



# Corporate Governance

## 6. Corporate Governance

### 6.1 Good Corporate Governance Policy

PTTEP's Board of Directors (Board) places importance on PTTEP's and its subsidiaries' (PTTEP Group) operations to comply with the Good Corporate Governance and Business Ethics of PTTEP Group (CG&BE) in order to grow sustainably and enhance the confidence of all of our shareholders and other stakeholders. To demonstrate our commitment on emphasizing the operations in the right balance of social and environment, PTTEP conducts the framework to achieve Net Zero Greenhouse Gas Emission for E&P business through EP Net Zero 2050. Furthermore, the Board has assigned the Corporate Governance and Sustainable Development Committee (CG&SD Committee) to oversee and assure that the Company's operations are in line with the CG&BE Principles and that good corporate governance is always maintained at the level of international standards. The CG&SD Committee also regularly monitors and assesses the implementation of CG&BE and ensures its integration into everyone's work. In 2022, the Board of Directors paid attention to the development plan and targets of Sustainable Development Framework by committing to conduct the business with transparency and effectiveness by adhering to good corporate governance principles, maintaining robust risk management and internal control system as well as strictly conforming to applicable laws and regulations (Governance, Risk Management and Compliance - GRC), as the key component of the Framework, to respond to current situations, global trends, technology development and be ready for future challenges, e.g. the revision PTTEP Group's CG&BE to refine the standards of the operations in changing social norms, the development of GRC One Digital System to assist management to obtain immediate GRC information for efficient decision making. With its commitment to the ongoing development of good corporate governance, the Company earned various recognitions for our good corporate governance, domestically and internationally. Details are disclosed in the "Awards and Recognitions for Good Corporate Governance" topic.

The Board has reviewed the implementation of the Corporate Governance Code 2017 (CG Code), which was established by the Securities and Exchange Commission through means that are suitable to the Company's business. The Board assigned the Corporate Governance and Sustainable Development Committee to ensure CG Code compliance and its appropriate implementation, so as to maximize value in regard to the Company's future and sustainable growth. PTTEP has continued to develop and apply the CG Code principles together with internationally recognized best practices as follows:

#### 6.1.1 Policy on Treatment to the Board

The details are disclosed in "Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees and Others" and "Corporate Governance Milestones" sections.

#### 6.1.2 Policy on Treatment to Shareholders and Stakeholders

The Board has approved PTTEP's mission which puts an emphasis on the right and value creation for all stakeholders. The Company's mission is to operate globally to provide a reliable energy supply and sustainable value to all stakeholders. In practice, the Company cares for the rights of all stakeholders, including but not limited to, shareholders, customers, employees, governments, joint venture partners, communities, suppliers, creditors, competitors, and also concerns about the environment, custom and tradition, and human rights. The importance of the Company's stakeholders is clearly written in the PTTEP Group's CG&BE in which practical guidelines with respect to business ethics are established with an effort to balance duties and responsibilities between the Company and our stakeholders. Details of the CG&BE, contact details, whistleblowing channels are disclosed on the Company's website. The details of the policy on treatment to stakeholders are as follows:

## (1) Shareholders

PTTEP recognizes and values the importance of the shareholders' rights and equal treatment thus we have specified the Company's Good Corporate Governance as one of our principles to ensure that our shareholders' basic rights are protected and honored. This includes the right to trade and transfer shares, declaration of share ownership, and the right to attend shareholders' meetings in person or through their proxies alongside the right to participate in and vote on significant issues presented by the Board at the Company's shareholder meetings, such as the election of new members of the Board to replace those due to retirement by rotation, determination of the Board's remuneration of any kinds, appointment and approval of external auditors and the auditor's fees, approval of connected transactions, acquisition or disposition of material assets as required by the laws, and other issues which are of significance to the Company. The Shareholders are also entitled to receive profit sharing in the form of dividends as well as to obtain equal and adequate information from the Company in a timely manner. The Company has only one class of ordinary shares on which one share has one vote equally. Our efforts to ensure and enhance the Shareholders' rights also include the following:

### 1.1) Annual General Meeting of Shareholders

PTTEP respected and promoted shareholders' rights in its Annual General Meeting of Shareholders (hereafter referred to as AGM or the Meeting) in 2022, through the following actions:

#### Before the Meeting

1) Shareholders were invited to propose agenda items and nominate qualified candidates for the election of PTTEP directors prior to the AGM from September 1 to November 30, 2021. The criteria were announced publicly through the Stock Exchange of Thailand (SET) and the Company's website. The Shareholders' proposals were considered based on the Company's established criteria to ensure that the proposed agenda items were relevant and truly beneficial to the business of the PTTEP Group. The Nominating and Remuneration Committee was responsible for screening and short-listing the nominated candidates for the Board's consideration. Thereafter, the Board informed the Shareholders of the resolution together with the rationale for each of the proposals at the AGM. In 2022, no such agenda or any director candidates were proposed by the shareholders.

2) PTTEP announced the date for the 2022 AGM approximately 2 months prior to the date of the Meeting as soon as the Board resolved on January 27, 2022 and approved the date for the AGM on Monday, March 28, 2022 and the date on which the Shareholders would have the right to attend the Meeting as well as to receive dividends which was on February 11, 2022, through the SET and the Company's website.

3) The AGM invitation letter and supplementary documents, in both Thai and English, were published on the Company's website on February 25, 2022, which was 34 days prior to the Meeting. The Invitation Letter had the necessary details of each agenda, which clearly stated the types of agenda items whether for acknowledgment or approval. The Board's opinions on each agenda item were clearly stated along with other rules and regulations related to the Meeting. A proxy form (to preserve their rights to attend the Meeting) as stipulated by the Ministry of Commerce, was enclosed in the invitation letter along with the list of required documents that the Shareholders needed to bring to the Meeting, instructions of the Meeting, and a map of the venue. The AGM invitation letter and supplementary documents were distributed to the Shareholders by postal service 21 days prior to the Meeting.

4) PTTEP provided the names of three independent directors in the proxy form to provide the Shareholders an option to appoint one of them as their proxy. The Company also informed the Shareholders about the stake of the independent directors on each of the agenda items, for instance, to elect new directors replacing those due to retirement by rotation, an independent director whose term was completed but re-nominated for another term would be considered as having vested interests (but not be considered a special interest) or on the agenda item to approve the remuneration of the Board. The directors who would be considered as having a special interest were excluded from the voting regardless of their shareholding. The Company also recommended that the Shareholders use the proxy form, through which they could specify their votes on each agenda item.

5) The Company also invited the Shareholders to submit questions related to the agenda items of the Meeting or other information relevant to the Company prior to the Meeting. This action helped to make the Meeting more efficient and beneficial to the Shareholders. Such questions were consolidated and answered at the AGM as well as recorded in the Minutes of the Meeting.

#### At the Meeting

1) The Meeting was held on Monday, March 28, 2022, at 14.30 hrs. at The Synergy Hall, 6<sup>th</sup> Floor, Energy Complex Building C, 555/3 VibhavadiRangsit Road, Chatuchak Sub-district, Chatuchak District, Bangkok 10900. The Meeting date, time, and venue were determined in consideration of all shareholders' convenience and the situation of the COVID-19 pandemic. Technology and barcode systems were used at the Meeting for registration, vote counting, compilation, and display of resolutions to ensure that the Meeting was carried out with full efficiency and accuracy. Supporting persons were adequately arranged to facilitate the Meeting. To accelerate the registration process, the registration was opened to the Shareholders 2 hours prior to the Meeting. The Company also prepared and provided duty stamps to the Shareholders who intended to vote through proxies.

2) All 15 PTTEP directors attended the Meeting. The Company's Chairman of the Board of Directors assigned a director to preside over the Meeting as the Chairman while The Chairman of the Board of Directors attended the meeting online, additionally the sub-committee chairmen, the President and the Chief Executive Officer, senior executives from the Finance and Accounting Group, and other functional groups also participated in responding and providing clarifications on the inquiries brought by the Shareholders. The external auditor, external legal advisors from Weerawong, Chinnavat & Partners Ltd., shareholders' right protection volunteers from the Thai Investors Association and volunteers from shareholders to witness vote counting, also participated in the Meeting. The Chairman of the Meeting ensured that the Meeting was carried out in accordance with the Company's Articles of Association and the agenda items as per sequence stated in the invitation letter, without adding any other agenda item. The Chairman efficiently allocated time to each agenda item and provided adequate time and opportunities for Shareholders to share their views and make in-depth inquiries in regard to those subjects relating to the Meeting's agenda items and the Company's operations prior to vote casting and passing resolution.

3) PTTEP clearly provided useful information before the commencement as stipulated in the Articles of Association of PTTEP such as the number and ratio of the Shareholders who attended the Meeting both in person and by proxies, including the Meeting procedures, vote casting, vote counting. The Shareholders and proxies were required to use voting ballots to vote on each agenda item that was scheduled for discussion at the Meeting whether to agree, disagree, or abstain through a barcode system to ensure accuracy and efficiency. Each resolution was clearly reported and displayed

in the Meeting as required by relevant laws and the Company's Articles of Association, and volunteers who were selected from the Shareholders and independent inspectors were appointed to witness and inspect the Vote counting. The Company also kept all the Voting ballots collected, counted, and signed by the witnesses for internal reviews and reference.

The Company permitted shareholders who reached the Meeting late to cast their votes on the agenda items that were in the consideration process or had not been considered or voted on at the time of their arrival. These shareholders were also counted as participants in the Meeting, starting from the agenda item when they registered and attended the Meeting.

4) All information presented at the Meeting was available in both Thai and English, while a translator from Thai to English for foreign shareholders who attended the Meeting was also provided to ensure fairness and equality among all Shareholders.

5) External independent legal advisors, acting as inspectors as well as witnesses, were engaged to oversee the Meeting to ensure the Meeting's transparency and that it was conducted lawfully and in accordance with the Articles of Association of PTTEP including but not limited to meeting procedures as informed by the Chairman of the Meeting, verifying the documents and the proxy examination process, ensuring a quorum as well as assuring the Meeting that none of the shareholders with potential conflicts of interest cast votes on such agenda items, and making sure that the voting procedures, vote counting, ballot collection from the attending shareholders, and auditing of the resolution and result of the vote counting were done correctly.

#### After the Meeting

1) PTTEP disclosed the Minutes of the Meeting together with the vote counting results for each agenda item to the SET and also on the Company's website immediately after the Meeting.

2) Minutes of the Meeting, in both Thai and English, were accurately and completely recorded. They covered explanations of the Meeting's voting and vote counting procedures, details of agenda items, questions/ answers, explanations and opinions related to PTTEP's business operations, and the Meeting's agenda. The Company also kept in record the resolution on each agenda item, categorized them as agreed, disagreed, abstained, and voided (if any) as well as the names and positions of the directors and executives who attended the Meeting. Furthermore, the final version of the Minutes of the Meeting was delivered to the Ministry of Commerce, the SET, and the Office of the Securities and Exchange Commission (SEC) within 14 days after the Meeting. The Minutes of the Meeting were also delivered to the Company's shareholders for their reference and consideration, and for verifying that any shareholders who wished to make objections did so within the timeframe enforced by relevant laws. The approved Minutes, video, and audio clips of the Meeting were also published in both Thai and English on the Company's website. In 2022, the Company did not receive any objections or inquiries from the Shareholders in regard to vote counting results and the Minutes of the Meeting.

#### 1.2) Disclosure of Significant Material Information

PTTEP ensures that information will be communicated to the Shareholders accurately and in a timely manner, not only for the information that is required by related regulations but also for other information which the Company considers as necessary for the Shareholders to have. These disclosures are publicized through various channels, such as the SET and the Company's website, and media or printed media.

Furthermore, the Company clearly discloses the shareholding structures in our subsidiaries and associated companies as well as with the controlling shareholder, namely PTT, to ensure the Shareholders that our organization's structure is transparent, verifiable, and does not comprise any form of cross or pyramidal shareholding structures.

### 1.3) Fostering Understanding of Business Operations and Long-Term Engagement with Shareholders

PTTEP continuously organizes various activities for the benefit of shareholders and society. The main objectives of such activities are, for shareholders and other persons interested in PTTEP, to enhance the knowledge and understanding of exploration and production of petroleum business which is distinct from other business as well as participate in our CSR program. In addition, we aim to foster a high level of confidence to investors to maintain long-term investment with PTTEP. These activities include the shareholders' visit to our operation sites and CSR projects which are organized annually. However, due to the COVID-19 pandemic, the Company decided to put on hold these activities this year.

PTTEP prepares and publishes a quarterly newsletter, the Explorer's Journal, as an additional channel to communicate PTTEP's news. This includes the Company's performance, the progress of key projects, Technology, Corporate Social Responsibility (CSR) activities, and corporate governance activities, and other useful information; for example, How is GRC driven in PTTEP?, PTTEP is the host of event "PTT Group CG Day", Net Zero Greenhouse Gas Emissions, Carbon Capture and Storage (CCS), The Seafood Product Value Enhancement Project, PTTEP's Technology Research and Development, Technology Development for Minimizing Environmental Impact, How Important is Carbon Footprint?, etc. From the 2<sup>nd</sup> quarter of 2022 onward, there is a fun game in the newsletter for shareholders to play and win special prizes. The quarterly newsletter was publicized on the Company's website as well as sent hard copies and E-Newsletter to the Shareholders upon request.

### 1.4) Equal Treatment to Shareholders

PTTEP provides a direct communication channel to all our shareholders via our independent directors' e-mail at [IndependentDirector@pttep.com](mailto:IndependentDirector@pttep.com) for various issues, such as activities of the directors, good corporate governance, and audit-related issues. In addition, the Shareholders can directly contact the Company Secretary at [CorporateSecretary@pttep.com](mailto:CorporateSecretary@pttep.com) or Investor Relations Unit at [IR@pttep.com](mailto:IR@pttep.com) for additional information. The Company operates businesses with optimal efficiency, with a commitment to business ethics for sustainable growth of the Organization, appropriate and consistent returns to the Shareholders, and all stakeholders are properly and sustainably managed by using modern and well-accepted management and monitoring tools.

### 1.5) Prevention of Insider Trading

PTTEP puts a great emphasis on controlling the use of our internal information by including this matter in the PTTEP Good Corporate Governance and Business Ethics. In line with securities laws, policies relating to the use of internal information are regularly reviewed to preserve integrity and equality among all of the Company's stakeholders. Key measures are as follows:

- 1) The Board of Directors has assigned the Governance, Compliance, Internal Control, and Subsidiary Management Department as the center for monitoring the insider trading prevention program and preparing a list of personnel who bear material and/or internal information (Insider List) which includes directors, management, and employees.



2) The directors, management, and employees are always informed of PTTEP's regulations and policies in regard to insider trading prevention through various communications as well as provide training to ensure that they understand and strictly comply with to prevent misuse of information which may directly or indirectly conflict with his or her personal interests. Disciplinary actions are clearly specified, while the supervisors, who act as the CG Leader, are responsible for advising and encouraging their subordinates to follow. In 2022, there was no report of any misuse of internal information.

In 2022, PTTEP employees attended a training regarding Good Corporate Governance and Business Ethics (CG&BE) or CG&BE e-Learning which covers measures to prevent the use of insider trading with 100 percent of the employees completed the course.

3) Prohibition on trading of PTTEP's securities during the blackout periods, such as when material information is being disclosed, which may affect the securities price. All the Company directors, management holding position of Senior Vice Presidents (SVPs) and above, Vice Presidents (VPs) of the Finance and Accounting Group (FNA) as well as other management and employees having material internal information will be informed of such blackout period in order to abstain from trading of PTTEP's securities whether direct or indirect. This prohibition also applies to their spouses and minor children. Violation of this prohibition is considered a disciplinary offense.

PTTEP also requires all of the Company's directors, management holding positions of SVPs and above, VPs of FNA as well as their spouses and minor children to refrain from directly and indirectly trading securities of PTTEP at all times and inform the Governance, Compliance, Internal Control, and Subsidiary Management Department 2 days in advance if necessary.

4) The Company directors, management holding positions of SVPs and above, and VPs of FNA must disclose complete information in regard to their securities possession as well as related trading activities to the Governance, Compliance, Internal Control, and Subsidiary Management Department in addition to the disclosing obligation to the SEC. These pieces of information will be disclosed to the Board on a monthly basis for CG&BE compliance monitoring purpose. Shareholdings by the Company directors, management holding position of Senior Vice Presidents (SVPs) and above, Vice Presidents (VPs) of FNA is disclosed in the annual report (56-1 One Report) as required by the SEC.

## **(2) Employees**

1) PTTEP complies with the UN principles by not employing illegal workforce and child labor in every area in which we operate. The following guidelines are described in the Company's CG&BE.

1.1) To understand and comply with all laws applicable to the PTTEP Group's operations in the locations where we conduct our business.

1.2) To understand the local customs, cultures, and traditions of the locality in which we operate.

1.3) To respect the local traditions, cultures, and cultural differences, and not to behave in any ways which contradicts them.

1.4) Not to discriminate against any individuals based on our personal relationship with that individual, his or her ethnicity, nationality, gender (including pregnancy, and sexual preference), age, religion, personal views, disability, or any other conditions or characteristics which are not concerned with work.

In 2022, PTTEP supported 20 people with disabilities on The Occupational Income Promotion project under Section 35 of Empowerment of Persons with Disabilities Act, B.E. 2550 (2007) through the Disabled Personnel Assistance Coordination Center to enable people with disabilities or their caregivers can pursue a career in their own hometowns which PTTEP made full payments directly to persons with disabilities within the period specified by law.

PTTEP strictly complies with labor laws enforced by each and every country we operate in. In Thailand, a Welfare Committee is established, comprising 8 employer representatives and 22 employee representatives from Thailand and overseas work sites which represented 100% of total employees. Welfare Committee meets every 2 months to discuss labor-related issues that cover compensation, welfare, human resource management, and labor rights. In 2022, the Welfare Committee convened 6 meetings where 18 issues were discussed covering compensation, welfare, benefits, and opportunities for career advancement.

2) PTTEP recruits, selects, and employs employees based on their qualifications, experience, and capability to work in the target positions. According to the Good Corporate Governance and Business Ethics of the PTTEP Group, both internal and external candidates are treated fairly under transparent recruitment process. In addition, our employees are given opportunities to develop and grow in their professional career based on potential as well as to join external activities under the Company's policy.

3) PTTEP sets up and regularly reviews compensation and benefits packages to ensure fairness for both the Company and the employees according to our short-term and long-term business performance, pay positioning among leading energy companies in Thailand and the region, types of work, required skills and expertise, difficulties of work, responsibility and accountability of each position, and the individual employees' performance results in order to attract and retain competent and capable employees.

