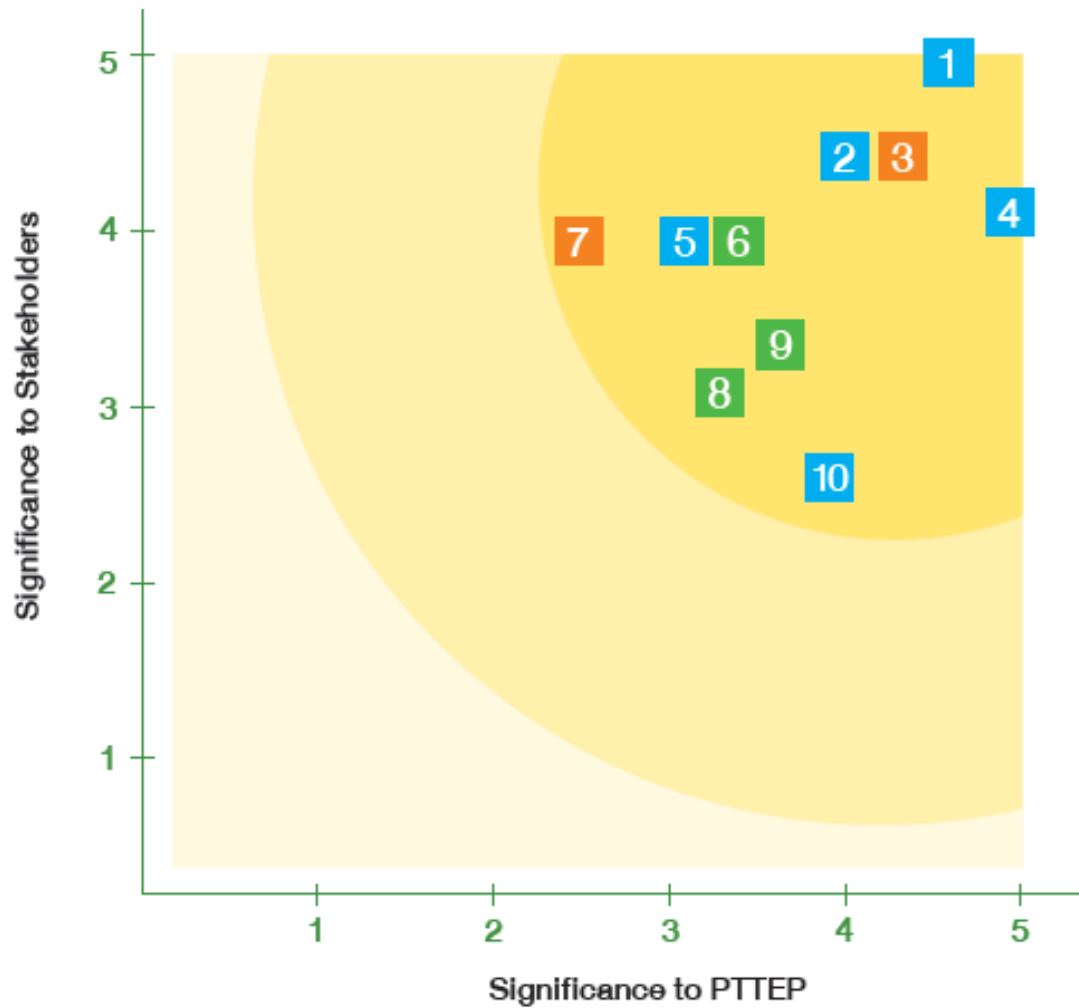


Integration of Sustainability Metric into PTTEP Strategy



Business Dimension

- 1 Governance, Risk Management, and Compliance
- 2 Human Capital Development
- 4 Increasing Petroleum Reserve
- 5 Technology and Innovation
- 10 Supply Chain Management

Social Dimension

- 3 Occupational Health and Safety
- 7 Social Development

Environmental Dimension

- 6 Climate Change
- 8 Environmental Management
- 9 Oil and Chemical Spills

Sustainability performance is measured against targets established at Corporate level and with each functional areas at the beginning of the year. In delivering the performance, the Significant Material Issues in each dimension were prioritized and the defined targets were set at Corporate KPI level where CEO is responsible for the achievement of these targets.

PTTEP disclosed [2018 Corporate KPI](#) on our web site.

