

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 17 August 2015, 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 ²⁾	693,359,000	23.32
3	THAI NVDR CO.,LTD.	163,637,136	5.50
4	CHASE NOMINEE LIMITED	84,654,222	2.85
5	LITTLEDOWN NOMINEES LIMITED	52,503,800	1.77
6	STATE STREET BANK EUROPE LIMITED	50,034,810	1.68
7	THE BANK OF NEW YORK MELLON	44,570,900	1.50
8	HSBC (SINGAPORE) NOMINEES PTE LTD	44,434,037	1.49
9	THE BANK OF NEW YORK (NOMINEES) LIMITED	30,381,287	1.02
10	SOCIAL SECURITY OFFICE (2 CASE)	26,570,900	0.89
Total		2,392,858,092	80.48

Note:

1) Information from Thailand Securities Depository Company Limited

2) On 8 January 2016, SINGTEL STRATEGIC INVESTMENTS PTE LTD currently transfer its 0.01% shared which is previously hold by OCBC NOMINEE to be held directly under SINGTEL STRATEGIC INVESTMENTS PTE LTD.

(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 5 January 2016, 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 2015, the latest book closing date

2. Singtel Strategic Investments Pte Ltd holds 23.32% directly in AIS. 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 26 January 2016)

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.

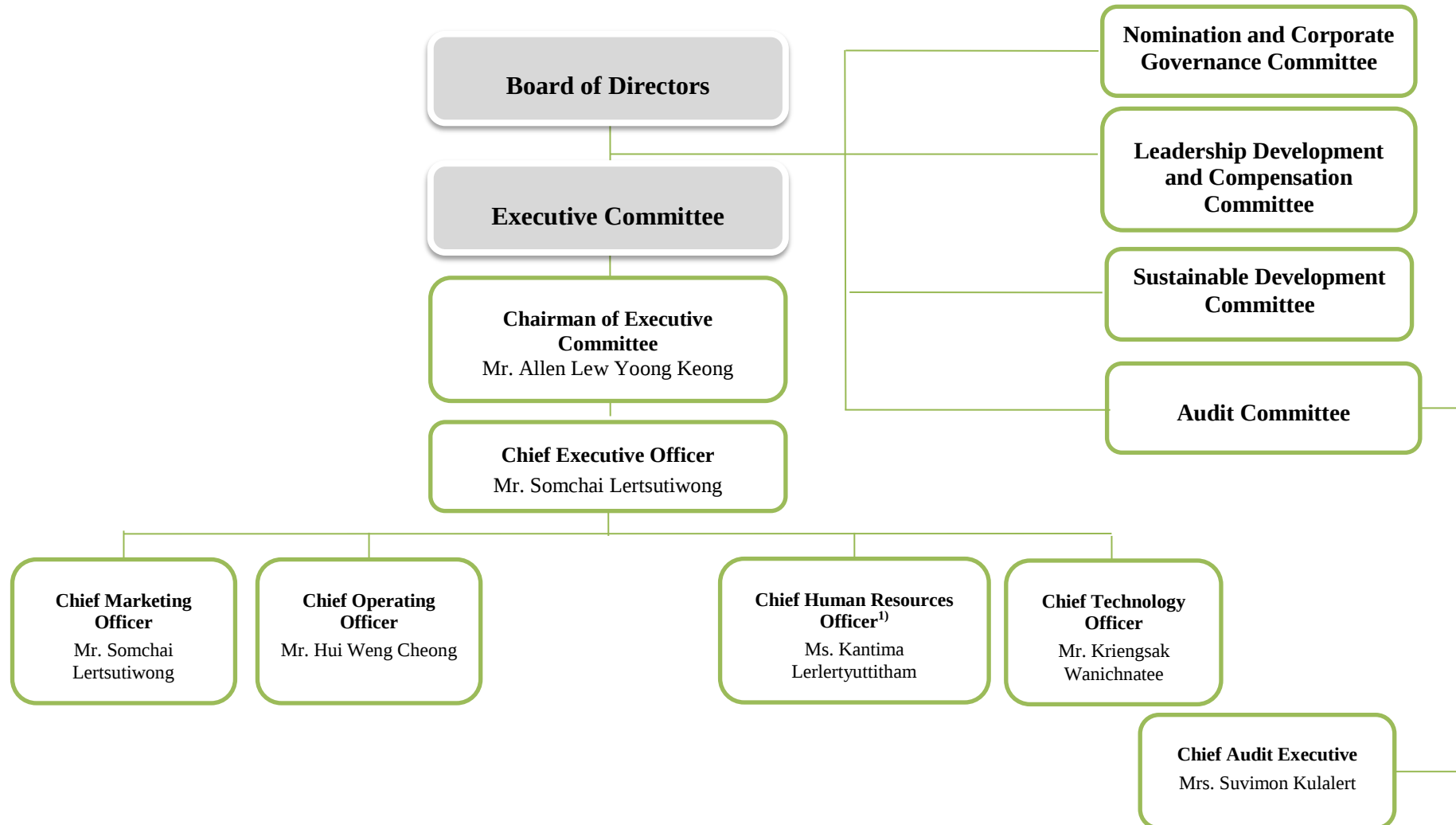
In all cases, dividend payment shall be depending on cash flow, investment plan including any other future obligations of the Company and/or subsidiaries. Such dividend shall not exceed the retained earnings of the Company financial statements nor adversely affect the Company and subsidiaries ongoing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

Historical Dividend in 5 consecutive years is as follows:

Historical Dividend	2011	2012	2013	2014	2015
Total Dividend Payment (Baht per share)	8.43	10.90	12.15	12.00	12.99
1. Interim Dividend	4.17	5.90	6.40	6.04	6.50
2. Annual Dividend	4.26	5.00	5.75	5.96	6.49
3. Special Dividend	-	-	-	-	-
Dividend Payout Ratio	113%	93%	99.58%	99.01%	98.64%

8. Management Structure

Management Structure of Advanced Info Service Public Company Limited As of 1 January 2016



Notes: ¹⁾ Appointed on 16 July 2015

²⁾ On 31 December 2015, the Chief Organization Development Officer and Chief Customer Officer retired from the position. The Company is on process of selecting new executives according to the succession plan.

³⁾ On 31 December 2015, the Chief Finance Officer resigned from his position. However the Company appointed SVP-FN to take care of his responsibility during the nomination process to select New Chief Finance Officer.

8.1 Board of Directors and Sub-Committees

The Company's board 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 Sustainable Development Committee, and the Executive Committee. The names of their members and directors as well as their meeting attendance information in 2015 are listed in the following table:

Name	Title	Attendance/Total Meetings in 2015					
		Board of Directors	Audit Committee	Nomination and Corporate Governance Committee	Leadership Development and Compensation Committee	Executive Committee	Sustainable Development Committee
Mr. Vithit Leenutaphong ⁴⁾	- Chairman of Board of Directors - Chairman of Leadership Development and Compensation Committee - Authorized Director	11/11	-	-	8/8	-	-
Mr. Somprasong Boonyachai ⁴⁾	- Vice Chairman of Board of Directors - Member of Leadership Development and Compensation Committee - Member of Nomination and Corporate Governance Committee	9/11	-	6/6	8/8	-	-
Mrs. Tasanee Manorot ³⁾	- Independent Director - Member of Audit Committee - Member of Sustainable Development Committee	11/11	15/15	-	-	-	4/4
Mr. Surasak Vajasit	- Independent Director - Member of Audit Committee - Chairman of Nomination and Corporate Governance Committee	10/11	15/15	6/6	-	-	-
Ms. Jeann Low Ngiap Jong ³⁾	- Director - Member of Nomination and Corporate Governance Committee	10/11	-	4/6	-	-	-
Mr. Allen Lew Yoong Keong ^{4), 7)}	- Director - Chairman of Executive Committee - Member of Leadership Development and Compensation Committee	3/11	-	-	6/8	13/13	-
Mr. Krairit Euchukanonchai	- Independent Director - Chairman of Audit Committee - Member of Nomination and Corporate Governance Committee	10/11	15/15	6/6	-	-	-