4) PTTEP provides and regularly reviews welfare and benefits packages to ensure fairness to both the Company and the employees according to our ability to pay at the present and in the long run, focusing on the welfare and benefits which help to enhance the quality of life of the employees and their families. These are, for example, healthcare benefits for employees and their families which are comparable to those provided by other leading energy companies in Thailand and/or in the region. The Company regularly reviews welfare and benefits program to suit the changing social, economic, and other obligatory conditions of the business. In addition, the Company also provides psychological and legal consultation services through our "Sabaijaidee" program to Thai employees, national employees from overseas work sites, their spouses, and children to help them guard against anxiety from their families, private life, and work concerns. The services are provided by psychologists and professionals from one of our consulting companies. In 2022, The Sabaijaidee Live project has been organized on a monthly basis by inviting external speakers to provide professional knowledge, advice on mental health care and stress management. We also issue monthly articles about mental health care for employees. Psychology and stress tests have additionally been added to the WeConnect system so employees can assess their stress at any time on their own.

The Company establishes a provident fund program for our employees to ensure their financial security after resignation and retirement. The fund consists of contributions from both the Company and the employees. The Company makes a monthly contribution at a rate of 15 percent of our employees' basic monthly salary, while the employees contribute 2 to 15 percent of their basic monthly salary. Criteria and policy regarding this fund are subjected to the Company's regulations. Effective from 1 October 2022, employees can adjust provident fund contribution rate from 2 times per year to 4 times per year for more flexibility in fund management in response to economic fluctuation. Currently, 97% of total eligible employees have joined the Provident Fund.



In addition, to celebrate and commemorate the long-term commitment and loyalty of our employees, PTTEP establishes the Long Service Awards Program to recognize staff who have reached significant milestone years of service, which are 5, 10, 15, 20, 25, 30, 35 and 40 years employment anniversary with the Company. The purpose of the program is to strengthen our corporate employee engagement through recognizing and honoring the commitment and dedication of long-term employees, while promoting careers aspiration within the Company as well.

5) PTTEP gives priority to human resources development to increase the organization's capability to drive the business performance as the Company always believes that human resources hold a key to our success. The Company provides opportunities for the employees to develop and enhance their knowledge, skills, and experience through both short-term and long-term training and development programs. Apart from professional capability and necessary skills building, the Company also embeds the corporate core values (*EP SPIRIT*) to all employees in domestic and international assets, so they can perform the expected behavior together based on the same corporate culture to attain the Company's vision and mission. In 2022, PTTEP has revisited its core value for expected behavior to align with new strategy for energy transition. The adjusted value is designed to support on efficiency improvement for E&P business including readiness to shift to Beyond E&P. In addition, our employees attended training and development programs at an average of 57 hours per person per year. Programs for technical skills, Safety Security Health and Environmental (SSHE) were provided to employees such as water management, oil spill response, and environmental management course. In addition, the Company extend the development areas to digital literacy, managerial skills, and leadership skills such as outward mindset, self-leadership, blockchain, smart contract, and power platform course.

6) PTTEP realizes the value and importance of regular consultation between the Company's employees and their supervisors or between employees to solve the problems incurred in the day-to-day operation as fast as possible and to maintain a good working relationship between them. Should any conflicts arise between the employees or between the employees and their supervisors, the employees may file a complaint through one of the communication channels provided. The employees, including relevant witnesses, who comply with the provided measures and procedures and act in good faith shall be protected, without facing a penalty, termination, or any other negative consequences. Hence, PTTEP introduced various channels for Grievance Handling issues such as the Whistleblowing System which, during this year, we received a total of 9 cases and 4 of those considered valid complaints by following Reporting and Whistleblowing Regulation and have been successfully executed. There is another grievance channel according to the human resource management policy which in 2022, there were 4 complaints received from this channel and all were considered as valid complaints. There are 2 cases that have been completed and there are the remaining 2 cases which are under investigation and expect to be completed by the Q1/2023. Moreover, we also included the result of each complaint case and related penalties (if any) in the annual report (56-1 One Report) and sustainability report. Nonetheless, PTTEP also communicates lesson learned from each case to employees without disclosing personal information in order to prevent recurrence. In this regard, PTTEP has a certain process to verify facts confidentially. It is recognized only by those involved to protect the employees and the whistleblower will not be affected by the complaint.

7) PTTEP conducts the Employee Engagement Survey every 2 years. The recent results in 2022 indicated that the staff engagement is score is 74% which is higher than benchmarks including Thailand Market Average, Thailand's Oil, Gas, Exploration and Production companies, APAC's Oil, Gas and Consumable Fuels companies and Fortune 500 companies. Referring to employee engagement survey results, PTTEP has an initiate improvement plan for achievement goal during 2023-2024.

### **(3) Clients**

PTTEP is committed to our mission to be a leading producer and supplier of crude oil, natural gas, condensate, naphtha, and LPG at fair and competitive prices. The Company sells the products under short-term to long-term contracts as well as in the spot markets. The Company assesses clients' suitability by the following four criteria, namely, economic return of the product prices, financial stability, safety standards, and compliance with local laws and regulations of each client. The Company treats all clients equally for the optimal benefit of all and is also committed to strictly comply with the contracts as well as maintaining clients' confidential information in compliance with Personal Data Protection Act B.E. 2562 (2019) as disclosed in the "Policy and Statement of Personal Data Protection" topic. In addition, the Company holds regular meetings with our clients to exchange production plans and demand forecasts to ensure that we can produce and deliver products that meet the quality, quantity, and delivery time specified in the contracts. The Company also conducts satisfaction surveys with clients to improve our product and service quality.

### **(4) Governments**

PTTEP conducts the business by adhering to the Good Corporate Governance and Business Ethics and dedicates itself to exploring and supplying petroleum domestically and internationally. The Company strictly complies with the laws applicable to our operations in all locations where we operate.

### **(5) Joint Venture Partners**

Joint venture projects between PTTEP and the Company's domestic and foreign joint venture partners operate under mutual working agreements according to international standards including corporate governance. These agreements include details in regard to the rights and duties of joint venture partners such as the right to become a member of a project's management committee. The committee is responsible for establishment of guidelines on the procurement of products and services as well as for development of the strategic planning and annual budgeting with a clear scope and approach. The partners also have the right to audit annual financial and accounting records, also to set appropriate and clear measures, for example, penalty imposed on partners for failures to honor an agreement. The Company meanwhile remains focused on the distribution of information to joint venture partners and external parties with transparency.

### **(6) Communities and Societies**

PTTEP Corporate Social Responsibility Policy emphasizes sustainable social development and stakeholder engagement at all levels. Social responsibility has been integrated with each business decision-making and execution process. This Corporate Social Responsibility Policy is adopted in all PTTEP operations areas.

In this regard, PTTEP uses the Issue and Stakeholder Management System (ISMS) as a tool to analyze social risks and mitigate impact as well as to promote good relationships with communities in every operating area. ISMS has been set as a KPI for the relevant managers and Public Affairs staff to ensure effective implementation. ISMS workshop is organized for the executives and staff of all domestic and international assets on a regular basis. Public Affairs staff revisit ISMS through ISMS Report Online System to update the information every year.

### **(7) Environment**

With a commitment to operate business conscientiously and responsibly towards society and the environment, the SSHE Policy includes a commitment to environmental protection, the Company personnel, business partners, and contractors working for or on behalf of the Company must abide by the SSHE Policy.

PTTEP realizes that our activities can cause environmental impacts and affect the stakeholders. The Company engages with relevant stakeholders to ensure their concerns and recommendations are addressed. These concerns and recommendations can be applied to mitigation and monitoring measures in environmental impact assessment reports. Furthermore, PTTEP promotes a good relationship with communities through regular engagement and having assigned external relations staff to meet with local communities in case any environmental concerns or complaints are raised.

PTTEP transparently discloses environmental performance to the public in various channels. The disclosure is implemented in compliance with regulatory requirements, the Company requirements, and international practices.

#### **(8) Vendors**

According to the Procurement Regulation and the Good Corporate Governance and Business Ethics of the PTTEP Group (CG&BE), vendors play a crucial part in the sustainability of our business. We therefore employ a policy which aims to treat our vendors as equal business partners. PTTEP's procurement system is based on fair competition, compliance with the laws and regulations as well as other legal obligations, and taking into account the Safety, Security, Health, and Environment (SSHE). The vendors must follow the Company's work safety standards. Their employees, meanwhile, are also required to have good business ethics and respect for human rights. In addition, under the Company's vision, PTTEP leverages Energy Partner of Choice through competitive performance and innovation for long-term value creation.

##### PTTEP Vendor Guide

PTTEP developed the Vendor Guide to provide our vendors with the necessary information for contacting and conducting business with PTTEP. The information contained includes CG&BE, procurement process, contract management, and PTTEP Vendor Sustainable Code of Conduct and compliance, as well as several vendor communications channels for enquiries and complaints. Details of the PTTEP Vendor Guide are available on our website at [www.pttep.com](http://www.pttep.com) > E-Service > Procurement and Contract > PTTEP Vendor Guide.

##### Vendor Registration

PTTEP is deeply committed to free and fair business competition without trade barriers. There are 3 channels for interested vendors to register with the Company.

- 1) PTTEP website: Vendors can register their profiles through our website at [www.pttep.com](http://www.pttep.com) > E-Service > Procurement and Contract > New Vendor Registration.
- 2) The Category & Vendor Management section: Vendors can contact the Category & Vendor Management officers or Procurement & Contract officers during business hours to register their profiles.
- 3) PTTEP Users: Vendors can directly register their profiles with PTTEP users who may, in turn, provide the vendors' names to the Category & Vendor Management section for preliminary review of their qualifications.

Additionally, PTTEP also published Privacy Notice and Guidelines on the Protection of Personal Data for the Procurement Process of the PTTEP Group on Procurement Website and the Vendor e-Registration system to comply with the new Personal Data Protection Act B.E. 2562 which is in effect in 2022.

#### New Vendor Pre-qualifications

PTTEP pre-qualifies suppliers by screening and evaluating vendors according to their product and service categories, independently, with equality and transparency, each function of the committee has the authority to consider and evaluate the vendors to ensure that they possess the qualifications to deliver the products or provide the services needed.

The evaluation process is performed by a special procurement committee and comprised of three functional areas:

- 1) Technical and QA&QC
- 2) Safety, Security, Health and Environment (SSHE)
- 3) Commercial, Legal and Social

In 2022, PTTEP also set financial re-evaluation measure to revisit bidders' financial status for high value project in order to mitigate risk during the economic crisis in 2022.

#### Vendor SSHE Contractor Management Procedure and Plan

PTTEP introduced new measures to monitor and improve the management of vendors regarding SSHE which is one of our core values. The SSHE Contractor Management Procedure and Plan were issued to ensure a better understanding as well as to encourage appropriate operational planning.

#### Public Procurement and Supplies Administration Act, B.E. 2560 (2017)

As a state enterprise, PTTEP must comply with the Public Procurement and Supplies Administration Act, B.E. 2560. PTTEP has communicated to all vendors to be prepared for the new process should they wish to submit a supply proposal to PTTEP. The communication draws their attention to, for example, study the procurement process under the Act. This is to ensure that our procurement procedure conforms to the objectives of the Act, namely value for money, transparency, efficiency and effectiveness, and verifiability. All information related to procurement process is provided in the vendor guide and also published on the Company's website for public notification.

In addition, PTTEP also supports SME entrepreneurs and made in Thailand products as per e-GP regulation, e.g., considering SMEs as the priority for sourcing opportunity, setting the scope of work to suit Made in Thailand products, setting conditions/vendor qualification and evaluation criteria to support SMEs and Made in Thailand products, support Thai entrepreneurs or companies registered in Thailand, etc.

#### Procurement Sourcing Strategy

PTTEP developed Annual Procurement Plan (APP) in accordance with Company 5-year roadmap. As such, the Company is able to leverage sourcing strategy and set contractual period as appropriate for market situation for both domestic and international assets including new business projects, i.e., Domestic Gas to Power Project. The APP shall be endorsed by authorized person as per Delegation of Authority and Signature document. After the APP is endorsed, PTTEP will apply sourcing strategy based on scope of service, essential contract terms and conditions, vendors, market condition, estimated contract value, duration, Category Management Process as well as risk management in order to efficiently proceed with procurement plan.

In 2022, the Company developed Category Management Framework to manage categories differently to suit characteristics of each category in terms of strategy, contract management, and supplier relationship management (SRM). As a result, it will enable procurement and supply chain organization to obtain cost saving and increase value to Company.

Additionally, PTTEP continuously seek for sourcing opportunity from a low cost country by finding new potential bidders for categories which have limited source of supply or those which aim to achieve further cost saving target. The new potential bidders will be assessed for quality as per Company's standards in order to be approved as an approved vendor list. As for internal procurement sourcing approval process, the procurement strategy and contract, including a list of bidders must be internally approved by the three functions, namely, operations, assets, and procurement, in order to ensure checks and balances as well as verifiability. This information will then be submitted to the Procurement Committee (PC) and joint venture partners (if any) for approval prior to proceeding with the bidding.

For procurement process under the Production Sharing Contract (PSC), PTTEP is required to submit Annual Master Procurement Plan (AMPP) in order to obtain endorsement from the Department of Mineral Fuels (DMF) for procurement valued above THB 10 million prior to sourcing process. For any procurement transactions that fall under DMF criteria for submitting Procurement Strategy, the Procurement Strategy Sheet shall submit for DMF's endorsement 30 days in advance of procurement process.

#### Vendor Selection

PTTEP focuses on strategic sourcing where the Company will conduct a bid clarification meeting with high value contract bidders prior to tendering process. In the process of vendor selection for high-value and high-risk procurement, the technical proposal will be evaluated first prior to consideration of the commercial proposal. Subsequently, the result of the bidding process will be submitted to the Procurement Committee (PC), joint venture partners (if any), and the Board (for high-value procurement) for endorsement prior to the stage of contract drafting with the selected vendor. Furthermore, PTTEP is required to inform the bid result to DMF, and in the event that awarded contract value is 10% higher or lower than Procurement Strategy, DMF's endorsement is required prior to awarding the contract. The Company only selects vendors with the required technical and SSHE qualifications, and which offer the lowest price or on the basis of the best interest of the PTTEP Group.

Moreover, PTTEP has adopted a weighted technical and price score method together with Green Procurement criteria in the vendor selection process in order to align with the Company's sustainable development policy.

#### Contract Management and Assessment

Contract Management and Supplier Relationship Management (SRM) is an important component for the petroleum exploration and production business. A contract holder coordinates between vendors and all relevant parties, to ensure that they fully understand and comply with PTTEP's work plan, contract objectives, SSHE standards, and risk mitigation plan, as well as critical key performance indicators (KPIs). The contract holder also needs to assess and follows up periodically on the performance to ensure that the vendors operate according to the contractual terms. At the end of the contract, the contract holder also must complete the Contract Closed-out Report to identify areas of improvement regarding the operations and long-term sustainable relationship with the vendor. In 2022, PTTEP improved and set standard supplier performance evaluation criteria to suit characteristics of each category and set corrective action plan for those vendors who fail the evaluation. Evaluation result will also be used in vendor pre-qualification evaluation in the future.

Additionally, PTTEP enhanced contract management process to increase process efficiency by revising Procurement & Contract Procedure and Procurement & Contract Training Toolkit as well as PTTEP Delegation of Authority & Signature (PTTEP DAS) to be more prudent, align with current process, and communicate the new procedure to all stakeholders via Contract Holder Certification Program workshop to build understanding and awareness.

#### Vendor Collaboration Initiatives

In 2022, PTTEP continued to develop an effective supply chain management and supported vendor collaboration initiatives to maintain a good relationship with the vendors, and develop Supplier Relationship Management Plan, e.g., organized pre-bid meeting with vendors under critical work categories, communicated strategic direction and business opportunities to vendors for advance tender preparation, conducted offshore drilling contractor performance monthly meeting, organized annual meetings with major vendors. As a result of good collaboration with vendors, PTTEP has successfully established 27 Master Service Agreements with vendors and plans to develop additional 28 agreements in 2023 for the repetitive sourcing items to reduce procurement process and time. In addition, in 2022 Company has completed 11 Frame Agreements with vendors in Geophysical Site Investigation Survey and Geotechnical Testing & Investigation Survey and plan to enter into another 6 agreements in the line pipe work category in 2023 to reduce lead time and increase procurement efficiency.

In addition, PTTEP organized the 2022 PTTEP SSHE Forum with the key objective of demonstrating PTTEP's strong commitment to continuously improving Safety, Health, and Environment in our operations. During the year, SSHE related activities, such as Annual Contractor Audit, S1 SSHE Talk Monthly Meeting, and SSHE Culture Survey was also held to build awareness and enhance efficiency in Safety, Security, Hygiene, and Environmental aspects to all stakeholders.

#### Local Content

To enhance the capability of domestic vendors to compete internationally, PTTEP supports sourcing of local products and services. Not only does it promote domestic employment and income distribution, but it also reduces the outflow of capital to other countries. As a result of our commitment to building a long-term relationship with the communities where we operate, the Company has been entrusted by the respective communities with licenses to operate. Meanwhile, the Company also encourages our vendors to operate with care and responsibility wherever they are, and to increase their local sourcing to save on costs as well as to support the local communities.

#### Vendor Sustainability Management

PTTEP is committed to operating our business to achieve sustainable growth and adhering to good corporate governance for the community, society, and environment. To achieve these goals, we give priority to the supply chain management and the monitoring of our vendors.

"PTTEP Vendor Sustainable Code of Conduct" was drafted with its contents and scope adhering to the relevant rules, regulations, and laws. The vendors are encouraged, in all of their activities, to be ethical, respect human rights, comply with the SSHE standard, and prioritize environmental management. An example of PTTEP's environmental management plan is the "Green Procurement Roadmap" that we have collaborated with the Thailand Environment Institute to develop "Green Procurement Criteria" since 2017. In 2022, PTTEP successfully developed green procurement criteria for 27 work categories and implemented in



technical bid evaluation in conjunction with commercial evaluation to award bidder. The successful bidder shall get at least 30% score to pass PTTEP green procurement criteria.

#### Vendors' Environmental, Social, and Governance (ESG) Assessment

For more effective supply chain management in vendor management, in 2022, PTTEP and the PTT Group of companies conducted a Supplier On-site Audit via Microsoft Teams Meeting by External Party and 1 key vendor in Drilling Services passed this audit. In addition, there is a collaboration among PTT Group to develop internal ESG auditor instead of external party in the future. Consistent with our policy and that of PTT Group of Companies, a workshop held by an external party was organized to promote better understanding among our vendors about the sustainability assessment criteria and to encourage improvement in the sustainability capability in their respective organizations.

#### Whistleblowing

To give confidence and protection to vendors and related parties from possible retaliation as a result of reporting in good faith of suspicious misconduct or wrongdoing of the directors, management, employees, or persons acting on behalf of the Company which might be in violation of the law, CG&BE, or other regulations of the PTTEP Group, the Company establishes the CG Hotline to handle the matters. Vendors can email [cghotline@pttep.com](mailto:cghotline@pttep.com) or report through PTTEP Whistleblowing System at [www.pttep.com](http://www.pttep.com).

