

PTT

TRADING BUSINESS UNIT

2022

VERSION 1



TRADER
CODE OF CONDUCT



PTT Public Company Limited

Public Company Registration NO.0107544000108

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Background and Purpose

Trader Code of Conduct is established pursuant to the “Corporate Governance (CG) Policy of PTT Plc which issued Corporate Governance, Ethics Standards, and Code of Business Ethics Handbook’ (CG Handbook)” and “Ethics Manual and Code of Business Conduct International Trading Business Unit and Affiliates”

The Trader Code of Conduct, acknowledged and endorsed by Trading Management Meeting in Year 2021, represents the main document for the purpose of confirming the reputation of correctness, transparency and clarity that has always been one of the assets of Trading Business Unit. This Trader Code provides guiding of the responsibilities, conduct and ethics to be followed by Traders.

Traders of TBU and affiliates must acknowledge these principles and apply them as one of TBU’s disciplines.



Trader Code of Conduct

Objectives

To set out the responsibilities, conduct and ethics to be followed

Adherence to Laws, Rules, Regulations and Policy

Conduct business in accordance with applicable laws, rules, regulations and policy. The applicable laws, rules, regulations and policy are described in Appendix 1 of this code of conduct.

Adherence to Internal Limits and Policies

Limits shall mean for the followings, as approved by authorized person/committee

- VaR Limit (Appendix 2)
- Stop Loss Limit (Appendix 2)

Limits shall be reviewed and acknowledged annually. Traders will abide by the limits allocated to their Portfolio/Book. All limit breaches shall be reviewed by TRMC for necessary action.

In cases where the breach is intentional or due to prove to be malicious intent, necessary action within the company's rules, regulations and policies concerned shall be initiated.

Authorized Product, Exchange Market, and Platforms

Product Type and Market by Trading Books (with external counterparts):

- Types of physical products and derivatives allowed to trade under each trading book. (Appendix 3)
- New product types / derivatives instruments need to get approval from TBSC and TRMC before execute trade. (Refer to trading framework)
- Authorized traders on exchange market need to get approval from TRMC (Appendix 3)

- Trading in any new and unfamiliar platform need to be acknowledged by TBSC before execute Trade

Anti – Corruption

PTT stands fully behind international efforts to stop corruption, fraud, bribery also respects human rights and complies with the principles of human rights law. We have a zero-tolerance policy against corruption in our supply chain. Traders shall always comply with PTT's current policies, rules and regulations and those to be issued in the future.

Dealing with brokers and counterparties

Counterparty/Broker: Traders are not permitted to execute transactions with counterparties or brokers that are not registered on PTT's list.

Clearing Broker: Each trading team will be allowed to use only one clearing broker which is approved by TCC as the same as counterparty list registration process.

Only in an urgency, when there is a problem such as over credit limit facility with any clearing broker, each respective trading team may temporarily use another clearing broker upon approval from Company's MD. After all, the incident must be reported to TRMC within 1 day from Company's MD Approval.

Real life Situation;

Engaging Ethical Counterparties: We look for counterparties who share our ethical values and we want them to share our commitment to promote good corporate governance and ethical standard. Before selecting or retaining counterparties, we consider their background, status of any sanctions and/or embargoes, their business integrity.

Use of Recorded Line and Personal Devices

All communications related to trades on landline telephone shall be recorded. Chats and Emails related to trades on any devices shall be retained and archived for at least 6 months. Traders shall always comply with PTT's current policies, rules and regulations and those to be issued in the future on this matter.

Dealing on Personal Account

Traders are not permitted, under any circumstance to trade petroleum products or any other commodities for their own account. They should avoid any trading activity, which may be construed as potential conflicts of interest in their personal account. PTT's current policies, rules and regulations and those to be issued in the future on this matter shall be strictly complied.

