

7. Capital Structure

7.1 Registered capital and Paid up capital

Registered Capital : 4,997,459,800 Baht divided by Common shares 4,997,459,800 shares and par 1 Baht per share

Paid up Capital : 2,973,095,330 Baht divided by Common shares 2,973,095,330 shares and par 1 Baht per share

7.2 Top Ten Shareholders

(a) Top ten shareholders as of 18 August 2014, the latest book closing date for the right to receive dividend, are as follow:

No.	Name	No. of shares held	% of shareholding
1	INTOUCH HOLDINGS PLC*	1,202,712,000	40.45
2	SINGTEL STRATEGIC INVESTMENTS PTE LTD	693,359,000	23.32
3	THAI NVDR CO.,LTD.	152,130,471	5.12
4	LITTLEDOWN NOMINEES LIMITED	78,659,800	2.65
5	STATE STREET BANK EUROPE LIMITED	50,852,638	1.71
6	HSBC (SINGAPORE) NOMINEES PTE LTD	50,122,604	1.69
7	THE BANK OF NEW YORK (NOMINEES) LIMITED	42,596,730	1.43
8	THE BANK OF NEW YORK MELLON	39,940,300	1.34
9	SOCIAL SECURITY OFFICE (2 CASE)	26,570,900	0.89
10	CHASE NOMINEE LIMITED 15	26,308,489	0.88
Total		<u>2,363,252,932</u>	<u>79.49</u>

Source: Thailand Securities Depository Company Limited

Note: *Shin Corporation Plc. has been changed a name to Intouch Holdings Plc. since 3 April 2014

(b) Major shareholder whose behavior can influence when determining policy or handling operation, are

1. Intouch Holdings Plc., major shareholders of Intouch Holdings Plc. as follows:

Name	No. of shares held	% of shareholding
Aspen Holdings Ltd. ¹⁾	1,334,354,825 ²⁾	41.62

¹⁾ On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, information as of 7 January 2015, Aspen Holdings Limited is a company incorporated in Thailand and 99.99% owned by Anderton Investments Pte Ltd., Singapore.

²⁾ Shareholding as of 27 August 2014, the latest book closing date

2. SingTel Strategic Investments Pte Ltd holds 23.31% directly in AIS, and 0.01% via OCBC Nominees. The shareholder of SingTel Strategic Investments Pte Ltd is

No.	Name	% of shareholding
1	Singtel Asian Investments Pte Ltd*	100.00

* Singtel Asian Investments Pte Ltd is 100% hold by Singapore Telecommunication Limited (Source: Accounting and Corporate Regulatory Authority (ARCA), Singapore as of 19 January 2015)

2. Agreements between major shareholders and the Company concerning topics which affect the issuance of securities or management of the Company's operations.

- None -

7.3 Dividend Policy

The Company aims to pay dividend at least 100% of net profit twice a year. The first of which shall be paid as interim as a result of operation during the first half of the year as approved by the Board of Directors and will be reported to the next general meeting of shareholders whereas the remaining thereof as annual payment which shall be approved by shareholders' meeting as a result of operation in the second half year.

As regards each subsidiary, dividend payment shall be based upon its operating results, financial conditions and other material factors.

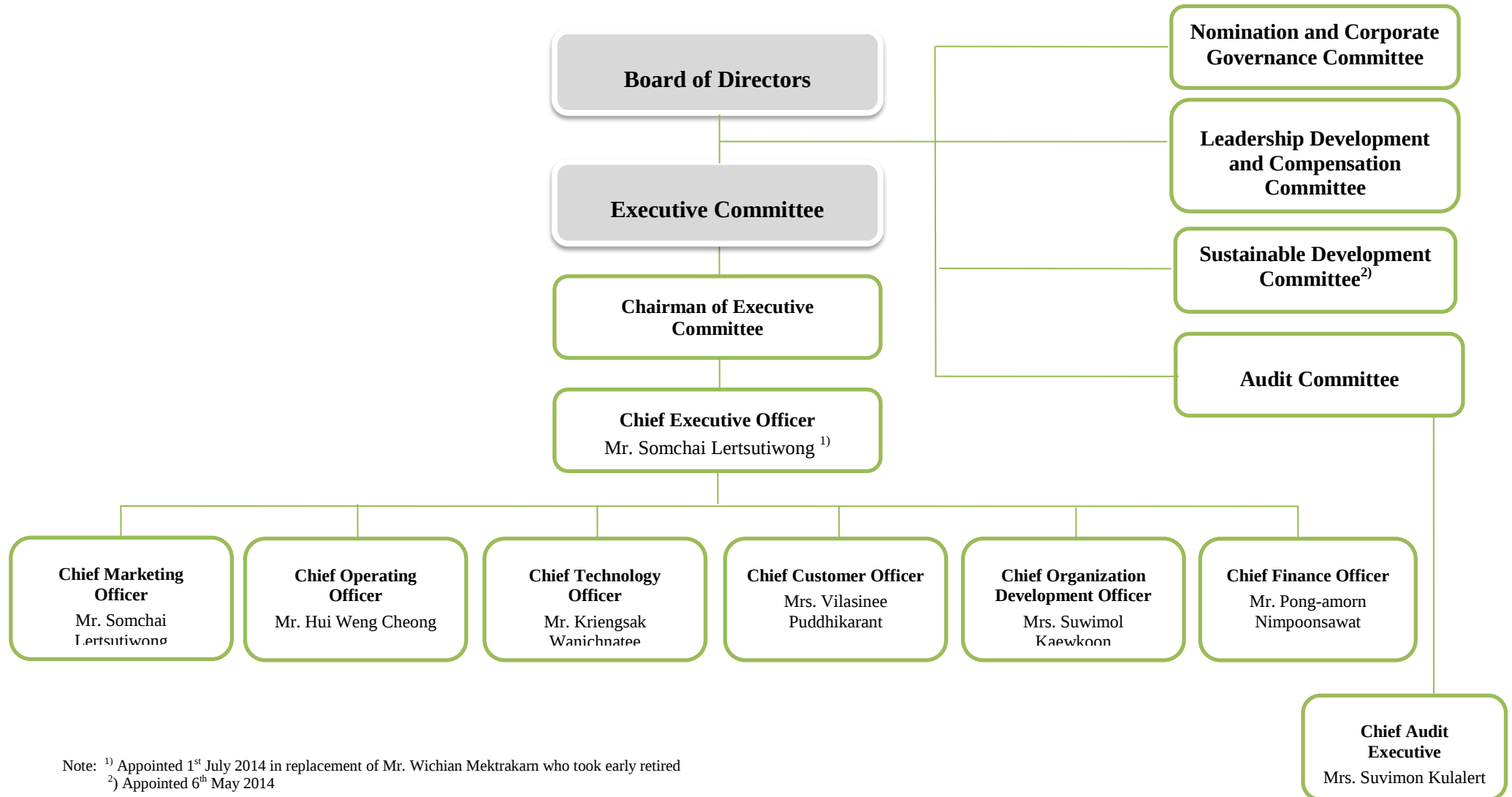
In all cases, dividend payment shall be depending on cash flow, investment plan including any other future obligations of the Company and/or subsidiaries. Such dividend shall not exceed the retained earnings of the Company financial statements nor adversely affect the Company and subsidiaries ongoing operations.

Historical Dividend in 5 consecutive years is as follows:

Historical Dividend	2010	2011	2012	2013	2014
Total Dividend Payment (Baht per share)	12.92	8.43	10.90	12.15	12.00
1. Interim Dividend	3.00	4.17	5.90	6.40	6.04
2. Annual Dividend	3.92	4.26	5.00	5.75	5.96
3. Special Dividend	6.00	-	-	-	-
Dividend Payout Ratio	187%	113%	93%	99.58%	99.01%

8. Management Structure

Management Structure of Advanced Info Service Public Company Limited As of 31 December 2014



Note: ¹⁾ Appointed 1st July 2014 in replacement of Mr. Wichian Mektrakam who took early retired

²⁾ Appointed 6th May 2014

8.1 Board of Directors and Sub-Committees

The Company's management structure comprises the Board of Directors and five sub-committees: the Audit Committee, the Leadership Development and Compensation Committee, the Nomination and Corporate Governance Committee, the Sustainability Development Committee, and the Executive Committee. The names of their members and directors as well as their meeting attendance information in 2014 is listed in the following table:

Name	Title	Attendance/Total Meetings in 2014					
		Board of Directors	Audit Committee	Nomination and Corporate Governance Committee	Leadership Development and Compensation Committee	Executive Committee	Sustainable Development Committee
Mr. Vithit Leenutaphong ¹⁾	- Chairman of Board of Directors - Chairman of Leadership Development and Compensation Committee - Authorized Director	10/10	-	-	9/9	-	-
Mr. Somprasong Boonyachai	- Vice Chairman of Board of Directors - Member of Leadership Development and Compensation Committee - Member of Nomination and Corporate Governance Committee	10/10	-	4/4	9/9	-	-
Mr. Aviruth Wongbuddhapitak ²⁾	- Independent Director - Chairman of Sustainable Development Committee - Member of Leadership Development and Compensation Committee	8/10	5/13	-	9/9	-	4/4
Mrs. Tasanee Manorot ³⁾	- Independent Director - Member of Audit Committee - Member of Sustainable Development Committee	9/10	13/13	-	-	-	4/4
Mr. Surasak Vajasit	- Independent Director - Chairman of Nomination and Corporate Governance Committee - Member of Audit Committee	10/10	13/13	4/4	-	-	-
Ms. Jeann Low Ngiap Jong ³⁾	Director	7/10	-	-	-	-	-
Mr. Narulcha Chittreekan	Director	5/10	-	-	-	-	-
Mr. Allen Lew Yoong Keong ⁴⁾	- Director - Chairman of Executive Committee - Member of Leadership Development and Compensation Committee	6/10	-	-	7/9	14/14	-
Mr. Ng Ching-Wah	- Director - Member of Executive Committee	9/10	-	-	-	12/14	-
Mr. Krairit Euchukanonchai ⁵⁾	- Independent Director - Chairman of Audit Committee - Member of Nomination and Corporate Governance Committee	7/10	8/13	2/4	-	-	-

Name	Title	Attendance/Total Meetings in 2014					
		Board of Directors	Audit Committee	Nomination and Corporate Governance Committee	Leadership Development and Compensation Committee	Executive Committee	Sustainability Development Committee
Mr. Somchai Lertsutiwong ^{4) 6)}	• Director • Member of Executive Committee • Member of Sustainable Development Committee • Chief Executive Officer • Authorized Director	4/10	-	-	-	8/14	2/4
Mr. Wichian Mektrakarn ^{4) 7)}	• (Former) Director • (Former) Member of Executive Committee • (Former) Member of Sustainable Development Committee • (Former) Chief Executive Officer	6/10	-	-	-	6/14	1/4
Mrs. Suphatee Suthumpun	• Member of Executive Committee	-	-	-	-	7/14	-
Mr. Kim Siritaweechai	• Member of Executive Committee	-	-	-	-	12/14	-

¹⁾ Appointed to be Chairman of Board of Directors in replacement of Dr. Paiboon Limpaphayom who resigned, effective from 11 February 2014

²⁾ Mr. Aviruth Wongbuddhapitak resigned from Chairman of the Audit committee to be acted as Chairman of Sustainable Development Committee, effective from 6 May 2014. There were five Audit Committee meetings held before his resignation date.

