

The Company defines corruption, based on related principles and both domestic and international laws, applicable to our operation. The Company primarily considers that no action is to inappropriately entail any form of an individual's use of authority or another person's use, for undeserved exploitation to gain benefits. Besides, such an act is deemed a violation of the laws and/or the PTTEP Group's regulations. Our anti-corruption policy covers all forms of corruption whether conducted as a giver, receiver, or through a designated representative or agent. The Company also recognizes that certain activities, such as not-for-profit donations, sponsorships, or facilitation payments may be determined as risky as these can potentially be used as a channel for corruption. The definition of "corruption" therefore also extends to include such activities and extra precaution must be taken to ensure all activities are conducted without any corruption. PTTEP does not make donations to support political parties for election campaigns, both at the local and national levels.

Measures and Principles for Implementation

Implementation of anti-corruption measures reflects the company's strength of its internal control system, risk management, compliance and auditing channels in addition to enhancing the cultural and ethical values of the organization. Each aforementioned area falls under the responsibility of a designated unit. PTTEP implements its governance structure by adopting the Three Lines of Defense Model which enhances the effectiveness of internal control and risk management system as follows:

(1) First Line of Defense: The departments who will determine whether internal controls and appropriate risk management are to be conducted; these departments also ensure compliance with applicable laws and regulations. A person is required to pass rigorous training to ensure that he or she has an adequate level of knowledge and is ready to carry out their duties and responsibilities as well as be able to handle a variety of circumstance.

(2) Second Line of Defense: The units who are responsible for overseeing the general laws, regulations and policies of the organization, establish and ensure compliance with regulations, and mainly consist of the Corporate Governance Unit, Risk Management Unit, Internal Control Unit, and Compliance Unit which are all under the function group called the "Corporate Affairs and Assurance Group". Our Governance, Risk, Compliance Management System (GRC MS) has been established for integrating management that would be able to achieve stated objectives, in compliance with the legal requirements and under adequate risk management. The GRC MS is divided into nine elements: (1) Leadership and Commitment, (2) Policies, Objectives, and Plans (3) Organization and Resources, (4) GRC Assessment, (5) Controls and Response, (6) Monitoring and Assurance, (7) Audit, (8) Continual Improvement, (9) Communication and Culture.

(3) Third Line of Defense: The Audit Unit works together with PTTEP's external auditors to independently audit the overall implementation of both the First Line and Second Lines of Defense.

The units which are responsible for the GRC to regularly conduct internal control assessment on potential fraud risks, which include risks of asset misappropriation, corruption, and fraudulent financial reporting, and following adequacy evaluation of the internal control system. All this ensures that the Company remains in accordance with the Office of the Securities and Exchange Commission (SEC) regulations. The Company's Vice Presidents, from each of the function groups, assess our fraud risks on the basis of 3 considerations, namely, pressure, opportunity, and rationalization. The results of the assessment indicate that PTTEP has an adequate and appropriate level of internal control. The majority of the function groups have carefully assessed these 3 considerations and adjusted their measures so that they are timely and appropriate.

The Company also has other tools to prevent corruption. These include review and incorporation of anti-corruption risks to the 2018 Risk Profile: Legal Division, as well as to specify key risk indicators and mitigation plans that will closely monitor these risks and promote awareness and anti-corruption practice to employees.

Continuous Communication and the Provision of Knowledge and Training

Our Corporate Governance Committee has a clear plan to foster the Good Corporate Governance and Business Ethics of the PTTEP Group (CG&BE), together with anti-corruption policies, among everyone at the Company as well as all related parties of the organization, through continuous trainings and activities. The activities are designed to accommodate interests and knowledge levels of all target groups and expand to cover those of the external parties such as vendors as well. Achievement indicators for both internal and external parties are subsequently established and reported to the Corporate Governance Committee and the Board on a quarterly basis. These steps are taken to ensure that all of the parties adhere to the policies thoroughly and efficiently. In 2018, the following operations related to anti-corruption measures were implemented:

Measures for internal parties

(1) Induction of the principles of Governance, Risk Management & Compliance (GRC) for the Company's new Board members, executives, and employees, in order to foster understanding and strict adherence.

(2) Organization of "Integrity Forum : Let's create the society with zero tolerance to corruption" on June 14, 2018 at Energy Complex Building B for the management and employees to foster awareness on the importance of being part of the mechanism that drives national strategy on anti-corruption and encourages integrity values among PTTEP employees. Honorable speakers in the forum included Assoc. Prof. Dr. Manee Chaiteeranuwatsiri, Advisor to the President of National Anti-Corruption Commission, Dr. Bandid Nijathaworn, Councilor and Secretary of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC), and Dr. Somporn Vongvuthipornchai, the incumbent CEO of PTTEP.