Deal Capture Guidelines

All deals done should be recorded promptly (no later than 1 working day) in the Commodity Trading Risk Management system (CTRM). Traders shall also provide all commercial terms, conditions and deal justification properly to get approval from authorized person. Traders shall cooperate with and respond to questions from Middle office and Back office ensuring well compliance of the transactions. The violation of recording the deal onto CTRM will be reported to Trading Management, TRMC, and PTT ERM. In case trade recap is revised as agreed by both parties, traders shall amend such deal in CTRM and Trading Ticket accordingly.

Conflict of Interest

Conflict of Interest is a circumstance or an action in which directors, management, or employees considering personal interests over their responsibilities or performance in their positions, leads to the point of biased decisions and performance of duties that compromise collective benefits.

Traders should be aware of potential conflicts of interest, which may arise as a result of personal or business relationships outside. Any actual or potential conflict of interest, and other related independence issues, must be immediately disclosed to their supervisors and Good Governance and Corporate Ethics Department.

They should also comply with all rules and regulations outlined in PTT's Ethics Manual and Code of Business Handbook and Corporate Governance, Ethical Standards, and Code of Business Ethics Handbook of International Trading Business Unit's affiliates regarding this matter.

Real life Situation;

According to trader roles and responsibilities, we make business decisions every day. In making such decisions, we are responsible for remaining free from the influence, or the appearance of influence, of any conflicting interests, and for conducting business ethically and legally. We have a duty to avoid making business decisions that place personal interests ahead of those of PTT Group. The best way to prevent conflicts is to avoid those things that could be seen as influencing you on the job but this is not always reasonable or necessary.

Confidentiality

PTT places great importance on keeping confidential information in its possession in strict confidence by adhering to the relevant laws and business ethics and will not disclose or exploit such information which will damage other parties or PTT itself, with the exception where PTT is permitted to do so or PTT has legally entered into an agreement with the owner of such confidential information.

Traders shall maintain the highest degree of integrity in all the dealings with potential, current and past clients, both in terms of normal commercial confidentiality, and the protection of all personal information received in the course of providing the business services concerned. They should also comply with all rules and regulations outlined in PTT's Ethics

Manual and Code of Business Handbook, and Corporate Governance, Ethical Standards and Code of Business Ethics Handbook of International Trading Business Unit's affiliates regarding this matter

Additionally, Traders shall be cautious when using or collecting personal data of others, which is under due care of itself by not using that personal data for purposes other than those notified to the personal data owner, and not disclose personal data to irrelevant persons or persons unauthorized by law to request or access that data, and strictly adhere to personal data protection laws.

Real life Situation;

Traders shall Respect Others' Trade Secrets and Confidential Business Information. We have trade secrets; our competitors have trade secrets. Just like we wouldn't appreciate it if they tried to do something sneaky to learn what our next big move will be, we respect the fact that they too have confidential information so we don't use illegal or unethical methods to gather confidential business information that belongs to other people or businesses. That includes any sensitive information — business plans, technical info, marketing strategies, and so on. We also do not hire people to glean the business secrets of the company where they last worked and if you did work for one of our competitors, please keep confidential information about them to yourself.

Finally, if you somehow come across trade secrets or other confidential business information belonging to another person or business, do not take advantage of it. Immediately secure the information without using or sharing it.

Policy for Giving and Accepting Gifts

Offering or Accepting gifts can be appropriate and a common business practice. However, it is not appropriate to accept gifts or hospitality where the intention is to improperly influence a decision or when doing so might create the perception of such intent.

Traders should have reasonable and bona fide justification for doing so and that it does not coincide with the timing of a business decision. They should also comply with all rules and regulations outlined in PTT's Ethics Manual and Code of Business Handbook, and Corporate Governance, Ethical Standards and Code of Business Ethics Handbook of Trading Business Unit's affiliates regarding this matter.

Real life Situation;

Although PTT is a state owned enterprise, working with government entity takes particular care. They have special bidding, pricing, disclosure, contracting, and certification requirements for companies with which they do business, like us. They also have specific rules about gifts and entertainment, political donations, reporting, and who can contact government employees to market goods and services during active government procurement opportunities or under an existing government contract.