Name	Title	Attendance/Total Meetings in 2015					
		Board of Directors	Audit Committee	Nomination and Corporate Governance Committee	Leadership Development and Compensation Committee	Executive Committee	Sustainability Development Committee
Mr.Stephen Miller ^{2) 7)}	• Director • Member of Executive Committee	6/11	-	-	-	7/13	-
Mr.Kan Trakulhoon ¹⁾	• Independent Director • Chairman of Sustainable Development Committee	5/11	-	-	-	-	2/4
Mr. Somchai Lertsutiwong ⁴⁾	• Director • Member of Executive Committee • Member of Sustainable Development Committee • Chief Executive Officer • Authorized Director	11/11	-	-	-	12/13	4/4
Mr. Kim Siritaweechai ⁸⁾	• Member of Executive Committee	-	-	-	-	13/13	-

- ¹⁾ Mr. Aviruth Wongbuddhapitak resigned from the position of director, effective from 25 March 2015 and appointed Mr. Yek Boon Seng to be replaced as the resolution of the Annual General Shareholders' Meeting 2015 on 24 March 2015. Currently, Mr. Yek Boon Seng resigned from the position of director, then the Company appointed Mr. Kan Trakulhoon to be replaced as the resolution of the Board of Directors on 3 August 2015.
- ²⁾ Mr. Ng Ching-Wah resigned from the position of director, effective from 31 May 2015 and appointed Mr. Stephen Miller to be replaced as the resolution of the Board of Directors on 2 June 2015.
- 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
- ⁴⁾ Mr. Vithit Leenutaphong, Mr. Somprasong Boonyachai, Mr. Allen Lew Yoong Keong, and Mr. Somchai Lertsutiwong are directors who expertise in telecommunication business. Summary profile of these four directors are shown in Appendix 1
- ⁵⁾ Mr. Narulcha Chittrekan resigned from the position of director, effective from 4 February 2015 and appointed Mrs. Preeya Danchaivijit to be replaced as the resolution of the Annual General Shareholders' Meeting 2015 on 24 March 2015. Mrs. Preeya Danchaivijit currently resigned from the position of director, effective from 27 October 2015.
- ⁶⁾ Mrs. Suphatee Suthumpun resigned from the position of executive director, effective from 1 of October 2015.
- ⁷⁾ In cases when Mr. Allen Lew Yoong Keong and Mr. Stephen Miller 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.
- ⁸⁾ Mr. Kim Siritaweechai currently resigned from his position, effective from 4 February 2016.

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 10 directors whose expertise and experience cover various fields. 4 directors are experienced in the area of telecommunications, while 2 directors are experienced in the area of finance and accounting. 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 as well as their role and responsibility is explicitly separated. 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' meeting, 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 the 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

The Company's independent director criteria has been defined stricter than criteria established by the Securities and Exchange Commission and 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 percent 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, or advisor who receives salary or controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary or juristic persons which may have conflicts of interest. Audit Committee Member who shall be appointed on or after 1 July 2010 shall have ended the foregoing 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 conflicts 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 which may have conflicts of interest. Any 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.

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 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 conflicts 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 conflicts of interest. Any 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;

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 conflicts of interest, and not having been a substantial shareholder, controlling person or partner of the professional advisor. Any 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;
8. Not conduct 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 of Directors 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 decisions must be collective ones.

The Company may appoint a person who has a business relationship or provides a professional service described in item 3 and 7 above if the Board carefully considers the business relationship or service provided and concludes that the appointment will not interfere with the exercise of independent judgment in the independent director's responsibilities. The Company must disclose the following information in the item regarding the appointment of independent directors on the agenda of the shareholders' meeting:

- (1) The nature of the business relationship or professional service that excludes the nominated independent director from the standard requirements.
- (2) The reason or need to retain or appoint this person as an independent director.
- (3) The Board's opinion on proposing the appointment of this person as an independent director.

It is the Board's policy that an independent director may not be considered to remain "independent" after he or she has completed three (3) consecutive terms or a total of nine (9) years. In this regard, the board will consider the independency of such director every year thereafter.

The segregation of duty of the Board of Directors and management

The Board of Directors has its duty to govern the operations 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 who acts as the Chairman of both Board of Directors and shareholders' meeting.

The Chief Executive Officer is the head and leader of the Company's executives, and is accountable to the Board of Directors for managing the Company in order to achieve all its planned objectives.

The Scope of Authority and Duties of the Sub-Committees

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

1. To 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. To 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. To review that the Company complies with the requirements of the Securities and Exchange Commission, SET, and all laws relating to its business;
4. To review the overall performance of the external auditors and recommend to the Board on the proposal to shareholders on the appointment, reappointment or removal of the external auditors and the auditor's remuneration;
5. To hold a meeting with the external auditor without management in attendance, at least once a year;
6. To review the policy on the engagement of the external audit firm to provide non-audit service to the Company;
7. To review all connected transactions and possible conflicts of interests to ensure they are in compliance with the laws and regulations of SET to ensure that all transaction are reasonable and beneficial to the Company and all its stakeholders;
8. To review that the Company has established an appropriate and effective risk management system;
9. To review and approve the Charter of Internal Audit activities, annual audit plan and activities of Internal Audit, and coordinate with the external auditor;
10. To prepare, and to disclose in the Company's annual report, an 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 an auditor;
 - (5) An opinion on the 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 from 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;
11. To continue the inspection when the external auditor informs regarding any suspicious circumstance that the director, manager or any person responsible for the operation of such juristic person commits an offence under the law on the Security and Exchange 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;
12. To report the discussion and/or decision of the Audit Committee at its meetings and make recommendation as necessary 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 thinks 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 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;

13. To have the authority to invite concerned executives, management and officers of the Company to express opinions, attend meetings or deliver documents as deemed necessary;
14. In performing their duties and responsibilities assigned, the Audit Committee may engage consultants or experts to provide opinions, advice or work, if necessary;
15. To review the Company's compliance with Reporting and Investigation of Misconduct and or 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;
16. To evaluate the scope of the performance of the Audit Committee on an annual basis;
17. To review the charter annually and propose to the Board of Directors for approval if changes are needed;
18. To 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 Company's Chief Executive Officer and those high-level executives who report directly to the Chief Executive Officer in order to determine their annual 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 in the annual report;
8. In consultation with the Chief Executive Officer, identify and evaluate potential successors for the Chief Executive Officer position 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 consultation with the Chief Executive Officer, prepare succession planning policies for the Chief Executive Officer position and those high level executives who report directly to the Chief Executive Officer;
10. Oversee the process by which the Chief Executive Officer and high level executives;
11. Engage consultants or independent persons to provide opinions or advice if necessary, especially on leadership development;
12. The Committee is 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. Annually review and reassess the adequacy of the charter and proposed any changes to the Board of Directors for approval;
14. Report regularly to the Board of Directors on matters within the scope of the Committee, as well as any special issues that merit the Board of Directors' attention;
15. Request members of the management or staff to attend the Committee meetings or provide pertinent information on the matters under discussion;
16. Perform other tasks requested by the Board of Directors.

