



Contents

- Vision, Mission and PTT Values
- PTT Information
- Financial Highlights
- Achievement Highlights
- Awards and Recognition
- Message from the Board of Directors
- Economic, Petroleum and Petrochemical Review and Outlook
- **Section 1**
Business Operations and Performance
- Section 2**
Corporate Governance
 - 6. Corporate Governance
 - 7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others
 - 8. Corporate Governance Milestones
 - 9. Internal Control and Connected Transactions
- **Section 3**
Financial Report
- Attachment



Report of the Audit Committee

324

56-1 One Report 2023
PTT Public Company Limited



Mr. Krishna Boonyachai
Chairman of the Audit Committee

PTT’s present Audit Committee is made up of three knowledgeable independent directors, chaired by Mr. Krishna Boonyachai, with Air Chief Marshal Chanon Mungthanya, and Associate Professor Dr. Narongdech Srukhsot serving as members. Serving as secretary to this committee is Mr. Chayagorn Leangruenrom, Executive Vice President, Office of Corporate Audit. The tenure in 2023 is summarized as follows:

January 1, 2023 to April 12, 2023

- POL. GEN. Rungroj Sangkram
Chairman
- Mr. Krishna Boonyachai
Member
- Associate Professor Dr. Chayodom Sabhasri
Member

April 12, 2023 to November 30, 2023

- Mr. Krishna Boonyachai
Chairman
- Associate Professor Dr. Chayodom Sabhasri
Member
- Air Chief Marshal Chanon Mungthanya
Member

December 1, 2023 to Present

- Mr. Krishna Boonyachai
Chairman
- Air Chief Marshal Chanon Mungthanya
Member
- Associate Professor Dr. Narongdech Srukhsot
Member

In 2023, the Committee executed its Board-assigned duties and those under its own charter, which agreed with SEC’s best practices. It reviewed and advocated PTT’s good governance, together with adequate risk management and internal control system. It ensured PTT’s emphasis on being a transparent organization with efficient and effective internal audit activity, while aligning corporate goals, and enhancing the internal audit quality, the journey of Office of Corporate Audit to be a trustworthy partner for sustainable long-term value creation for PTT with due regard for satisfying stakeholders’ expectations. The Key highlights are as follows:

1. Advocated the enhancement of internal control, good governance, and risk management processes, as well as compliance by emphasizing the management to focus on raising employees’ awareness for careful and thoughtful actions, including reviewing internal regulations related to operations appropriately according to organizational context, along with supervising the implementation of internal control processes to be tightened to build stakeholder confidence.
2. Encouraged the management to focus on PTT’s operational safety and cybersecurity standards, as well as encouraged collaboration with PTT Group companies to build trust and prepare for complex cyber threats more efficiently.
3. Provided recommendations to the management regarding PTT’s implementation process to supervise and monitor the operational processes of various

departments, such as reputation risk management, human resource management and corporate culture formulation, whistleblowing, third party screening etc., as well as enhancing the organization’s operations in accordance with the State Enterprise Assessment Model (SE-AM) to ensure that PTT has a reliable and robust operating process for further sustainable business practices.

4. Focused on the investment supervision process of PTT and its affiliates by meeting with the Enterprise Risk Management Committee to exchange information and ensure that PTT analyzes, scrutinizes, and reviews the investment process carefully, concisely, efficiently, and in line with the changing global business environment. Emphasized sustainability processes covering Environmental, Social, and Governance (ESG) to ensure that PTT continues to efficiently and effectively operate in line with its sustainable development guidelines in the future.
5. Assigned a policy to strengthen PTT Group’s internal audit quality to efficiently, effectively, and credibly accommodate stakeholders’ expectations by focusing on efficient and effective audits. Advisory roles are added to add value to PTT and its affiliates, in parallel with promoting professional certifications and developing internal auditors to align with the strategic directions of PTT and PTT Group companies. The internal audit processes have been continuously developed by applying more technology in internal audit activities.

325

56-1 One Report 2023
PTT Public Company Limited



Contents

- Vision, Mission and PTT Values
- PTT Information
- Financial Highlights
- Achievement Highlights
- Awards and Recognition
- Message from the Board of Directors
- Economic, Petroleum and Petrochemical Review and Outlook
- Section 1
Business Operations and Performance
- Section 2
Corporate Governance
- 6. Corporate Governance
- 7. Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others
- 8. Corporate Governance Milestones
- 9. Internal Control and Connected Transactions
- Section 3
Financial Report
- Attachment

In 2023, the Committee held 20 meetings, as detailed below:

January 1, 2023 to April 12, 2023: 4 meetings

- POL. GEN. Rungroj Sangkram
Attended 4 meetings
- Mr. Krishna Boonyachai
Attended 4 meetings
- Associate Professor Dr. Chayodom Sabhasri
Attended 4 meetings