During contract negotiations with any counterparties, you should decline all gifts, business entertainment and offers to pay for or reimburse travel expenses.

Anti-Money Laundering Bribery and Corruption Guidelines

Money laundering is concealment by criminals of the true origin and ownership of money obtained from their criminal activities by passing them through legitimate business. PTT is committed to preventing itself from falling into any cycle of money laundering or the financing of terrorism in order to fulfil zero-tolerance policy against corruption as mentioned earlier in this Code of Conduct. Traders shall conduct business only with reputable clients engaging in legitimate business activity with fund derived from legitimate sources. They should also comply with all rules and regulations outlined in PTT's Ethics Manual and Code of Business Handbook, and Corporate Governance, Ethical Standards and Code of Business Ethics Handbook of International Trading Business Unit's affiliates regarding this matter.

Real life Situation;

Traders shall not assist any counterparties in money laundering also watch out for unusual or suspicious arrangements, which could expose PTT Group to money laundering and immediately report them to their manager/supervisor in order to proceed with PTT's internal procedures.

Traders shall not engage in corruption and never receive or pay bribes. By balancing business goal and ethical standard, we do not expose any team member to bribery and corruption in order to meet business objectives, deadlines and/or KPIs.

Staff Leave Requirements

Depending on necessity, PTT and its trading entities may randomly apply the Staff Leave policy, as such traders shall take consecutive working day leaves and during which, their portfolio will be managed by the other responsible trader.

Traders who are on Staff Leave should be strictly barred from physical access to the Commodity Trading Risk Management system (CTRM). They should avoid making or maintaining business contact with clients and colleagues during uninterrupted leave, unless under exceptional circumstances with proper approval given by Book Head.

Consequences of Misconduct

Violation of this TBU Code of Conduct will be taken seriously. It will be reviewed and investigated for the cause. Risk Control and Compliance Department of TBU will report all material violations of this Code of Conduct to TBU Management. Violation may result in disciplinary action regarding on this matter in PTT's Ethics Manual and Code of Business Handbook, and Corporate Governance, Ethical Standards and Code of Business Ethics Handbook of International Trading Business Unit's affiliates.

Trader Acknowledgement

Declaration

I have read and understood Trading Business Unit (TBU) Code of Conduct and confirm that I shall implement and comply with the Code of Conduct in my respective area of responsibility. I also understand that the contents herein are the sole property of PTT and shall not distribute/share the content with any 3rd Party.

Name:

(Signature)

Dated:

Note: Any subsequent amendments to these procedures required full sign off from the above.

Glossary

Commodity Trading Risk Management System (CTRM): Software manages all activities related to the buying and selling of commodities such as oil, grains, metals, or electricity. CTRM helps companies plan when to buy or sell commodities, track pricing, and the volumes of commodities processed.

Futures Trading Limit: The maximum of futures trading volume allowed for each authorized trader for each index per day.

PTT Enterprise Risk Management Committee (PTT ERMC): ERMC has responsibility to support the Board's performance under corporate governance principles to keep PTT's risk management efficient and effective for successful goal achievement while aligning with the corporate vision and direction, as well as mitigating impacts of uncertain business environment. The key is to ensure shareholders and stakeholders that PTT's risk management system can indeed handle all these risks.

Stop Loss Limit: The Maximum amount of acceptable loss for each trading transaction, portfolio and book.

TBSC: Trading Business Strategic Alignment Committee has responsibility to align strategies, policies, guidelines, and business plans with directions of PTT. TBSC's responsibilities and authorities.

TMM: Trading Management Meeting will discuss in all important topics related and impacted to trading business. The meeting will be held in every week.

TRMC: Trading Risk Management Committee shall oversee the management of the inherent business risks associated with TBU TRMC's responsibilities and authorities.

Value at Risk (VaR): A statistic that measures and quantifies the level of financial risk within a firm, portfolio or position over a specific time frame.