



## Reporting and Whistleblowing Practice of PTTEP Group

(Information from Annual Report 2018 and Reporting and Whistleblowing Regulation 2013 (Revision no.1))

PTTEP's Board of Directors has established its Reporting and Whistleblowing Regulation for the PTTEP Group to ensure that the complaint handling process is effective, transparent, fair, and equal to international standards. This regulation is meant to provide protection for whistleblowers and those cooperating with the Company in good faith. This mechanism allows an opportunity for both internal and external parties of the organization to report any suspicious misconduct or wrongdoing that might be in violation of laws, CG&BE, anti-corruption policies, and other related regulations, as committed by the Board, management, employees, or representatives of the PTTEP Group.

Investigations of the complaints are conducted strictly and in an orderly way, in a proper manner, and within the timeframe and procedure as prescribed in the regulation to ensure the transparency and fairness of the complaint handling process. For this matter, the following key measures are carried out.

- The Corporate Governance Section of Corporate Secretary Division evaluates the information and adequacy of the preliminary evidence before forwarding the complaint to the Company's investigator within seven working days. If this period must be extended, the extension can only be made with the approval from the CEO. Each extension must not exceed seven working days.
- The review procedure and conclusion of the complaints can be categorized into 2 types, i.e., non-complex cases and complex cases. Non-complex cases will normally be completed within 30 working days, while complex cases will be completed within 60 working days. If the period is extended due to necessity, the extension can only be made with the approval from the CEO. Each extension must not exceed 30 working days. The case investigators cannot be individuals who are stakeholders of the complaint. Every complaint coming through from the whistleblowing channels is summarized and reported to the Corporate Governance Committee and/or Audit Committee, depending on the case, in addition to the Company's Board of Directors.

In 2018, PTTEP received a total of ten complaints through the Whistleblowing Channels. After reviewing the clarity and adequacy of these complaints, six cases were accepted and processed for further investigation. Investigation of five complaints was completed while another complaint is still under investigation process (completed in January 2019). A summary of complaints in 2016, 2017 and 2018 is shown in the table below.<sup>1</sup>

Topic	2016	2017	2018
Number of whistleblowing cases	9	8	10
Whistleblower			
- External reporter	4	4	2
- Internal reporter	4	2	7
- Anonymous reporter	1	2	1
Number of accepted cases after considering evidence and witnesses	6	7	6
Number of wrongdoing cases	4	3	3
Type of wrongdoing			
- Use and protection of information and assets	1	-	1
- Human resources (e.g. being late at work, inappropriate behavior)	3	1	-
- Non-compliance of policy, regulation, and procedure	-	1	-
- Conflict of interest and corruption	-	1	2

Investigation results of the five completed cases are as follows:

- Wrongdoings were investigated for three of the cases while the other two cases were determined to have no grounds for any wrongdoings.
- The admitted wrongdoings were related to a breach of CG&BE and/or corruption, and the company has resolved the inappropriate circumstances or has proceeded with disciplinary actions base on Human Resources Regulations as follows:
  1. Failure to disclose a conflict of interest related to employee recruitment – the recruitment process has ceased. The supervisor was asked to provide the wrongdoer with the correct practices and assign the wrongdoer to attend a CG&BE training session.

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<sup>1</sup> Details of whistleblowing cases of 2016 and 2017 are disclosed in annual reports.

2. Use of internal information for personal businesses - the wrongdoer was punished with a written warning and was then advised of the appropriate and correct action.

3. Corruption related to low-value procurement (values that are less than THB 500,000) for which the total value of related transactions stood at approximately THB 1.2 million - The Company punished the wrongdoer by employment termination without compensation. In addition, the Company has improved the internal control measures to be more efficient, e.g., expansion of using electronics tender (E-Tender) system for low-value procurement throughout the organization.

The three aforementioned cases did not result in any financial impact on the Company. The Corporate Governance Section reported the results of the complaint investigations to the complainants, the Audit Committee or the Corporate Governance Committee (depending on the case), as well as to the Board. The findings of the case were used to carry out further improvements of the Company's internal control measures.

In 2018, there was a revision of the Reporting and Whistleblowing Regulation for better coverage and more efficiency in terms of the whistleblowing management process and to become in line with good practices; for example, addition of remedy, If the complaint causes a detrimental impact on any person, the Chief Executive Officer will decide on an appropriate and fair method of mitigating that impact or remedy, which has already come into effect, on January 1, 2019.

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(Information as of December 31, 2018)