PTTEP top executives drive for long-term company success by incorporating sustainability targets as part of their individual KPIs

In delivering the performance, each top executive sets KPIs related to sustainability matrix under his/her responsibility. Details on 2018 targets and results of all key material issues are available in [Sustainability Report](#).

Increase Reserves and New Business

Technology and Transformation

Governance, Risk and Compliance



Mr. Phongsthorn Thavisin
President and Chief Executive Officer

CEO is responsible for the achievement of all Corporate KPIs



Mr. Montri Rawanchaikul
Executive Vice President, Strategy and Business Development Group



Mr. Vuthiphon Thuampoomngam
Chief Operating Officer, Production Asset and Supply Chain Management Group



Mr. Kanok Intharawijitr
Executive Vice President, Geosciences, Subsurface and Exploration Group



Mr. Chayong Borisuitsawat
Executive Vice President, Business and Organization Transformation Group and Acting Vice President, Digital Center of Excellence



Mrs. Natruedee Khositaphai
Acting Executive Vice President, Corporate Affairs and Assurance Group

Safe Operations

Climate Strategy

People and Culture

Sustainability



Mr. Dittapon Soothi-O-Soth
Senior Vice President, Safety, Security, Health and Environment Division



Mr. Vuthiphon Thuampoomngam
Chief Operating Officer, Production Asset and Supply Chain Management Group



Mrs. Sujinda Phloi-Montri
Senior Vice President, Human Resources Division and Acting Vice President, HR Operations Department



Mr. Kitchai Pitiwiwat
Senior Vice President, Corporate Strategy Division

*DJSI achievement in Corporate KPI refer to achieving industry leading position against DJSI benchmarking in each areas

Alignment of Sustainability Metric

To ensure alignment with our long-term strategy, the Board of Directors approve key **financial KPIs** (e.g. Net Income), **relative-financial KPIs** (e.g. Return on Capital Employed higher than peers) and **non-financial KPIs** (e.g. Top Quartile Safety in Oil and Gas Sector) in four strategic areas reflecting our status as being a sustainable business. PTTEP top executives incorporate sustainability targets as part of their individual KPIs as well as set specific focus metric for each functional area where these KPIs are further adopted by employees. Remuneration for top executives, including CEO, is tied directly to the performance of these KPIs. PTTEP annual variable compensation was calculated using predetermined performance conditions based on the criteria in the below table.

2018 Year End Results



Exceed target



Meet target



Below target

2018 Company Sustainability Metrics and Results	CEO (Weight in Individual KPI)	Individual Executives	Employees
Sustain Growth in Energy <ul style="list-style-type: none"> ● Reserve Add and Strategic Asset Management ● Execution of Strategic Investment in Gas Value Chain 	47%	✓	✓
Develop New Business <ul style="list-style-type: none"> ● Develop New Business Roadmap 	10%	✓	✓
Strong Financial & Production Performance <ul style="list-style-type: none"> ● Return on Capital Employed higher than peers ● Unit Cost against peers ● Net Income and Sale Volume 	23%	✓	✓
Drive Sustainable Organization <ul style="list-style-type: none"> ● Top Quartile LTIF in Oil and Gas Sector ● Greenhouse Gas Reduction ● Top 10 Sustainability Performance in Oil and Gas sector ● Leader succession and Organization Transformation 	20%	✓	✓

Become a High-Performance Organization

PTTEP ensures that the sustainability metrics are embedded in our performance management and appraisal through the performance-based compensation i.e. annual merit increase and variable bonus of the individuals. Merit increase recognizes individual contribution to company success metric. Higher adjustment to base salary is awarded to executives who consistently exceed expectation. The awarded variable bonus is based on actual result at year end in comparison of budgeted remuneration approved by the Board of Directors, considering company performance. Individual bonus is defined based on 50% Corporate KPI performance, 25% Functional specific performance and 25% Department performance. As PTTEP achieved and exceeded 2018 Corporate targets approved by the BOD, CEO were entitled to full budgeted annual incentive, comprise 32% of total CEO's remuneration. Variable bonus payouts for the other top Executives range from 29% to 35% of their total annual compensation depending on their actual performance results. In 2018 Total variable remuneration payout for CEO and top executives was 75,388,087 THB (Refer to Annual Report, Page 118). Executives are also entitled to long term incentive in form of shares purchase under Employee Joint Investment Plan (EJIP) program to create alignment with shareholders' interest.