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

1. Draw up criteria and policy with respect to 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 recommendation 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 propose to the Board of Directors for approval;
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. Manage the Company's business operations in order to achieve the planned objectives and targets;
3. Monitor the Company's financial and operating results, and keep the Board members informed by monthly report;
4. Identify and evaluate new business opportunities;
5. Review and make recommendations to the Board of Directors regarding the Company's dividend policy;
6. 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 delegated approval authority granted by the Board of Directors;
7. Review matters that require the Board of Directors' approval and make appropriate recommendations with the exception of activities that have been delegated to other Board sub-committees;
8. Consider and review the Company's risk management and control system;
9. The Committee may delegate its 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 in accordance with the policies and principles already determined by the Board of Directors and regulatory bodies;
10. Engage consultants or independent persons to provide opinions or advices if necessary;
11. The Committee may ask members of the management or other persons to attend its meetings or provide pertinent information as necessary;
12. Report to the Board of Directors on a quarterly basis regarding the material actions taken by the Committee under the Chief Executive Officer Report agenda;
13. Annually review its own performance and assess the adequacy of the Charter, which may be done in conjunction with the annual evaluation of the Board of Directors and its other committees, conducted under the oversight of the Nomination and Governance Committee; and
14. Take any other action or assume any other powers and responsibilities 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 Team¹⁾

- | | | |
|----|------------------------------|---|
| 1. | Mr. Somchai Lertsutiwong | Chief Executive Officer and Chief Marketing Officer |
| 2. | Mr. Hui Weng Cheong | Chief Operating Officer |
| 3. | Mr. Kriengsak Wanichnatee | Chief Technology Officer |
| 4. | Ms. Kantima Lerlertyuttitham | Chief Human Resources Officer |

Notes: ¹⁾ List of Management Team members as of 1 January 2016 was prepared in accordance with their definitions as stipulated in the notification of the Securities and Exchange Commission.

²⁾ Appointed on 16 July 2015

³⁾ The Company is on process of selecting new executives as the name list specified in Part 2 page 3 according to succession plan

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.
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 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.
4. 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 through initially consider of Nomination and Corporate Governance Committee. 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 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 2015, no minority shareholder nominated a candidate for directorship.

8.2.2 Nomination of Management

The Leadership Development and Compensation Committee shall nominate the suitable person(s) to be appointed as the Chief Executive Officer and other senior management positions which report directly to the Chief Executive Officer, including the preparation of a succession plan relating thereto. In this regard, the Leadership Development and Compensation 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.

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 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 independent 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 which reflect to their duties and responsibilities and at a rate similar to the industry standards and companies of similar size. The remuneration 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 senior 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 10 persons was Baht 26.77 million. The remuneration was paid from 2015 operating results as approved by the general meeting of shareholders, held on 24 March 2015, in an amount not exceeding than Baht 28 million which was approved by the shareholders and comprised of monthly allowances, meeting allowances and bonus payments. The criteria of payment are the same as those of year 2014.

Directors' remuneration policy for the year 2015

Director	Monetary Remuneration (Baht)		
	Monthly Retainer	Meeting Allowance	Bonus
The Board of Directors			
• 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 chair or membership of the sub-committees.

The remuneration for 11 directors in year 2015 is as follows:

Name	Position	Monthly Retainer (Baht)	Meeting Allowance ¹⁾ (Baht)	Bonus (Baht)	Others
Mr. Vithit Leenutaphong	- Chairman of the Board of Directors - Chairman of Leadership Development and Compensation Committee	3,600,000	0	2,900,000	0
Mr. Aviruth Wongbuddhapitak	- Independent Director - Chairman of Sustainable Development Committee - Member of Leadership Development and Compensation Committee	233,065	175,000	200,000	0
Mr. Surasak Vajasit ¹⁾	- Independent Director - Chairman of Nomination and Corporate Governance Committee - Member of Audit Committee	1,020,000	800,000	2,180,000	0
Mrs. Tasanee Manorot ¹⁾	- Independent Director - Member of Audit Committee - Member of Sustainable Development Committee	900,000	775,000	2,075,000	0

Name	Position	Monthly Retainer (Baht)	Meeting Allowance ¹⁾ (Baht)	Bonus (Baht)	Others
Mr. Ng Ching-Wah	- Director - Executive Committee	375,000	200,000	280,000	0
Mr. Narulcha Chittrekan	- Director	85,714	25,000	55,000	0
Mr. Krairit Euchukanonchai ¹⁾	- Independent Director - Chairman of Audit Committee - Member of Nomination and Corporate Governance Committee	1,200,000	800,000	3,000,000	0
Mr. Yek Boon Seng	- Director	326,613	50,000	0	0
Mrs. Preeya Danchaivijit	- Director	544,355	75,000	300,000	0
Mr. Stephen Miller ²⁾	- Director - Executive Committee	522,500	325,000	1,252,500	0
Mr. Kan Trakulhoon ³⁾	- Director - Chairman of Sustainable Development Committee	413,710	175,000	1,911,290	0
Total		9,220,957	3,400,000	14,153,790	0

Notes:

- 1) Included meeting allowance of Audit Committee for Intouch group which was held in 2015 for 1 time. The meeting objective is to share and exchange knowledge to uplift audit and operating standard of all company in Intouch group
- 2) Mr. Stephen Miller was appointed to be Director and member of Executive Committee since the 2 June 2015
- 3) Mr. Kan Trakulhoon was appointed to be Independent Director and Chairman of Sustainable Development Committee since the 3 August 2015
- 4) The above payment is a transaction during 2015 period. Some directors currently retired/resigned from the Company as details provided under "Management Structure", section 2 page 3.

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 senior 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 for long-term benefit of the Company.

In 2015, the total amount of remunerations for seven (7) executives of the management team was calculated at Baht 98.56 million 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)
First 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)
- First Period of Exercise Date : 1 June 2017, entitled to exercise their rights to purchase once a year

The third year of the program in 2015

- Offer price per unit : Baht 0 (zero Baht)
- Term : Not exceeding 5 years from the date of issuance and offering
- Exercise Price : Baht 249.938 per share (unless there is an adjustment to the exercise price as prescribed under the terms and conditions of the warrants)
- First Period of Exercise Date: 1 June 2018, 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)						
			2015	Percentage of Total Warrants	2014	Percentage of Total Warrants	2013	Percentage of Total Warrants	Total
1.	Mr. Somchai Lertsutiwong	Units	51,600	5.92	29,816	4.38	19,824	4.89	101,240
2.	Mrs. Suwimol Kaewkoon	Units	33,171	3.80	27,116	3.99	18,064	4.45	78,351
3.	Mrs. Vilasinee Puddhikarant	Units	30,174	3.46	29,816	4.38	20,764	5.12	80,754
4.	Mr. Pong-amorn Nimpoonsawat	Units	33,171	3.80	29,816	4.38	21,664	5.34	84,651
5.	Mr. Kriengsak Wanichnatee	Units	34,670	3.98	31,216	4.59	7,564	1.86	73,450

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 2.

8.7 Personnel

As at December 31, 2015 the Company and its subsidiaries consisted of a total personnel of 12,204 persons (including temporary staff).

The Company		AMP / ADC / AIN / WDS / SBN / AWN / FXL / MMT / AIR	
Key departments	Employees (persons)		Employees (persons)
Operations	220	AMP	33
Solutions	22	ADC	2
Customer Service and Management	20	AIN	24
Marketing	1	WDS	538
Service Operations	-	SBN	102
Corporate Finance	255	AWN	5,876
Support	490	FXL	134
Regional Operations	5	MMT	1,621
Regional Operations - Central	12	AIR	-
Regional Operations - East	10		
Regional Operations - North	13		
Regional Operations - North East	12		
Regional Operations - South	11		
Total	1,071	Total	8,330

ACC		DPC	
Key departments	Employees (persons)	Key departments	Employees (persons)
MD-ACC Office	4		
Customer Contact Center	1,557	Accounting and Credit Management	2
Quality Assurance Management	87	Marketing and Sale	5
High Value Customer Service	361	Engineering	26
Enterprise & Partner Service Management	592	Support	2
Contact Center Analysis & Enhancement	85		
Resource Management	82		
	2,768		
Total	2,768	Total	35

In 2015, the total amount of compensation for all employees of the Company and its subsidiaries was Baht 6,807 million, comprising salary, bonus, special rewards and provident fund payments. Further details of remuneration policy is shown in AIS sustainability report 2015, page 64.

