / _____ / _____

Supervisor's opinion*:

Acknowledged

Others _____

Supervisor's signature : _____

(_____)

Position : _____

Date : _____ / _____ / _____

Remarks*:

*The authorized supervisor is the division manager or higher in rank.

Dealing in PTT Group Shares Notification Form



Dealing in PTT Group Shares Notification Form

To Corporate Secretary of PTT Public Company Limited

I (Mr. / Mrs. / Ms.) _____ Employee ID _____
 Position _____ Section _____ Division _____
 Department _____ Unit _____ would like to buy-sell the shares
 of PTT Group in the next two working days with the following details:

1. Buy / Sell the shares of company _____
 quantity _____ shares on the date _____
2. Buy / Sell the shares of company _____
 quantity _____ shares on the date _____
3. Buy / Sell the shares of company _____
 quantity _____ shares on the date _____
4. Buy / Sell the shares of company _____
 quantity _____ shares on the date _____
5. Buy / Sell the shares of company _____
 quantity _____ shares on the date _____

Please be kindly informed.

Signature : _____
 (_____)
 Date : _____ / _____ / _____

Opinion of Corporate Secretary:

- Acknowledged
- Others _____

Signature : _____
 (_____)
 Position : _____ Corporate Secretary
 Date : _____ / _____ / _____

Remark :

The Dealing in PTT Group Shares Notification Form is intended for PTT's directors, executives and employees with privilege of inside information and would like to buy-sell the shares of PTT's flagship company.

References



References

- General Qualifications of Member and Official of State Enterprise Act B.E.2518
- The Securities and Exchange Act B.E. 2535
- The Public Limited Company Act B.E. 2535
- The Principles of Good Corporate Governance for Listed Companies 2012 of The Stock Exchange of Thailand





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