Additionally, PTTEP has also proposed 3 high-value sourcing projects to Anti-Corruption Cooperation Committee to participate in the Integrity Pact Project to verify transparency throughout the procurement process. In 2022, the projects are under assessment process.

#### Digital Transformation in Vendor Management

PTTEP leverages digital technology in managing our vendors to enhance the efficiency and effectiveness in managing risks by developing the new procurement platform (GEP Smart) to replace legacy systems to digitalize end-to-end procurement process and have fully implemented the platform from the process of vendor registration, bidding, and contract management to supplier performance evaluation in 2022.

In 2022, PTTEP focused on the system and process integration throughout the supply chain management by integrating supply chain and supplier data analysis with the external source of data into the Company's system. Additionally, PTTEP integrated annual procurement planning process, sourcing, logistics, and payment process to make the entire process agile and support electronic procurement process.

### **(9) Creditors**

PTTEP recognizes the importance of the Company's internal and external stakeholders including creditors. This is based on our policy of equitable treatment for all stakeholders, and an integral part of the CG&BE.

Emphasis is placed on accurate, complete, timely, and transparent information disclosure to all of the stakeholders. Information disclosed by the Company consists of financial and non-financial information. Financial information particularly the financial statements is reviewed and audited by an independent auditor in compliance with the generally accepted accounting principles. The information is also endorsed by our Audit Committee as well as the Board of Directors prior to public disclosure.

Regarding creditors, PTTEP's debentures issuance and all relevant processes are in compliance with the laws, policies and regulations stipulated by the SEC as well as the policies, purposes, and resolutions set forth at the Company's shareholders' meeting. The Company agrees to fulfill the obligations stated in the terms and conditions of the debenture and loan agreements and to ensure that the information is accurately and adequately disclosed to all stakeholders. The Company also maintains all of the necessary measures to remedy incidents or other types of impairments which may arise as a result of non-compliance.

#### **(10) Competitors**

PTTEP treats our competitors with professionalism, equality, and transparency. The Company, in our greatest effort, tries to avoid all unethical manners and ill-intentions to defame the reputation of our competitors through false, unfair statements, or acts. It is also committed to complying with local laws and regulations regarding trade competition. Details of the Trade Competition Policy are disclosed in the CG&BE.

#### **(11) Customs and Traditions**

PTTEP adheres to local customs and traditions. Orientation is provided, with inputs from leading consulting firms that provide insights into local life and customs, to the employees who receive international assignments to help them understand and be able to act properly and appropriately. The Company also supports and encourages employees to learn the local language to strengthen the relationship of working together with the local people. The Company also supports and provides information through the intranet system to facilitate employees to access the information anywhere anytime.

#### **(12) Human Rights**

PTTEP has a human rights policy where the Company is committed to respecting fundamental human rights, as guided by its corporate good governance and business ethics, by complying with all applicable legal requirements, cultures, customs, and values in dealing with all of our stakeholders, avoiding complicity in human rights abuses and treating all employees with dignity, respect, and fairness as well as strictly prohibiting ourselves from direct and indirect employment of child and forced labor. The Company's Human Rights Policy fully complies with the UN Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights and its corresponding covenants, the international principles relating to labor practices and the United Nations Declaration on the Rights of Indigenous Peoples including the United Nations Global Compact (UNGC) that we commit to the 10 principles of UNGC. In 2022, PTTEP, as one of more than 850 companies from over 80 countries, participated in the Early Adopter Programme to test the new UNGC Communication on Progress platform for further improvement. Additionally, PTTEP received the winning award for the state enterprise sector as the 2022 Role Model Organization on Human Rights from the Department of Rights and Liberties Protection, Ministry of Justice for the 4<sup>th</sup> consecutive year.

Currently, PTTEP is a member, in fact, one of the founding members since 2016, of the Global Compact Network Thailand together with 14 other Thai organizations who have placed high priority on sustainable development. The objective of the network is to encourage Thai business sector to recognize the importance of conducting their business under the UN Global Compact principles.

The Company is also committed to providing fair employment while ensuring that the employees have a safe and hygienic working environment. The Company ensures that no threats exist to employees or those related to the Company's operations. The Company also provides the interaction between the executives and employees by allowing the latter to have their representatives

in the welfare committee while exchanges of views and suggestions are encouraged for improvements of welfare and other benefits to improve our employees' well-being.

For more details, please visit the PTTEP website, Sustainability topic, at  
<https://www.pttep.com/en/Sustainability.aspx>, subtopic: "Human Rights"

### **(13) Laws**

PTTEP respects laws everywhere in which we operate. The Board sets the matters relating to the compliance with applicable laws, regulations, and policies in the Business Ethics of the PTTEP Group. The Company directors, management, and employees are required to understand as well as strictly abide by all the applicable laws relating to the Company's operations in all areas ensuring that all the PTTEP Group's operations are in full compliance and efficient.

PTTEP has a centralized compliance unit namely, the Governance, Compliance, Internal Control, and Subsidiary Management Department to oversee and monitor the compliance performance of the PTTEP Group. The Department has a direct reporting line to the Senior Vice President of the Corporate Secretary, the Executive Vice President of the Human Resources, Corporate Affairs, and Assurance Group, and the Chief Executive Officer, respectively. In 2013, the Company announced the Compliance Policy to express our commitment to full legal compliance as well as to define roles of all managers and employees in promoting compliance in all operations. The Compliance Program has been developed to enhance awareness of the importance of compliance among employees. The Company also developed the Compliance Manual as a guidebook of reference in ensuring a consistent and effective approach to operating/working for all operations with regard to the applicable laws, the Company's regulations, and contractual obligations with the purpose to enhance employee awareness on both internal and external compliances.

## **6.1.3 Information Disclosure and Transparency**

### **Disclosure of Financial and Non-Financial Information**

Information disclosure is a key aspect of good corporate governance. PTTEP gives importance to the information disclosed to the Stock Exchange of Thailand (SET) as well as to the shareholders, and the information must be accurate, sufficient, timely, and equally available to all parties. The information is prepared according to the Company's Business Ethics Guidelines. The departments which are responsible for providing information and replying to external queries from the SET and the public are the Investor Relations (IR) section and the Communications Department.

The information disclosure consists of financial information and non-financial information. Financial information is disclosed through financial statements which are reviewed or audited by the external auditor to confirm that they are presented accurately, in all material respects, according to the Thai Financial Reporting Standards. The financial statements are subsequently approved by the Audit Committee or the Board prior to being disclosed to the public. The Board reports their responsibilities with respect to the financial statements in the annual report (56-1 One Report). In addition to the SET's requirements, the Company also releases unaudited annual financial statements in advance to allow timely access to the financial information for the shareholders and investors. Unless stated otherwise, the information before and after the audit usually and generally does not contain any significant changes. The Company also discloses non-financial information, such as acquisition and disposal of assets, related party transactions, dividend payments, the management discussion and analysis, risk management, invitation letter for the shareholders' meetings, minutes of meetings, as well as other information which is important for investment decisions according to the SET's and the Securities and Exchange Commission (SEC)'s requirements. The Company also disclosed the annual corporate governance report in the annual report (56-1 One Report).

Information that PTTEP discloses to SET, the Company's shareholders, investors, and the general public is disseminated in both Thai and English on the Company's website which also features other up-to-date information considered to be of interest to the aforementioned parties. Key information available on the website comprises petroleum exploration and production projects, investment projects, quarterly and annual analyst meeting presentations, webcasts, roadshow presentations, historical and latest stock performance, analyst coverage, and news releases. The Company also reports our safety, security, health and environment (SSHE) performance which is included in the annual Sustainability Report. In addition, the Company makes videos and infographics presenting the financial information and operating results available on its website for those interested.

The Company also publishes a quarterly investor newsletter, the Explorer's Journal, which includes information that may be beneficial to our shareholders and investors, such as quarterly performance highlights, project updates, good corporate governance practices, topics on sustainable development, and knowledge sharing on the fundamentals of the exploration and production business. The newsletter is prepared in Thai and English, and is available in both hard copy and electronic formats. The latter can also be downloaded from the Company's website and/or received by electronic subscription. Moreover, the Company has also launched PTTEP Investor Relations Mobile Application and Chatbot, effectively serving as an additional communication channel between the Company and shareholders for news and updates.

In 2022, PTTEP disclosed a total of 40 articles through the SET portal and organized the following activities for the shareholders and analysts.

Activities	Amount (Times)
● Roadshows/conferences	21
● Analyst meetings	4
● Opportunity Day and SET Digital Roadshow (arranged by SET)	7
● Knowledge Sharing events for investors	1
● Company visits and conference calls	35

Due to the improvement of COVID-19 situation, the activities in 2022 were arranged in the forms of virtual conferences or online meetings, or through telephone correspondences, and physical meetings both domestic and overseas. The IR team also sets up a booth at the Company's AGMs so as to readily provides information and answers to questions raised by the shareholders.

The Company realized that disclosure of information, which is accurate, complete, timely, and transparent is a key to the CG&BE and therefore is committed to performing its best in this area.

#### Investor Relations

The Investor Relations (IR) section is responsible for the communication of relevant information and news which reflects PTTEP's fair value to analysts, shareholders, and general investors according to the SET's and SEC's requirements to foster confidence within the analysts and investment community. IR is also entrusted with upholding the corporate image and perception among analysts and investors and advising IR related issues to the Company's executives.

PTTEP's IR can be contacted through the following channels.

**1) Head of Investor Relations:**

Thanat Thamrongsaksuvit Telephone: +66-2537-4259

**2) Investor Relations Section:**

Telephone: +66-2537-7641, +66-2537-4217 and +66.2537.5522

E-mail: [ir@pttep.com](mailto:ir@pttep.com) Fax: +66-2537-4444

#### 6.1.4 Policy and Statement of Personal Data Protection

PTTEP recognizes the importance of personal data protection and governance of personal data in accordance with the Personal Data Protection Act B.E. 2562 (PDPA) and associated secondary laws. The following actions have been taken to ensure full legal compliance:

- 1) Carry out PDPA Gaps Analysis and Recommendations to study and analyze legal requirements and internal processes in accordance with PDPA and communicate the recommendations to relevant parties for implementation, for example, privacy notice, personal data consent, and cookies consent, etc.
- 2) Establish a PDPA Implementation Plan and consult with relevant parties to put the plan into action, follow up on the implementation, and examine related documents.
- 3) Establish and announce the Personal Data Protection Policy on PTTEP's website to announce the Company's intention to protect personal data and explain how the Company treats personal data.
- 4) Provide Personal Data Protection Notice for External Parties to inform the owner of personal data and understand the purpose and method of collection, use, disclosure and/or transfer of personal data abroad, including rights as the owner of personal data, etc. The information is published at the Personal Information Protection Center on the website of PTTEP.
- 5) Establish and announce the Personal Data Protection Standard for Employees to ensure that employees know how to treat their personal data and how to comply with the law.
- 6) Organize training about PDPA for employees and communicate PDPA knowledge via e-mail throughout the year 2021-2022.

#### 6.1.5 IT Security Policies and Practices

Since 2019, the Board has delegated cybersecurity oversight to the Risk Management Committee. Within the Risk Management Committee, Lieutenant General Nimit Suwannarat, an independent director, was tasked with overseeing the Company's cybersecurity strategy and review process.

Furthermore, in 2022, PTTEP appointed the Digital Steering Committee, with the Executive Vice President of the Operations Support Group (OPS) as its chairman, to take on the following responsibilities:

- Define PTTEP digital directions, policies, and strategies.
- Review new digital technologies and innovative ideas in accordance with digital strategies.
- Define PTTEP Digital Master plan and Roadmap to align with PTTEP and PTT Group's direction and business strategy.
- Provide advice and define solutions related to digital operations and processes.

- Govern and monitor digital risk management to ensure risks are within tolerant level under the Enterprise Risk Management Framework.

Reporting to the Digital Steering Committee, the Vice President of the Information Management Department performs the role equivalent to that of the Chief Information Security Officer. He and his team are responsible for developing the direction, targets, strategy, policies, and standards for information technology security. Their tasks also include supervising the IT risk management as well as the IT security master plan and roadmap, with a view to keeping cyber risks in line with the Company's risk appetite. Indeed, cybersecurity risks have been incorporated into the corporate risk profile, which is closely overseen by the Digital Steering Committee, the Risk Management Committee, and the Board of Directors to ensure that PTTEP can respond promptly to any cyber threats. Furthermore, to strengthen PTTEP's response to cybersecurity incidents, the Company will formally appoint the Chief Information Security Officer and establish the Cybersecurity Incident Response Task Force by the first quarter of 2023.

PTTEP issued three policies related to information security/cybersecurity, namely Digital Security, Information Security Management System and Cybersecurity. All these policies were announced across the organization in keeping with good corporate governance and are available to all the management and the employees through the PTTEP intranet. All the employees acknowledged these policies and received relevant training through the cybersecurity and IT security training program, which was carried out to foster their awareness and understanding of the relevant corporate policies and regulations, as well as Thailand's Computer Crime Act B.E. 2550 and Personal Data Protection Act B.E. 2562. All policies and training programs are reviewed regularly so that they remain relevant.

## 6.2 Business Ethics

PTTEP is committed to operating ethically primarily because the Company's Business Ethics is regarded as the crucial behavioral framework and good business guidance for all directors, management, and employees to perform effectively, and ethically, as well as to treat every group of stakeholders equally, fairly, and transparently. These practices shall build confidence and acceptance on the efficiency and transparency of the Company's business operations, creating a long-term sustainable value for all stakeholders and fairness for everyone concerned.

Business Ethics of the PTTEP Group is part of the "Good Corporate Governance and Business Ethics of the PTTEP Group (CG&BE)". The Board first established its written Business Ethics in 1989, and it is constantly reviewed annually. The current version of the CG&BE was approved by the Board on July 29, 2022, and it was regarded as the highest regulation for business operations of the PTTEP Group. More details of the CG&BE are disclosed in Attachment 5.

PTTEP's Business Ethics consists of principles, guidelines for good practice, samples of questions and answers, information for further study, and a list of the departments responsible for each of the principles. There are 10 ethical issues which reflect our organizational values of the PTTEP Group to which directors, management, and employees must adhere as the following:

- 1) Compliance with Laws, Regulations and Rules, and Respect for Different Customs and Cultures
- 2) Political Neutrality
- 3) Human Resources
  - Workplace Environment
  - Privacy, Equal Treatment, and Anti-Harassment
  - Illegal Drugs, Substance Abuse, and Alcohol
  - Outside Employment, and Management and Employees' Participation in Outside Activities



- 4) Use and Protection of Information and Assets
  - Record Keeping, Using, Disclosing, and Safeguarding Information
  - Use and Storage of Electronic Data and Information Technology Resources
  - Use and Protection of Intellectual Property
  - Insider Trading and Use of Inside Information
- 5) Conflicts of Interest
- 6) Procurement and Contracts
- 7) Anti-Fraud and Corruption
- 8) Trade Competition
- 9) Anti-Money Laundering
- 10) Safety, Security, Health, and Environment

PTTEP has distributed its PTTEP Group's CG&BE booklets to all directors, management, and employees for their reference and adherence. Everyone is also required to sign their names, thus committing themselves to apply the PTTEP Group's CG&BE to the highest working standards. In addition, the booklets are sent to the Company's business partners, regulators, parties with regular business relationships with the Company, and other interested parties. For the convenience of the Company's shareholders, investors, and interested parties, the contents of the PTTEP Group's CG&BE booklets can also be found at the Company's website under the Corporate Governance section.

PTTEP continuously enhances and promotes the awareness and understanding of the PTTEP Group's CG&BE among the Company directors and personnel. The Board governs the ways in which the CG&BE is communicated to the directors and personnel to ensure that they are able to uphold and comply with such policy accordingly. Communications also extend to external parties, for example, employees, consultants, business partners, subsidiary companies, agents, nominees or any person acting on behalf of PTTEP Group in order to promote good ethical cultures throughout the business chain and society in general. Details are explained in the "Continuing to Provide Communication, Knowledge and Training" sub-topic under the "Anti-Corruption" topic.

The Board monitors and evaluates the performance of the CG&BE activities quarterly. The Corporate Secretary Division is in charge of reporting them to the Corporate Governance and Sustainable Development Committee and the Board on a quarterly basis to ensure that CG&BE activities achieve the targeted performance. Furthermore, the Corporate Governance and Sustainable Development Committee has reviewed the work plan by taking into account the evaluation results on CG&BE and anti-corruption measures to ensure continuity and efficiency for the development of the work plan.

### 6.3 Major Changes and Developments of Policy, Practices, and Corporate Governance System in the Past Year

#### 6.3.1 Significant Changes and Developments of the Corporate Governance Policy, Guideline, and Governance System

PTTEP realizes the importance of good corporate governance that it will promote effectiveness and sustainable growth of the Company's operations leading to the best interest of all stakeholders. PTTEP, therefore, regularly reviews and improves the policy, regulation, and relevant guidelines to ensure the effectiveness of implementation. The significant changes and developments of the Company in 2022 are as follows:

- 1) The Revision of the Good Corporate Governance and Business Ethics Regulation (CG&BE)

The CG&BE regulation is regularly reviewed and updated every year to ensure continued relevance in the changing laws and alignment with international standard. The following were the significant changes in 2022: rewriting passage in a part of Good Corporate Governance (CG) under the topics of information disclosure and transparency, editing the content in a part

of Business Ethics (BE) to be clearer and easier to understand with clear examples in various topics, for example, Human Resources, Use and Protection of Information and Assets, Conflicts of Interest, Anti-Money Laundering, Safety, Security, Health and Environment. Moreover, the definitions of terms, for example, fraud, corruption, and confidential information, were also revised to be clearer and to cover behaviors that may be considered fraudulent more inclusively.

2) The Revision of the Standard of Practices for Anti-Corruption

PTTEP amended the Standard of Practices for Anti-Corruption, which is deemed to be a part of the PTTEP Group CG&BE, to be more precise and appropriate, align with applicable laws and be clearer and more practical for implementation.

3) Laid the foundation and expanded operations in terms of CG&BE to cover new transition projects, for example, Malaysia Asset and Yadana Project. The following were examples of activities: providing CG&BE and anti-corruption training to new employees, expanding coverage of CG&BE e-Learning to overseas staff in order to review their understanding of CG&BE, implementing CG&BE Report System in overseas assets, which includes commitment form signing and conflicts of interest reporting. Additionally, GRC Roadmap for Malaysia Assets was well established including monitoring and reporting process together with GRC culture building through the proper channels.