³⁾ Mrs. Tasanee Manorot and Ms. Jeann Low Ngiap Jong are directors who expertise in account and finance. Summary profile of these two directors are shown in Appendix 1 page 1

⁴⁾ Mr. Somprasong Boonyachai, Mr. Allen Lew Yoong Keong, Mr. Somchai Lertsutiwong, and Mr. Wichian Mektrakarn are directors who expertise in telecommunication business. Summary profile of these four directors are shown in Appendix 1 page 1-2

⁵⁾ Appointed to be director in replacement of Dr. Paiboon Limpaphayom in the 2014 Annual General Meeting of Shareholders held on 26 March 2014. There were three Board meetings held before his appointment date; Appointed to be a member of Audit Committee in replacement of Mr. Aviruth Wongbuddhapitak who resigned, effective from 6 May 2014. There were five Audit Committee meetings held before his appointment date; Appointed to be a member of Nomination and Corporate Governance Committee in replacement of Dr. Paiboon Limpaphayom who resigned, effective from 6 May 2014. There were two Nomination and Corporate Governance committee meetings held before his appointment date;

⁶⁾ Appointed to be Chief Executive Officer in replacement of Mr. Wichian Mektrakarn who took early retired effective from 1 July 2014. Appointed to be director, member of executive committee, and member of sustainable development committee in replacement of Mr. Wichian Mektrakarn who took early retired effective from 27 June 2014. There were six board meeting held before his appointment date.

⁷⁾ Retired from Chief Executive Officer since 1 July 2014 and from director, member of executive committee, and member of sustainable development committee since 27 June 2014

⁸⁾ In cases when Ms. Jeann Low Ngiap Jong and Mr. Allen Lew Yoong Keong were unable to attend the meeting, they would consider the matter under discussion and give their opinion via Video Conference or via the Chairman of the Board of Directors in order to propose their opinions to the meeting.

The Authorized Directors

Mr. Vithit Leenutaphong and Mr. Somchai Lertsutiwong together jointly sign with the Company's seal affixed.

The Board of Directors

The Board of Directors is comprised of 11 directors whose expertise and experience cover various fields. At least one director is experienced in the area of telecommunications, and at least one director is experienced in the area of finance and accounting (Details are provided in Appendix 1). In order to maintain a balance between the supervisory and management functions of the Company, the Chairman of the Board of Directors must not hold the Chief Executive Officer position simultaneously. There are 4 independent directors, representing one-third of the members, and 2 female directors sitting on the Board of Directors. The Board of Directors is representative of all shareholders, not of a particular group of shareholders. The Board of Directors has a policy whereby the controlling shareholders of the Company are proportionally represented.

The Scope of Authority and Duties of the Board of Directors

1. Perform its duties with honesty, integrity and prudence in accordance with the law and the Company's objectives and Articles of Association including the resolutions of shareholders' meetings, and carefully protect the Company's interests;
2. Set out the vision, policy and direction of the Company's operations and supervise the management team to act in accordance with plans which are set out efficiently and effectively, and thereby maximize the economic value and wealth of the Company and its shareholders;
3. Consider and approve major issues such as large investments, purchase of assets etc. and any actions/transactions as prescribed by law;
4. Approve and/or agree to major related transactions between the Company and its subsidiaries in compliance with the relevant notifications, regulations and guidelines of the Stock Exchange of Thailand;
5. Assess the performance of the Chief Executive Officer and high level executives, and assign appropriate remuneration on a regular basis;
6. Be responsible for overseeing operational results and the management team's performance to ensure due attentiveness and care;
7. Arrange appropriate accounting systems, including the production of financial reports and a reliable auditing system; oversee and monitor the effectiveness and efficiency of the internal control, internal audit and risk management systems;
8. Ensure avoidance of conflict of interests amongst the Company's stakeholders;
9. Supervise business operations to enforce ethical work standards;
10. Annually review the Company's corporate governance policy and assess due compliance;
11. Report on the execution of the Board of Directors' responsibility to prepare financial reports, along with the external auditor's report in the annual report covering key issues according to the Company's policy statement and the Stock Exchange of Thailand's Code of Best Practices for Directors of a Listed Company.

Reserved key matters for the Board's approval

Although the Board of Directors has delegated specific powers to Sub-Committees, the Chief Executive Officer and high level executives, the Board of Directors has reserved its authorization over certain matters so as to protect the highest interests of the Company and its shareholders, including:

- Strategy, business plan and budget
- Capital expenditure and expense which exceeds the approved authority of the relevant sub-committee or executives
- Strategic investments in new business and divestments
- Significant policies
- Material contracts
- Material litigation
- Dividend policy

Independent directors shall possess the following qualifications

The Company's independent director criteria has been defined more restrictively than criteria established by the Stock Exchange of Thailand in order to avoid conflict of interest and balance the power between committee. An independent director must:

1. Holding shares *not* exceeding 0.5 per cent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate or juristic person which may have conflicts of interest, including the shares held by related persons of the independent director;
2. Neither being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic person who may have conflicts of interest. Audit Committee Member who shall be appointed on or after 1 July 2010 shall have ended the foregoing relationship *not* less than two years prior to the date of appointment;
3. Not having any business relationship with the Company, its parent company, subsidiaries, affiliates or juristic persons, which may have any conflict of interest, in any manner that may interfere with his or her independent judgment, and not be, or used to be, a substantial shareholder or controlling person in its parent company, subsidiaries, affiliates or juristic persons, that may create any conflict of interest. Any audit committee member, who may be appointed on or after 1 July 2010, shall have ended the foregoing relationship not less than two years prior to the date of appointment.

The term 'Business Relationship' aforementioned under paragraph one, includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or its counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

4. Not being a person related by blood or registration under laws, such as in the manner of father, mother, spouse, sibling, and child, including spouse of the children, executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
5. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder;
6. Neither being nor having been an auditor of the Company, its parent company, subsidiaries, affiliates or juristic persons which may have any conflict of interest and not having been a substantial shareholder, controlling person or partner of an audit firm which employs auditors of the Company,

its parent company, subsidiaries, affiliates or juristic persons which may have any conflict of interest. Any audit committee member, who may be appointed on or after 1 July 2010, shall have ended the foregoing relationship not less than two years prior to the date of appointment;

7. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million Baht from the Company, its parent company, subsidiaries, affiliates or juristic persons which may have any conflict of interest, and not having been a substantial shareholder, controlling person or partner of the professional advisor. Any audit committee member who may be appointed on or after 1 July 2010, shall have ended the foregoing relationship not less than two years prior to the date of appointment;
8. Not conducting any business of the same nature as the Company's or its subsidiaries' businesses and is in competition with them in any material respect, nor being a substantial partner, shareholder holding more than one (1) percent of the voting shares, director (having management role), employee, officer or advisor (obtaining a regular salary) of any company whose business is of the same nature as the Company's or its subsidiaries' businesses, and is in competition with them in any material respect.
9. Not having any other manners, which may render him or her incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as an independent director with qualifications complying with the criteria under 1 to 9, the independent director may be assigned by the Board to take part in the business decisions of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or legal entity who may have a conflict of interest, on condition that these decisions must be collective ones.

The segregation of duty of the Board of Directors and management

The Board of Directors governs the operations of the Company in accordance with the provisions of the law, the Company's objectives, articles of association, the resolutions of the shareholders' meetings, and the Corporate Governance Policy. In governing the Company, the directors must exercise their business judgment and act in what they reasonably believe to be the best interests of the Company and its shareholders.

The Management is responsible for implementing the Company's strategy, achieving the planned objectives, and handling the day-to-day administration and affairs of the Company.

The segregation of duty of Chairman of the Board of Directors and Chief Executive Officer

Both the Chairman of the Board of Directors and the Chief Executive Officer must be competent and have the appropriate experience and qualifications for their positions. In order to maintain a balance between the supervisory and management functions of the Company, one person cannot hold both of these positions simultaneously.

The Chairman of the Board of Directors is a non-executive director and the leader of the Board of Directors. He also has the following duties:

1. Oversee and act as the link between the Board of Directors and the Committees to ensure that they function effectively, and encourage directors to improve their required knowledge and skills;
2. Consult with the Chief Executive Officer and Company Secretary to arrange the schedule and agendas of the Board of Directors' meetings;
3. Chair and conduct the meetings of the Board of Directors and shareholders, and encourage all board members and/or shareholders to debate issues vigorously during meetings, ask questions and express opinions;
4. Ensure that the Company has effective communication with its shareholders, the public and the government;
5. Encourage constructive relations within the Board of Directors and between the Board of Directors and management. In this regard, the Chairman and the Chief Executive Officer shall interact on building good corporate governance and efficient corporate administration in order to implement the Company's strategies, policies and directions, and achieve the planned objectives approved by the Board of Directors.

The Chief Executive Officer is the head and leader of the Company's executives and responsible to the Board of Directors for managing the Company in order to achieve all strategies, policies, objectives and budgets approved by the Board of Directors. The Chief Executive Officer has the scope of authority in accordance with provisions of the law, the Company's objectives, articles of association, and resolutions of the Board of Directors and shareholders' meetings.

The Scope of Authority and Duties of the Sub-Committees

1. The Scope of Authority and Duties of the Audit Committee

1. Review the accuracy of the Company's financial reports in accordance with legally defined accounting principles, and to ensure that there is adequate disclosure;
2. Review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine the internal audit unit's independence, as well as to approve the appointment, transfer, dismissal, performance appraisal and remuneration of the Chief of Internal Audit;
3. Review the Company's compliance with the law on securities and exchange, SET's regulations, and the laws relating to the Company's business;
4. Consider, select and nominate an independent person to be the Company's external auditor, and propose the auditor's remuneration. The Audit Committee shall hold the meeting with the external auditor without management in attendance, at least once a year;
5. Review the policy on the engagement of an external audit firm to provide non-audit services for the Company;
6. Review all Connected Transactions, or any transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and regulations of the SET, and are reasonable and beneficial to the Company;
7. Review whether the Company has established an appropriate and effective risk management system;
8. Review and approve the Charter of Internal Audit activities, annual audit plan and activities of Internal Audit, and coordinate with the external auditor;
9. Prepare, and disclose in the Company's annual report, the Audit Committee's report which must be signed by the Audit Committee's Chairman and consist of at least the following information:
 - (1) An opinion on the accuracy, completeness and creditability of the Company's financial report;
 - (2) An opinion on the adequacy of the Company's internal control system;
 - (3) An opinion on the compliance with the law on securities and exchange, SET's regulations, or the laws relating to the Company's business;
 - (4) An opinion on the suitability of the auditor;
 - (5) An opinion on any transactions that may lead to conflicts of interests;
 - (6) The number of Audit Committee meetings, and the attendance of such meetings by each committee member;
 - (7) An opinion or overview comment received by the Audit Committee regarding its performance of duties in accordance with the charter; and
 - (8) Other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors;
10. Continue the inspection when the external auditor informs of any suspicious circumstance whereby the director, manager or any person responsible for the operation of such juristic person commits an offence under the Security and Exchange Act, and the Audit Committee shall report the result of preliminary inspection to the Office of the Securities and Exchange Commission and the external auditor within thirty days from the date reported by the external auditor;
11. Report the performance of the Audit Committee to the Board of Directors at least four times a year. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period of time that the Audit Committee deems fit;
 - (1) Any transaction which causes any conflict of interest; or
 - (2) Any fraud, irregularity, or material defect in an internal control system; or
 - (3) Any infringement of the law on securities and exchange, SET's regulations, or any law relating to the Company's business,

If the Company's Board of Directors or management fails to make a rectification within the period of time specified under the first paragraph, any Audit Committee member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or SET;

12. Have the authority to invite concerned executives, management and officers of the Company to express opinions, attend meetings or deliver documents as deemed necessary;
13. Engage consultants or independent persons to provide opinions, advice or work, if necessary;
14. Review the Company's compliance with Reporting and Investigation of Misconduct and Fraud and Whistleblower Protection Policy, and consider all concerns of misconduct or fraud and the final investigation report quarterly, and be one channel to receive complaints according to such policy;
15. Review and evaluate the scope of the performance of the Audit Committee on an annual basis;
16. Review this charter annually and make proposals to the Board of Directors for approval if changes are needed; and
17. Perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee.