8.8 People development policy

AIS keeps our promise to our employees that “AIS is ready to grow together with you” by promoting the employees’ potential in business strategy and goals in order to drive the organization to sustainable development with a professional culture. AIS encourages and supports the learning processes that drive our employees’ career development. As such, the Assessment Center has been established to identify our employees’ potential. The assessment results are then used to develop each employee’s individual development plan and prepare both the employee and the organization for success in the competitive telecommunication business during the “Digital Economy” era.

AIS aims to become a learning organization that promotes self-learning and knowledge sharing through a variety of efficient platforms and channels. These channels include the Knowledge Management Portal, available through the corporate intranet, and the establishment of a community of practitioners to facilitate knowledge exchange. Regional training centers have also been established to develop our employees’ potential. Furthermore, AIS is developing experts within the company and providing channels through which employees can share their knowledge with each other. The objective is to apply existing employee knowledge for the development of other employees, work processes and the organization.

Further details of people development and training are provided in AIS sustainability report 2015.

9. Corporate Governance

9.1 Corporate Governance Policy

Since 2002, the Corporate Governance Policy has been prescribed by the Board of Directors to apply with all directors, executives, and employees within AIS group. The Company also published in the company's website (i.e. <http://investor.ais.co.th>) in order to communicate with shareholders and others external parties and to welcome them to patrol the Company. 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 daily 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 and the guideline of Dow Jones Sustainability Indices (DJSI).

The policy has been consistently communicated throughout the company via various channel i.e. e-mail, intranet, brochure, internal campaign etc. for their awareness and to facilitate its incorporation into the Company's normal business operations. The Company also provided insiders/outside whistle blower channel for reporting any illegal activities, acts of misconduct or unethical practices in the Company, while also granting protective measures for whistle blowers in accordance with the Whistle Blower Policy.

In 2015, the Company was selected to be listed in the DJSI Emerging Market to confirm that the Company is operating sustainable development. It also covers economic dimensions, performing good corporate governance, environmental contribution, and social sustainability. The company has been also recognized as one of the top 50 companies with the highest CG ASEAN Scorecard this year.

9.2 Performance Report on Corporate Governance

The Board of Directors

The Board of Directors is composed of ten (10) 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" section on part 2 page 8-9 and 13-14.

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 part 2 page 3-4 and 10-12

Board of Directors' Meetings

In 2015 the Board of Directors' meeting was held 11 times. This is in accordance with the policy to set up the meeting at least 6 times a year. The whole schedule of the meeting will be set in advance to ensure that all directors are able to attend all 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. The detail of number of and meeting attendance of the directors are listed in the "Management Structure" section on part 2 page 5-6.

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. 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 seven (7) 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. The conclusion made at each meeting shall be reported to the Board of Directors and the Chief Executive Officer. In 2015, there was 1 non-executive directors meeting with 7 directors attendance.

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 Leadership Development and Compensation Committee to set up the succession plan which shall be reviewed, updated and reported to the Board of Directors annually.

The Company recognizes that employees, not only the executive, are key driving force of the organization. The challenge for the business is a risk of lacking personnel with knowledge and ability which readiness to keep pace with expansion and business changing. The Company is set up succession plan for vacant position and new positions as Corporate KPI in order to focus on staffs empowerment, competency, and advancement; the succession plan is set up for all departments equally and strictly. Also, the Company has advice from professional consultants regarding to support the employees' knowledge and capability continuously.

Communication with Management

The Company Secretary shall act as the coordinator between directors and the management team. Board Portal is a communication channel that the director are able to access the significant information and documents of the Company for fast and safety. 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. The detail of the directors' remunerations 2015 are listed in the "Management Structure" section on part 2 page 15-18.

Orientation and Continuing Training for Directors

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

The continuing training and development programs, paid for by the Company, is provided to all director, executives, and company secretary to ensure that they have all the necessary skills and knowledge required to perform their duties efficiently. This program may take a variety of forms such as internal and external courses, overseas trips, and site visits.

Board and Chief Executive Officer Assessment

The Board of Directors shall evaluate its own performance as individual and quorum on an annual basis in order to assess and improve the directors' own fiduciary duties and their compliance with corporate governance policy and good practice.

• 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:

- Board of Directors' structure and qualifications of the Board of Directors;
- The roles, duties and responsibilities of the Board of Directors;
- Board of Directors' meetings;
- The Board's performance;
- Relationships with management;
- 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.

Rights and Equitable Treatment of Shareholders

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 as below:

- The right to receive share certificates and share transfers, and to be sufficiently informed of operating results and management policy on a timely basis.
- The right to an equitable dividend.
- 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.

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, best 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 2016 annual general shareholders' meeting, this entitlement was from 1 October 2015 to 31 December 2015, 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.
3. 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.

4. 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.
 5. 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.
 6. 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 was held at Centara Grand Central Plaza Ladprao. 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 to the Board of Directors 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, AIS 1 Tower,
 Phaholyothin Road, Samsen Nai,
 Phayathai, Bangkok 10400
 Tel: (66) 2029 5352
 Fax: (66) 2029 5108

E-mail: companysecretary@ais.co.th

2. Audit Committee

E-mail: AuditCommittee@ais.co.th

3. Investor Relations

Tel: (66) 2029 5117

Fax: (66) 2029 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 and anti-bribery and corruption policy 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 2015.

Moreover, 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 Whistle Blowing 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>

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) 2029 5117
Facsimile	(66) 2029 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.

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 part 2 page 32

Code of Business Ethics

The Company encourages all directors, managers, and staffs 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 by published via intranet in page of AIS Ethics. The employees are required to sign and acknowledge the code of business ethics upon commencing employment and upon have to acknowledge and understand 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 2015, the Business Ethics Committee conducted activities to encourage the compliance of business ethics as follows:

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. In 2015, the employees (including executive) have cooperated to do the questionnaire for 96.04 percent of total employees. The average score is 88.2 percent of total scores which over expectation 80 percent of total scores.

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.

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 2015, there are 2 breached cases against code of business ethics, detail is shown below:

Case	Unethical Conduct	Company Action
1	Employee used his position or authority to hire his relative to be the Company's contractor without notified to the Company in advance with intended to conceal any related transaction.	After investigation by the Business Ethics Committee, Internal Auditor, and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations.
2	Employees coordinated with outsider to charge additional commission on land lease agreement from the landlord, where the Company agreed to lease for building the site.	After investigation by the Business Ethics Committee, Internal Auditor, and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations.

9.3 Anti-Bribery and Corruption Policy

The Company is committed to conducting the business with integrity, transparency, and good corporate governance principles. The Company is against any giving or receiving bribery and corruption due to it may threaten free and fair competition and damage economic and social matter development. The Board of Directors has recognized the importance of Anti-Bribery and Corruption then set up the policy to be guideline for the operation of directors, executives, and employees. The Anti-Bribery and Corruption Policy has been published on the Company's website at <http://investor.ais.co.th>

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

On 16 December 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. On 15 December 2015, the Company has submitted the documentation applying for certificate of CAC membership. On 22 January 2016, CAC formally announced that the Company being certified as one of CAC member.

9.5 Monitoring the Business Operations of Subsidiaries and Associated Companies

The Board of Directors has monitoring each Subsidiary and Associated Company's business operations for the best interest of shareholders as follows:

1. Support the subsidiaries and associate companies to perform their duties in compliance with good corporate governance policy;
2. The Board of Directors selects the representative of the Company to be appointed as directors of the Subsidiaries and Associated Companies in order to monitor and control business performance in proportion to its shareholding percentage;
3. Monitor through representative directors, executives, and policies which were issued at the parent company level;
4. Consider any significant matter including strategic, business plan, capital increase/decrease, dissolution, and any other important policies;
5. Follow up the performance result through the Company's executives, Executive Committee, and the Board of Directors;
6. Monitor the Subsidiaries and Associated Company to operate business under the rules and regulation of competent authorities including connected transaction, asset acquisition and deposition, information disclosure, and accounting and financial statement report;

7. All transactions in any subsidiary, 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;
8. Being audited by the Company's Internal Audit Department to ensure that there is sufficient and effective internal control system;
9. In order to disclose the financial information and operating results of the subsidiaries, the Company has engaged auditors from the same auditing firm that provides auditing services for the Company to perform audits and disclose the financial and non-financial information of the Subsidiaries in the consolidated financial statements of the Company.