### 6.3.2 Other Good Corporate Governance Practices

PTTEP values and strictly abides by the PTTEP Group CG&BE and international best practices, which are applied with due regard for our circumstances, business, and the best interests of the Company, shareholders, and stakeholders as a whole. Below is PTTEP's additional implementation pursuant to best practices:

1) Since PTT holds (both directly and indirectly) 65.29 percent shares in PTTEP, the free-float proportion of shares is less than 40% of the total paid-up shares. Yet, the current free-float proportion is enough for minor shareholders to exercise their rights to veto significant transactions. PTTEP values full compliance with the SEC and SET rules and regulations while taking seriously the perennial stewardship of minor shareholders' rights. Our assorted activities are regularly organized to convey useful information to these shareholders, winning acceptance from relevant external agencies.

2) PTTEP recognizes the importance of advanced delivery of the Shareholders' meeting notices to shareholders to allow them enough time to duly examine the information. The shareholders' meeting date is scheduled in March-the beginning of April every year for shareholders' convenience and to not coincide with other listed companies. This schedule also provides shareholders with early receipt of rights and benefits, including dividends. As PTTEP operates its businesses in many countries, it takes more time to carefully audit our financial statements, which are in the interests of shareholders, and to plan various report preparation well. Recently, the Company was able to send meeting invitations to shareholders by post 21 days in advance before the Meeting. In addition, PTTEP also publicized the meeting invitations on our website no less than 30 days in advance before the Meeting to give shareholders enough time to examine the meeting data.

3) Under PTTEP's Articles of Association, director election is done by a majority vote, with one share carrying votes equal to the number of shares held by oneself, and shareholders can vote for individual directors. Directors receiving the highest votes are elected along with those receiving ranked votes, and so on until the number of available director positions are filled. PTTEP, therefore, does not rely on the cumulative voting method. PTTEP has defined other methods of looking after the interests of minority shareholders, including allowing them to nominate director candidates for election in advance.

4) Detailed and thorough verification of the rights of attending shareholders ensures that multiple proxies are properly done without affecting the rights of other attending shareholders.

5) Directors automatically retire at the age of 70; their qualifications become void when they reach this age.

6) PTTEP specifies a maximum of 9 years for consecutive service by directors and independent directors. Those who completed consecutive terms totaling 9 years are no longer eligible for director re-election. PTTEP also considers and values the possibility of shortening consecutive periods for independent directors, such as not more than 6 years, when the time is right; the primary consideration is for suitably qualified directors for the exploration and production business in the best interests of PTTEP and its stakeholders.

7) PTTEP requires that the number of independent directors should be no less than half of the Board of Directors.

8) PTTEP values the independence of the Chairman of the Board; therefore, we give a top priority to choose the Chairman from the list of independent directors, except for other justification or suitability in other aspects, e.g., business expertise, work experience, and good leadership in order to find the suitable person. PTTEP has adopted specific processes for this position, including Chairman assessment by the entire Board of Directors to ensure his genuine independence. Details are disclosed in the “Governance Structure and Key Data on the Board of Directors, Specific Committees, Management, Employees, and Others” section, “Independence of the Chairman” topic. The present Chairman is an independent director.

9) The PTTEP Board of Directors annually revisits the suitability of the Skill Mix by explicitly defining each skill aspect or proficiency and setting the annual target for the Skill Mix in line with prevailing business circumstances and changing the business environment for director recruitment and capability development. The Board also values the Board’s diversity by not discriminating against gender, nationality, ethnic group, race, country of origin, or cultural background.

10) PTTEP applies best practices on requiring a minimum quorum for the meeting voting of no less than two-thirds of the entire Board’s directors (excluding those with vested interests). Furthermore, PTTEP’s corporate governance requires that directors absent without good reasons from the Board meetings on more than three consecutive occasions should automatically lose their qualifications as the director. PTTEP also sets meeting attendance as an indicator of the Board Performance Target. PTTEP’s practice is to determine and schedule Board and sub-committee meetings during the Year in advance for the benefit of efficient planning by the directors. In 2022, more than two-thirds of the Board attended every Board meeting. Finally, before any voting, the Chairman gives all directors opportunities to ask questions and extensively discuss issues for a unanimous decision

11) Assessment of the Board of Directors and sub-committees is done through scoring on performance assessment forms for both self-assessment and cross-assessment, Chairman assessment, and entire-Board assessment together with evaluation against Board performance target covering all aspects of both business performance and good corporate governance. Assessment results are discussed by applicable sub-committees in order to improve their performances. In addition, the Board of Directors undergoes appraisal by neutral external agencies, including the Corporate Governance Report of Thai Listed Companies (CGR) Project carried out by the Thai Institute of Directors (IOD), and the ASEAN CG Scorecard assessment. Survey findings are used for the Board’s performance improvement.

12) This year PTTEP held 3 independent directors’ meetings and 1 non-executive meeting for consultation and exchange of views on crucial, useful matters of the Company, and major and minority shareholders and upgraded our corporate governance practices. The CEO was subsequently informed of the outcomes of these meetings.

13) PTTEP specifies a policy on CEO and senior management compensation in line with their short-term and long-term performance, as well as tied to PTTEP’s performance. The Company disclosed the ratio of the CEO’s compensation to the average compensation of the Company’s executives, as well as to the average of all employees.

14) PTTEP does not have a scheme to give the management the right to buy PTTEP shares, but the Company instead applies an appropriate compensation structure suitable for business, which is competitive and screened by the Nominating and Remuneration Committee and the Board of Directors.

### 6.3.3 Awards and Recognitions for Good Corporate Governance

1) Being a recipient of the NACC Integrity Awards granted by the National Anti-Corruption Commission (NACC) at the 10<sup>th</sup> NACC Integrity Awards, the Company was deeply honored to have received this prestigious award for the 4<sup>th</sup> time. This Integrity Award is given to organizations that stand out as a role model in operating its businesses with integrity, transparency, fraud prevention, and social responsibility which is in line with good corporate governance principles and international ethical practices.

2) Being awarded the 2022 Role Model Organization on Human Rights in State Enterprise sector by the Department of Rights and Liberties Protection, Ministry of Justice, PTTEP was honored to have won this prestigious award for the 4<sup>th</sup> consecutive year. This recognition is a testament of our operation strictly adhered to principles of good corporate governance, corporate social responsibility, respecting diversity, and fundamental human rights in all operating areas. The Company has passed the evaluation criteria which are in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and established guidelines for preventing human rights violations, built awareness and responsibility for human rights among personnel. PTTEP also has systems in place to oversee every function within the Company and whistleblowing channels for stakeholders to voice their grievances.

3) Being certified by Thai Private Sector Collective Action Against Corruption (CAC) as a member for the 3<sup>rd</sup> consecutive term, reflects PTTEP's commitment and compliance to anti-corruption policy and adherence to principles of good corporate governance and business ethics.

4) Being rated "Excellent" and receiving five of the National Corporate Governance Committee's symbols, the highest level, based on the Corporate Governance Report of Thai Listed Companies (CGR) 2022 of the Thai Institute of Directors Association (IOD). PTTEP has continuously been rated and placed at this highest level since the first assessment in 2001.

5) Being rated to be in the ASEAN Top 20 PLCs and ASEAN Asset Class PLCs at the 2021 ASEAN CG Scorecard was a great recognition of the Company's efforts. The ASEAN Capital Markets Forum (ACMF) and the Asian Development Bank (ADB) have conducted the ASEAN CG Scorecard to honor ASEAN's listed companies that have demonstrated outstanding corporate governance practices.

6) Being recognized as an exemplary corporation in organizing the Annual General Meeting of Shareholders (AGM) for the year 2022 by successfully scoring 98 percent in the AGM checklist assessment conducted by the Thai Investors Association.

7) PTTEP's ranking was advanced to AA (ESG Leader) from A level in the integrated oil and gas sector by Morgan Stanley Capital International (MSCI) ESG Research, a rater with expertise and credibility of ESG indices. The assessment assures investors that a Company has a good Environment, Social and Governance (ESG) performance.

8) Being selected as a constituent member of the FTSE4Good Index Series for the 7<sup>th</sup> consecutive year by FTSE Russell who prepared such an index and endorsed that PTTEP has satisfied the requirements to become a constituent of the FTSE4Good Index Series. The FTSE4Good Index Series is designed to identify companies that demonstrate strong Environmental, Social and Governance (ESG) practices measured against international standards. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

9) Being awarded 3 SET Awards 2022 which are Sustainability Awards of Honour, thanks to having received Best Sustainability Awards for the 3<sup>rd</sup> consecutive year, Best Investor Relations Awards among listed companies for the 2<sup>nd</sup> consecutive year whose market capitalization values exceed THB 100 billion and Best Innovative Company Awards for Intelligence Pipeline Internal Sampling PIG technology. PTTEP was also honored to be listed in Thailand Sustainability Investment (THSI) for the 7<sup>th</sup> time. The awards were presented by the Stock Exchange of Thailand (SET) and Money & Banking Magazine. The SET Awards aim to recognize and present the awards to listed companies with outstanding performance while embracing ESG (Environmental, Social and Governance) in their operation.

10) Being selected to receive the APAC NOC of the Year 2022 Award organized by the Energy Council in Singapore, the world's leading network of energy organizations. The awards were given to organizations that have demonstrated operational excellence, can create business value efficiently, have strong financial performance and generate high returns.

11) PTTEP received an outstanding award plaque, the highest rank, under Low Carbon and Sustainable Business (LCSB) of 2022 from the Thailand Greenhouse Gas Management Organization (Public Organization) or TGO. This award recognizes organizations for the management and reduction of GHG emissions and sustainable business practices.

12) Being selected to receive CSR awards in Concern for Health from the Global CSR Excellence & Leadership, The Republic of India. PTTEP Indonesia Company Limited, a subsidiary of PTTEP operating in the Republic of Indonesia, has implemented a Stunting Prevention Program for children in corporation with related agencies in East Nusa Tenggara (NTT). The program sets to upgrade people's quality of life as well as support the national agenda on children stunting prevention. Since 2020, the program has benefited 2,668 persons.

13) Being selected to receive the winning award of Golden Peacock Global Award in recognition of its Corporate Social Responsibility (CSR) for the 3<sup>rd</sup> consecutive year. The awards ceremony was organized by The Institute of Directors (IOD), The Republic of India. This award is given to organizations that commit to conducting their businesses with good corporate governance principle and driving economic development as well as improving the quality of life for local community and society.

14) Being selected to receive the Gold award in the Best Community Development category from the International CSR Excellence Award, the United Kingdom, for H.T.M.S. Underwater Learning Sites Project. This project aims to protect natural coral reefs by transforming former battleships to be artificial coral reefs and underwater tourist attractions since 2011. The project is a collaborative effort among various agencies and the local communities. The man-made dive sites are built to be a new home for corals and marine animals as well as to reduce impacts on the natural coral reefs that are recovering from coral bleaching. They have been considered as one of the popular dive sites to study marine biodiversity as well as help promote tourism and generate income for local communities.

15) Being selected to receive Best Corporate Social Responsibility Practice from Asia's Best CSR Practices Awards, The United Arab Emirates, for the implementation of Skill Development project to support the production and development of skilled workers with specific expertise and international standards into the labor market. These awards reflected PTTEP's efforts in supporting community and society.

16) Being selected to receive Gold Award in Best Community Development category from the Gulf Sustainability Awards 2022, The United Arab Emirates, for the implementation of several CSR projects for community health development including Community Nurses Project, Lan Krabue Hospital, and Songkhla Hospital Capacity Development Project and Mobile Healthcare Project. The Company has also continually provided medical equipment and supplies to hospitals for the fight against COVID-19 both in Thailand and oversea. The award reflected PTTEP's efforts in supporting community and society where we operate.

17) Being selected to receive 2 awards for the Company with market capital higher than USD 1,000 million from the 14<sup>th</sup> Annual Global CSR Virtual Summit and Awards 2022, Socialist Republic of Vietnam. The first award is in the category of Best Country Award for overall CSR excellence in Thailand. The second is in the category of Best Environmental Excellence for the PTTEP Reforestation Project, covering an area of 105,000 rai in 27 provinces across Thailand.

18) Being selected to be CSR World Leader in 2022, the United Kingdom. The award has recognized the Company for its implementation of H.T.M.S. Underwater Learning Sites Project to promote environmental corporate social responsibility. PTTEP was selected to be one of 19 organizations from more than 500 projects submitted to the award this year.

19) Being selected to receive an award from Global Corporate Sustainability Awards (GCSA) in the category of Best Practice Awards from The Taiwan Institute for Sustainable Energy. The award was given for the implementation of Skill Development project in Songkhla province, Thailand, to create skilled workers with specific expertise such as underwater metal arc cutting and welding training.

20) Being selected to receive the Bronze Award in the category of Succession Planning Strategy from the Employee Experience Awards 2022, the Republic of Singapore, for its transformation of Succession Planning Strategy for the efficient management of human resources. This award organized by Human Resources Online represents international recognition for PTTEP's strong commitment and continuous development of human resources readiness to support sustainable business operations.

21) Being selected to receive the Excellence in Knowledge Management Award from American Productivity Quality Center (APQC) and the Southeast Asia Most Innovative Knowledge Enterprise Award 2022 (SEA MIKE Award) and Global Most Innovative Knowledge Enterprise Award 2022 (Global MIKE Award). In addition, the Company was granted the title of The Most Outstanding Winners of the Global MIKE Award 2022. The awards recognize PTTEP as a world-class organization in innovation and knowledge management. PTTEP continuously promotes innovation and knowledge management both within the Company and through partnerships to embrace learning and innovative culture as an integral part of day-to-day operations towards sustainable growth.



22) Being selected to receive 5 awards at the 12<sup>th</sup> Asian Excellence Awards 2022 namely Asia's Best CEO for the 5<sup>th</sup> consecutive year, Asia's Best CFO for the 9<sup>th</sup> consecutive year, Asia's Best CSR for the 3<sup>rd</sup> consecutive year, Best Investor Relations Company (Thailand) for the 10<sup>th</sup> consecutive year and Best Investor Relations Professional for the 2<sup>nd</sup> consecutive year. The event was held by Corporate Governance Asia Magazine which is a financial magazine that promotes corporate governance in Hong Kong and Asia. The awards reflect the achievement of PTTEP in terms of excellence in organization management, financial management, IR personnel, and Social Responsibility activities.

23) Being selected to receive 3 awards at the IR Magazine Awards – Southeast Asia 2022. The awards are Best Overall Investor Relations (Large Cap), Best Investor Relations Officer (Large Cap), and Best in Energy sector. The event was held by IR Magazine, the United Kingdom's leading investor relations magazine.

24) Being selected to receive 3 awards at Alpha Southeast Asia's 12<sup>th</sup> institutional investor corporate awards 2022. The awards are Strongest Adherence to corporate governance, Most Consistent Dividend Policy, and Best Annual Report in Thailand. The event was held by Alpha Southeast Asia Magazine, the leading investment magazine in Southeast Asia.

25) Being selected to receive the Thailand Brand Experience of the Year – Oil & Gas award at the recently held "Asian Experience Awards 2022" which recognizes the ingenious initiatives of creative companies delivering meaningful brand experiences to their stakeholders. The award reflects PTTEP's commitment and dedication to increasing its brand visibility in the Middle East, which is the strategic focused area, proven by various brand-building efforts such as participating in Thailand Pavilion at World Expo 2020 Dubai, participating in Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC) to showcase its advanced technologies and innovations, which successfully grabbed media attention and were well accepted among leading media in the region. Asian Experience Awards 2022 was organized by The Asian Business Review, a regional business magazine from the Republic of Singapore serving Asia's dynamic business community, to recognize the most outstanding experience initiatives in Asia.

## 8. Corporate Governance Milestones

### 8.1 Summary of Board's Performance in the Past Year

#### 8.1.1 Nomination, Development, and Performance Assessment of the Board

##### (1) Independent Director

##### PTTEP's Definition of Independent Directors

The Good Corporate Governance of PTTEP has defined the qualifications of the Company's independent directors more strictly than those defined by the Capital Market Supervisory Board, specifically in the area of shareholding of no more than 0.5% (SEC sets at 1%) of the total voting shares of PTTEP as clarified in 1) below. The definition of an independent director, whose qualifications are annually reviewed, is as follows:

1) Holding shares not exceeding 0.5 percent of the total number of shares with voting rights of PTTEP, our parent company, subsidiary companies, associated companies, major shareholders, or controlling persons, including shares held by related persons of the independent director.

2) Neither being nor used to be an executive director, employee, staff member, or advisor who receives salary, or a controlling person of PTTEP, our parent company, subsidiary companies, associated companies, sister subsidiary companies, major shareholders, or controlling persons, unless the foregoing status has ended for not less than 2 years prior, excluding the case where the independent director used to be a government official or an advisor of a government unit, which is a major shareholder or a controlling person of the Company.

3) Not being a person related by blood or legal registration as a father, mother, spouse, sibling, and child, including the spouse of a child of the Company's directors, executives, major shareholders, controlling persons, or persons to be nominated as a director, executive, or controlling person of PTTEP or one of the subsidiaries.

4) Neither having nor used to having a business relationship with PTTEP, our parent company, subsidiary companies, associated companies, major shareholders, or controlling persons in the manner which may interfere with his or her independent judgment, and neither being nor used to be a significant shareholder, or a controlling person of anyone having a business relationship with the Company, our parent company, subsidiary companies, associated companies, major shareholders, or controlling persons, unless the foregoing relationship has ended for not less than 2 years prior.

The term 'business relationship' under the first paragraph shall include normal business transactions, rental or lease of immovable property, transactions relating to assets, services, and granting or receiving of financial assistance. These include receiving or extending of loans, guarantees, collaterals, and other similar actions which can potentially result in PTTEP or his counterparty being subject to indebtedness payable to the other party in the amount, whichever is lower, of between 3 percent or more of the net tangible assets of the Company or THB 20 million or more. The amount of such indebtedness shall be calculated according to the method for calculation of the value of connected transactions under the Notification of the Capital Market Supervisory Board's governing rules on connected transactions *mutatis mutandis*. The consideration of such

indebtedness shall include indebtedness occurred during the period of one year prior to the date on which the business relationship with the person commences.

5) Neither being nor used to be an auditor of PTTEP, our parent company, subsidiary companies, associated companies, major shareholders, or controlling persons, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, our parent company, subsidiary companies, associated companies, major shareholders, or controlling persons unless the foregoing relationship has ended for not less than 2 years prior.

6) Neither being nor used to be a provider of any professional services, including those as a legal advisor or financial advisor who receives service fees exceeding THB 2 million per year from PTTEP, our parent company, subsidiary companies, associated companies, major shareholders, or controlling persons, and not being a significant shareholder, controlling person, or partner of the provider of the professional services, unless the foregoing relationship has ended for not less than 2 years prior.

7) Not undertaking any businesses in the same nature and in competition with the business of PTTEP or its subsidiary companies, or not being a significant partner in a partnership or an executive director, employee, staff, advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of any companies which undertake a business of the same nature and in competition with that of the Company or our subsidiaries.

8) Not being a director appointed as a representative of the directors of PTTEP, major shareholders or any shareholders who are related to the major shareholders.