2. The Scope of Authority and Duties of the Leadership Development and Compensation Committee

1. Fix appropriate annual remuneration in monetary and/or non-monetary form for the Board of Directors, committee members, and high level executives for the benefit of shareholders as a whole;
2. Prepare policy and guidelines to designate appropriate remuneration of the Board of Directors and high level executives to be proposed to the Board of Directors and/or the shareholders' meetings for approval;
3. Review and approve the Company's performance in order to determine the annual KPI bonus and merit-based salary increase across the Company;
4. Consider and approve the Long Term Incentive Plan and related practices;
5. Consider and approve the performance evaluation of the Chief Executive Officer of the Company and its subsidiaries and those high-level executives who report directly to the Chief Executive Officer in order to determine their bonus, merit-based salary increase and long term incentives;
6. Consider and approve the annual bonus allocation of the Board of Directors;
7. Disclose policies governing the directors' remuneration including principles/purposes and objectives in the annual report;
8. In conjunction with the Chief Executive Officer, identify and evaluate potential successors for the Chief Executive Officer position of the Company and its subsidiaries and those high level executives who report directly to the Chief Executive Officer, and report annually to the Board of Directors on executive succession planning;
9. In conjunction with the Chief Executive Officer, introduce succession planning policies for the Chief Executive Officer position of the Company and its subsidiaries and those high level executives who report directly to the Chief Executive Officer;
10. Oversee the annual performance review evaluation process for the Chief Executive Officer and executives;
11. Engage consultants or independent persons to provide opinions or advice if necessary, especially on leadership development;
12. Be accountable to the Board of Directors and under obligation to explain its decisions at the shareholders' meetings, and answer any questions that may arise;
13. Review and reassess the adequacy of this charter and recommend any proposed changes to the Board of Directors for approval;
14. Regularly report the performance of the Audit Committee to the Board of Directors as well as any material issues that merit the Board of Directors' attention;
15. Have the authority to invite concerned management, executives and officers of the Company to express opinions, attend meetings or deliver documents as deemed necessary; and
16. Take any other action that may from time to time be assigned or delegated to the Committee by the Board of Directors.

3. The Scope of Authority and Duties of the Nomination and Corporate Governance Committee

1. Designate criteria and policy with respect to the nomination of Board members and committee members of the Company;

2. Supervise implementation of the policy on the good corporate governance of the Company, annually review such policy including making recommendations of any revision thereof for further consideration by the Board of Directors;
 3. Consider and nominate appropriate persons to become Board members and/or committee members to be proposed to and approved by the Board of Directors and/or at shareholders' meetings, as the case may be; and
 4. Perform other tasks as designated by the Board of Directors.
- 4. The Scope of Authority and Duties of the Sustainable Development Committee**
1. Define policy, strategy, operating target and sufficient budget including any other relevant action in connection with sustainability development and propose to the Board of Directors for approval;
 2. Propose any material issues of the Company in connection with sustainability development to the Board of Directors for consideration;
 3. Ensure that the implementation of sustainability development policy and strategy meets the target;
 4. Advise and assist the Chief Executive Officer concerning the sustainability development operations;
 5. Report the sustainability development performance to the Board of Directors;
 6. Review the sustainability development report and make proposals to the Board of Directors for approval; and
 7. Perform other tasks as designated by the Board of Directors.
- 5. The Scope of Authority and Duties of the Executive Committee**
1. Formulate the Company's strategic direction, management structure, and annual business plan and budget for the Board of Directors' approval;
 2. Monitor the Company's financial and operating results, and keep the board members informed by monthly report;
 3. Review and approve all transactions concerning investments and disposal of assets, human resource management, finance and treasury, general administration and any other transaction related to the Company's business within the limits of authorization granted by the Board of Directors;
 4. Delegate the Committee's authority to any member of the management or staff as it deems appropriate. However, such authority does not permit the Committee or appointed persons to approve any transaction between them or related persons having mutual benefits or conflicts of interest (as prescribed in the Company's Articles of Association and Notifications of the Securities and Exchange Commission). The approval for transactions shall be made in accordance with the policies and principles already determined by the Board of Directors and regulatory bodies;
 5. Report to the Board of Directors on a quarterly basis regarding the material actions taken by the Committee under the Chairman of the Executive Committee Report agenda;
 6. Annually evaluate its own performance and assess the adequacy of this Charter which may be simultaneous with the performance evaluation of the Board of Directors and other Sub-Committees; and
 7. Take any other action that may from time to time be assigned or delegated to the Committee by the Board of Directors.

In addition to the Board of Directors and the Sub-Committees, the Company supports the performance of the Board of Directors with the following management team:

Management Team ¹⁾

- | | |
|---|---|
| 1. Mr. Allen Lew Yoong Keong | Chairman of Executive Committee |
| 2. Mr. Somchai Lertsutiwong ²⁾ | Chief Executive Officer ²⁾ and Chief Marketing Officer |
| 3. Mrs. Suwimol Kaewkoon | Chief Organization Development Officer |
| 4. Mrs. Vilasinee Puddhikarant | Chief Customer Officer |
| 5. Mr. Hui Weng Cheong | Chief Operating Officer |
| 6. Mr. Pong-amorn Nimpoonsawat | Chief Finance Officer |
| 7. Mr. Kriengsak Wanichnatee ² | Chief Technology Officer |

Notes: ¹⁾ List of Management Team members as at 31 December 2014 was prepared in accordance with their definitions as stipulated in the notification of the Office of Securities and Exchange Commission.

²⁾ Appointed to be Chief Executive Officer in replacement of Mr. Wichian Mektrakarn who took early retired effective from 1 July 2014.

8.2 Nomination of Directors and Management

8.2.1 Criteria and procedure for director nomination

1. The Nomination and Corporate Governance Committee is responsible for identifying and selecting qualified candidates to be appointed by the Board of Directors or proposed through the Board of Directors for election at the shareholders' meetings in accordance with the Company's Articles of Association. To identify director candidates, the Nomination and Corporate Governance Committee may use the following sources:

- Nominations made by minority shareholders of qualified candidates for election as directors;
- Recommendations from current board members and professional search firms;
- The IOD director pool;

2. The Nomination and Corporate Governance Committee is responsible for annually reviewing the skills and characteristics required of directors in the light of the Board of Directors' compositions and the Company's current and future business directions. The Committee must develop a skill matrix to identify gaps in the Board of Directors' current profile and make recommendations accordingly. In conducting this review, the Committee will also consider required skills and capabilities as well as diversity in term of skills, experience, knowledge, independence, age, and gender.

3. In determining whether to recommend a director for re-election, the Nomination and Corporate Governance Committee will consider relevant factors such as the director's performance, history of attendance at and participation in meetings, and other contributions to the activities undertaken by the Board of Directors. In the case of independent directors, their respective independence qualifications shall also be considered.

The appointment of the Board members shall comply with the Company's Articles of Association and all relevant laws. Selection of the directors shall be transparent and clear.

4. In the shareholders' meeting:

- (1) Each shareholder shall be entitled to one vote for each shareholding;
- (2) Each shareholder shall be entitled to cast all the votes as defined under (1) to elect one or several persons to be the Company's director(s) but cannot split their votes for any particular person or persons;
- (3) Persons who receive the highest number of votes, arranged in order from highest to lowest in a number equal to that of the number of directors to be appointed, are elected to be the Company's directors. In the event of a tie at a lower place, which would make the number of directors more than required, the Chairman of the meeting shall have the casting vote.

In the case of a vacancy in the position of director, for reasons other than the completion of the term, the Board of Directors shall appoint a new director, with the required qualifications, and without any characteristics that would prohibit him/her from acting as director, to serve as a new director in the next board meeting, excluding such case where the remaining term is less than two months. Such appointed director shall assume the position for the remaining term of the vacating director. To approve such new director appointment, a resolution must be passed by not less than three-fourths of the total remaining directors.

The Company provides an opportunity for minority shareholders to nominate qualified candidates for election as the Company's directors in advance, at least three months prior to the fiscal year end date. The information is published as an SET Announcement and on the Company's website and includes the criteria and consideration procedure. In 2014, no minority shareholder nominated a candidate for directorship.

8.2.2 Nomination of Management

The Nomination and Corporate Governance Committee shall nominate the suitable person(s) to be appointed as the Chief Executive Officer and other management positions which report directly to the Chief Executive Officer, including the preparation of a succession plan relating thereto. In this regard, the Nomination and Corporate Governance Committee shall seek to recruit the qualified person(s) either internally or externally with support from professional consultants if required.

In addition, the Company shall prepare the succession plan of the high level executives (AVP up) by identifying the suitable persons to hold such positions, and shall utilize the human resource development and management system to prepare the subordinates for succession. In 2014, the Board of Directors agreed with the Leadership Development and Compensation Committee's recommendations to nominate the Chief Executive Officer according to the Company's succession plan in the Board of Directors' meeting no.5/2014.

8.3 Term of Directors

8.3.1 Term of Directorship

- (1) According to the Public Companies Act B.E. 2535 and the Articles of Association, at the annual general meeting of shareholders, one-third of the directors shall vacate office. If one-third is not a round number, the number closet thereto shall be the applicable number. The directors who have held office the longest shall vacate. The vacating directors may be re-elected.
- (2) In the case of a vacancy in the position of director, for reasons other than the completion of the term, the Board of Directors shall appoint a new director, with the required qualifications and without any characteristics that would prohibit him/her from acting as director, according to article 68 of the Public Companies Act B.E. 2535, to serve as a new director in the next board meeting, excluding such case where the remaining term is less than two months. Such appointed directors shall assume the position for the remaining term of the vacating director.

8.3.2 Term of Membership of Audit Committee

- (1) A Committee Member shall serve for a term as long as they are serving on the Board of Directors. A retiring member may be re-elected. For a committee member who has completed a total of nine years, or three consecutive terms, the Board of Directors shall review their respective independence qualifications each year.
- (2) A Committee Member who wishes to resign during his or her term of office must give notice to the Chairman of the Board of Directors. The resignation date is effective upon the Company receiving the notice in order that the Board of Directors can appoint a qualified director(s) in replacement. The Board of Directors must fill the vacancy within 90 days from the date on which such Committee Member resigned.

In the case that all members vacate office except otherwise by reason of disqualification or as prohibited by law, the Audit Committee shall remain in office as necessary until a new Audit Committee is appointed.

8.3.3 Term of Membership of Other Sub-Committees

- (1) Members of the Committees may hold their posts for as long as they are serving on the Board of Directors. Any Member who vacates office at the end of their term may be re-elected.
- (2) In addition to section (1), membership of the Sub-Committees will be automatically cancelled in the following situations:
 - Death;
 - Resignation;
 - Being disqualified as sub-committee;
 - Removal from office by resolution of the Board of Directors;

8.4 Remuneration for Directors and Management

The Company has specified the remuneration for directors at a rate similar to the industry standards, which is considered to be appropriate to retain quality directors within the Company. The remuneration for the directors and management is in accordance with the Company's operational performance and the performance of the individuals.

The Leadership Development and Compensation Committee will determine necessary and appropriate remuneration in both monetary and non-monetary terms for the Company's directors, members of the sub-committees, and the Chief Executive Officer, including executives reporting directly to the Chief Executive Officer. Additionally, the Directors' Compensation Survey published by the Stock Exchange of Thailand and the Thai Institute of Directors Association shall be considered annually.

The remuneration for directors and members of the sub-committees shall be proposed, respectively, to the Board of Directors meeting and the Company's general shareholders' meeting, which is held on an annual basis.

8.4.1 Directors' remuneration

Total monetary remuneration for the Chairman of the Board of Directors, independent directors, and non-executive directors totaling 8 persons was Baht 24.94 million. The remuneration was paid from 2014 operating results as approved by the general meeting of shareholders, held on 26 March 2014, in an amount not exceeding that approved by the shareholders and which was comprised of monthly allowances, meeting allowances and bonus payments. The criteria of payment are the same as those of year 2013.

Directors' remuneration for the year 2014

Director	Monetary Remuneration (Baht)		
	Monthly Retainer	Meeting Allowance	Bonus
Board			
• Chairman	300,000	x	✓
• Member	75,000	25,000	✓
Audit Committee			
• Chairman	25,000	25,000	✓
• Member	x	25,000	✓
Other Sub-Committees			
• Chairman	10,000	25,000	✓
• Member	x	25,000	✓

- Notes:
- 1) Directors who are executives or employees of the Company or its shareholders are not entitled to receive such remuneration.
 - 2) Chairman of the Board of Directors is not entitled to receive an additional monthly retainer or meeting allowance when he or she holds any membership of the sub-committees.