The information of positions held by directors and executives in the subsidiaries are shown in Appendix 2.

9.6 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. 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.
- 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 Stock Exchange of Thailand's 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 silent 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 accepted 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.

9.7 Audit fee and non-audit fee

In 2015, the Company had the audit fee and quarterly review fee of total Baht 4.48 million and the audit fee and quarterly review fee of its subsidiaries was Baht 4.96 million.

The Company had a non-audit fee of total Baht 4.16 million.

10. Our business in a sustainable way

Under the rapid change of technology which leads to the transformation of customer behavior from mobile phone usage to digital service usage. This has changed an environmental competition in more challenging way. AIS' stakeholders has been widely touched another industry and related business. An important thing to support the Company's ultimate goal in doing business in a sustainable way is to be accepted among all stakeholders.

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 2015" 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

In order to manage and maintain risks at an acceptable level, the Company has established an Enterprise Risk Management Policy and Framework. Applicable to all operations and all employees, the policy and framework include measures such as encouraging employees to take continuous personal responsibility for self-assessing risk developing internal control systems to strengthen the effectiveness of the internal control and risk management systems. The Company has in place proper and effective risk management systems, which are aligned with the integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO). (Further information on risk-assessment is shown on page 36) and

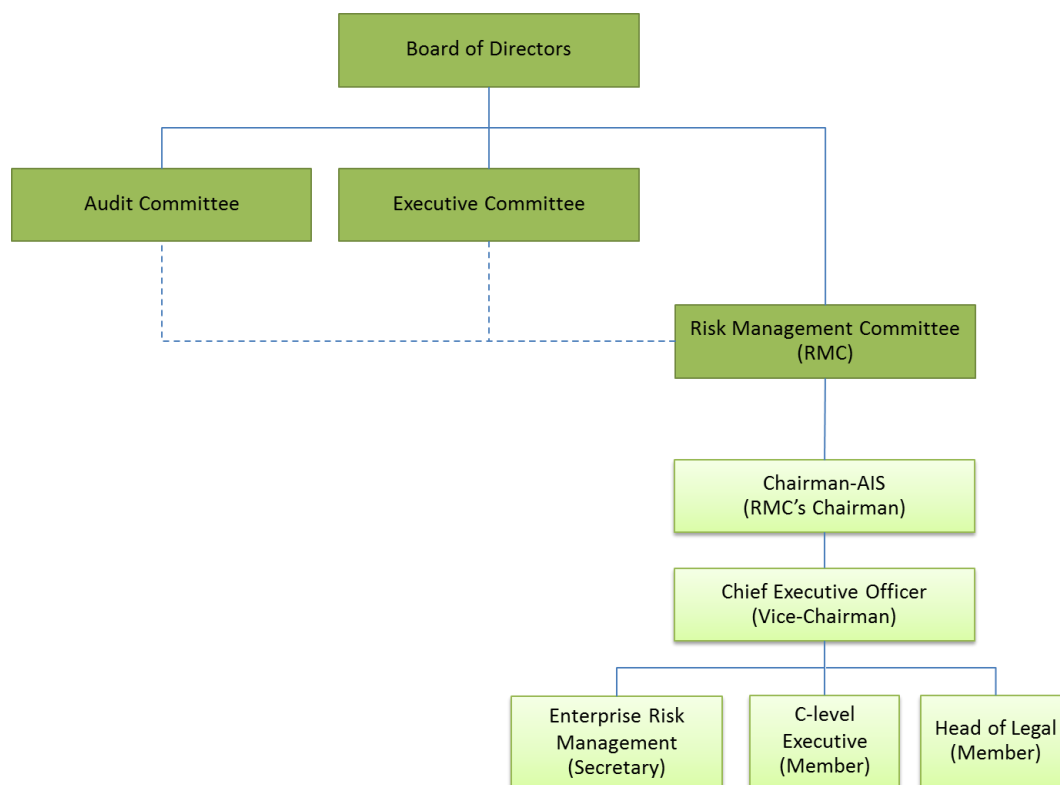
AIS Risk Management Framework & Procedures



The 6 steps in the risk management process are:

1. Set both corporate and functional level objectives which are aligned with the Company's corporate strategy and are within its risk appetite levels as approved by the Board of Directors and reviewed annually.
2. Identify the events that could have a negative impact (risks) on the Company's ability to achieve its goals and its targets from both internal factors, for example, operational processes and human resources, and external factors, for example, customers, the economy, politics, and regulations.
3. Assess the identified risks by considering the likelihood of the risk occurring and the potential impact if the risk occurred.
4. Plan risk response measures with consideration given to the level of risk involved and the corresponding cost and benefit.
5. Establish control activities to help ensure that the desired risk responses are implemented as intended and are effectively carried out.
6. Monitor and report the status of the risks and the effectiveness of the risk management processes.

The Company emphasizes the importance and value of risk management by appointing the Chairman of the Executive Committee as the Chairman of the Risk Management Committee. The Chairman is joined on the Risk Management Committee by the Chief Executive Officer and other members of senior management. The committee is responsible for establishing the Risk Management Policy and Framework, which includes identifying risk, assessing and rating the risks, defining the risk management concept, and assigning responsibilities to those in charge of managing and controlling the risks to be maintained within approved risk appetite levels. This enables the Company to accomplish its goals and strategies and create confidence for all shareholders and stakeholders. The Company has established a Risk Management working structure as depicted in the following chart:



The Chief Executive Officer is responsible for implementing the risk management policy and framework throughout the Company. The policy and framework are communicated via the senior management of each business unit to all employees in order to set the risk management objectives, identify the risks, and manage those risks at the operation level. The Chief Executive Officer continuously monitors the risk management results to ensure the risk management system's effectiveness and efficiency in accomplishing the Company's goals and strategies.

In 2015, the Risk Management Committee held quarterly meetings in order to review and follow up on the accomplishments of its risk management strategy. This was achieved by comparing the management action plans against the reliable measured results of the plans. At each meeting, the responsible management representative reported the results of the risk management approach identified in the previous meeting to the Risk Management Committee. The topic was then discussed by the committee to determine whether the risk level has been successfully mitigated, thus resulting in effective risk management.

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

In 2015, the Company disseminated knowledge and provided training on the subject of risk management for executives and employees at all levels. The aim of this knowledge-sharing exercise was to enable

management and employees to apply the risk management process under their responsibility efficiently and effectively. In 2015, the following 3 courses were provided:

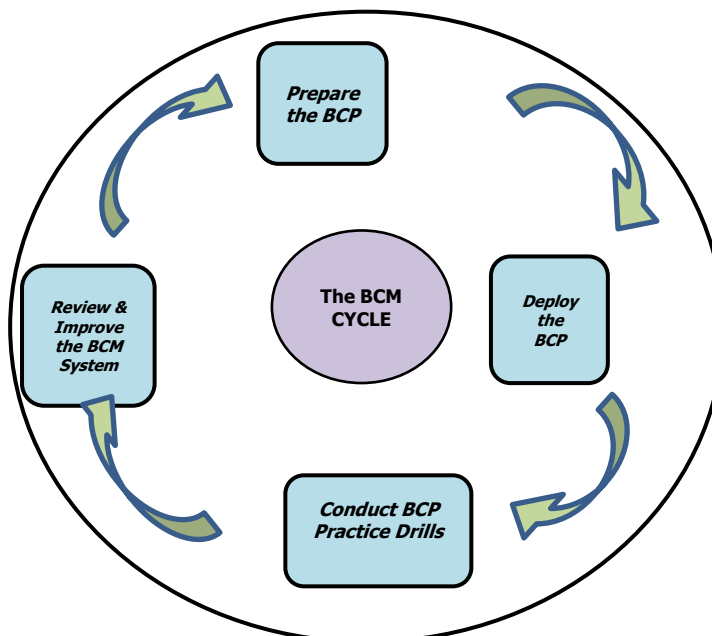
- **Risk Management Facilitators Course:** Classroom training and workshops to provide the representatives of each function unit with better knowledge and more effective understanding of the risk management process and practices in their own unit while also enabling them to share their own knowledge and best practices with their colleagues and subordinates. In 2015, 126 employees completed this training.
- **E-learning on risk management for manager level:** This E-learning course aimed to provide knowledge and understanding of the risk management process and to enable the employees to apply the risk management practice in their responsible task. In 2015, 406 persons participated in this training.
- **Knowledge sharing on risk management for executives:** This training aimed to provide executives with better understanding of the Risk Management Policy and Framework in order for them to satisfactorily and effectively implement risk management under their supervision and comply with both company policy and external guidelines.