9) Not having any other characteristics which hamper him or her of the ability to express independent opinions in regard to PTTEP's business operations.

An independent director with the qualifications under 1) to 9), may be assigned by the Board to take part in the business decision of PTTEP, our parent company, subsidiary companies, associated companies, sister subsidiary companies, major shareholders, or controlling persons, provided that such decision shall be in the form of a collective decision.

The definition of each of the specific words mentioned is in line with the Notification of the Securities and Exchange Commission RE: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities

**Business Relationship or Professional Services of Independent Directors of the Company during the Past Fiscal Year**

– None –

## **(2) Nomination of Directors and Management**

### **Nomination of Directors**

When there is a vacancy of a director position or when a director's term limit is due, it is a duty of the Nominating and Remuneration Committee to select the candidates who fit the required skills, experience, and are in line with the Company's Target Skill Mix and strategic directions to ensure that the Board's composition is complete, comprising of experienced and well-rounded experts in various areas, and for the optimal benefit to PTTEP. The Company thoroughly and transparently places high

importance on the Board's diversity, gender, independence, and conflicts of interest. As of December 31, 2022, PTTEP Board comprised 10 independent directors and 2 female directors from 14 directors.

Moreover, the Nominating and Remuneration Committee conducts Gap Analysis of the Board's current Skill Mix and Target Skill Mix, where Target Skill Mix of the Board between 2022-2023 will be considered from various skills by emphasizing the following 4 priorities;

1) Organization Change and Development: To support PTTEP in preparing the business for the changes, and focusing on organization transformation to enhance PTTEP capabilities to accommodate energy transition and new business and the setup of internal control and compliance systems for new domestic and international projects, challenge on workforce diversity and human resources management, experienced director nominees in this area are essential for PTTEP to be truly an international E&P company.

2) Technology: To strengthen PTTEP business by applying technology including information technology, innovation, research, and development to properly set both short-term and long-term strategic directions including to enhance capability of the organization in achieving our corporate vision.

3) Legal: To support legal and compliance risk management which are corporate-level risks with direct impact on business sustainability of the Company, as well as regularly monitoring new laws in responding to new technologies and dynamic environment change especially for new businesses investment.

4) International Market and Collaborations: According to the Diversification to Beyond E&P strategy, PTTEP aims to expand more investment into new business apart from its core E&P business with the focus on adding value to the current projects as well as promoting investment in new business projects both domestically and internationally and developing its potentials in commercial and marketing. Having knowledgeable, experienced, and expert director nominees in this area, especially in commercial and marketing and international relations will be useful for PTTEP to be able to successfully invest and operate its projects internationally.

The process begins with the Nominating and Remuneration Committee considering candidates' skill alignment with the aforementioned Target Skill Mix, where the Board was able to fulfill the Target Skill Mix in Organization Change and Development in 2022 while still placing importance on future candidates who have skills in Technology, International Market and Collaborations and Legal. In addition, the Nominating and Remuneration Committee also holds the process of searching director candidates through the directors' pool of the State Enterprise Policy Office (SEPO) which comprises a list of people who are regarded as highly qualified for state-enterprising. As of December 31, 2022, PTTEP has 8 directors whose names are listed in SEPO's directors' pool. The Company also seeks advice from the major shareholder, PTT, as well as from minor shareholders (if any) according to the rules regarding the nomination of a person to fill in the positions which are due to retirement by rotation. A list of qualified candidates must be endorsed by the State Enterprise Policy Committee, according to the Regulations of the Office of the Prime Minister on State Enterprise Policy and Governance Determination, B.E. 2557.

Election of directors to replace those who are due to retirement by rotation must obtain an approval from the AGM by a majority vote based on the number of the Company's shareholders with voting eligibility at the Meeting. The election process is as follows:

1) Should the number of the director candidates be less than the number of those to be elected, PTTEP will propose at the Meeting to elect all candidates as the directors by voting for the individual candidates, under which each of them must receive majority votes.

2) Should the number of the director candidates exceed the number of those to be elected, a ballot is to be held. Each shareholder may vote for as many director candidates as the number of the opened positions, while voting will then be carried out for each of the individuals. Those with the highest ballots will be elected, as many as the number of the opened positions. Each of them must receive majority votes.

When a director position becomes vacant for reasons other than rotation, the Board, with approval from the State Enterprise Policy Committee, may elect a new director, using the three-fourth majority voting rule. The elected director is permitted to remain in his or her directorship for only as long as the remaining term of the predecessor.

#### **Nomination and Succession Plan of the Chief Executive Officer**

The Nominating and Remuneration Committee has included in its Charter the role to consider the Chief Executive Officer succession plan and appropriate executive-level management's development system to ensure a candidate list with the skills and qualifications in line with the Company's target growth.

The Nominating and Remuneration Committee is responsible for considering the candidates' knowledge, skills, experience, and other various specific qualifications to bring about the best of interests to the Company, for example, strategic vision of energy, able to lead large investment to achieve targets, crisis management ability, working experience in Exploration and Production, ability to seek and manage New Business for the Company's sustainable growth and also looking into their probable conflicts of interest.

The Company formulates a succession plan for the Chief Executive Officer to prepare the Company for the time when the Chief Executive Officer is unable to perform his or her duties or when the serving term is completed. The plan helps to minimize the risks and the impacts, potentially resulting from the discontinuity of the management. The succession planning procedure is as follows:

1) PTT Group Management Committee (PTTGMC), a committee in which the Company's Chief Executive Officer is a director, and PTTEP forms the Group Leadership Development Program (GLDP). The program's primary focus is to enhance the capability of the PTT Group's executives, Senior Vice Presidents and above to prepare them for a possible nomination to become the Chief Executive Officer in one of the PTT Group companies.

2) PTT Management Committee (PTTMC), with PTT as the Company's major shareholder, reviews the shortlisted executive names from 1) and proposes them to PTT's Board of Directors who is responsible to select PTTEP's next Chief Executive Officer.

3) After receiving the candidate names, accompanied by opinions of PTT's Board from 2), and comparing them with the Company's potential candidates in the executive vice president level, the Company's Nominating and Remuneration Committee will reassess the individual's knowledge, capability, and experience relating to the business, conflicts of interest, and his or her vision to lead the Company to grow according to the strategic plan.

4) The Nominating and Remuneration Committee proposes the name of the final candidate, together with the opinions and a fair and reasonable package proposed by the Nominating and Remuneration Committee, to the Board of Directors for approval and appointment of the Company's Director and new Chief Executive Officer.

#### **Nomination of Management and Succession Plan**

The Board grants Chief Executive Officer an authority to select and appoint the individuals who possess the knowledge, capabilities, and experience to management positions in consultation with the Career Review Board (CRB) Committee and the presence of PTTEP Rules and Regulations for Human Resources Management. The nomination must then be acknowledged by the Board. Exceptions are made for the appointment of the Executive Vice President and above, where the Board's approval is required. If the nominee is from outside of the organization, an interview with the interview committee is required, while the nomination of the Head of Audit Function requires an approval from the Audit Committee.

PTTEP has a systematic succession planning for management of vacant positions which result from the appointment, retirement, and from reorganization to support the Company's business expansion domestically and internationally. The Career Review Board (CRB) Committee is authorized to select and appoint successors for management positions using the Company's Management Success Profile as screening criteria. These profiles comprise organizational knowledge, experiences, competency, as well as personal attributes required for the target positions, while Currently Estimated Potential is also taken into consideration. Once the successors are identified, their individual short-term and long-term development plans will be established with focus on technique and functional knowledge, managerial skills, and soft skills required for different business areas, such as Asset Management, Business Development, Technical Support, and Business Support, according to the corporate values and organizational culture to ensure that the successors are qualified for the target positions by the time of requirement.

### **(3) Development of Directors**

#### Orientation of New Directors

The orientation which is provided to the Company's new directors consists of:

1) Presentation by the Chief Executive Officer and executives: This briefing involves the nature and operational guidelines of the business, knowledge, and techniques in regard to the petroleum exploration and production business and new business of the PTTEP Group, relevant rules and regulations, Good Corporate Governance and Business Ethics (CG&BE), and essential information for the directors to perform the duties with efficiency.

2) Director Manual: This contains essential information, including the strategic plan, relevant rules and regulations, and the CG&BE covering Human Rights, Measures to prevent the use of inside information, Conflicts of Interest, and Anti-Fraud and Corruption, etc., which will be beneficial for the directors to perform the duties. The Manual is regularly reviewed and updated for the directors to use as a reference.

3) Operational Sites Visit: New directors visit operational sites of the PTTEP Group to enrich their understanding of the Company's operations and optimize their knowledge and experience for the benefit of the Company.

At the end of each orientation, new directors will evaluate the effectiveness of the orientation for further improvement. The director who is elected to be the Chairman and a member of a sub-committee is also required to attend an extra session and subsequently be informed of the important subjects relating to the additional new role, including performing the duties of



the Chairman and a member of a sub-committee as well as conducting and leading meetings of the Company's directors and shareholders.

#### Development and Trainings of Directors

PTTEP's directors are knowledgeable; however, they are ambitious to learn and understand more about the business and their duties as directors. PTTEP encourages every director to acquire further knowledge through training organized by the Thai Institute of Directors Association (IOD) and other leading organizations as well as attending seminars and business visits to enhance the ability to perform their duties. To continuously provide knowledge and share opinions with the directors, the Company's management delivers lectures and exchange opinions with the Board. In 2022, the Company's management arranged sessions on "Strategy Review" and "Strategic Retreat" for all directors to promote understanding on implementation of our strategy in suitable manner with economic conditions and ongoing changes. PTTEP also provided continuous support to our directors for attendance of external events such as training, meeting, and seminar that were beneficial to perform the role PTTEP's directors. Details are as follows.

Directors	Courses
1) Mr. Krairit Euchukanonchai	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> <li>- Abu Dhabi International Petroleum Exhibition and Conference 2022 (ADIPEC 2022)</li> <li>- Offshore Technology Conference Asia 2022 (OTC Asia 2022)</li> </ul>
2) Admiral Tanarat Ubol	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> <li>- Abu Dhabi International Petroleum Exhibition and Conference 2022 (ADIPEC 2022)</li> </ul>
3) Lieutenant General Nimit Suwannarat	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Introduction to Carbon Credit Market</li> </ul>
4) Mr. Pitipan Tepartimargorn	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Abu Dhabi International Petroleum Exhibition and Conference 2022 (ADIPEC 2022)</li> <li>- Introduction to Carbon Credit Market</li> </ul>
5) Mr. Bundhit Eua-arporn	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> <li>- Director Briefing "What Director should know about Quantum" by IOD</li> <li>- Introduction to Carbon Credit Market</li> </ul>

Directors	Courses
	<ul style="list-style-type: none"> <li>- Requirement for Global Carbon Market, Blue Carbon as part of GHG offsetting, Regenerative Agriculture and Forestation</li> </ul>
6) Ms. PENCHUN JARIKASEM	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> <li>- Abu Dhabi International Petroleum Exhibition and Conference 2022 (ADIPEC 2022)</li> <li>- Director Briefing "What Director should know about Quantum" by IOD</li> </ul>
7) Mr. Patchara Anuntasilpa	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> </ul>
8) Mr. Dechapiwat Na Songkhla	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> </ul>
9) Mrs. Angkarat Priebjivat	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> <li>- Abu Dhabi International Petroleum Exhibition and Conference 2022 (ADIPEC 2022)</li> <li>- IOD National Director Conference 2022</li> <li>- Requirement for Global Carbon Market, Blue Carbon as part of GHG offsetting, Regenerative Agriculture and Forestation</li> </ul>
10) Mr. Auttapol Rerkpiboon	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> </ul>
11) Mr. Veerathai Santiprabhob	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> <li>- Abu Dhabi International Petroleum Exhibition and Conference 2022 (ADIPEC 2022)</li> <li>- Introduction to Carbon Credit Market</li> <li>- Requirement for Global Carbon Market, Blue Carbon as part of GHG offsetting, Regenerative Agriculture and Forestation</li> </ul>
12) Mr. Wattanapong Kurovat	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> <li>- Requirement for Global Carbon Market, Blue Carbon as part of GHG offsetting, Regenerative Agriculture and Forestation</li> </ul>

Directors	Courses
13) Mr. Teerapong Wongsawilas	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> </ul>
14) Mr. Montri Rawanchaikul	<ul style="list-style-type: none"> <li>- Internal Lecture and Discussion Session on 2023 Strategy Review</li> <li>- Internal Lecture and Discussion Session on 2023 Strategic Retreat</li> <li>- Offshore Northern Seas Conference 2022 (ONS 2022)</li> <li>- CCS Project Overview by Northern Lights</li> <li>- Abu Dhabi International Petroleum Exhibition and Conference 2022 (ADIPEC 2022)</li> <li>- Offshore Technology Conference Asia 2022 (OTC Asia 2022)</li> </ul>

As of December 31, 2022, the Company had 14 directors in total. 12 of the Company's directors (86% of the total number) have participated in IOD's Director Certification Program (DCP), while 4 of the Company's directors (29% of the total number) have attended the IOD's Director Accreditation Program (DAP). In addition, the Company regularly provided them with information on new and useful seminars and trainings. The details of the training courses attended by the directors are disclosed in Attachment 1 "Information of the Board of Directors, Management, Controlling Persons, and Corporate Secretary".

#### (4) Performance Appraisal of the Board

The Good Corporate Governance and Business Ethics of the PTTEP Group (CG&BE) stipulates that there should be an annual performance appraisal of the Board derived from Board Performance Target and Performance Appraisal Form. This allowed the Company's directors to review their performance, key issues, and obstacles which they had faced during the year as well as to enhance their directorship efficiency.

The 4 types of Board's performance appraisal are:

1) Individual self-appraisal and individual cross-appraisal by other directors, including 4 evaluation topics, namely (1) qualifications, (2) independence, (3) roles and responsibilities, and (4) training and self-development.

2) Appraisal of the entire Board, including 6 evaluation topics, namely (1) corporate policies and strategic planning, (2) Board performance, (3) management governance and cooperation, (4) Board meetings, (5) Board structure and qualifications, and (6) training and self-development.

3) Appraisal of the sub-committees, which includes questions on each of the sub-committee's performance, efficiency according to the roles and responsibilities stated in their charters.

4) Appraisal of the Chairman, which includes questions about the efficiency of the Chairman's performance, according to the roles and responsibilities of the Chairman as stated in the SEC's Corporate Governance Code for Listed Companies 2017 (CG Code) and the CG&BE of PTTEP Group under Section 6.3: Roles of the Board of Directors and Management.

This includes topics, such as acting as the Chairman of the Board's meetings and the Annual General Shareholders' Meeting, setting agenda for the Board's meetings, and enhancing relationship between the Board and the management.

In 2022, Board Performance Target was established by the Nominating and Remuneration Committee, covering 3 aspects, namely the building of the Company's stability, growth, and appropriate return to the Shareholders, the PTTEP's Corporate Governance assessment results, and directors' meeting attendances and the efficiency of directors' performance. The criteria and performance appraisal form were also reviewed according to the SEC's CG Code. The 2022 performance appraisal form comprised 4 types of Board's performance appraisal with a scoring scale of 1 to 3 (1 = need improvement, 2 = meets standard, and 3 = good). In this year, the Audit Committee and the Risk Management Committee's appraisal questions were adjusted to be more concise, align with their charters, and reflect their current roles and responsibilities.

#### Process

The Corporate Secretary Division, a focal point of Board's performance appraisal coordination and preparation, will distribute the appraisal form to each director, gather and process the result of assessment in order to summarize and propose the result and improvement plan to the Nominating and Remuneration Committee and the Board for their acknowledgement.

#### Summary of the 2022 Board Performance Appraisal's Results

1) Self-appraisal average score was 2.86, decreased from 2.90 in 2021 (total score = 3.00). Individual cross-appraisal by other directors, the average score was 2.84, decreased from 2.92 in 2021 (total score = 3.00).

2) Average score from self-appraisal of the entire Board was 2.89, same as 2021 score (total score = 3.00).

In addition, the 2022 self-appraisal of the entire Board included an assessment part of the cooperation between the Board and management. The same set of questions was evaluated by management to further develop their relationships and cooperation and to promote two-way communication.

3) The 2022 appraisal scores of the 4 sub-committees were as follows:

3.1) Appraisal score of the Audit Committee was 3.00, same as 2021 score (total score = 3.00).

3.2) Appraisal score of the Nominating and Remuneration Committee was 2.87, decreased from 2.98 in 2021 (total score = 3.00).

3.3) Appraisal score of the Corporate Governance and Sustainable Development Committee was 2.75, increased from 2.65 in 2021 (total score = 3.00).

3.4) Appraisal score of the Risk Management Committee was 2.89, decreased from 2.93 in 2021 (total score = 3.00).

4) 2022 appraisal of the Chairman of the Board was 2.89, increased from 2.88 in 2021 (total score = 3.00).

PTTEP reported scores to the Board for acknowledgment. Recommendations from the Board's appraisal will be used in the future for efficiency improvement of the Board, sub-committees, Chairman, and management in several aspects, such as reviewing Target Skill Mix for new director to suit to the Company's strategy, proposing more information and Board agenda regarding non-E&P business and sustainability to the Board for their consideration and advice on driving business

operation to correspond to the Company's strategy, and organizing activities related to director self-development e.g. conference, site visit, special lecture, seminar, and directors' training.

#### **(5) Performance Appraisal of the Chief Executive Officer (CEO)**

The Board assigned the Nominating and Remuneration Committee to be responsible for conducting the CEO's performance appraisal according to the CEO's Performance Agreement as determined by the Committee. The appraisal was measured by the Corporate KPIs. The appraisal outcome must also be approved by the Board to ensure checks and balances as well as to allow the Company to monitor the performance of the CEO. In addition, it will help promote the Company's Good Corporate Governance and greater operational efficiency in the future.

### **8.1.2 Meeting Attendance and Individual Directors' Compensation**

#### **(1) The Board's Meetings**

The Board's monthly meetings and agenda are scheduled and set in advance each year by the Board itself. There are 12 normal meetings annually, held every Friday on the 3<sup>rd</sup> week of each month. The Board members have been informed of the 2023 meeting schedules since September 2022. Meetings related to the Company's strategic planning, to which the Board has greatly committed its time and priority, are commonly held off-site, whereas additional meetings will be held when deemed appropriate. In 2022, there were 18 Board meetings, including 17 electronic meetings and 1 physical meeting. The Board usually receives meeting invitations from the Company Secretary, along with agenda and important documents related to the meetings, for review at least 7 working days prior to the meeting date, except in those urgent cases with insufficient information. In addition, the meeting documents are delivered to the directors through dedicated software to facilitate and speed up their reviews as well as to promote a paperless process.

Generally, the Company's Chairman, the CEO, the Secretary to the Board of Directors, and the Company Secretary are responsible for agenda proposals for Board meetings; however, in practice, the Company's directors are also eligible to make the proposals. The Board's meeting agenda items are clearly classified, including monthly items of performance review as well as budget execution.