The remuneration for 8 directors in year 2014 is as follows:

Name	Position (No. of Attendance)	Monthly Retainer (Baht)	Meeting Allowance (Baht)	Bonus from 2014 Operating Results (Baht)	Others
Mr. Vithit Leenutaphong ¹⁾	- Chairman of the Board of Directors	3,100,000	100,000	2,400,000	51,356
Dr. Paiboon Limpaphayom ¹⁾	- Chairman of the Board of Directors	264,286	-	-	-
Mr. Aviruth Wongbuddhapitak	- Chairman of Sustainable Development Committee - Member of Leadership Development and Compensation Committee	1,007,419	675,000	2,200,000	-
Mr. Surasak Vajazit	- Chairman of Nomination and Corporate Governance Committee - Member of Audit Committee	903,387	725,000	1,900,000	42,018
Mrs. Tasanee Manorot	- Member of Audit Committee - Member of Sustainable Development Committee	825,000	675,000	1,900,000	51,356
Mr. Ng Chong Wah	- Director - Executive Committee	825,000	525,000	1,500,000	51,356
Mr. Narulcha Chittrekan	- Director	825,000	125,000	1,000,000	-
Mr. Krairit Euchukanonchai ²⁾	- Chairman of Audit Committee - Member of Nomination and Corporate Governance Committee	885,484	425,000	1,900,000	59,793
Total		8,635,576	3,250,000	12,800,000	255,878

Notes: ¹⁾ Mr. Vithit Leenutaphon was appointed to be chairman of the board of directors in replacement of Dr. Paiboon Limpaphayom who resigned, effective from 11 February 2014

²⁾ Mr. Krairit Euchukanonchai was appointed to be director in the 2014 annual general meeting of shareholders, held on 26 March 2014

8.4.2 Management's remuneration

The Leadership Development and Compensation Committee shall prepare guidelines and policy to designate appropriate remuneration and consider a long-term incentive plan for the Chief Executive Officer and high level executives on an annual basis. The remuneration for the management shall be in accordance with the Company's short-term and long-term operational performance, the performance of the individuals, and leading group standards and guidelines which are considered to be appropriate to motivate and retain quality executives within the Company.

In 2014, the total amount of remunerations for eight (8) executives of the management team was calculated at Baht 75.48 million or 1.28% of total amount of remuneration for employee of the Company, and was comprised of salary, bonus and provident fund and other benefits

8.4.3 Other remuneration

To enhance the Company's sustainability for long-term growth and to promote mutual benefits between the Company, its shareholders and the management team, the Company has issued warrants to be converted into the Company's ordinary shares to the management. This is pursuant to the Performance Share Plan. The details are as follows:

The first year of the program in 2013

- Offer price per unit : Baht 0 (zero Baht)
- Term : Not exceeding 5 years from the date of issuance and offering
- Exercise Price : Baht 206.672 per share (unless there is an adjustment to the exercise price as prescribed under the terms and conditions of the warrants)
- 1st Period of Exercise Date : 1 June 2016, entitled to exercise their rights to purchase once a year

The second year of the program in 2014

- Offer price per unit : Baht 0 (zero Baht)
- Term : Not exceeding 5 years from the date of issuance and offering
- Exercise Price : Baht 211.816 per share (unless there is an adjustment to the exercise price as prescribed under the terms and conditions of the warrants)
- 1st Period of Exercise Date : 1 June 2017, entitled to exercise their rights to purchase once a year

As defined by the notification of the Office of Securities and Exchange Commission, the members of the management team who were granted the warrants are as follows:

Name			The Amount of Warrants (unit)				
			2013	Percentage of Total Warrants	2014	Percentage of Total Warrants	Total
1.	Mr. Somchai Lertsutiwong	Units	19,824	4.89	29,816	4.38	49,640
2.	Mr. Wichian Mektrakarn ¹⁾	Units	29,900	7.37	42,700	6.28	72,600
3.	Mrs. Suwimol Kaewkoon	Units	18,064	4.45	27,116	3.99	45,180
4.	Mrs. Vilasinee Puddhikarant	Units	20,764	5.12	29,816	4.38	50,580
5.	Mr. Pong-amorn Nimpoonsawat	Units	21,664	5.34	29,816	4.38	51,480
6.	Mr. Kriengsak Wanichnatee	Units	7,564	1.86	31,216	4.59	38,780

Note: ¹⁾ Retired since 1 July 2014

8.5 Company Secretary

Mr. Chavin Chaivatcharaporn, appointed as company secretary, shall have the duties and responsibilities as designated by the Board of Directors as follows:

- (1) Organizing the Board of Directors' meetings, sub-committee meetings and shareholders' meetings of the Company
- (2) Organizing the Board of Directors' meetings and shareholders' meetings of the Company's subsidiaries
- (3) Preparing, updating and presenting the corporate governance policy of the Company to the Nomination and Corporate Governance Committee for their approval
- (4) Preparing and retaining documents as stipulated by laws
- (5) Performing other assignments as requested by the Board of Directors and/or its sub-committees.

8.6 Head of compliance

As Head of Compliance, Ms. Nattiya Poapongsakorn is responsible for overseeing the Company's operations and transactions to ensure that the company is in compliance with SET/SEC regulations for listed companies and other enforcements related to public company limited acts.

In this regard, the credentials of the company secretary and head of compliance are provided in Appendix 1 page 3.

8.7 Personnel

As at December 31, 2014 the Company and its subsidiaries consisted of a total personnel of 11,369 persons (including temporary staff).

The Company		AMP / ADC / AIN / WDS / SBN / AWN / FXL / MMT / AIR	
Key departments	Employees (persons)		Employees (persons)
Operations	217	AMP	30
Solutions	23	ADC	2
Customer Service and Management	268	AIN	24
Marketing	-	WDS	520
Service Operations	-	SBN	297
Corporate Finance	134	AWN	4,949
Support	545	FXL	129
Regional Operations	5	MMT	1,550
Regional Operations - Central	12	AIR	-
Regional Operations - East	9		
Regional Operations - North	14		
Regional Operations - North East	12		
Regional Operations - South	10		
Total	1,249	Total	7,501

ACC		DPC	
Key departments	Employees (persons)	Key departments	Employees (persons)
MD-ACC Office	4		
Customer Contact Center	1,750	Accounting and Credit Management	-
Quality Assurance Management	82	Marketing and Sale	5
High Value Customer Service	390	Engineering	25
Enterprise & Partner Service Management	231	Support	5
Contact Center Analysis & Enhancement	85		
Resource Management	42		
Total	2,584	Total	35

In 2014, the total amount of compensation for all employees of the Company and its subsidiaries was Baht 6,226 million, comprising salary, bonus, special rewards and provident fund payments. Further details of remuneration policy is shown in AIS sustainability report 2014, page 34.

8.8 People development policy

AIS is committed to enhancing our employees' capacity for development as a key strategy and objective of the company. In order to drive the organization to sustainable development with a professional culture, we keep our promise to employees that "AIS is ready to grow together with you" and that we are ready to support all personnel to produce quality work and deliver value added products and services to our customers. We also build a strong bond between employees and the company under our learning organization principle. This makes AIS the "right" organization for all employees.

AIS encourages and supports learning processes for employees' career development and for the creation of a quality working environment for employees. In order to do so, we create a policy of following a comprehensive organizational human resource development principle, which includes "Learn to Know, Learn to Do, Learn to Be and Learn to Live Together". Employees will gain knowledge, competence and the capacity to prepare them for changes and competition in the Digital Life era of the telecommunication industry.

We create and develop "New Abilities" for our employees throughout the organization and encourage them to have a "Fighting Spirit" in order to be prepared to "Win the War". This can be achieved through a cooperative approach of "Care and Share" in terms of knowledge, information and understanding of the differences of individuals who work with the same business objective. Employees will be able to offer products and services that are modern and varied to meet all customer requirements. From this, customers will be able to choose products and services that match their needs. As a result, the company will have more opportunities to increase its market share and competitive advantage in the industry.

1. Creating development plans that fit with the capacity and career aspirations of employees on individual, group and project levels. Employees will have a career path and progression that support successor identification and group development. In return, it provides our company with continuation of organisational objectives.
2. Encouraging self-learning among employees and knowledge sharing through a variety of learning channels and methods. Employees can share their knowledge via Knowledge Management Portal, the company intranet system, and create a practitioner community for exchanging knowledge among employees. These channels are for the benefit of employees to improve themselves, their co-workers, their actual duty and our organisation.

9. Corporate Governance

9.1 Corporate Governance Policy

The corporate governance policy can be divided into 5 categories as follows:

1. Board of Directors
2. Rights and Equitable Treatment of Shareholders, and Role of Stakeholders
3. Disclosure of Information and Transparency
4. Internal Control and Risk Management Systems
5. Code of Business Ethics

The Company has kept all directors, executives, and employees informed of the corporate governance policy in compliance with good practices since 2002, including communicating the policy to shareholders and outsiders via the Company's website (i.e. <http://investor.ais.co.th>) for their acknowledgement and monitoring of the policy. The Board of Directors has authorized the Nomination and Corporate Governance Committee to supervise the implementation of the corporate governance policy and annually review such policy so as to incorporate it into the Company's everyday business operations and in accordance with the rules and regulations of the Securities Exchange of Thailand. The latest revision also complies with the guidelines of the ASEAN CG Scorecard.

The policy has been consistently communicated to directors, executives, and employees for their awareness and to facilitate its incorporation into the Company's normal business operations. Furthermore, the Company has provided insiders/outside with a channel for reporting any illegal activities, acts of misconduct or unethical practices in the Company, while also granting protective measures for whistleblowers in accordance with the Whistleblower Policy.

9.2 Performance Report on Corporate Governance

Chapter 1 The Board of Directors

The Board of Directors is composed of eleven (11) legally qualified experts with wide ranging leadership, vision, expertise and experience in various fields including the telecommunications industry. The Board of Directors has the freedom to consider any matter critical to the business direction of the Company. By stipulating that more than one third of the Board of Directors be independent directors and more than half non-executive directors, the Board of Directors contributes to the absolute benefit of the Company's shareholders as a whole. In addition, the Chairman of the Board of Directors and Chief Executive Officer shall not be the same person nor have any genetic or business relationship.

The Company has separated the roles and responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer. Also, key matters which have a significant impact on business performance require the Board of Directors' approval.

Details of the names and composition of the Board of Directors, the criteria for selection, nomination process and appointment of directors, definition of Independent Directors, and the separation of the roles and responsibilities of the Chairman of the Board of Directors and the Chief Executive Officer are listed in "Management Structure" on page 5-14.

Independent directors of the Company must have the qualifications prescribed in the corporate governance policy which are beyond the qualifications required by the Office of Securities and Exchange Commission. Details of the independent directors' qualifications are listed in the corporate governance policy posted on the Company's website (i.e. www.ais.co.th).

The Board has set up five (5) committees. Details of Board of Directors and committee structure, including membership and the responsibilities of each committee, are listed in the "Management Structure" section on page 5-6 and 10-12

Board of Directors' Meetings

The Board of Directors' meetings are scheduled in advance annually at least two (2) months before the year end so as to ensure that all directors are able to attend all meetings. When deemed necessary, the Chairman of the Board of Directors may call extraordinary meetings. Notice of Board of Directors' meetings and all

supplementary documentation are circulated to the Board of Directors at least seven (7) days before each meeting so that each director shall have sufficient time to analyze the information in advance.

In case of there being no Board of Directors' meeting in any particular month, the Company Secretary will provide the Board of Directors with the monthly operating report for their acknowledgement. Details of the meeting attendance are listed in the "Management Structure" section on page XX. The Chairman of the Board of Directors presides over the meetings and ensures that sufficient time is allocated for directors to discuss and express their opinions freely on each item on the agenda. In addition, the relevant management also provides the necessary information for the Board of Directors' consideration. After each Board of Directors' meeting, the Company Secretary shall be responsible for circulating the relevant Board of Directors' minutes within fourteen (14) days.