Business Continuity Management

The Company has set in place a risk management system to cope in the event of natural disasters or any other situations that are beyond the Company's control and which have the potential for causing an interruption to the core operating system and a loss of company property and personnel.

To support this system, the Company has established the Business Continuity Management Committee, comprised of top executives from each business unit and chaired by the Chief Executive Officer, to oversee the effectiveness and sustainability of the Company's business continuity management.

The business continuity management (BCM) process comprises of 4 main steps



1. **Prepare business continuity plan:**

Prepare a business continuity plan to cope in the event of a disaster in accordance with the objectives of the business continuity management of the core business processes.

2. **Deploy business continuity plan:**

Distribute the approved business continuity plan to all related parties and ensure its understanding.

3. **Conduct business continuity plan practice drills:**

Arrange to conduct business continuity plan practice drills according to the defined schedule and targets; update the plan to make it current and report the results of the practice drills to the commander accountable for the business continuity plan; gain acknowledgement from the Business Continuity Management Committee.

4. **Review & Improve business continuity management system:**

Review and improve the business continuity management system to ensure its effectiveness and alignment with the risk level currently faced by the Company.

AIS's Business Continuity Management Committee has assigned senior executives and the heads of related parties to prepare the business continuity plan to ensure continuation of the critical business processes which have a direct impact on the Company's ability to deliver its Critical Services. It is the responsibility of all management and staff to support the activities related to business continuity management, such as the preparation of the business continuity plan; the allocation of resources according to the business continuity plan, especially in the practice drills; and the review of the plan to ensure the effectiveness of the Company's business continuity management.

In year 2015, AIS conducted business continuity plan practice drills on the continuation of critical business processes, such as coping with a critical situation at our exchange which caused an interruption of our network and services. The Company also reviewed and updated the plan to align it appropriately with the current situation and ensure that the Company is ready and able to respond to and manage a variety of situations in times of crisis.

Internal control & Internal audit

Internal Control

AIS fully understands the importance of internal control system as a mechanism to reduce, manage risks, and prevent events which might negatively affect the Company and its stakeholders. The internal control system contributes to business success through ensuring that operation is effective, resources are being utilized efficiently, assets are properly safeguarded (Operations); internal and external report including financial reports are reliable (Reporting); business practices strictly comply with all relevant regulatory requirements (Compliance). The Board of Directors regularly oversees the internal control system of the Company to ensure that it is effective, efficient, and being conducted continuously.

The Board of Directors applies the "Internal Control - Integrated Framework" which comprises 5 components and 17 principles, developed by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), to the Company and its subsidiaries' internal control systems to promote standard business practices leading to objective achievement at every functional level.

In the Board of Directors meeting no. 2/2016 on 4 February 2016, the directors, which include 4 independent directors, have assessed the adequateness of the Company's internal control system using the assessment form provided by the Securities and Exchange Commission Thailand (SEC) and concluded that the overall internal control system is adequate and effective.

Additionally, the Company's external auditor, KPMG, evaluated the effectiveness of the Company's internal control system in 2015 and concluded that the Company has effective, sufficient, and appropriate internal control system.

AIS Internal Control System comprises 5 Components and 17 principles as follows.

Control Environment

The Board of Directors is aware that control environment is the foundation of the organization's effective internal control system. The Company's good control environment is achieved through vigorous promotion of

integrity and ethical value, leaders being role model in both personal and business conduct, and establishment of clear reporting line and responsibility resulting in personnel understanding what are being expected from them.

The Board of Directors is independent from the Management and has sufficient skills and expertise to oversee the Management. And with board oversight, the Management established organizational structure and reporting line separating them into main operating functions and quality assurance functions to create proper check and balance. Clear delegation and limitation of authorities in both executing and operating level are established. The Management sets targets and performance indicators annually in the business plan and communicated them to the executives and personnel. The targets are revised semiannually to align with the changing environment and competition, reducing excessive pressure to the personnel. The performance results and rewards relating to the business plan are communicated.

The Company's executives and personnel have sufficient knowledge and skills needed for their duties and responsibilities. The Board of Directors conducts succession plan for key executives and personnel to ensure uninterrupted business operation. Human resource development policy is established based on framework of career path, developing both business knowledge and soft skill. The Company also encourages and supports personnel to apply for professional certification such as information security certificates, technical certificates, and international standard certificates.

AIS emphasizes on executive and personnel's commitment to integrity and ethical value, establishing code of business ethics as standard to guide conducts of every executive and personnel. Moreover, the Company has a whistle blower policy, providing separate communication channel to receive complaints on possible fraud and misconducts from both internal and external parties. All complaints are investigated, concluded, used as basis to improve the internal control system, and reported to the Audit Committee and/or the Board of Directors to demonstrate the Company's commitment to integrity, transparency, and responsibilities to every group of stakeholders.

On each year, the Internal Audit office assesses personnel's understanding and adherence to code of business ethics and reports it to the Business Ethics Committee, for re-evaluation the Company's activities to promote business ethics, and to the Audit Committee, for their acknowledgment. In 2015, questionnaires were sent to executives and personnel of the Company, its subsidiaries, outsource and vendor company to assess their understanding in the code of business ethic. The assessment result based on 11,000 employees, and replying outsources and vendors indicated good understanding in the business ethic.

Risk Assessment

Amidst the business environment where uncertainties arises both internally and externally resulting in opportunities or threats to the Company, the Company has risk management policy to ensure that business objectives can always be achieved. The policy establishes risk management framework, define duties and responsibilities in managing risks. Risk management manual is prepared to provide guidance to every level of executives and personnel to manage risk to be within acceptable level. Additionally, the fraud risk management framework is also established to manage risk of fraud from internal and external parties.

AIS sets clear business objectives on the annual business plan with objective areas including service revenue, network quality, customer experience, collection and payment, human resource management, asset management, and regulatory compliance. The objectives are also specified at department and functional levels aligning with the Company's vision, mission, objectives, and strategic directions. The personnel are communicated of the clear objectives including their duties and responsibilities toward those objectives.

Every executive and personnel in the organization is responsible for risk identification and assessment based on methodology stated on the risk management manual; defining acceptable level of risk at corporate and department levels; monitoring the risks to be within the acceptable level. To enable entity-wide systematic risk management at every level, ERM Facilitator staffs are appointed and trained to coordinate and support systematic risk management in each department, prepare risk management plan for their executive to monitor its risk management effectiveness, and promote Control Self-Assessment in their department.

The Company establishes fraud risk management framework which determines procedures, duties and responsibilities, fraud risk assessment methodology, various fraud risk scheme and scenario – internal & external frauds according to ACFE framework's risk categories to guide departments, such as Security

Team, Fraud Management, Procurement, Accounting Department, in identifying and assessing every possible fraud risks.

Risk from significant changes in the telecommunication industry are carefully assessed in order to manage them properly in a timely manner. For example, 4G service was considered to be technology significantly impacting the operation and thus have been classified as a corporate risk to be managed thoroughly.