During each of the meetings, which usually lasts approximately 3 - 4 hours, the Chairman allocates an adequate time to each agenda to provide an opportunity for directors to express their opinions independently. The Company's executives are also invited to attend the meetings to provide necessary information as well as to acknowledge the policies and issues being raised. The Company Secretary provides advice to the Board on related rules and regulations for proper practices, take minutes of the meetings, as well as keep complete filing of all the necessary meeting information and documents.

The Board's resolutions are based on a majority vote, where one director has one vote. Should a director have a stake in one of the issues, he or she will not be allowed to attend the meeting and/or to exercise his or her vote on that issue. In the circumstance where the voting is tied, the Chairman of the meeting is entitled to cast the decisive vote.

The issues which require an approval of no less than three-fourths of the total vote of the Company's eligible shareholders attending the meeting are as follows:

- 1) The sale or transfer of whole or important parts of business of the Company to other persons

2) The purchase or acceptance of business transferring from other public limited companies or private companies to the Company

3) The making, amending, or concealing of contracts relating to the leasing out of the businesses of the Company, wholly or certain important parts, the assignment to any other persons to manage the businesses of the Company or the amalgamation of the businesses with other persons with objectives towards profit and loss sharing

4) To amend the Memorandum or Articles of Association

5) To increase or reduce the registered capital, issue debentures, amalgamate, and dissolve the Company

6) In case where the Company or one of the subsidiaries agrees to enter connected transactions, or disposition or acquisition of the Company's or the subsidiary's assets, as determined by the Securities and Exchange law and notifications in relation to such transaction

The minutes of the Board's meetings cover all significant matters. For issues seeking approval, all resolutions are unanimous. The names of the persons attending or absent from the meetings, the names of the meetings' attendants, board opinions, questions, management answers, or clarifications are recorded in detail, while the minutes are systematically filed and kept safely. All directors of the Board usually attend every meeting unless an absence is deemed necessary, in which case the director in question must provide the Board's Chairman with an application for leave, which must be communicated to all the Board members prior to the meeting and will be subsequently recorded in the report of individual directors' meeting attendance. In 2022, the majority of the Board members attended every meeting. The directors who were unable to attend the meeting informed the Chairman of the reasons in advance.

In 2022, non-executive directors held one meeting in the absence of the management. The purpose of the meeting was to discuss and clarify ongoing issues from corporate performance of 2022. The results were summarized for and acknowledged by the CEO for further consideration.

## Meeting Attendance of PTTEP Directors in 2022

Director's Name	Board of Directors	Independent Directors Committee	Non-Executive Directors Committee	Corporate Governance and Sustainable Development Committee	Audit Committee	Nominating and Remuneration Committee	Risk Management Committee	Annual General Shareholders' Meeting 2021
	Total number of meetings 18 Times	Total number of meetings 3 Times	Total number of meetings 1 Time	Total number of meetings 4 Times	Total number of meetings 14 Times	Total number of meetings 7 Times	Total number of meetings 12 Times	Total number of meetings 1 Time
1. Mr. Krairit Euchukanonchai	18/18	3/3	1/1	-	-	-	-	1/1
2. Admiral Tanarat Ubol	17/18	3/3	1/1	-	-	7/7	-	1/1
3. Lieutenant General Nimit Suwannarat	14/18	3/3	-	-	-	-	9/12	1/1
4. Mr. Pitipan Tepartimargorn	18/18	3/3	1/1	-	-	7/7	12/12	1/1
5. Mr. Bundhit Eua-arporn <sup>1</sup>	17/18	2/3	1/1	4/4	-	-	12/12	1/1
6. Ms. Penchun Jarikasem	18/18	3/3	1/1	-	14/14	-	12/12	1/1
7. Mr. Patchara Anuntasilpa	18/18	-	1/1	-	-	7/7	12/12	1/1
8. Mr. Dechapiwat Na Songkhla <sup>2</sup>	17/18	3/3	1/1	-	14/14	-	12/12	1/1
9. Mrs. Angkarat Priebjrvat	18/18	3/3	1/1	4/4	14/14	-	12/12	1/1
10. Mr. Auttapol Rerkpiboon	18/18	-	1/1	-	-	-	12/12	1/1
11. Mr. Veerathai Santiprabhob	18/18	3/3	1/1	4/4	-	-	12/12	1/1
12. Mr. Wattanapong Kurovat	18/18	-	1/1	4/4	-	-	-	1/1
13. Mr. Teerapong Wongsiwawilas <sup>3</sup>	17/18	3/3	1/1	-	14/14	7/7	-	1/1
14. Mr. Montri Rawanchaikul	18/18	-	-	-	-	-	-	1/1
Resignation of Former Directors during 2022								
1. Mr. Atikom Terbsiri <sup>4</sup>	13/18	-	1/1	-	-	-	9/9	1/1

<sup>1</sup> Mr. Bundhit Eua-arporn resigned from directorship effective from January 10, 2023

<sup>2</sup> Mr. Dechapiwat Na Songkhla resigned from directorship effective from January 1, 2023

<sup>3</sup> Mr. Teerapong Wongsiwawilas was elected as a director in place of Mr. Achporn Charuchinda and was elected as Audit Committee effective from January 1, 2022

<sup>4</sup> Mr. Atikom Terbsiri resigned from directorship effective from September 30, 2022

Number of PTTEP Shares held by the Directors, their Spouses/Cohabiting Couple and Minor Children as of December 31, 2022

Director's Name		Number of Ordinary Shares		
		As of December 31, 2021	As of December 31, 2022	Increase/(Decrease) during the Year
1. Mr. Krairit	Euchukanonchai	-	-	-
2. Admiral Tanarat	Ubol	-	-	-
3. Lieutenant General Nimit	Suwannarat	-	-	-
4. Mr. Pitipan	Tepartimargorn	-	-	-
5. Mr. Bundhit	Eua-arporn <sup>1</sup>	-	-	-
Spouse/Cohabiting Couple		4,587	4,587	-
6. Ms. Penchun	Jarikasem	-	-	-
7. Mr. Patchara	Anuntasilpa	-	-	-
8. Mr. Dechapiwat	Na Songkhla <sup>2</sup>	-	-	-
9. Mrs. Angkarat	Priebjriwat	-	-	-
10. Mr. Auttapol	Rerkpiboon	-	-	-
Spouse/Cohabiting Couple		500	500	-
11. Mr. Veerathai	Santiprabhob	-	-	-
12. Mr. Wattanapong	Kurovat	-	-	-
13. Mr. Teerapong	Wongsiwawilas <sup>3</sup>	N/A	-	-
14. Mr. Montri	Rawanchaikul	52,050	52,050	-
Spouse/Cohabiting Couple		8,900	-	(8,900)
Former Directors Resigning during 2022				
1. Mr. Achporn	Charuchinda <sup>4</sup>	-	N/A	N/A
2. Mr. Atikom	Terbsiri <sup>5</sup>	-	-	-

<sup>1</sup> Mr. Bundhit Eua-arporn resigned from directorship effective from January 10, 2023

<sup>2</sup> Mr. Dechapiwat Na Songkhla resigned from directorship effective from January 1, 2023

<sup>3</sup> Mr. Teerapong Wongsiwawilas was elected as a director and member of the Audit Committee in place of Mr. Achporn Charuchinda effective from January 1, 2022

<sup>4</sup> Mr. Achporn Charuchinda resigned from directorship effective from January 1, 2022.

<sup>5</sup> Mr. Atikom Terbsiri resigned from directorship effective from September 30, 2022.



## (2) Remuneration of the Board and Members of the Sub-Committees

PTTEP has a sound and transparent policy in regard to remuneration of the Company's directors of the Board and sub-committees. The Nominating and Remuneration Committee, who is responsible for the policy, reviews the remuneration with prudence by taking into consideration remuneration of listed and comparable companies in the industry, performance of PTTEP, duties and responsibilities of the directors, overall economic situation, and the shareholders' opinions. The 2022 Annual General Shareholders' Meeting (AGM) approved the following remunerations for members of the Board and sub-committees, as proposed by the Nominating and Remuneration Committee.

### Remuneration Rates for Members of the Board

- 1) Monthly allowance of THB 40,000 per person per month in a full-month payment
- 2) Meeting allowance of THB 50,000 per person per a meeting attendance
- 3) Bonus for the Board if there is a dividend in that year, totaling 0.2% of the Company's consolidated net profit in that year, but no more than THB 60 million per year.
- 4) 25% increase in all of the above for the Chairman

### Remuneration Rates for Members of the Sub-Committees

The Company's sub-committees received the following remuneration:

- 1) Meeting allowance of THB 45,000 per person per a meeting attendance
- 2) 25% increase for the sub-committee's Chairman

### Other Remuneration for PTTEP Directors

- None -

## Remuneration of Members of the Board and Sub-Committees in 2022

Director's Name	Remuneration							
	Board of Directors		Audit Committee	Corporate Governance and Sustainable Development Committee	Nominating and Remuneration Committee	Risk Management Committee	2021 Bonus Paid in 2022	Total
	Monthly Allowance	Meeting Allowance	Meeting Allowance	Meeting Allowance	Meeting Allowance	Meeting Allowance		
1. Mr. Krairit Euchukanonchai	600,000	1,125,000	-	-	-	-	4,918,033	6,643,033
2. Admiral Tanarat Ubol	480,000	850,000	-	-	393,750	-	3,934,426	5,658,176
3. Lieutenant General Nimit Suwannarat	480,000	700,000	-	-	-	405,000	3,934,426	5,519,426
4. Mr. Pitipan Tepartimargorn	480,000	900,000	-	-	315,000	675,000	3,934,426	6,304,426
5. Mr. Bundhit Eua-arporn	480,000	850,000	-	225,000	-	540,000	3,934,426	6,029,426
6. Ms. Penchun Jarikasem	480,000	900,000	787,500	-	-	-	3,934,426	6,101,926
7. Mr. Patchara Anuntasilpa	480,000	900,000	-	-	315,000	-	3,934,426	5,629,426
8. Mr. Dechapiwat Na Songkhla	480,000	850,000	630,000	-	-	-	3,934,426	5,894,426
9. Mrs. Angkarat Priebjrivat	480,000	900,000	630,000	180,000	-	-	3,934,426	6,124,426
10. Mr. Auttapol Rerkpiboon	480,000	900,000	-	-	-	-	3,934,426	5,314,426
11. Mr. Veerathai Santiprabhob	480,000	900,000	-	180,000	-	540,000	3,934,426	6,034,426
12. Mr. Wattanapong Kurovat	480,000	900,000	-	180,000	-	-	3,934,426	5,494,426
13. Mr. Teerapong Wongsiwawilas	480,000	850,000	630,000	-	315,000	-	3,934,426	6,209,426
14. Mr. Montri Rawanchaikul	480,000	900,000	-	-	-	-	3,934,426	5,314,426
Former Directors Resigning during 2022								
1. Mr. Atikom Terbsiri	360,000	650,000	-	-	-	405,000	2,931,956	4,346,956
<b>TOTAL</b>	<b>7,200,000</b>	<b>13,075,000</b>	<b>2,677,500</b>	<b>765,000</b>	<b>1,338,750</b>	<b>2,565,000</b>	<b>58,997,530</b>	<b>86,618,780</b>

## Remarks:

- (1) 2022 Directors' Bonus to be proposed for approval from the Annual General Meeting of Shareholders for the year 2023 at the rate of 0.2% of the Company's net profit from the 2022 consolidated financial statements of the Company to be approved by the shareholders in 2023. If paid Dividend to shareholders, the payment will be made according to the term of service as the director and the chairman of the board receive a 25% higher bonus, but no more than THB 60 million per year.
- (2) PTTEP provides the Chairman with a corporate car to carry out corporate-related purposes while in the chairmanship.

### 8.1.3 Corporate Governance Concerning Subsidiaries and Associated Companies

PTTEP supervises its subsidiaries and associated companies through the management of PTTEP Group companies. We establish adequate and appropriate monitoring and assessing systems, which include risk management, internal audit and control, compliance with rules and regulations, compliance with good corporate governance and business ethics, and we regularly report the performance to the Corporate Governance and Sustainable Development Committee. We are also aware of the significance of information disclosure in accordance with the principles of good corporate governance, details as disclosed in the "Internal Controls and Connected Transactions" section, the "Sufficiency and Suitability of the Internal Control System" part.

### 8.1.4 Monitoring of the Compliance with Corporate Governance Policies and Practices

#### (1) Conflicts of Interest Prevention Policy

PTTEP is committed to preventing all potential conflicts of interest to give the Company's stakeholders' confidence that our business management is efficient, transparent, and in compliance with the Good Corporate Governance and Business Ethics of PTTEP Group under the following principles:

1) Directors, management, and employees shall treat the interests of the PTTEP Group as priority and shall not participate or be involved in all activities which may lead to any conflicts of interest.

2) Directors, management, and employees shall self-review and disclose, at least on an annual basis, their transactions that have led to a conflict of interest with the Company.

3) Directors, management, and employees who have a conflict of interest shall not participate in considering or voting on any matters in which they have vested interest, and such conflict of interest shall be completely disclosed to the Company.

4) Directors, management, and employees shall strictly adhere to the laws and regulations as required by the Stock Exchange of Thailand, particularly in relation to connected transactions.

The Company has established conflict of interest preventive measures as follows:

1) Directors, management, employees, and related persons must avoid financial involvement or engagement in a relationship with outsiders which may result in the PTTEP Group's loss of benefits, conflicts of interest, or operational inefficiency.

2) Directors, management, employees who may have a potential conflict of interest on bidding, selection process, and awarding of the transaction, must report to their supervisors or those participating in the given process through conflicts of interest electronics reporting system. They must also withdraw themselves from participating in such process or conflicted transactions of PTTEP.

3) Directors, management, and employees shall report to the Company through conflicts of interest electronics reporting system regarding the information of persons having close relations and working within the PTTEP Group and the company in which PTTEP has invested. This is to prevent potential conflicts of interest which may arise.

4) Directors, management, and employees must notify the Company immediately should there be any suspicion or the uncertainty of what they or their related persons are involved in, or that their shares in the business with transactions with the Company, may lead to a conflict of interest.

5) Directors, management, and employees shall attend the Good Corporate Governance and Business Ethics (CG&BE) training which were arranged in various forms as indicated by the Company, for example, induction for new directors, management and employees, e-learning, and communication through e-mail etc. The training covers the topics of prevention and reporting of conflicts of interest. In 2022, PTTEP employees attended CG&BE e-learning with 100 percent completion.

6) Directors, management, and employees must self-review their conflicts of interest on an annual basis. To review their conflicts of interest related to any particular matter in the procurement process, management and employees who are directly involved in the procurement process must self-review and disclose their transactions which may lead to a conflict of interest at least every 6 months. Such declaration will enable the supervisors to consider a re-assignment of duty of management, employees who have a conflict of interest to prevent such conflict of interest from occurring. In 2022, all employees conducted self-review and conflicts of interest disclosure with 100 percent completion and the Company found no violation against conflicts of interest policy.

## **(2) Prevention of Insider Trading**

Details are disclosed in the “Corporate Governance” section, under the “Prevention of Insider Trading” topic.

## **(3) Anti-Corruption**

### **Importance**

The PTTEP’s Board places importance on operating with transparency and fairness under corporate governance with zero tolerance on any form of corruption whether directly or indirectly. PTTEP has proper governance on all relevant functions pursuant to the Good Corporate Governance and Business Ethics of PTTEP Group or CG&BE which is the PTTEP Group’s regulations binding all across the organization, from the directors, management, to all employees of PTTEP and its subsidiaries, who are required to sign a commitment form agreeing to observe and conform with such regulations. Also, our measures encourage those related to the PTTEP Group, including suppliers and joint-venture partners, to abide by the CG&BE and uphold similar best practices for anti-corruption at the same level with PTTEP’s standards.

PTTEP believes that efficient anti-corruption measures require a sound governance structure together with a clear management system, adequate and proper risk management and internal controls, good monitoring for strict and ongoing compliance, independent audit and explicit guidelines as stated in the CG&BE. It also requires all directors and management to lead on good governance (CG Leader). The PTTEP Board of Directors assigned the Corporate Governance and Sustainable Development Committee to monitor compliance of the CG&BE as well as the Anti-Corruption Policy. Corporate Governance and Shareholder Engagement Section, under the Corporate Governance, Compliance, Internal Control and Subsidiary Management Department, Corporate Secretary Division, are a central function to support and drive the compliance of the CG&BE and the PTTEP Group’s anti-corruption measures. At least every quarter, updates are to be provided to the Corporate Governance and Sustainable Development Committee and the Board of Directors. The CG&BE has been prepared in writing under the internal control principles and published and distributed to all relevant stakeholders in Thai, English, and Burmese, as well as distribution the full version of the CG&BE on the Company’s website for further study by interested parties’ downloading. Finally, the “Standard of Practices for Anti-Corruption” was rolled out for the management and employees to conduct themselves properly under various circumstances where corruption risks exist – another internal control measure of PTTEP.

In addition, to establish a good standard for transparent business execution and reduce the risk of conflicts of interest, the PTTEP Group constantly adheres to the No Gift Policy and explicitly announces the Policy to outsiders that the PTTEP Group personnel will not accept gifts, entertainment, or any other benefits on any occasion. Integrity & Ethics has also been made as one of the corporate values for cultivation across the organization.

#### **Scope of the PTTEP Group's Anti-Corruption Policy**

PTTEP specifies that the CG&BE represents the PTTEP Group's anti-corruption policy. Its contents embrace the principles, guidelines, and clear examples of all matters related to anti-corruption measures. These include governance structure stated under Corporate Governance; guidelines for political neutrality, use and protection of information and assets, conflicts of interest, procurement and contract, anti-money laundering under Business Ethics. In addition, the Company specifically established Standard of Practices for Anti-Corruption as well. The CG&BE is clearly imposed on the directors, management, and employees of PTTEP and its subsidiaries, as well as their business partners, all of whom agreed in writing to comply with the CG&BE and encourage joint-venture partners to adapt suitable corporate governance and suitable business ethics.

PTTEP defined corruption based on applicable rules and legislation, domestic and international. It focuses on intention as a prime consideration any given action for in the interests of the PTTEP Group must not accompany with intention to use one's or others' authority for wrongful gain, which is unlawful and/or against the PTTEP Group's regulations. This also includes all corrupt practices undertaken as a giver or recipient, or through an agent. PTTEP recognizes that certain activities, including not-for-profit donation, sponsorship, and facilitation payment, revolving door may pose vulnerability for corruption. Therefore, in defining "corruption", these activities are mentioned so that practitioners may exercise extra precaution. PTTEP also provides appropriate guidelines for employees when facing such situations in the Standard of Practices for Anti-Corruption to reduce corruption risks. In addition, PTTEP does not make donations to support political parties for election campaigns, both at the local and national levels, which is in line with guideline and the principle of political neutrality under our business ethics.