Non-Executive Directors Sessions

The audit committee and other non-executive directors shall conduct meetings without the presence of executives at least once a year. This is to provide an opportunity to discuss any subjects of interest related to the business operations of the Company.

Succession Plan

The Board of Directors has developed a succession plan for the Company's Chief Executive Officer and executives in order to maintain the confidence that the Company's business operations shall continue without interruption when these positions become vacant. The Board of Directors has authorized the Nomination and Corporate Governance Committee to set up the succession plan which shall be reviewed, updated and reported to the Board of Directors annually.

Communication with Management

The Company Secretary shall act as the coordinator between directors and the management team, while the Internal Audit Office shall act as the coordinator between audit committee and management team. The Company shall not obstruct communication between directors and management. However, this access and communication shall not interfere with or interrupt the Company's normal business operations.

Remuneration

The remuneration for the Company's directors shall reflect their duties, responsibilities and contribution, and be comparable to industry standards and companies of a similar size, which also reflects the Company's overall operation performance as well as that of each individual's performance. The Leadership Development and Compensation Committee will determine adequate and appropriate remuneration for each person and propose this to the Board of Directors and the shareholders on an annual basis for their approval.

Training and Development for Directors, Executives and Company Secretary

A newly-appointed director has been provided with all necessary business information about the Company required to perform their fiduciary duties.

The training and development programs, paid for by the Company, have been constantly attended by the directors, senior executives and company secretary to ensure that they have all the necessary skills and knowledge required to perform their duties efficiently. In 2014, the training and development programs taken were as follows:

Attendee	Date	Program	Facilitator
Chairman of the Board	June 2014 (2 days)	Role of the Chairman	Thai Institute of Directors
Company Secretary	April 2014 (2 days)	Anti-Corruption Program	Thai Institute of Directors
	June 2014 (4 days)	Fundamental Practice for Corporate Secretary	Thai Institute of Directors
	July 2014 (2 days)	Director Certification	Thai Institute of Directors
	October 2014 (2 days)	Role of the Compensation Committee	Thai Institute of Directors

Board and Chief Executive Officer Assessment

The Board of Directors' self-evaluation

The Board of Directors evaluates its own performance annually in order to assess and improve the directors' own fiduciary duties and their compliance with corporate governance policy.

• Criterion

The evaluation form consists of two (2) key components.

Component I: The evaluation is related to the following six (6) aspects of its operation:

- (i) Board of Directors' structure and qualifications of the Board of Directors;
- (ii) The roles, duties and responsibilities of the Board of Directors;
- (iii) Board of Directors' meetings;
- (iv) The Board's performance;
- (v) Relationships with management;
- (vi) Directors' self-development and executive development.

Component II: The opinions and suggestions provided by the Board of Directors so as to identify special issues in its performance or any aspects of the Company's operation.

• Procedure

The Company secretary will propose the form to directors every year, then gather and report the result of assessment to the Board of Directors for consideration.

Evaluation of the Chief Executive Officer's Performance

The Leadership Development and Compensation Committee is responsible for setting CEO performance targets and evaluating performance against the annual targets in order to determine the CEO's compensation.

Chapter 2 Rights and Equitable Treatment of Shareholders, and Role of Stakeholders

The Board of Directors respects the shareholders' rights and has a duty to protect the benefits of every shareholder equitably regardless of whether they are retail, foreign, institutional or major shareholders.

Every shareholder is entitled to the rights and equitable treatment detailed below.

- The right to receive share certificates and to make share transfers, and to be sufficiently informed of operating results and management policy on a timely basis.
- The right to receive a share of profit by way of receiving dividend payments equally according to the individual's shareholding percentage. For the holders of Company's debentures, the Company pays interest in accordance with the interest rate and payment schedule specified in the prospectus.
- The right to participate in a meeting, to vote, and to make recommendations on decisions concerning major corporate action.
- The right to elect or dismiss directors.
- The right to participate in and be adequately informed on decisions about the Company's fundamental changes, etc.

Annual General Shareholders' Meeting

The Company recognizes the rights and equitable treatment of shareholders. Accordingly, the Board of Directors ensures that the Company organizes annual shareholders' meetings in accordance with the laws, good practice and good corporate governance as follows:

Before the meeting date

1. The shareholders are entitled to propose items for inclusion on the meeting agenda and nominate qualified person(s) to be considered and appointed to be directors at the shareholders' meeting. For the 2014 annual general shareholders' meeting, this entitlement was from 1 October 2013 to 31 December 2013, three (3) months in advance of the annual general shareholders' meeting, the rules and procedures of which are posted on the websites of the Stock Exchange of Thailand and the Company. Nonetheless, the Company did not

receive any proposed items for inclusion on the agenda nor any director nominations prior to the expiry of the said period.

2. The shareholders are entitled to elect members of the Board of Directors, fix directors' remuneration, appoint the Company's auditor, fix the auditor's fee, dividend payments, and other entitlements as stipulated in all relevant law. The Company prepares the meeting notice including the purpose and rationale for each item of the agenda, Proxy Form B, supplementary documentation, and the procedure for making queries both in Thai and English versions, and posts said information on the Company's website thirty (30) days prior to the meeting date and also publishes said information on the Stock Exchange of Thailand's website, including delivering these documents and proxy forms to shareholders twenty one (21) days prior to the meeting date.

3. The shareholders are entitled to raise questions thirty (30) days prior to the meeting date by posting their questions on the websites of the Company and the Stock Exchange of Thailand.

4. In addition to Proxy Form B enclosed with the meeting notice, the Company prepares Proxy Form A and Proxy Form C, which shareholders can download from the Company's website to support the shareholders who cannot attend the meeting themselves by granting proxy to their representatives or an independent director. At least two (2) independent directors shall be assigned to take proxy for shareholders who will not attend the meeting. The names, credentials and qualifications of the assigned independent directors will be stated in the meeting notice.

5. The Company liaises with institutional investors at least fourteen (14) days prior to the meeting date to verify the shareholding data and encourage them to attend the meeting either through their authorized representatives or by granting proxy to the assigned independent directors.

On the meeting date

1. The Company encourages the shareholders, including the institutional investors, to attend and participate in all shareholders' meetings. The annual general meeting of shareholders of 2014 was held at Vibhavadi Ballroom, Centara Grand Central Plaza Ladprao from 2:00 p.m. to 5:00 p.m. The meeting venue was appropriate for the large number of shareholders and convenient in terms of transportation and access. The Company assigned sufficient staff to facilitate the shareholders' meeting registration with a barcode system and the process to attend the meeting.

2. The Chairman of the Board of Directors, the Audit Committee, the Nomination and Corporate Governance Committee, the Leadership Development and Compensation Committee, and the Executive Committee including senior executives attended the meeting so as to address and clarify any queries or concerns of the shareholders.

3. The Company conducted the meeting transparently by inviting an independent legal consultant to supervise the voting.

4. The Chairman presided over the meeting in sequence in accordance with the meeting agenda stated in the meeting notice without adding any additional matters and allocated sufficient time for shareholders to present any queries on each item in the agenda. Prior to the onset of the meeting, a company representative explained the meeting procedure and voting method to the shareholders.

5. The Company issued voting cards for each item on the agenda. For the director appointment item, the voting related thereto was organized on a one-by-one basis. The barcode system facilitated faster vote counting to speed up the process and also ensure information accuracy and reliability.

6. Participants were informed of the voting results for each agenda item and received the voting scores without any objection.

7. The Company provided an AGM quality assessment and used a quality assessment score to improve the process and efficiency of the next AGM.

After the meeting

1. The Company notifies the resolutions and voting results of the meeting to the Stock Exchange of Thailand promptly, including posting those resolutions on the Company's own website.

2. The Company secretary prepares the minutes of the meeting and posts them on the Company's website within fourteen (14) days after the meeting date. The minutes cover all material facts in compliance with the good corporate governance of the Stock Exchange of Thailand and such publications are posted on the stock exchange's website.

Communication with Stakeholders

The stakeholders may provide any suggestions or report any illegal or unethical action of any director, executive or employee through:

1. Company Secretary Office

Advanced Info Service Public Company Limited
414, 28th Floor, Intouch Tower,
Phaholyothin Rd, Samsen Nai,
Phayathai, Bangkok 10400
E-mail: companysecretary@ais.co.th

2. Audit Committee

E-mail: AuditCommittee@ais.co.th

3. Investor Relations

Tel: (66) 2299 5117
Fax: (66) 2299 5165
E-mail: investor@ais.co.th

All suggestions, complaints or reports shall be forwarded to the related departments and all actions taken shall be reported to the Board of Directors.

Role to Stakeholders

The Company is aware of the rights of every group of stakeholders, irrespective of whether they have rights as customers, partners, communities, society, or the environment. As a result, the Company has established a policy of providing guidelines for all stakeholders according to legal rights and sustainable co-existence guidelines in the Company's sustainability development policy, code of business ethics, and personnel management policy, as well as in a variety of other relevant policies of the Company. Additionally, the Company also designates appropriate guidelines and internal control systems to prevent corruption in the organization, and assigns the Business Ethic Committee to operate measures or activities for creating the awareness of such matters among employees and partners of the Company. In this respect, the shareholders can study the guidelines for 4 groups of the Company's stakeholders – community, partners, employees, and customers - and the guidelines on the environment from the sustainability development report 2014.

Additionally, the Company still places emphasis on the participation of stakeholders in mutually examining the transparency of business operations in compliance with good corporate governance policy and the code of business ethics, inclusive of the guidelines on anti-corruption. If any of the Company's employees know of such a violation, he/she can notify the Company via the Ethics online channel or the Nokweed system. In the case of external stakeholders, he/she can notify the Board of Directors via the Audit Committee at AuditCommittee@ais.co.th. In this regard, the matters so notified shall be further brought into the fact-finding processes, and the informant shall receive the best possible protection from the Company. The shareholders can study additional information from the "Whistleblowers Policy" as posted on the Company's website i.e. <http://investor.ais.co.th>

Chapter 3 Disclosure of Information and Transparency

1. The Company discloses the Company's financial and non-financial information, such as article of association, memorandum of association, risk management policy, financial statements, and analysis and performance report, in accordance with the relevant laws and regulations accurately, completely, punctually, and transparently to all shareholders and investors. As such, the investors can have confidence in the Company's reliability and integrity. The Company has issued an information disclosure policy applicable to all directors, executives and employees of the Company and its subsidiaries.

2. The Company has set up an Investor Relations Department to be responsible for communicating material information to shareholders, investors, analysts and other stakeholders. In addition, the Company has set up a Compliance Unit to ensure that all material information of the Company is properly disclosed through various channels such as the Company's website, the Stock Exchange of Thailand's website, and this annual report. The communication and disclosure of material information shall comply with the principles stipulated in the information disclosure policy and corporate governance policy. The Investor Relations Department can be contacted at:

Telephone	(66) 2299 5014, (66) 2615 3112
Facsimile	(66) 2299 5165
E-mail	investor@ais.co.th
Website	http://investor.ais.co.th

3. The Company has specified a period of non-communication with analysts and investors (silent periods) with respect to financial results, including not holding press conferences or disclosing financial information publicly by executive and/or investor relation officers, at least thirty (30) days prior to the specified announcement date so as to avoid any unfair treatment and possibly affecting the Company's share price.