Control Activities

The Company selects and develops control activities to be appropriate with the specific risk and characteristic of the Company in terms of the business environment, complexity, type and scope of operation, or other specifications. Different approaches of control activities such as manual or automated controls, preventive or detective controls are considered and mixed to manage risks. Responsibility for approving, recording, and asset handling have been considered and segregated to properly create check and balance.

For business process on technology system, the Company selects and develops various general controls over technology to ensure that the technology and IT systems of the Company can always operate without interruption and safe from unauthorized access. The general controls include technology infrastructure controls, security management controls, and technology development and maintenance controls.

AIS deploys its control activities through written policies and procedures which clearly specifies responsible personnel, control timing, error correction protocols to ensure that the control activities are practical and can be carried out accurately. The policies and procedures are periodically revised for appropriateness.

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

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 Company has an internal communication system to relay internal control's objectives, policies, procedures, and accountabilities to every level of personnel. Various communication channels are appropriately selected for the communication efficiency and effectiveness. For examples, there are internal communications via the intranet, newsletters, 'CEO Talk Weekly', 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.

The Company has an efficient communication system for 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

To monitor effectiveness of internal control system, the Company instructs managers and supervisors in each department to continuously assess effectiveness of their internal control system on all 5 components and 17 principles by considering whether important controls are in place (Present), operating continuously and effectively (Functioning) to identify any internal control system deficiencies investigating their causes and remediate them. 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.

When significant internal control deficiencies are identified, the executive has to analyze root cause of the deficiencies to communicate with 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 has to be immediately informed to the Board of Directors.

Internal Audit

The Internal Audit Office reported directly to the Audit Committee who oversees the internal audit's independence, objectivity, integrity, and professional adherence to internal audit standard. The office reports administratively to the Chief Executive Officer.

The Internal Audit's duties include provision of assurance and consulting service through effectiveness and efficiency assessment of internal control system, risk management system, and governance supporting the Company's achievement of business objectives and targets. The internal audit operates under internal audit charter which specifies internal audit mission, scope, authority, duties and responsibilities, and procedure. The charter has been revised for its appropriateness periodically

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

The Internal Audit prepares its annual audit plan aligning with the Company and its subsidiaries' strategic directions and based on risk-based approach focusing on high risks to the Company's operations, objectives, and strategy. Assurance services relating to fraud prevention measures are also included. The Audit Committee approves the annual audit plan, acknowledges audit results, and monitors follow-up of the Management's action plan as recommended by the internal audit.

The Office is another secured channel to report any complaints on possible 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 reported to the Audit Committee quarterly.

The Office promotes and trains the Company and its subsidiaries to understand and effectively implement internal control system; gives consults relating to the SEC questionnaire on internal control; and evaluates internal control system in every audited process based on internal control framework - COSO 2013.

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).

Pursuant to the Company's vision to offer various digital products and services. Information technology systems are crucial and are consistently developed and updated to support changing product and services. The Internal Audit provides recommendations during the development of business systems to ensure that sufficient and effective internal controls are in place before the launch; and provide IT assurance service after the system has been launched. The Office also audits information security management system in the Company per compliance with ISO 27001:2013 standard.

The Internal Audit 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, the office '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.

To keep the internal audit operation of the Company up-to-dated with the international practice, the Office follow update on standards and practices relating to internal control system, risk management, good governance, and other field relating to the Company's business presented by leading domestic and international profession institutes to consider applying them to the Office's operation.

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, staffs in the Internal Audit Office have total of 32 professional certificates which are seven Certified Internal Auditors (CIA), five Certified Information System Auditors (CISA), one Certified Information Systems Security Professional (CISSP), ten Certification in Risk Management Assurance (CRMA), three Certified Public Accountants (CPA), one Tax Auditor (TA), four Information Security Management System Auditor/Lead Auditor certificates (ISO/IEC 27001:2013), and one Business Continuity Management System Auditor/Lead Auditor (ISO 22301). The remaining staffs are studying to acquire 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.

For the fiscal year ended 31 December 2015 and 2014, 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 2015 (Million Baht)		31 December 2014 (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. While a subsidiary has interest expense from long-term debentures.					
	<u>Sales and services</u>					
	1. Service income	0.02	0.93	0.02	0.67	The Company and its subsidiary charge mobile services and handset sale at the same rate as external customers.
	2. Other income	0.56	1.23	-	0.45	
	3. Trade and other accounts receivable	-	0.13	0.01	0.24	
	<u>Purchase of goods and services</u>					
	1. Other service expenses	0.22	0.24	3.62	3.57	The Company and its subsidiary pay service fee and interest expense to INTOUCH at the same rate as others parties.
	2. Interest expenses	-	1.34	-	0.42	
	3. Long-term Debentures	-	37.00	-	17.00	
	4. Trade and other accounts payable	-	-	0.78	0.78	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (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 and subsidiary leases satellite transponder (Thai Com 7) from THAICOM. The contract will effective until 19 November 2017. The Company and subsidiary pays US\$ 1,700,000 per year, moreover it has provides satellite downlink equipment and space for transponder equipment installation. While The Company and its subsidiaries provide domestic and international phone services, and handset sales to THAICOM.					THAICOM is the only satellite operator in Thailand.
	<u>Sales and services</u>					
	1. Service income	1.53	3.54	0.73	2.73	The Company and its subsidiary charge mobile services and handset sales at the same rate as external customers.
	2. Other income	-	0.38	-	0.46	
	3. Trade and other accounts receivable	-	0.15	-	0.04	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	6.87	67.19	58.26	66.37	The Company and its subsidiaries pay service fee to THAICOM at the same rate as external customer and purchase of assets with the bidding price.
	2. Purchases of property and other assets	-	59.19	-	-	
	3. Trade and other accounts payable	-	69.11	9.03	9.03	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (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. <u>Purchase of goods and services</u> 1. Advertising and other service expenses 2. Trade and other accounts payable	10.95 -	26.08 -	25.05 10.28	283.72 95.26	MB is a creative advertising agency with good understanding of the Group's products & services. Furthermore, as a subsidiary of Intouch, we can ensure the confidential of information. The Company and its subsidiaries pay advertising and other service fees to MB at the same rate as other agencies.
* Currently, MB is ceased operations, so these related transactions are occurred in the first half of the year 2015 before ceased operation.						