#### **Measures and Principles for Implementation**

Implementation of anti-corruption measures involves an internal control system, risk management, compliance oversight, audit, and promotion of corporate culture and ethics, each of which is under the responsibility of relevant functional units. Therefore, PTTEP defined the "Three Lines Model" of internal control and risk management as follows:

1) The First Line Roles are made up of various functional units responsible for overseeing their respective work while they apply proper risk management, internal control, and full compliance with all applicable laws and regulations. The people in this First Line Roles are required to have knowledge and understanding of internal regulations and relevant laws related to their works. Moreover, they must improve their competencies and attend the necessary trainings to ensure that they are adequately knowledgeable and ready to perform duties in their respective jobs and efficiently confront various situations.

2) The Second Line Roles are made up of those units responsible for overall legislation, regulations, and policies adopted by the Company and for defining regulations and criteria as well as monitoring the compliance. For instance, the units in charge of governance, risk management, internal control, and compliance (GRC) come under the Human Resources, Corporate Affairs, and Assurance Group. There is a proactive and explicit integration of management as stated in the Governance, Risk Management, and Compliance Management System Manual (GRC MS Manual) to enable goal achievement while having proper risk management according to applicable corporate regulations and code of ethics. At the same time, business processes are improved for efficiency and adequate internal control through reduced redundancy.

The work scope contains the following 9 key components: (1) leadership and commitment (2) policies, objectives, and plans (3) organization and resources (4) GRC assessments (5) controls and responses (6) monitoring and assurance (7) audit (8) continual improvement and (9) communication and culture.

3) The Third Line Roles are made up of audit functional unit and external auditors, responsible for independently auditing the overall performance of various management systems under the First and Second Line Roles.

PTTEP assigns the Internal Control Section to regularly conducts internal control assessment on potential fraud risks, which include risks of asset misappropriation, corruption, fraud, and fraudulent financial reporting, by allowing process owners to conduct control self-assessment of their operation process and by evaluating for the adequacy of internal control system at corporate level in accordance with the Office of the Securities and Exchange Commission (SEC)'s regulations. The Company's Vice Presidents are required to conduct annual self-assessment of internal control of each unit in accordance with COSO principles which covers potential fraud risk. The results of the assessment indicated that PTTEP has an adequate and appropriate level of internal control. In addition, PTTEP has improved internal control system to be more effective and efficient continuously.

#### **Continuous Communication and Knowledge Development and Training**

The Corporate Governance and Sustainable Development Committee has defined a clear plan for cultivating the CG&BE of the PTTEP Group and the Anti-Corruption Policy for everyone across the organization through various ongoing activities encompassing target groups at all levels and of all age groups. Activities were designed to match target groups' interests and knowledge levels, and their implementation expanded to external stakeholders, including suppliers. Performance indicators of target groups inside and outside PTTEP were clearly defined to ensure proper policy implementation for the most concrete results. This year 2022 relevant actions included the following:

#### **Measures for Internal Parties**

1) Organized induction sessions for new directors, management, and employees regarding the governance, risk management, and compliance (GRC) providing them with basic knowledge and understanding for acknowledgment and compliance. In addition, the Company required all personnel to acknowledge CG&BE by signing a commitment form to demonstrate their intention that they shall perform their duties based on CG&BE and the form was signed with 100 percent completion.

2) Organized GRC basic knowledge training courses (GRC 101) for staff who worked with the Company for 2-3 years. Contents cover corporate governance and business ethics, risk management, internal control, and compliance, with an emphasis on anti-corruption and relevant matters so that employees have correct understanding and duly apply them to their work.

3) Arranged training courses for supervisor level up regarding Good Corporate Governance and Business Ethics (CG&BE) under the concept of "CG&BE Train the Trainer". The objectives are to build ethical leadership with an understanding on CG&BE, be a role model, enable to advise and promote their subordinates to be aware and conduct their work ethically.

4) PTTEP hosted the PTT Group CG Day 2022, an annual activity where PTT Group's flagship companies shall take turn to host the event. The activity was arranged for all personnel of the PTT Group and representatives of entities dealing with governance and anti-corruption, suppliers, and customers of the PTT Group. Known this year as "PTT Group CG Day 2022: Togetherversion – CG Power for Sustainability & Beyond", the activity was held on November 23, 2022, as a hybrid event. This event clearly demonstrated the commitment among the PTT Group companies in carrying out businesses with accurate and transparent manners, and free from all types of corruption.

5) Established communication on conflicts of interest, guidance on giving and acceptance of gifts, corporate tokens, representation, or other benefits which may be computed into a monetary value, and the complaint handling together with the provision on protection so that management and employees may recognize an importance of corruption prevention measures. Additionally, the Company provided communication to enhance confidence of all individuals in filing complaints through the Company's defined channels with a good understanding of relevant procedures and protection. The number of complaints was disclosed annually as a summary along with punished cases. (Details are shown under the "Whistleblowing Reporting and Protection Procedures" topic) This is part of the campaign for all to be part in building corporate culture with transparency and corruption-free practices.

6) Instituted other ongoing communications to educate across the organization such as CEO Message regarding No Gift Policy, background checking of vendors and employees for anti-fraud and corruption, questions for self-assessment, and frequently asked questions during work from home etc. In addition, the Company encouraged employees to participate in various anti-corruption activities e.g. promoting Anti-Corruption Day and International Anti-Corruption Day through multiple channels, such as communication signboards, e-mails, and newsletter, etc.

#### **Measures for External Parties**

PTTEP has a clear intention to become a leading company in the realm of Corporate Governance (CG) demonstrating strong commitment and expanding good governance to external parties. This is evidenced by PTTEP having a written clear policy covering external stakeholders, for example, vendors, joint venture partners, and representatives of the PTTEP Group. The Company also encourages these external stakeholders to conduct businesses ethically and not to be involved with corruption through the following activities:

1) Notifying all suppliers about the No Gift Policy and request for their cooperation not to give or offer gifts, souvenirs, or other benefits on any occasions to the directors, management, and employees of the PTTEP Group. PTTEP also communicated and invited suppliers with the top 100 contract values to engage in online training (including post-test) on anti-corrupt practices. A total of 94 percent in actual attendance successfully passed the test.

2) Announcing to external parties the No Gift Policy explicitly on PTTEP's website and installing communicating signboards in office premises near spots where visitors can clearly see, both in Thailand and other countries.

3) Advocating to society a culture of good governance and anti-corruption. This year 2022 PTTEP took actions and participated in various key activities. Details are shown under the "Collective Efforts with the Public to Counter Corruption" topic.

4) Establishing channels for external parties to inquire in case of questions or recommendations on good corporate governance and business ethics by emailing to Corporate Secretary Division ([corporatesecretary@pttep.com](mailto:corporatesecretary@pttep.com))

### **Monitoring the Implementation of Anti-Corruption Measures**

The Board of Directors has assigned the Corporate Governance and Sustainable Development Committee to monitor implementation concerning anti-corruption measures, which is part of the CG&BE. The Company Secretary, as this Committee's Secretary, gathers such outcomes and reports to the Committee at least quarterly. Besides, since the oversight of compliance with anti-corruption measures of the PTTEP Group is jointly done by several functional units (Second Line Roles and Third Line Roles), reports are made to the applicable sub-committees, namely the Risk Management Committee and the Audit Committee. All implementation results are reported to the Board of Directors and summarized for the Shareholders in the annual report (56-1 One report).

Furthermore, the Corporate Governance and Sustainable Development Committee monitors the outcomes of the CG&BE plan annually and assesses such outcomes against relevant KPIs to ensure goal achievement.

### **Audit**

PTTEP designates the Internal Audit Division to perform fraud auditing tasks, which include corruption, and undertaking further examination when complaints are received. Currently, the Internal Audit Division has an Internal Audit Guideline – Fraud Audit that covers fraud risk assessment, prevention, detection and investigation of fraud, as well as practical guidelines used in the investigation process for complaints of fraud.

PTTEP has implemented its Continuous Control Monitoring System to monitor and inspect any irregular transactions that occur in PTTEP's work processes. The system has been implemented on the Procure to Pay process, and covered warehousing and inventory management, targeting the risk of non-compliance with regulations or work procedures that may possibly lead to fraud and corruption. When an irregular transaction has been detected, the system will send a notice directly to management, enabling them to investigate and promptly resolve the matter. Moreover, in 2022, the Company has continuously implemented technology to prevent the corruption, for example, continuously developing GRC One Digital System which will enable management to receive GRC related information timely and support their important decision making and implementing Robotic Process Automation (RPA) to reduce accounting errors.

### **Collective Efforts with the Public to Counter Corruption**

PTTEP acknowledges the significance of our role as a listed company to build confidence of our shareholders and stakeholders that the Company's management is transparent, fair, and free from fraud and corruption. The Company as one of the State Enterprises has a responsibility to lead by example and to encourage society to adapt better anti-corruption standards. In 2022, the Company proactively took several measures and participated in several activities to counter corruption. For instance, joined Thailand's National Anti-Corruption Day which was on September 6, 2022 at Bang Sue Grand Station, and joined International Anti-Corruption Day (Thailand) which was on December 9, 2022 (Online event).

The Private Sector Collective Action Against Corruption (CAC) certified PTTEP as a member of Thailand's CAC consecutively for the 3<sup>rd</sup> time. PTTEP has dedicated to improving and strengthening corruption prevention in our operation continuously. This Certification confirms our commitment to operate with transparency and further build trust for our stakeholders.



#### (4) Whistleblowing Reporting and Protection Procedures

PTTEP's Board of Directors has established the Reporting and Whistleblowing Regulation for the PTTEP Group to ensure that the complaint-handling process is effective, transparent, fair, and comparable to international standards. This Regulation is meant to provide appropriate and fair protection for whistleblowers and those cooperating with the Company in good faith. This mechanism gives 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, the Good Corporate Governance and Business Ethics (CG&BE), anti-corruption policies, and other related regulations, as committed by the Board, management, employees, or representatives of the PTTEP Group.

PTTEP sets clear procedures and timeframe for investigation of complaints as prescribed in the Regulation to ensure the transparency and fairness of the complaint-handling process. The examples are as follows:

- The Corporate Governance Section, Corporate Secretary Division, as a case coordinator according to the Reporting and Whistleblowing Regulation, and a subsidiary case coordinator preliminary evaluates the information and adequacy of the evidence before forwarding the complaint to the Company's investigator within 7 working days.
- The investigators prescribed in the Regulation must complete the investigation within 30 working days. If the period is extended due to necessity, the extension can be made only with the approval of the authorized person (not more than 7 working days at a time for non-complex cases and not more than 30 working days at a time for complex cases). The investigator shall not have vested interests in the complaint. Every complaint coming through the whistleblowing channels is summarized and reported to the Corporate Governance and Sustainable Development Committee and/or Audit Committee (as the case may be), and subsequently reported to the Company's Board of Directors.

The whistleblowing channels of the PTTEP Group are as follows:

- 1) Send mail to PTTEP Director, Supervisor, or the Corporate Governance Section, Corporate Secretary Division:

PTT Exploration and Production Plc.

555/1 Energy Complex Building A, 33<sup>rd</sup> Floor,

Vibhavadi Rangsit Road, Chatuchak, Bangkok 10900

- 2) Send e-mail to the supervisor or the Corporate Governance Section, Corporate Secretary Division (cghotline@pttep.com)

- 3) Report through the whistleblowing system, which is available on PTTEP's website (www.pttep.com).

The system will assign an individual Report Number and PIN to the whistleblowers to ensure security and prevent forbidden access by unauthorized personnel, as well as to allow the whistleblowers to perform a follow-up on the progress of the reported complaint and make inquiries. This system serves as a necessary tool for preventing and monitoring the risks of corruption.

There is also a formulation of the protection of whistleblowers and involved persons including the remedy for any person who is affected by the complaint in this Regulation. Whistleblowers and those cooperating with the Company in good faith shall receive appropriate and fair protection from the PTTEP Group, such as no change of job positions/titles, no threat or unfair treatment, etc. The Complaint investigation shall be conducted on a confidential basis and not disclosed to irrelevant persons.

In 2022, PTTEP received a total of 13 complaints through the channels according to the Whistleblowing Regulation and Human Resources Management Policy. After reviewing on the clarity and adequacy of these complaints, 8 cases were accepted for further investigation. As of December 31, 2022, the investigation of 6 cases were completed while 2 cases are under investigation process (Completed in Quarter 1/2023). A summary of complaints is shown in the table below.

Topic	2020	2021	2022
Number of whistleblowing cases	10	20	13
<b>Whistleblowers</b>			
- External reporter	1	8	3
- Internal reporter	4	4	3
- Anonymous reporter	5	8	7
Number of accepted cases after considering evidence and witnesses	5	10	8
Number of wrongdoing cases	2	3	3
<b>Type of wrongdoings</b>			
- Health and safety	-	-	-
- Business integrity			
- Non-compliance with regulation	-	-	-
- Conflicts of Interest	1	-	-
- Corruption, Fraud, Bribery	-	-	-
- Use of asset and information	-	1	-
- Others	-	-	-
- Human Resources			
- Inappropriate manner	1	-	-
- Sexual harassment	-	2	3
- Non-sexual harassment	-	-	-
- Others	-	-	-
- Others	-	-	-
<b>Consequences of wrongdoings</b>			
- Verbal Warning	1	-	-
- Written Warning	-	3	2
- Suspension	-	-	-
- Termination with severance pay	-	-	-
- Termination without severance pay	1	-	1

After completing the investigation of these 6 accepted cases pursuant to the Regulation, there were 3 cases that no offenses have been found while there were 3 cases of wrongdoing that were related to inappropriate behavior of staff (sexual harassment) which has been considered a disciplinary offense pursuant to the Human Resources Management Policy and Business Ethics on Human Resources. PTTEP has given written warnings and termination without severance pay to the offenders.

The Corporate Governance Section prepared and reported the results of the complaint investigation to related parties. The findings of the cases were used to carry out further improvements to the Company's internal control measures.

For more details of the Reporting and Whistleblowing Regulation and Whistleblowing System, please visit PTTEP website at <https://www.pttep.com/en/Aboutpttep/Corporategovernance/ReportingAndwhistleblowingregulations.aspx>

## 8.2 The Audit Committee Report

PTTEP is determined to conduct our E&P business under the strategic direction to achieve sustainable growth and energy transition by emphasizing the importance of transparency, fairness, and good corporate governance as well as benefits for the shareholders and stakeholders.

The Audit Committee and the Internal Audit Division, in line with this direction, are appointed by the Board to govern, oversee and review the Company's processes and their conformity to the Good Corporate Governance and Anti-Corruption policy, ensure that the Governance, Risk management, and Compliance (GRC) management remains effective as well as closely monitor the Company's work processes and goals as we strive towards a sustainable future and aiming to address future challenges and continuously create shared values to stakeholders.

The Audit Committee consisted of 4 independent directors. Ms. Penchun Jarikasem was the Chairman of the Audit Committee. Mr. Dechapiwat Na Songkhla, Mrs. Angkarat Priebjivat and Mr. Teerapong Wongsiwawilas were members of the Audit Committee. All directors had sufficient knowledge and experiences to review the accuracy and reliability of the financial statements.

In 2022, The Audit Committee executed its Board-assigned duties and those under its own charter, which agreed with best practices and related laws & regulations. The meetings were held 14 times including a co-meeting with the Risk Management Committee, when all the directors had attended all the meetings. In December 2022 Audit Committee Meeting also include the agenda with the Chief Executive Officer (CEO), the Company's internal and external auditors to discuss altogether.

The Committee's activities in 2022 according to the Audit Committee Charter were summarized as follows:

### 1) Review of Financial Reports

The Committee reviewed the Company's quarterly and annual financial statements with the auditor (PricewaterhouseCoopers ABAS – PwC) without the presence of the Management, to independently discuss about significant event that arise in each accounting period, independence in performance of duties, auditor's opinion, update of accounting standard and also discuss any impact which may have on the Company's financial reporting. The review is to ensure that the Company's financial reporting is accurate and reliable, the statements disclosed complete, sufficient, and timely information and complied with all relevant laws and regulations as well as generally accepted accounting standards. The Committee also provided recommendations regarding the Company's Management's Discussion and Analysis (MD&A) to cover an analysis of the relevant factors affecting the Company's operation and financial statements.

### 2) Review of the Internal Control System and Risk Management

The Committee reviewed the efficiency and effectiveness of the Company's internal control system through the audit results reporting by Internal Audit Division and also endorsed the assessment results of the Company's internal control

system including an assessment questionnaire required by the Securities and Exchange Commission of Thailand (SEC), which found that the Company had a proper internal control system. This included internal control related to financial objectives and processes with high fraud risk. The Company also improved internal control continuously to align with its operations, objectives and relevant laws and regulations as well as had sufficient controls on subsidiaries.

The Committee reviewed the effectiveness of risk management through acknowledgement of the Company's risk management report as presented to the Board of Directors meeting, together with the review of significant risk reporting in audit reports of the Internal Audit Division. In addition, there was the meeting with the Risk Management Committee to share information to ensure that the audit plan cover major risks and align with dynamic risks.

**3) Review of Connected Transactions or Transactions with Potential Conflicts of Interest**

The Committee reviewed the connected transactions or transactions with potential conflicts of interest prior to the Board's consideration to ensure that they were reasonable and beneficial to the Company and to safeguard the benefits of minority shareholders.

For connected transactions with the parent company, which are Petroleum Sales Agreement, the Committee consider the negotiation transparency, pricing, and contract duration to ensure the reasonableness of the transactions. The joint venture companies which are third parties have also reviewed the conditions of such transactions.

The Committee also reviewed the disclosure of the transactions in the annual report (56-1 One report) and viewed that the transactions were correctly and completely disclosed as well as the prices and conditions were fair. Moreover, the transactions were appropriately approved by the management or the Board of Directors prior to their commencement.

**4) Review of Compliance with related Laws and Regulations**

The Committee reviewed the PTTEP Group's compliance with the Securities and Exchange laws, SET's Regulations, and/or other related laws, both Thai laws and the laws of other countries in which the PTTEP Group operates or invests. Moreover, the Committee acknowledged the compliance report prepared by Compliance Function, in addition to the audit results related to compliance with related laws and regulations which is reported by the Internal Audit Division. The Committee also recommend additional relevant action plans and followed up on the progress of those action plans.

**5) Oversight of Internal Audit Activities**

The Committee reviewed and approved annual audit plan, long-term audit plan, and audit results as well as followed up on the progress of action plans in response to audit findings. The Committee also reviewed the performance against the audit plan, the independence of auditors, key performance indicators of the Internal Audit Division, and assessed the performance of Head of the Internal Audit Division. Moreover, the Committee reviewed the Audit Committee Charter and Audit Charter on an annual basis.