Chapter 4 Internal Control and Risk Management Systems

As the Board considers the internal control, audit and risk management systems crucial for protecting the shareholders' investment capital and the Company's assets, it has therefore set up relevant policies, measures and supervising departments, the details of which are listed in the "Internal control, Internal audit and Risk management" section on page 30

Chapter 5 Code of Business Ethics

The Company encourages all directors, managers, and officers to work and conduct business activities transparently and in compliance with laws, business integrity and ethics. The Code of Business Ethics is part of the corporate governance policy which establishes the guidelines and standards of conduct for all employees in the organization. Employees are required to sign and acknowledge the code of business ethics upon commencing employment and upon any code revision. In this regard, the shareholders can study the details in the full version of the Code of Business Ethics at <http://investor.ais.co.th>

The Business Ethics Committee was established in 2006 to oversee the implementation of the Code of Business Ethics and compliance with the Corporate Governance Policy. The Company shall create awareness and conduct campaigns for directors, executives, and employees, who shall operate their work honestly, taking into account the benefits of the Company and its stakeholders. In 2014, the Business Ethics Committee conducted activities to encourage the compliance of business ethics as follows:

5.1 Make an awareness campaign about conflict of interest for managements, employees and partners

The directors, executives and employees may, from time to time, experience a conflict of interest while performing their duties. As a result, the Business Ethics Committee has set up campaigns so as to encourage executives, employees and business partners to be aware of the importance of business ethics, and to create moral values for employees to consider, based upon their own decision.

The campaigns were conducted by way of:

- Giving lectures to executives and employees including providing Q&A sessions in meeting rooms
- Communicating with employees via mass communication methods such as posters in the Company's common areas
- Sending letters to business partners to notify them of the Company's policy in relation to the receipt of gifts and the participation in business social events

Thereafter, the Business Ethics Committee has assessed the effectiveness of the campaign by requesting executives and employees to complete tests via the intranet so that the campaigns in relation thereto could be improved in the future.

Further, the Business Ethics Committee has set up a channel so as to address and clarify any queries concerning the business ethics of the Company. The employees can contact the committee by e-mail at aisbusinessethics@ais.co.th

5.2 Investigation and punishment

Enforcing a Code of Business Ethics is very important; good governance practices are an essential part of the successful running of the business. The Committee has established appropriate punishment for offenders and ensured protection of the identity of any person reporting an act of unethical conduct. In 2014, there is only 1 breached case against code of business ethics, decreased by 2 cases in previous year. Detail is shown below:

Case	Unethical Conduct	Action
1	Accepting a gift of more than the nominated value from a customer, failing to hand over the gift to the Company, and failing to report the incident to a superior.	After investigation by the Business Ethics Committee, Internal Audit, and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations.

9.3 Participation in Thailand's Private Sector Collective Action against Corruption - CAC

On December 16, 2013, the Company signed Thailand's Private Sector Collective Action Coalition against Corruption (CAC) to jointly declare its intention to counter corruption and not to accept any dishonesty in consequence of the Company's business operations or the operations in the organization. The Company aims to operate its businesses with honesty and transparency in compliance with laws related to anti-bribery and anti-corruption and with the good corporate governance policy of the Company because organizational corruption is a risk to the sustainable growth of business operations. The Company is aware of anti-corruption in every form without exception and shall not participate in corruption, either directly or indirectly. Every director, executive, and employee of the Company shall adhere to and comply with the anti-corruption policy. In addition, the Company also arranges campaigns and communicates appropriate knowledge to the related parties both inside and outside the organization in a continuous manner via the Business Ethics Committee. At present, the Company's application for a certificate of membership is formally under the process of consideration.

9.4 Monitoring the Business Operations of Subsidiaries and Associated Companies

The Board of Directors has appointed directors in its subsidiaries proportionate to the number of shares held for the purpose of monitoring each subsidiary's business operations for the best interest of shareholders. The appointed directors shall have the same responsibilities as those of directors or executive directors of the parent company and shall perform their duties in compliance with good corporate governance policy, related party transaction policy, etc. All subsidiary transactions which may significantly affect the business operation or financial status of the Company must be reviewed and approved by the Board of Directors of the parent company.

In order to present the financial information and operating results of the subsidiaries, the Company has assigned the same auditing office that provides auditing services for the Company to perform audits and present the financial and non-financial information of the Subsidiaries in the consolidated financial statements of the Company.

Positions held by directors and executives in the subsidiaries are shown in Appendix 2.

9.5 Policy on Use and Disclosure of Inside Information

The Company is strongly committed to the responsible and transparent use of internal data under best practices for the betterment of Company operations. In doing so, the Company is resolved to adhering to the principles of good corporate governance and business integrity while facilitating equal access to complete, reliable, and updated internal information for all investors and concerned parties. Accordingly, the Company monitors and tracks all of the internal data usage and trading securities procedures of directors, executives, and employees to ensure conformance with the Securities and Exchange Act and business transparency. Outlined below are some of the key points of the policy:

- Directors, executives, and employees at all levels are forbidden from using internal data containing crucial information that would have a significant impact on the stock price and which has not yet been declared to the public or the Stock Exchange of Thailand for trading to the advantage of themselves or others. Furthermore, the aforementioned parties are to avoid or refrain from trading the Company's stock for 1 month prior to the announcement date of the Company's results.
- The Company is responsible for announcing information to the public regarding key Company decisions and/or actions, instantly and thoroughly, via appropriate and acceptable media to ensure that all data and information are accessible to stakeholder groups in a timely manner. Release of such information must be handled through the Investor Relations Department and Public Relations Department and in a manner congruent with the rules and regulations set out by the Stock Exchange of Thailand and Disclosure Policy.
- Directors and executives shall report ownership of all securities issued by the Company, including those that pertain to self, spouses, and/or underage children, to the Securities and Exchange Commission and to the Board of Directors on a quarterly basis.
- The Company maintains a strict policy regarding computer system usage and electronic information security in order to protect crucial information from unauthorised release. Misuse of internal Company data by directors, executives, or employees is considered a serious breach of Company policy and, in warranted cases, offenders will be prosecuted to the fullest extent of the law. Before the announcement of the Company's results, internal data are restricted to related departments including: Accounting, Finance, Investor Relations, and Compliance.
- The Investor Relations Department is forbidden from discussing forward-looking statements or making any comments on information pertaining to the following 6 months in order to comply with the SET rules and international best practices; however, the long-term view regarding the Company's strategic direction and business trends can be discussed.
- The Investor Relations Department is obliged to declare quiet periods to investor communities one month ahead of the results announcement date. During the corporate silence period, the Company refrains from answering any inquiries with regard to the upcoming financial results and Company guidance. Exceptions are made only for the discussion of factual business information, clarifications of disclosed information, new events concerning share price sensitive information, and long-term business operations. Any arranged meetings with analysts and/or investors are not encouraged in this period, and shall strictly be confined to discussions on long-term business operations only.

The Company has a Disclosure Policy outlining the official procedures for information disclosure. The policy is developed based on the principles that the disclosure of corporate information shall be in compliance with applicable legal and regulatory requirements. Disclosure of all corporate information shall be accurate, adequate, timely and consistent, regardless of whether it has a positive or negative impact on the Company, the investors, or the market. All non-public information shall be disclosed in a manner which ensures fair and equitable access by all investors. The policy stipulates responsible positions, levels of disclosure, and communication procedures. The policy reinforces the standards of disclosure and follows the principles of market efficiency.

9.6 Audit fee and non-audit fee

In 2014, the Company had the audit fee and quarterly review fee of total Baht 5.63 million and the audit fee and quarterly review fee of its subsidiaries was Baht 4.70 million.

The Company had a non-audit fee of total Baht 170,000.

10. Our business in a sustainable way

AIS is committed to operate business in a sustainable way with our considering the impact we made to the society and environment as well as the expectation of our key stakeholders i.e. communities, partners, customers, and our people. We have established the sustainability policy and strategy to guide and shape the way we do business. We are striving to build trust and gain license to operate from all Thais under the ultimate goal, “The Most Admired Company”.

To allow all key stakeholders to understand more about our way of sustainable business, we published “AIS sustainability report 2014” in accordance to the Global Reporting Initiatives revision 4 (GRI G4). Within this report, we have disclosed our sustainable business policy, strategy, material issues and management approach. Our sustainability report is available on website at <http://investor.ais.co.th> and upon request in hard copy.

11. Risk Management, Internal Control, and Internal Audit

Risk Management

The Company has Enterprise Risk Management Policy and Framework which covered all operations and all employees in order to manage risks to an acceptable level including encourages employees to take continuous personal responsibility for self-assessing risk (Further information of risk-assessment are shown in page 33) and developing internal control systems to strengthen the effectiveness of the internal control and risk management systems.

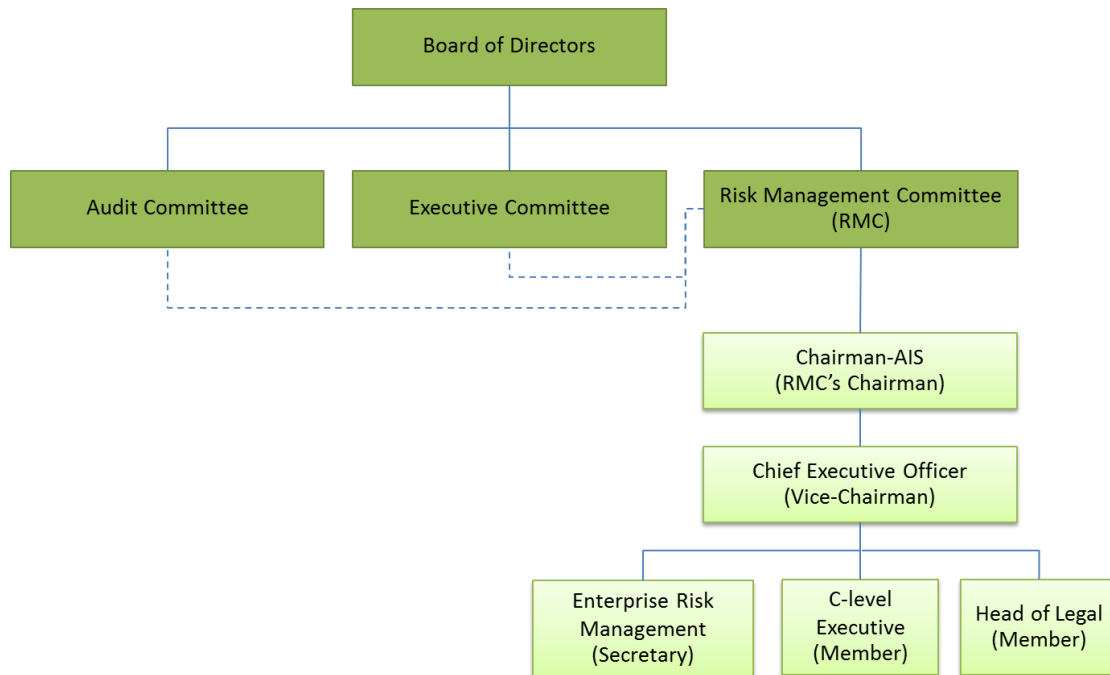
The Company has proper and effective risk management systems, aligned with the integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

AIS Risk Management Framework & Procedure



The Company emphasizes the importance and value of risk management by appoints the Chairman of the Executive Committee as the Chairman of the Risk Management Committee, together with the Chief Executive Officer and senior management as members of the committee, responsible for established risk management policy and framework, including identify risk, assess and rate the risks, define risk management concept, and assign responsibilities to those in charge of managing and controlling the risks to its risk appetite levels. This enabled the Company to accomplish its goals and strategies and create confidence for all shareholders and stakeholders. The Risk Management Committee continuously revises any changes to any risk factors.

The Company set up Risk Management working structure as picture below:



Chief Executive Officer responsible to implement risk management policy and framework throughout the Company via Management of each department and employees in order to set risk management objectives, identify and manage risk at operation level. Chief Executive Officer continuously monitors risk management result to ensure the effectiveness and efficient of risk management system to accomplish the Company's goals and strategies.

In addition, The Risk Management Committee follows up the accomplishment of risk management by considering the management action plans and the reliable measured results of the plans. At each meeting, the responsible management reports the results of risk management approach which identified in the previous meeting to the Risk Management Committee to discuss whether risk level has been successfully mitigated, thus resulting in effective risk management.

Every quarter, the Risk Management Committee submits risk management report results to the Audit Committee, the Board of Directors and the Executive Committee for closely monitoring to ensure that its risk appetite is acceptable and the Company is able to accomplish its goals.