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (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 information or content on mobile phone such as astrology, lotto and more entertainment through SMS, call center service and pay service fee on monthly basis. While The Company and its subsidiaries provide mobile services and handset sales to TMC.					TMC has a specialization in providing information for content on mobile and call center service.
	<u>Sales and services</u>					The Company and its subsidiaries charge mobile services and handset sales at the same rate as external customers.
	1. Service income	0.42	0.42	1.18	1.81	
	2. Other income	-	0.04	-	-	
	3. Trade and other accounts receivable	-	0.76	0.47	0.47	The Company and its subsidiaries pay service fee (Content on mobile) by the percentage of revenue and outsource call center fee to TMC at the same rate as other parties.
	<u>Purchase of goods and services</u>					
	1. Service expenses	0.99	65.31	3.13	39.12	
	2. Trade and other accounts payable	0.04	7.35	0.12	7.08	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (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. While a subsidiary 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.
	<u>Sales and services</u> 1. Service income	-	0.01	-	0.01	The Company and its subsidiaries charge mobile services at the same rate as external customers.
	<u>Purchase of goods and services</u> 1. Service expenses	0.08	99.60	0.30	88.13	The Company and its subsidiaries pay consultant fee to ITAS depend on the type of work and the level of consultant with the same rate as other SAP consultant.
	2. Trade and other accounts payable	0.33	60.73	-	18.39	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (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 and Network telecom service operator i.e. International Private Leased Circuit (IPLC). While the Company pays the salary and remuneration to Singapore Telecom International Pte Ltd. (STI) for its operational staffs. The expense is charged on an actual basis.					The agreement of International Roaming (IR) with SingTel is under the ordinary course of business and both parties charge each other at the accepted price by deduct profit margin from their customers at the same rate as other operators.
	<u>Sales and services</u>					The Company and its subsidiaries charge IR services at the same rate as other operators.
	1. Service income	150.37	648.84	77.67	434.59	
	2. Trade and other accounts receivable	-	5.43	2.52	19.14	The Company and its subsidiaries pay IPLC fee at the same rate with other operators and pay salary and other remuneration to STI with the actual basis according to the agreement.
	<u>Purchase of goods and services</u>					
	1. Service expenses	1.27	463.64	32.72	470.84	
	2. Salary and other remuneration	72.93	72.93	84.41	84.41	
	3. Trade and other accounts payable	83.35	259.59	30.41	33.17	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (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. While 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.
	<u>Sales and services</u>					
	1. Service income	0.36	12.62	0.65	12.55	The Company and its subsidiaries charge mobile services and handset sales at the same rate as external customers.
	2. Other income	-	6.63	-	5.81	
	3. Trade and other accounts receivable	-	3.08	0.05	3.41	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	2.97	5.22	3.75	8.25	The Company and its subsidiaries pays service fee to CSL at the same rate as other parties.
	2. Trade and other accounts payable	0.29	0.38	0.34	0.77	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (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. While 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.
	<u>Sales and services</u>					
	1. Service income	6.02	9.40	18.89	19.48	The Company and its subsidiaries charge mobile services and handset sales at the same rate as external customers.
	2. Other income	-	0.04	-	0.72	
	3. Trade and other accounts receivable	-	0.02	1.19	1.19	
	<u>Purchase of goods and services</u>					
	1. Service expenses	-	240.14	-	332.23	The Company and its subsidiaries pay service fee (Content on mobile) by the percentage of revenue to ADV at the same rate as other content providers.
	2. Trade and other accounts payable	-	40.54	-	44.83	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
9. DTV Service Company Limited (DTV)/ INTOUCH is an indirect major shareholder.	The Company and its subsidiaries hire DTV to advertising on satellite television, while the Company and its subsidiaries provide mobile services and handset sales to DTV.					DTV has a specialization in media service, content services on satellite television and satellite dish distributor.
	<u>Sales and services</u>					
	1. Service income	0.03	0.07	0.06	0.06	The Company and its subsidiaries charge mobile services and handset sales at the same rate as external customers.
	2. Other income	-	0.03	-	-	
	3. Trade and other accounts receivable	-	0.01	-	0.01	
	<u>Purchase of goods and services</u>					The Company and its subsidiaries pay advertising fee to DTV at the same rate as other parties.
	1. Service expenses	0.10	1.31	0.90	0.90	
	2. Trade and other accounts payable	-	0.17	-	-	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
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 (IR).					LTC, the telecommunications service provider in Laos, provides fixed line, mobile phone, internet, and international roaming services. Roaming price is based on market rate.
	<u>Sales and services</u>					
	1. Service income	0.25	6.62	0.33	5.27	The Company and its subsidiaries charge IR services at the same rate as external customers.
	2. Trade and other accounts receivable	-	1.26	0.07	5.32	
	<u>Purchase of goods and services</u>					
	1. Service expense	0.95	5.68	2.07	12.96	The Company and its subsidiaries pay roaming fee to LTC at the same rate as other parties.
	2. Trade and other accounts payable	0.13	1.09	-	0.56	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
11. Thai Yarnyon Co., Ltd Group (TYT)/ Mr. Vithit Leenutaphong is a joint director.	The Company and its subsidiaries hire TYT to provide car maintenance services and space rental for base station. While the Company and its subsidiaries provide mobile services to TYT.					TYT is a car dealer with specialist in car maintenance services.
	<u>Sales and services</u> 1. Service income	0.16	2.11	0.05	2.48	The Company and its subsidiaries charge mobile services at the same rate as external customers.
	2. Trade and other accounts receivable	0.05	0.31	0.05	0.27	
	<u>Purchase of goods and services</u> 1. Service expense	-	0.35	0.08	0.41	The Company and its subsidiaries pay base station rental fee to TYT at the same rate as another lessor in the nearby area.

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
12. Ookbee Company Limited (OOKB)/ INTOUCH is a direct shareholder, holds 22.26%.	The subsidiary hires Ookbee to provide E-booking application on smartphones and tablets by charging per monthly. While a subsidiary provides mobile services to Ookbee. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Service expenses 2. Trade and other accounts payable					Ookbee is a provider digital publication and E-Booking company such as books, magazines or newspaper on smartphones, tablets and computers. The subsidiary charges mobile services at the same rate as external customers. The subsidiary pays service fee (Content on mobile) by the percentage of revenue at the same rate as other content providers.
		-	0.12	-	0.05	
		-	0.01	-	-	
		-	8.24	-	11.77	
		-	1.32	-	1.46	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
13. Information Highway Company Limited (IH)/ AIS is an indirect major shareholder.	IH provides transmission network and facilities services for installation fibre optic transmission to the subsidiary. While a subsidiary provides mobile services to IH.					IH provides transmission network and facilities services for installation fibre optic transmission.
	<u>Sales and services</u>					The subsidiary charges mobile services at the same rate as external customers and interest income from loan to IH the same rate as other commercial bank.
	1. Service income	-	0.03	-	-	
	2. Interest income	-	2.31	-	1.82	
	3. Short term loan to related party	-	-	-	95.00	
	4. Trade and other accounts receivable	-	0.01	-	-	
	<u>Purchase of goods and services</u>					The subsidiary pays transmission network fee to IH at the same rate as other operators.
	1. Service expenses	-	42.61	-	-	
	2. Interest expense	-	2.79	-	-	
	3. Trade and other accounts payable	-	15.14	-	-	
	4. Financial lease liabilities	-	72.00	-	-	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
14. Computerlogy Company Limited (COML)/ INTOUCH is a direct shareholder, holds 25.01%. *Currently, NTOUCH disposed all of its investment in COML, therefore such transaction is occurred before the disposal date.	The subsidiary provides mobile services to COML. <u>Sales and services</u> 1. Service income	-	0.09	-	-	COML is a provider of software and application development services on online media. The subsidiary charges mobile services at the same rate as external customers.
15. High Shopping Company Limited (HIGH)/ INTOUCH is an indirect major shareholder.	The subsidiary provides mobile services to HIGH. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable	- -	0.03 0.03	- -	- -	HIGH is a provider of digital content services to customer through TV, mobile devices, the internet, and other advertising channels. The subsidiary charges mobile services at the same rate as external customers.

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
16. Krung Thai Bank Public Company Limited (KTB)/ Mr. Krairit Euchukanonchai, an independent Director and Chairman of Audit Committee of the company, was appointed as Chairman of the Executive Committee of KTB on 12 October 2015	KTB provides financial services to the subsidiaries, while a subsidiary provides mobile services to KTB.					KTB is a provider of full financial services such as bank deposit, arranging loan, merchant services and other services.
	<u>Sales and services</u>					
	1. Service income		25.54	-	-	The subsidiary charges mobile services at the same rate as external customers.
	2. Trade and other accounts receivable	-	9.73	-	-	
	<u>Purchase of goods and services</u>					
	1. Interest income from bank deposit	-	0.08	-	-	The subsidiaries receive interest income from bank deposit from KTB at the same rate as other commercial bank.
	2. Bank deposits	-	198.91	-	-	

Related parties/Relation to the Company	Detail of transactions	31 December 2015 (Million Baht)		31 December 2014 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
17. The Siam Cement Public Company Limited (SCG)/ Mr. Kan Trakulhoon, a former President and Chief Executive Officer of SCG, was appointed as an independent Director of the Company, effective from 3 August 2015	The subsidiary provides mobile services and handset sales to SCG.					The subsidiary charges mobile services and handset sales at the same rate as external customers
	<u>Sales and services</u>					
	1. Service income	0.03	1.89	-	-	
	2. Other income	-	0.16	-	-	
	3. Trade and other accounts receivable	-	0.40	-	-	