(3) Promotion of GRC among the Company's Board members on a quarterly basis to provide related information and case studies that are beneficial to the Board of Directors, before the start of Board meetings, whereby the chairman of each meeting would emphasize the importance of GRC and encourage all directors and management to put what they had learned into practice. Topics presented in 2018 are as follows:

- The Key success factor to drive ethical culture in the organization
- The matters in the draft Organic Act on Counter Corruption (anti-corruption law) that are significant to PTTEP
- The disclosure of changes to possession of securities and derivatives of the directors, executives, and auditors, and their assets declaration in accordance with the Organic Act on Counter Corruption, B.E. 2561 (2018)
- The details of the Notification of the Office of the National Anti-Corruption Commission (NACC) regarding criteria and procedures for declaration of assets

(4) Organization of GRC full-day refreshment courses for employees who had passed the induction course, covering the policies and application of CG&BE, risk management, internal control, and compliance, with a focus on anti-corruption and related issues to ensure understanding and effective application to daily operations.

(5) Organization of half-day 2018 CG&BE Workshops for the Company's management and employees at the PTTEP head office to promote a better understanding and effective implementation of the CG&BE. The workshop started with an opening speech by the top management of each function group to underline the importance of the CG&BE. Exchanges of ideas and discussions were encouraged, also through enjoyable activities, to make the workshop effective.

(6) Organization of GRC Workshops for employees at S1 Project, PTTEP Petroleum Development Support Base (PSB), and Sinphuhorm Project to increase their understanding and awareness on the significance of CG&BE and GRC, including its application to their roles and responsibilities.

(7) Organization of GRC Troop on July 24, 2018 at PTTEP Head Office, with the Troop led by CEO and the management. This was to encourage the management and employees to pledge on "Being Genuine PTTEP, Dare to say and keep your word" to enhance awareness and understanding of GRC, promote application of GRC Principles, and emphasize Integrity and Ethics culture in PTTEP.

(7) Organization of Anti-Corruption training, continued from 2017, for the management and employees to increase their understanding of causes, impacts, regulations, risk management, internal control, and standards of practice for anti-corruption whereby 99.63% of the targeted management and employees participated and passed the training.

(8) Organization of the annual "PTT Group CG Day 2018" under the title of "PTT Group CG Day 2018: Born to be REAL" on August 24, 2018, focusing on transparency in the PTT Group at all levels, as well as among the vendors, customers, and society, to sustainably create a transparent and corruption-free culture in the country.

(9) Establishment of a whistleblowing communication system to promote the Company's whistleblowing channels and to create greater understanding of protection and process, including disclosure of these cases and penalties on an annual basis (details are shown under "Whistleblowing Reporting and Protection Procedures" part.) to promote not only anti-corruption, but also transparency values within the Company

(10) Continuation of the Company's communication channels, such as standee/notice boards, and newsletters to provide continuous flows of knowledge among the employees at the headquarters and at all of our operating sites.

Measures for external parties

PTTEP has a clear intention to become a leading company in the realm of Corporate Governance (CG) internally and externally. This includes implementation of a policy which also covers external parties, for example, vendors, partners, and representatives of the PTTEP Group. The Company has continued to encourage these external parties to conduct businesses that are ethical and corruption-free through the following activities.

(1) Promotion of PTTEP's anti-corruption policy together with its Whistleblowing policy in the 2018 PTTEP SSHE Contractor Forum, so that the policies are continually communicated and emphasized to vendors.

(2) Clear communication directed at PTTEP's vendors regarding the Company's "No Gift Policy", under which vendors are requested to refrain from giving gifts or other benefits to the Board of Directors, management, and employees regardless of the occasion. The PTTEP's anti-Corruption VDO clip has been placed on the Company's website to further emphasize the need to conform.

(3) Clear communication directed at external parties regarding the Company's "No Gift Policy" on the Company's website and in advertisement posters at PTTEP office buildings, especially near the guest reception areas where the posters are easily noticed.

(4) Promotion of corporate governance and anti-corruption values in society by participating in various public activities in 2018 (details are shown under "Collective Efforts with the Public to Counter Corruption" section.)

(5) Organization of "Driven Proactive Sustainability" seminar, in conjunction with Money Channel and Money & Wealth magazine, on Wednesday 8th August, 2018 at Professor Sangvian Indaravijaya Conference Hall, the Stock Exchange of Thailand, where Dr.Somporn Vongvuthipornchai, the incumbent CEO of PTTEP, participated as one of the speakers under the topic "Governance, Risk Management and Compliance (GRC) for business sustainability" together with other honorable speakers, specifically, Khun Oranuch Apisaksirikul - Chairperson of Thai Listed Companies Association, Khun Prasan Chuaphanich - Chairman of the Board of the Thai Institute of Directors Association (IOD), and Dr. Waitune Pokachaipat – President of TRIS Corporation Limited to share opinions regarding driven GRC for business sustainability.

(6) Organization of "GRC Sharing" session for the private sector, The Securities and Exchange Commission (SEC), and Bank of Thailand on October 25, 2018 to exchange knowledge, experience, and implementation of GRC.

In addition, the Company provided channels for the external parties to contact and make inquiries with regard to the CG&BE by emailing directly to the Corporate Secretary Unit at corporatesecretary@pttep.com.

Whistleblowing Reporting and Protection Procedures

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