Internal Control

Amidst the current rapidly changing business environment and models, AIS is dedicated to designing and implementing efficient internal control system, and conducting them in a continued effectiveness manner. The internal control system must be agile in adapting to changes, driving the Company to the goals efficiently and effectively.

Having a good internal control system is an important mechanism for the Company's achievement of objectives and success. The Board of Directors has delegated to the management, executives, and all personnel the joint-responsibilities to select, develop, and implement appropriate controls – mitigating operational, reporting, and compliance risks – in their operations considering the costs and the benefits. The internal controls reduce the risks to acceptable level giving assurance that AIS achieves its objectives in relation to the missions and strategies.

The Company applies the Internal Control – Integrated Framework of The Committee of Sponsoring Organizations of the Treadway Commission (COSO) comprising 5 components and 17 principles to the Company's operation, management, and internal control system. In the Board of Directors meeting no. 2/2015 on 5 February 2015, the directors have assessed the adequateness of the Company's internal control system in accordance with the Securities and Exchange Commission Thailand (SEC) and concluded that the overall internal control system is adequate and effective.

In 2014, the Company's external auditor, KPMG, evaluated the effectiveness of the Company's internal control system and concluded that there was no material internal control weakness.

AIS system of internal control consists of 5 components and 17 principles as follows:

Control Environment

1. AIS demonstrates commitment to integrity and ethical values. The Code of Business Ethics has been formally established in relation to the fair and transparent business operations responsible to every stakeholder including society and the environment. There are stipulations prohibiting actions which may have conflict of interests or damage the Company.

The Business Ethics Committee strengthens the Company's awareness, plans trainings, corresponds to any inquiry, and makes interpretations relating to the Code of Business Ethics, to ensure that directors, management, and all personnel understands and are able to comply with them accordingly. Processes are in place to communicate the Code and relating penalty clauses to all personnel and external parties. The Whistle Blowing Policy has also been established to provide secured complaint channels to both internal and external parties – via internal 'Nokweed' and external 'AuditCommittee@ais.co.th' – in order to prevent, detect, and remedy frauds and misconducts in a timely manner. The complaints are investigated by appointed investigation teams and the results are reported to the Audit Committee and/or the Board of Directors. Proper penalties are charged. And the internal control system is improved to prevent the future occurrence.

The Internal Audit Office has been appointed to assess understanding and evaluate adherence to the Code. The Business Ethics Committee annually reports its performance to the Executive Committee and periodically revises and updates the Code to include possible or new incidents.

2. The Board of Directors oversees AIS system of internal control independently. The board consists of more than one-third independent directors. Its members are experts, skilled, and qualified to oversee the development and performance of internal control which includes the control environment, the risk assessment, the control activities, the information and communication, and the monitoring activities. The authorities and responsibilities of the board and each committee are clearly defined and segregated from the management.

3. AIS establishes clear structures, reporting lines, authorities, and responsibilities aligning with business model and legal environment to maximize efficiency and effectiveness of operations and internal controls. Crucial segregation of duties among structures provides checks and balances. Authority in management and operating levels are clearly defined, assigned, and limited.

4. AIS demonstrates commitment to attract, develop, and retain competent personnel. Relating policies and procedures have been clearly established and periodically assessed for their implementation effectiveness. The Company established mentoring process allowing supervisors to give consults to their subordinates on improvement. Succession plans for personnel in essential positions are defined and in place.

5. AIS enforces each personnel's accountability for achievement of their assigned internal control responsibility through reporting lines directives, and communication of clear policies and procedures to enable strict conformance. Supervisors are also required to, by themselves, assess and assure the effectiveness of internal controls under their supervision (Control Self-Assessment: CSA).

The Board of Directors and the management establish and communicate clear performance evaluation procedures and performance measures to motivate and reward performing personnel, and to manage any non-performances. The performance measures include adherence to the Code of Business Ethics, achievement of short-term and long-term objectives, and achievement of internal controls. Process is in place to adjust performance pressures of the management and personnel in case that they are excessive and possibly resulting in frauds or internal control's cutting corners.

Risk Assessment

6. AIS specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives. For example, objectives are categorized as follows:

- Goals are clearly stated and practical. They support and are align with the Company's missions and strategies.
- The Company's resources are managed and utilized efficiently and economically to achieve established objectives.
- The Company's assets, information, reputation, and personnel are safeguarded.
- Process, policies, and procedures are continuously improved and updated benchmarking relevant international standards.
- Financial and non-financial reporting are accurate, reliable, and timely. Financial reporting accurately and completely complies with the generally accepted accounting principles, represents the Company's financial position and rights and obligations, and has full disclosures, reflecting activities and performances of the Company.
- Internal and external regulations, policies, and laws relating to the Company's business are being adhered to.
- CSA is properly implemented in crucial processes.

7. AIS identifies and analyzes all types of risk in both corporate and operational levels which may affect achievement of the objectives. Internal and external factors are considered to identify and analyze strategic risk, operational risk, reporting risk, compliance risk, and information technology risk.

The Company assesses the significance of risks based on impact and likelihood of risk occurring. The management and personnel are involved in the risk management process and consideration of risk responses which include risk acceptance, avoidance, reduction, and sharing.

The Company supports and develops the risk awareness and risk management in each department with assisting tools such as ERM and CSA.

8. AIS assesses fraud risk and establishes measures to prevent and detect frauds especially in high-fraud-risk processes such as processes relating to cash, inventory, procurement, financial reporting etc. The Company performs an analysis to identify irregular financial ratios, continuously monitors for irregular business transactions, implements various assets safeguarding measures, and launches the whistle blower program. In addition, the Audit Committee scrutinizes information and questions the management on likelihood of fraud occurring and measures implemented to prevent, detect, or remedy frauds.

AIS is developing systematic fraud risk management in order to manage all types of internal and external fraud risks which include loss of assets, fraudulent financial reporting, corruptions, management overrides, inappropriate or misuse of assets.

9. AIS identifies and analyzes significant changes in the external environment, the business model, and leadership which may affect the business, internal controls, and financial reporting. Appropriate responding measures to those changes have been prepared and established.

Control Activities

10. AIS selects and develops control activities aligned with the Company's risks and specific characteristics such as the business environment, complexity, nature, and scopes of operations, covering all relevant business processes and levels of activities. There are considerations on a proper mix of control activity types, a balance of manual and automated controls, and an integration of preventive and detective controls. Conflicted duties such as transaction recording, authorizing, approving, and assets handling are also segregated to provide proper checks and balances.

11. AIS selects and develops general controls over technology to help ensure that the Company's IT systems are always available, protected from unauthorized access, and supporting achievement of management's objectives. Examples of the controls are:

- Technology infrastructure controls: centralized technical infrastructure operations, IT system change management, business continuity management program etc.
- Security management controls: access rights controls, security controls, system and network irregularity monitoring, information security management system's external assessment etc.

- Technology acquisition, development, and maintenance controls: strict system procurement process, internal and outsourced system developer management and competency program, revision of system development manual, system source code control etc.

12.AIS deploys control activities through clear policies and procedures to let personnel understand what the management expects and how to implement the controls correctly. Competent personnel who are responsible, steps and timing of implementation, and corrective actions on matters identified as a result of the controls are established. The policies and procedures are periodically reassessed for continued relevance and effectiveness.

The Company has established policies to ensure that all business decisions are approved based on the Company's interest, and on an equitable agreement with independent parties (arm's length transaction). The associated companies and subsidiaries are subjected to the equivalent policies and are monitored by their directors or management appointed by the Company.

Information & Communication

13.AIS uses relevant and quality information to support internal control. Data is gathered from internal and external considering costs and benefits. The data are gathered and processed by information systems into information supporting the functioning of internal control.

The Board of Directors receives sufficient information for the decision making in the meetings in a timely manner 7 or 14 days before the meetings as stipulated by laws and regulations. The information includes relevant details, backgrounds, options, and effects to the Company. In the meetings, each director's opinions, recommendations, observations, inquiries, disagreements, and reasoning are recorded for subsequent board assessment.

14.AIS has an internal communication system to relay internal control's objectives, policies, procedures, and accountabilities to every level of personnel in every department nationwide. Various communication channels are selected appropriately for the communication efficiency and effectiveness. For examples, there are communications via the intranet, newsletters, 'CEO Talk Weekly in Somchai's style', and confidential Whistle Blower hotline.

The Company reports material information to the Board of Directors. The board members have access to and can request reviews of any information needed to exercise their oversight responsibilities. They can freely communicate with the external auditors, internal auditors, and other established contact persons other than the senior management. Extraordinary formal or informal meetings with the management can also be arranged.

15.AIS has an efficient communication system with external stakeholders using proper channels to support internal control. For examples, there are communications via the internet, social media, investor relations, service quality complaint centers, and Whistle Blower hotline to the Audit Committee via AuditCommittee@ais.co.th.

Monitoring Activities

16.AIS instructs managers and supervisors in every department to continuously monitor for deficiencies of the internal control to ascertain the continued effectiveness of 5 components and 17 principles of the internal control. There are also separate evaluations from independent parties such as internal auditors or external quality assessors. The frequency of the evaluations varies on rate of changes occurring.

17.When the internal control deficiencies are identified, AIS evaluates their significances and communicate them to responsible parties for timely corrective actions. Material deficiencies and their correction progress are reported to the Board of Directors and the senior management as appropriate. Fraud incidents or clues, violation of law, or any other irregularities which may materially affect the Company's reputation or financial position will be immediately informed to the Board of Directors.

Internal Audit

The Internal Audit Office performs its duties independently from the management. It reports functionally to the Audit Committee and administratively to the Chief Executive Officer. Supporting the Company's achievement of objectives and goal, the office evaluates the efficiency and effectiveness of the internal control, risk management, governance system, and also provides consultation.

The annual audit plan is approved by the Audit Committee. The risk based audit approach is applied focusing on issues which remain high risks to the Company's objectives and goals, key control points, and fraud prevention measures. The Office utilizes international-standard auditing techniques benchmarking against ASEAN internal audits.

The Internal Audit Office is another secured channel to report misconduct and fraud. All case tipped by internal staffs or external parties will be act on in accordance with the Whistle Blower Policy. The case results are quarterly reported to the Audit Committee.

In its role relating to COSO 2013, the Office provides training on the internal control – integrated framework to departments and other companies in the Group; and gives consults relating to the SEC questionnaire on internal control. The Office also evaluates internal control system of every audited process according to the COSO 2013 framework.

In its role relating to CSA, the Office facilitates CSA implementation by offering counseling and group training workshops (CSA Facilitator) and evaluates the effectiveness of CSA implementation by the supervisors (CSA Validation).

In its IT system role, the Office provides recommendations during the development of business systems to ensure that sufficient and circumspect internal controls are in place before the launch. The Office also audits information security management system in the Company per compliance with ISO 27001:2013 standard.

The Internal Audit Office adheres to the International Professional Practices Framework and the internal audit charter. The Office revises the internal audit manual and conducts the internal audit's quality self-assessment on an annual basis. It also receives the external assessment every five years. And in the last external assessment in 2011, it was rated 'generally conforms with the international standards' and 'performed remarkably well in relation to the qualitative benchmarking against high performing internal audit functions internationally'. This enhances the Company's reputation and supports sustainable development of internal control, risk management, and governance system, adding value to the stakeholders.

The Chief Audit Executive (CAE) acts as the secretary to the Audit Committee supporting their oversight responsibilities and accountability which are assigned by the Board of Directors to the Audit Committee. Additionally, the CAE gives advices relating to the internal control, risk management, business ethics, information security etc. (Further information about the CAE is in appendix 1 page 3)

The Internal Audit Office encourages all internal audit staffs to be integrated auditors who can perform various aspects of audits which include business, information technology and engineering systems audits; and be innovative in developing more effective audit techniques. There is also a strong focus on staffs' professional development. At present, there is a total of 29 professional certificates which are eight Certified Internal Auditors (CIA), five Certified Information System Auditors (CISA), one Certified Information Systems Security Professional (CISSP), eleven Certification in Risk Management Assurance (CRMA), three Certified Public Accountants (CPA) and one Tax Auditor (TA) in the Internal Audit Office. The remaining staffs are studying CIA, CISA, CRMA, CCSA (Certification in Control Self-Assessment), and CFE (Certified Fraud Examiners).