April 12, 2023 to November 30, 2023: 11 meetings

- Mr. Krishna Boonyachai
Attended 11 meetings
- Associate Professor Dr. Chayodom Sabhasri
Attended 11 meetings
- Air Chief Marshal Chanon Mungthanya
Attended 11 meetings

December 1, 2023 to 31, 2023: 5 meetings

- Mr. Krishna Boonyachai
Attended 5 meetings
- Air Chief Marshal Chanon Mungthanya
Attended 5 meetings
- Associate Professor Dr. Narongdech Srukhsit
Attended 5 meetings

Summary of Performance

1. Review of Financial Reports:

The Committee reviewed quarterly and annual financial reports together with consolidated financial reports with the Management, the Office of Corporate Audit, and the External Auditor. It asked the External Auditor about the accuracy and completeness of financial reports, adjustment of material account entries and accounting projections affecting such reports, adequacy, and suitability of account recording, audit scope, information disclosure that was accurate, complete, and adequate, as well as its own freedom. All these elements ensured that the preparation of financial reports abided by legal requirements as well as accounting standards under generally accepted accounting principles that were credible and timely, and that adequate information was disclosed for users’ benefit.

2. Review of Risk Management Process:

In conjunction with the Management, the Committee regularly reviewed the efficiency and effectiveness of the risk management process as well as the policy, action plans, and risk management approach that affect PTT Group’s operations. It also provided advice for process improvement and prompt actions for unforeseen events.

3. Review of Internal Control Process:

The Committee reviewed PTT’s internal control with the Office of Corporate Audit every quarter by examining its operation, resource consumption, stewardship of properties, prevention or reduction of errors or damage, losses, waste, or potential of fraud, the credibility of financial reports, including compliance with laws, regulations, and Cabinet resolutions. No significant problems or material shortcomings were detected. This year’s assessment outcomes of internal control against SET’s best practices and the Ministry of Finance’s Internal Control Standards for Government Agencies, B.E. 2561 (2018), according to PTT management, were that PTT had indeed designed adequate and appropriate control mechanisms.

4. Review of Governance Process:

The Committee reviewed the process of compliance with applicable laws and regulations, business protocols, related party transactions, or those with potential conflicts of interest and connected transactions among PTT Group to ensure sensible conformance to normal business terms. The Committee also reviewed the complaint handling and whistleblowing process.

5. Review of the Implementation According to the State Enterprise Assessment Model (SE-AM) of the State Enterprise Policy Office, Ministry of Finance:

The Committee reviewed PTT’s operating process according to the SE-AM together with the Office of Corporate Audit and related parties per year, covering eight Core Business Enablers i.e. Corporate Governance & Leadership, Strategic Planning, Risk Management and Internal Control, Stakeholder and Customer Management, Digital Technology, Human Capital Management, Knowledge Management and Innovation Management and Internal Audit by monitoring the implementation of relevant observations/ recommendations to ensure that PTT’s operating process complied with the SE-AM, with continuous improvement.

6. Monitoring of Internal Audit Activity:

The Audit Committee reviewed the Office of Corporate Audit’s strategic plan, annual plan and long-term audit plans, including audit results and performance according to the plans. To this end, it recommended and monitored corrective actions for significant aspects of good governance and adequate internal control. It considered amending the internal audit charter. Also reviewed were the KPIs, the Office’s budget and resource adequacy, personnel, independence of the Office, and the annual merit consideration for the Executive Vice President heading the Office for further presentation to the Board. The Committee also supervised the continuing quality assurance and improvement program of the Office of Corporate Audit.

7. Maintaining the Quality of the Audit Committee:

The Committee reviewed its own charter and assessed its performance as a group and as individuals (self-assessment and cross-assessment) against SET’s best practices to ensure efficient and fruitful performance. Overall assessment result was “good”, and action plans for performance improvement were set. The Committee reported its performance outcomes to the Board every quarter.

8. Appointment of the External Auditor for 2024:

The Committee considered and endorsed the auditor from EY Office Company Limited to be the External Auditor of PTT for 2024 for the Board’s concurrence and the shareholders’ approval at the 2024 AGM, together with its audit fees. The Committee also met exclusively with the External Auditor on one occasion in the absence of PTT management to discuss the audit scope, guidelines, and plans together with its performance freedom and comments with a focus on accurate, complete, and adequate presentation of data.

In summary, the Audit Committee executed its charter duties and responsibilities with due competence, care, prudence, and adequate independence while providing comments and advice for the equitable benefit of all stakeholders. Its view is that PTT’s financial statements are accurate, credible, and align with generally accepted accounting standards. In addition, PTT practiced compliance with applicable laws and business obligations, together with good governance, adequate risk management and internal control, conformance to rules along with efficient and effective internal audit activity.

Mr. Krishna Boonyachai
Chairman of the Audit Committee