The Committee gave precedence to digital technologies and promoted the adoption of it in the audit process. This enabled audit work to adapt to transformation in the digital era, additionally, supported audit work to be more accurate, complete, and efficient as well as better analysis which led to precise and timely problem-solving. The example was the implementation of the Continuous Control Monitoring System on Procure to Pay Process and Warehouse and Inventory Management Process. The Internal Audit Division fully utilized the Audit Management System (TeamMate+) which assist audit process from the audit planning process to the audit issues follow up process (end to end process). In 2022, Internal Audit Division also enhanced Follow up Dashboard to facilitate management in monitoring the outstanding audit issues.

The Committee promoted personal development of internal audit staff especially training in digital technologies to adopt in audit work and ensure that internal audit activities are appropriate and effective. The Committee also supported Consulting Services role of Internal Audit Division in order to add long-term value to the Company and fulfill stakeholders' expectation.

**6) Nomination of the External Auditor for 2022 and Meeting with the External Auditor**

The State Audit Office of the Kingdom of Thailand (SAO) requested the Company to outsource the external auditor in accordance with the State Fiscal and Financial Disciplines Act, B.E. 2561 (2018), Section 71, requiring the SAO or the external auditor endorsed by the SAO to audit the financial reports of the government agency. The Company then proposed Ms. Amornrat Pearmpoonvatanasuk, Certified Public Accountant Registration No. 4599 or Mr. Boonrueng Lerdwiseswit, Certified Public Accountant Registration No. 6552 or Mr. Kan Tanthawirat, Certified Public Accountant Registration No. 10456, the auditors from PricewaterhouseCoopers ABAS Limited (PwC), to serve as the Company's external auditor. The Committee considered that PwC is a leading company with reliable performance and independence; furthermore, the audit fee is reasonable. Therefore, the Committee agreed to propose PwC to be the Company's external auditor together with its audit fees to the Board, SAO and the 2023 Annual General Meeting for further consideration and approval.

In addition, the Committee met with the external auditor to acknowledge the audit plan and observations as well as key audit matters in the auditor's report, and also met separately with the external auditor in the absence of the management to acknowledge additional opinions from the auditor.

The Committee also considered non-audit services transactions engaging the company and its affiliated which the external auditors worked for. This is to ensure the external auditor's independence. Additionally, the Committee had an opinion on clear disclosure of non-audit fee in the annual report (56-1 One report). so that shareholders can obtain the information.

**7) Oversight of Good Corporate Governance and Fraud Prevention**

The Committee encouraged the improvement of the Company's internal control system to ensure optimal control over fraud prevention. For example, the Committee promoted procurement through a competitive bidding process and supported the use of analysis of past procurement reports for preparing annual procurement plans in advance. As a result, the proportion of bidding transactions is continuously higher than direct negotiation transactions every year. The Committee also encouraged staff whistleblowing, which allowed a person to raise a suspicious misconduct or a potential fraud. In addition, the Committee was responsible for verifying the results of the Company's self-assessment relating to the anti-corruption process required by CAC and the Corporate Governance Code for Listed Companies (2017). The Company is also a certified member of Thai Private Sector Collective Action against Corruption (CAC), reflecting our determination to stand strongly and prominently against corrupt practices.

In conclusion, in 2022, the Committee conducted its work thoroughly, methodically, and strictly according to the Audit Committee Charter and reported the results of all meetings to the Board on a regular basis. The committee provided opinions and recommendations that enhanced the Company's good corporate governance. This approach ensures that the Company is able to deliver the best possible performance in comparison with our industrial peers.

In addition, the Committee is confident in the competency of the Internal Audit Division, which consists of personnel with various qualifications, skills, and experiences, enabling them to perform their duties in auditing to cover various aspects efficiently.

The Committee's overall opinion regarding the work in 2022 is that the Company's financial reports were accurate, in compliance with generally accepted accounting standards and with International Financial Reporting Standards. The Company also conducted the operations in compliance with the relevant laws and obligations. In addition, the Company has proper risk management, fraud risk management, internal controls, internal audit, and corporate governance.

The Committee's performance was graded "Very Good" by themselves, the Board of Directors, and related agencies.

(Signed) *Penchun Jarikasem*

(Ms. Penchun Jarikasem)

Chairman of the Audit Committee

### 8.3 The Sub-Committees Report

#### 8.3.1 The Corporate Governance and Sustainable Development Committee Report

PTTEP places importance on sustainability by taking into consideration Thailand's goals, global trends in combating climate change, and preparation for energy transition. The Company also adheres to The Good Corporate Governance and Business Ethics. PTTEP's Board of Directors designated the Corporate Governance and Sustainable Development Committee which is comprised of at least 3 directors, most of whom are independent directors, to oversee and promote sustainability and corporate governance of PTTEP at all levels.

In 2022, the Committee convened 4 times, with all incumbent directors attending every meeting and providing useful recommendations to management for improving the Company's strategy and operation regarding Corporate Governance and Sustainability. The resolutions of the meeting were regularly reported to the Board of Directors for acknowledgement. The duties and responsibilities of the Committee this year can be summarized as follows:

1) Considered targets and workplans for achieving EP Net Zero 2050 together with encouraging establishing such a proactive and continuing plan regarding greenhouse gas emission reduction and to seeking other possibilities of reduction, for example, clean energy technology in the future.

2) Reviewed and revised our Sustainability Framework and Sustainability Statement to cover key elements more inclusively and demonstrate PTTEP's commitment and direction after announcing the EP Net Zero 2050 target. Additionally, the Committee reviewed and revised the Sustainability Report Structure so that it was in line with the strategy of each target and was able to respond stakeholders' expectations effectively.

3) Monitored progress in accordance with the established sustainability strategy and workplan while emphasizing exploring for opportunity and risk of the operations. The key issues can be summarized as follows:

(3.1) The committee monitored the workplan and progress under the EP Net Zero 2050 target including GHG avoidance and reduction compared to the established target of each year. Moreover, the Committee advised and monitored the progress of GHG offsetting operations both in Thailand and other locations where PTTEP operates and recommended on criteria setting by including effects from greenhouse gas emission in the decision-making process for the future investment.

(3.2) In terms of Business Integrity (Sustain Business Integrity Excellence), the committee advised and monitored operations under the Smart Assurance and Mindful GRC strategies.

(3.3) The committee provided advice for improving operations to ensure tangible outcomes under the strategies relevant to "Optimize Resource & Create Share Value" which are Circular Model for E&P and Ocean for Life, including communication for promoting the perception of sustainability. This is to ensure that current and future operations are in line with the strategies of PTTEP and capable of creating mutual value for stakeholders in a true and sustainable way.

4) Considered 2023 sustainability workplan and budget framework by concerning cost effectiveness, tangible outcomes and supporting the accomplishment of EP Net Zero 2050 targets, as well as other long-term strategies and target.

5) Reviewed and revised the Good Corporate Governance and Business Ethics (CG&BE) in various aspects, for example, anti-fraud and corruption and conflicts of interest by providing more principles, guidelines for good practice, and example situations and guidance with clear and easy-to-understand basis. The Committee emphasized regularly revising internal practices in order to enhance the standard and adapt to the changing expectations of society. In addition, the Committee promoted business operations of the PTTEP Group and performance of the Board, management, and all employees in all

operating areas to be in line with CG&BE by, for example, providing workshops continuously for supervisory level in order to be a role model and able to advise their subordinates, providing CG&BE and anti-corruption e-learning for employees at all levels and vendors, emphasizing to all employees on self-evaluation regarding conflicts of interest at least 1 time a year, communicating a No Gift Policy, supporting being a host for 2022 PTT Group CG Day, and encouraging participation in various good governance assessment as a part of maintaining and improving good corporate governance of PTTEP.

6) Considered and reviewed the implementation of the Corporate Governance Code (CG Code) by means that are deemed suitable to the PTTEP Group's businesses and conducive to strengthening long-term business values. The Company also established corporate governance reporting in accordance with the SEC's CG Code and international standards as well as incorporating the CG Report into the annual report (56-1 One report) for stakeholders.

In 2022, the Committee executed its assigned tasks in accordance with its charter and amendments with prudence, competence, and independence. The Committee properly provided straightforward opinions for enhancement and betterment of corporate governance and business ethics of the organization and the optimal benefit of PTTEP, its shareholders, and stakeholders.

(Signed) *Bundhit Eua-arporn*

(Mr. Bundhit Eua-arporn)

Chairman of the Corporate Governance  
and Sustainable Development Committee



### 8.3.2 The Nominating and Remuneration Committee Report

PTTEP focuses on the “Drive-Decarbonize-Diversify” business strategy with the aim of driving value of E&P business, reducing greenhouse gas emission to reach decarbonization goal, and diversifying into new areas of business. In addition to strengthening our E&P business, PTTEP also focuses on ensuring energy security of the country and pursues to achieve our Net Zero Green House Gas Emissions in 2050 as well as expanding into new business areas beyond E&P to respond to the changes in business environment and support PTTEP sustainable growth. The Nominating and Remuneration Committee has been focusing on organization readiness and restructuring to response to business transformation, development of executives’ competencies, and nomination of Company’s leaders by developing executive succession plan. Also, the Committee has been nominating directors who are qualified, knowledgeable, and experienced fitting its core business to provide long-term competitiveness.

The Nominating and Remuneration Committee convened 7 times in 2022, summarized as follows:

- 1) Considered the principles for 2022 Board Performance Target in which the Board shall focus on monitoring and providing feedbacks to the management to best achieve PTTEP’s Corporate Key Performance Index (Corporate KPIs) as well as measuring the stakeholders’ perspectives towards the Company including the Corporate Governance Report of Thai listed companies (CGR) and criteria and requirements of Dow Jones Sustainability Index (DJSI).
- 2) Set Board Target Skill Mix of the nominees in replacement of the directors who are due to retire by rotation in 2023 in the areas of Organization Change and Development, International Market and Collaborations, Legal and Technology to focus on organization transformation to accommodate energy transition and readiness for investment expansion in new business and international business collaborations including setting internal control system for both domestic and international projects and properly managing human resources to enhance flexibility and adaptability to changes as being an international E&P company.
- 3) Nominated to the Board of Directors suitable candidates with appropriate Skill Mix for consideration on election of directors and sub-committee members when positions were vacated, with due consideration for Board composition, competency, experiences that useful to PTTEP, the number of companies they were serving, and potential conflicts of interest. Also, it reviewed the principles allowing shareholders to nominate qualified director nominees in accordance to the Company’s Target Skill Mix for considerations by the Board of Directors and consequently the Annual General Shareholders’ Meeting so that major and minor shareholders are treated fairly and suitably.
- 4) Considered the Board, Sub-Committees and Chairman’s performance assessment and report the result of the assessment to the Board of Directors.
- 5) Considered the qualifications and selection process for qualified candidates to be Company’s leader and developed appropriate executives succession plan to accommodate organization’s growth and to be aligned with business environment both short and long terms. Also, considered the CEO’s performance appraisal and remuneration.
- 6) Screened and commented to the Board of Directors on organization restructuring and work process to support long-term corporate growth.

(7) Considered setting appropriate remuneration policy and PTTEP's salary structure suitable with business environment so that PTTEP can implement its strategic plan effectively.

(8) Reviewed the remuneration policy and criteria for the Board and Sub-Committees on appropriate principles based on their responsibilities and consistent with long-term corporate strategy as well as being comparable to other companies in the same industry. Moreover, the Committee took business environment into account in considering appropriate remuneration to create incentives for the Board to direct the organization to achieve its short and long-term goals together with being adaptive to the changing technology.

The Nominating and Remuneration Committee prudently and freely executed their duties to the best of their ability by providing comments for the best interest of all shareholders and stakeholders. The results of all meetings were regularly reported to the Board of Directors throughout 2022.

(Signed) *Tanarat Ubol*

(Admiral Tanarat Ubol)

Chairman of the Nominating and Remuneration Committee

### 8.3.3 The Risk Management Committee Report

PTTEP realizes the importance of risk management and commits to its efficiency and effectiveness to enable PTTEP in achieving the vision, mission, objectives, and strategies for energy security as well as value creation for stakeholders. In 2022, it was still very challenging for PTTEP to manage risks due to the oil price volatility stemming from the Russia-Ukraine war, the unrest situations in the countries where PTTEP has invested in, i.e. The Republic of the Union of Myanmar (Myanmar) and The Republic of Mozambique (Mozambique), Operatorship transition of large projects comprising G1/61 and G2/61 project in Thailand and Yadana project in Myanmar, global warming and climate change becoming more critical issues which drive the world transition towards “Low Carbon Future” and “Net Zero Greenhouse Gas Emissions”, the COVID-19 pandemic that continually impacts the global economy, Cyber security risks, and Disruptive technologies. Therefore, PTTEP’s Board of Directors appointed the Risk Management Committee. As of December 31, 2022, the Committee comprised 4 members, 4 of whom are independent directors. The Committee played a vital role in overseeing PTTEP’s risk management so that it remained in line with the PTTEP’s Board of Directors’ directions.

In 2022, the Committee convened 12 times, which included a meeting with the Audit Committee. The duties and responsibilities of the Committee can be summarized as follows:

1) Governed strategic risk management in response to the dynamic changing of internal and external environment to ensure that PTTEP is able to execute under its main strategies which are Drive Value – strengthening the petroleum exploration and production business, Decarbonize – reducing Greenhouse Gas emissions, and Diversify – expanding into beyond E&P businesses. The Committee considered PTTEP’s execution in maintaining the strengths of its E&P businesses for energy security while expanding investments in environmentally friendly energy businesses. Moreover, the Committee considered the 2023 Work Program and Budget, 5-year (2023-2027) investment plan and ensured its alignment with the corporate directions and policies.

2) Closely monitored for the smooth and efficient risk management of the existing projects such as (1) transition of G1/61 Project and G2/61 project in Thailand and becoming an operator of the Yadana project in Myanmar. This enables the projects to produce natural gas continuously and safely. (2) unrest situations in Myanmar and Mozambique by providing recommendations to mitigate the potential impacts. In addition, the Committee considered the Production Sharing Contracts (PSCs) extension in the MTJDA Project, the exploration and production period extension such as Malaysia SK309 project in Malaysia and Sharjah Onshore Area C project in the United Arab Emirates etc. by assessing risks and economic returns. In this regard, the projects have shown to be able to carry out the production and exploration as planned.

3) Considered the petroleum exploration and production business expansion and portfolio management by considering acquisitions to serve the Net Zero GHG Emissions target and focusing on natural gas projects such as the Thailand Bid Round and the acquisition of stakes in the Sharjah Onshore Area A Project in the United Arab Emirates etc. In addition, the Committee considered the divestment projects according to the strategic plan such as the withdrawal from Yetagun project and gas transportation company, Taninthayi Pipeline Company LLC (TPC) in Myanmar, the divestment in Barreirinhas AP1 project and Brazil BM-ES-23 project in Brazil. The Committee provided recommendations on risks and potential opportunities, option analysis and mitigation as well as monitored risk proactively. As a result, PTTEP’s investments in E&P businesses are continually based on the given strategic direction.

4) Considered and provided recommendations on investment expansion for new businesses to support the energy transition and respond to future challenges. The Committee considered the opportunity to invest in the power business from natural gas and renewable energy, investment strategy in carbon capture, utilization and storage and hydrogen fuel by providing opinions on risks and opportunities such as conducting option analysis for best selection, formulating partnership with experts, and defining exit strategy, etc.

5) Considered the oil price hedging guideline, closely monitored oil price trends, and provided advice on tools to help data analysis to be more systematic, scenario analysis and dynamic oil price hedging in order to respond to the rapid changes in situation and reduce the impact on net profit from oil price volatility. The Committee also emphasized on the knowledge management from lessons learned from oil price hedging. As a result, PTTEP's oil price hedging has achieved its objectives.

6) Utilized risk management information to support the risk-based audit approach. There was a meeting with the Audit Committee to exchange views on corporate risks and audit plans and to follow up significant risks to ensure effective risk management in place such as cyber security, etc. Moreover, the Committees placed importance of conducting Post Project Reviews from investment projects such as Oman Block 61. This is to enhance decision making of future investments to be more consciously thorough.

Furthermore, the Risk Management Committee consistently oversaw enterprise risk management to ensure the businesses were operated within PTTEP's risk appetite, particularly risks related to the COVID-19 pandemic, exploration and production operations, financial, cyber security, legal, environment including emerging risks. The outcomes of Risk Management Committee meetings were reported to the Board of Directors on a monthly basis.

In summary, the Committee independently performed its duties relating to PTTEP risk management prudently, and competently according to its scopes, authorities and duties defined in PTTEP's Risk Management Committee Charter. These lead PTTEP to efficiently managing risks in order to achieve our objectives and goals for fair and maximum benefit to PTTEP, shareholders, and other stakeholders for long-term sustainability.

(Signed) *Pitipan Teparitarn*

(Mr. Pitipan Teparitarn)

Chairman of the Risk Management Committee

#### 8.3.4 The Independent Directors Committee Report

Independent directors play a significant role in ensuring the best interests of the Company, shareholders, and stakeholders. They ensure governance, policies, and strategies implementation, together with transparency and efficient operations in order to provide the equal distribution of benefits to all shareholders. PTTEP has set a requirement to have the independent directors more than half of the Board of Directors or enough number to influence decision making of the whole Board of Directors. Currently, the independent directors committee comprises 10 directors from the total 14 Board of Directors to make sure of transparency and benefits to all shareholders. In addition, a director's qualifications may change and can disqualify of being independent, for this matter, independent directors' qualifications are annually reviewed.

With the vision to become the "Energy Partner of Choice", that takes conscious consideration of all stakeholders' interests, as well as maintains energy security for the nation, PTTEP has established a strategic framework with 3 strategies: E&P Growth Strategy, Decarbonization Strategy, and Beyond E&P Business Strategy. The independent directors provided useful recommendations and independent comments in 3 efficient meetings. The key agenda items discussed are policies and investment strategies for new business in relations to the PTT Group's business. The consideration is made without the influence from major shareholders and leads to the decision making of the whole Board of Directors. The Independent Directors Committee Report in the annual report ( 56-1 One report) for distribution to all stakeholders is also one of the key agenda items.

The independent directors fully executed their duties and promoted transparency in the Board meeting. In the event that a director is shown to have a conflict of interest with any of the agenda items, he must abstain from expressing an opinion and voting on the agenda items or leave the meeting room when the issue is discussed to allow the other directors to express their opinions freely. An exception can be made if the other directors voted unanimously to allow the director to stay in the meeting room to provide information for the agenda so that the Board of Directors can deliberately make a decision. However, the director is not allowed to vote or decide on an issue having conflict of interest. This is to ensure that the decisions are made for the best interest of the Company without diminishing shareholders' rights, especially minority shareholders and all stakeholders.

(Signed) *Krairit Euchukanonchai*

(Mr. Krairit Euchukanonchai)

Chairman of the Independent Directors Committee