12. Related Transactions

The Company and its subsidiaries have entered into related transactions with connected persons. All of these related transactions are made in the ordinary course of business and on general trading conditions.

To be aligned with the Security and Exchange Act (No. 4) B.E. 2551, Article 89/12 (1), the Company's Board of Directors has approved in principle, on 13 August 2008, that the management shall have the authority to undertake the related transactions, whereas those transactions are transactions with general trading conditions. The approval of the above transactions shall not constitute such authority to allow the director, an executive, or a related person to approve with a conflict of interest.

For approval process, the related transactions shall be processed in the same practice as other general trading transactions with outside parties with the authorized executives designated and empowered to endorse up to a certain limit of budget according to their respective rank and position. The Audit Committee of the Company and its subsidiaries is responsible for reviewing the related transactions every quarter to ensure that no conflict of interest will be occurred in order to maximize the overall company's benefits.

The practice and disclosure about the related transactions have been followed up strictly under the notifications or rules of the Stock Exchange of Thailand.

For the fiscal year ended 31 December 2014 and 2013, the Company and its subsidiaries had the related transactions in which the auditors had disclosed in the notes to audited financial statements and these transactions have been reviewed by the Audit Committee. The Audit Committee had an opinion that all related transactions are reasonable and based on the normal course of business. The Company charges / purchases products and services with related parties at reasonable prices and those prices are comparable to the market rate with general trading conditions. Details of related transactions are as follows;

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
1. Intouch Holding Company Limited (INTOUCH) / INTOUCH is a major shareholder, holds 40.45%, and has joint directors 1. Mr. Somprasong Boonyachai 2. Mr. Vithit Leenutaphong	The Company and its subsidiaries provide mobile services and handset sales to INTOUCH.					The Company and its subsidiaries charge service fee and sale handset at the same rate as with external customers.
	1. Service income	0.02	0.67	0.42	0.80	
	2. Other income	-	0.45	0.19	0.43	
	3. Other service expenses	3.62	3.57	1.71	1.71	
	4. Interest expenses	-	0.42	-	-	
	5. Other payables	0.78	0.78	0.04	0.09	
	6. Trade accounts receivable	0.01	0.24	1.71	1.71	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
2. Thaicom Public Company Limited (THAICOM)/ INTOUCH is a major shareholder, holds 41.14%, and Mr. Somprasong Boonyachai is a joint director.	The Company leases satellite transponder on the Thai Com 1A from THAICOM and contract will effective until 21 June 2015. The Company pays US\$ 1,700,000 per year. The Company and its subsidiaries provide domestic and international phone services, handset sales and space for transponder equipment installation to THAICOM.					THAICOM is the only satellite operator in Thailand. The Company is charged at the same rate as with external customers.
	1. Service income	0.73	2.73	1.62	2.90	
	2. Other income	-	0.46	-	0.24	
	3. Rental and service expenses	58.26	66.37	51.30	51.30	
	4. Accrued expenses	9.03	9.03	4.51	4.51	
	5. Trade accounts receivable	-	0.01	0.05	0.10	
	6. Accrued income	-	0.03	-	0.10	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
3. Matchbox Company Limited (MB)/ INTOUCH is a major shareholder, holds 99.96%, and Mr. Somprasong Boonyachai is a joint director.	The Company and its subsidiaries hire MB as an agency to provide publicity for the Group products/ services to customers through various media on a job-by-job basis. The Company and its subsidiaries provide mobile and handset sales to MB.					MB is a creative advertising agency with good understanding of the Group's products & services and maintaining information as strictly confidential. Advertising fee is comparable to other agencies.
	1. Advertising and other service expenses	25.05	283.72	470.92	1,340.77	
	2. Other payables	0.61	29.38	15.35	55.99	
	3. Accrued expenses	9.67	65.88	45.49	325.47	
	4. Trade accounts receivable	-	-	0.01	0.01	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
4. Teleinfo Media Company Limited (TMC)/ INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire TMC to provide the following services; 1) Furnishing information or content on mobile phone such as astrology, lotto, and comic story. 2) Outsourcing call center The Company and its subsidiaries pay service fee on monthly basis. The Company and its subsidiaries provide mobile services and handset sales to TMC.					TMC has a specialization in providing information for content on mobile. - The Company and its subsidiaries pay service fee (Content on mobile) by the percentage of revenue. Rate is charged at the same rate as with other content providers. - Outsource call center fee is comparable to other call center providers.
	1. Service income	1.18	1.81	2.85	2.89	
	2. Other income	-	-	-	0.61	
	3. Service expenses	3.13	39.12	15.54	50.36	
	4. Trade accounts payable	0.12	2.11	0.71	2.20	
	5. Other payables	-	-	-	0.02	
	6. Accrued expenses	-	4.97	-	4.29	
	7. Trade accounts receivable	0.47	0.47	0.68	0.73	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
5. I.T. Applications and Services Company Limited (ITAS) / INTOUCH is a major shareholders, holds 100% and Mr. Somprasong Boonyachai is a joint director.	The Company and its subsidiaries hire ITAS to provide SAP solution and application development, and design and advertise the Group products/service on website. The Company provides mobile services to ITAS.					ITAS provides SAP application development and improvement, including maintenance services. The services are timely and rapidly while the service fee is reasonable.
	1. Service income	-	0.01	0.01	0.01	ITAS charges the Company and its subsidiaries at comparable rate to other SAP consultant companies. The service charge depends on the type of work and the level of consultant.
	2. Other income	-	-	0.08	0.08	
	3. Service expenses	0.30	88.13	-	69.05	
	4. Trade accounts payable	-	3.06	-	-	
	5. Accrued expenses	-	15.33	-	7.01	
	6. Trade accounts receivable	-	-	0.03	0.03	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
6. Group of SingTel Strategic Investments Private Limited (SingTel) / SingTel is a major shareholder of the Company, holds 23.32%.	The Company and its subsidiaries enter into an agreement with companies of SingTel group for the joint international Roaming operation. The Company pays the salary and remuneration to Singapore Telecom International Pte Ltd. (STI) for sending its operational staff. The expense is charged on an actual basis.					The International Roaming with SingTel is under the ordinary course of business since the Company and its subsidiaries provide international mobile service to foreign operators. Both parties charge each other at the accepted price by deduct profit from their customers. STI has an agreement with the Company that STI needs to provide operational staff to help the Company for management and any technique. The Company and its subsidiaries pay the service fee to STI by the actual basis according to the agreement.
	1. Service income	77.67	434.59	514.20	593.26	
	2. Service expenses	32.72	470.84	233.21	468.97	
	3. Salary and other remuneration	84.41	84.41	57.38	57.38	
	4. Trade accounts payable	20.34	21.37	-	21.74	
	5. Other payables	-	-	11.61	11.61	
	6. Accrued expenses	10.07	11.80	23.62	56.78	
	7. Trade accounts receivable	-	16.62	93.80	95.77	
	8. Other receivable	0.11	0.11	-	0.02	
	9. Accrued income	2.41	2.41	28.48	30.18	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
7. CS Loxinfo Public Company Limited (CSL) / INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire CSL for providing the internet service by connecting the network within and outside the country, and selling internet prepaid card through its distribution channel. The Company and its subsidiaries provide mobile services, handset sales and datanet equipment's rental to CSL.					CSL provides expertise on internet service by connecting internet data from local to worldwide through network. The Company and its subsidiaries are charged at the same rate as with external customers.
	1. Service income	0.65	12.55	1.17	41.73	
	2. Other income	-	5.81	-	1.32	
	3. Rental and service expenses	3.75	8.25	3.81	4.15	
	4. Trade accounts payable	0.34	0.39	0.36	0.36	
	5. Other payables	-	0.04	-	0.04	
	6. Accrued expenses	-	0.34	-	-	
	7. Trade accounts receivable	0.05	2.42	0.05	6.28	
	8. Other receivable	-	-	-	0.01	
	9. Accrued income	-	0.99	-	2.06	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
8. AD Venture Public Company Limited (ADV) / INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire ADV to provide content and value added service for mobile phone to customers such as game, ringtone, wallpaper and etc. by charging per month. The Company and its subsidiaries provide mobile services, software mall and handset sales to ADV.					ADV has a specialization in designing and creating website with variety contents which suit to the Company and its subsidiaries' need. The Company and its subsidiaries pay service fee (Content on mobile) by the percentage of revenue. Rate is charged at the same rate as with other content providers.
	1. Service income	18.89	19.48	16.30	16.32	
	2. Other income	-	0.72	-	1.46	
	3. Service expenses	-	332.23	0.03	481.91	
	4. Trade accounts payable	-	22.77	-	38.03	
	5. Accrued expenses	-	22.06	-	39.03	
	6. Trade accounts receivable	1.19	1.19	1.65	2.47	
	7. Accrued income	-	-	-	0.02	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
9. DTV Service Company Limited (DTV)/ INTOUCH is an indirect major shareholder.	The Company hired DTV to advertising on satellite television.					DTV has a specialization in media service on satellite and distribute satellite dish, use via by television and internet. The Company is charged at the same rate as with external customers.
	The Company provide mobile services to DTV.					
	1. Service income	0.06	0.06	0.13	0.13	
	2. Service expenses	0.90	0.90	1.20	1.40	
	3. Trade accounts receivable	-	0.01	0.01	0.01	
10. Lao Telecommunications Company Limited (LTC)/ INTOUCH is an indirect major shareholder.	The Company and its subsidiaries have cooperated with LTC to provide international roaming.					LTC, the telecommunications service provider in Laos, provides fixed line, mobile phone, internet, and international roaming services. Roaming price is based on market rate.
	1. Service income	0.33	5.27	0.89	5.37	
	2. Service expense	2.07	12.98	3.98	8.95	
	3. Trade accounts payable	-	0.28	-	0.52	
	4. Accrued expenses	-	0.28	0.07	0.79	
	5. Trade accounts receivable	0.07	1.16	1.28	1.63	
	6. Accrued income	-	4.16	-	0.36	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
11. Thai Yarnyon Co., Ltd Group (TYT)/ Mr. Vitit Leenutaphong is a joint director.	The Company and its subsidiaries hire TYT to provide car maintenance services and space rental for base station. The Company and its subsidiaries provide mobile services to TYT.					TYT is a car dealer with specialist in car maintenance services. - The Company is charged at the same rate as with external customers. - Rate of base stations rental is comparable with another lessor in the nearby area.
	1. Service income	0.50	2.48	1.77	1.91	
	2. Service expense	0.08	0.41	0.60	0.85	
	3. Trade accounts payable	-	-	-	0.03	
	4. Trade accounts receivable	0.05	0.27	0.25	0.27	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
12. Ookbee Co., Ltd. (OOKB)/ INTOUCH is a direct shareholder, holds 22.06%.	The subsidiary (MMT) hire Ookbee to provide E-booking application on smartphones and tablets by charging per monthly. AWN provides mobile services to Ookbee.					Ookbee is a provider digital publication and E-Booking company such as books, magazines or newspaper on smartphones, tablets and computers. MMT pays service fee (Content on mobile) by the percentage of revenue. Rate is charged at the same rate as with other content providers.
	1. Service income	-	0.05	-	0.02	
	2. Service expenses	-	11.77	-	10.42	
	3. Trade account payable	-	0.73	-	0.24	
	4. Accrued expenses	-	0.73	-	0.27	
	5. Trade account receivable	-	-	-	0.01	

Related parties/Relation to the Company	Detail of transactions	31 December 2014 (Million Baht)		31 December 2013 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
13. Information Highway Co., Ltd. (IH)/ AIS is an indirect major shareholder.	IH provides transmission network services to the company and its subsidiaries.					IH provides transmission network services.
	1. Interest income	-	1.82	-	-	
	2. Short term loan to	-	95.00	-	-	