

Securities Information

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

Top Ten Shareholders

- (a) Top ten shareholders as of 16 August 2018, the latest book closing date for the right to receive dividend, are as follow:

No.	Name	No. of shares held	% of shareholding
1.	INTOUCH HOLDINGS PLC	1,202,712,000	40.45
2.	SINGTEL STRATEGIC INVESTMENTS PTE LTD	693,359,000	23.32
3.	THAI NVDR CO.,LTD. ¹⁾	172,311,185	5.80
4.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	123,721,953	4.16
5.	SOCIAL SECURITIES	81,587,800	2.74
6.	STATE STREET BANK EUROPE LIMITED	52,949,864	1.78
7.	STATE STREET BANK AND TRUST COMPANY	18,601,776	0.63
8.	GIC PRIVATE LIMITED	13,484,873	0.45
9.	VAYUPAK FUND 1 BY MFC ASSET MANAGEMENT PCL.	11,076,400	0.37
10.	VAYUPAK FUND 1 BY KRUNG THAI ASSET MANAGEMENT PCL.	11,076,400	0.37
TOTAL		<u>2,380,881,251</u>	<u>80.08</u>

Note: 1) The information of Thai NVDR Co., Ltd. Can be found the SET website (www.set.or.th). As of 16 August 2018, the shareholders of Thai NVDR are as follows:

Name	Number of NVDR units	Percentage of investment
1. STATE STREET BANK AND TRUST COMPANY	33,779,637	1.14
2. STATE STREET EUROPE LIMITED	19,676,561	0.66
Total	53,456,198	1.80

- (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	Number of shares	Percentage of investment
1.	SINGTEL GLOBAL INVESTMENT PTE LTD ¹⁾	673,348,264	21.00
2.	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED	509,766,840	15.90
3.	THAI NVDR COMPANY LIMITED ²⁾	381,063,676	11.88
4.	SOUTH EAST ASIA UK (TYPE C) NOMINEES LIMITED	137,520,271	4.29
5.	ASPEN HOLDINGS LIMITED ³⁾	102,130,520	3.19
6.	SOCIAL SECURITY OFFICE	44,200,100	1.38
7.	KRUNGSRI DIVIDEND STOCK LTF	32,018,900	1.00
8.	THANACHART DIVIDEND STOCK FUND	31,001,700	0.97
9.	MR. PERMSAK KENGMANA	26,879,500	0.84
10.	STATE STREET EUROPE LIMITED	18,453,828	0.58

Remarks: 1) Singtel Global Investment Pte. Ltd. is an indirect subsidiary of Singapore Telecommunications Ltd.

2) The information of Thai NVDR Co., Ltd. Can be found the SET website (www.set.or.th.)

3) On the list of shareholders provided by the Department of Business Development, Ministry of Commerce, as of 3 January 2019, Aspen Holdings Limited is a company incorporated in Thailand and 99.99% owned by Anderton Investments Pte Ltd., Singapore.

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 31 December 2018)

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

- None -

Dividend Policy

The Company aims to pay dividend at least 70% of consolidated 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.

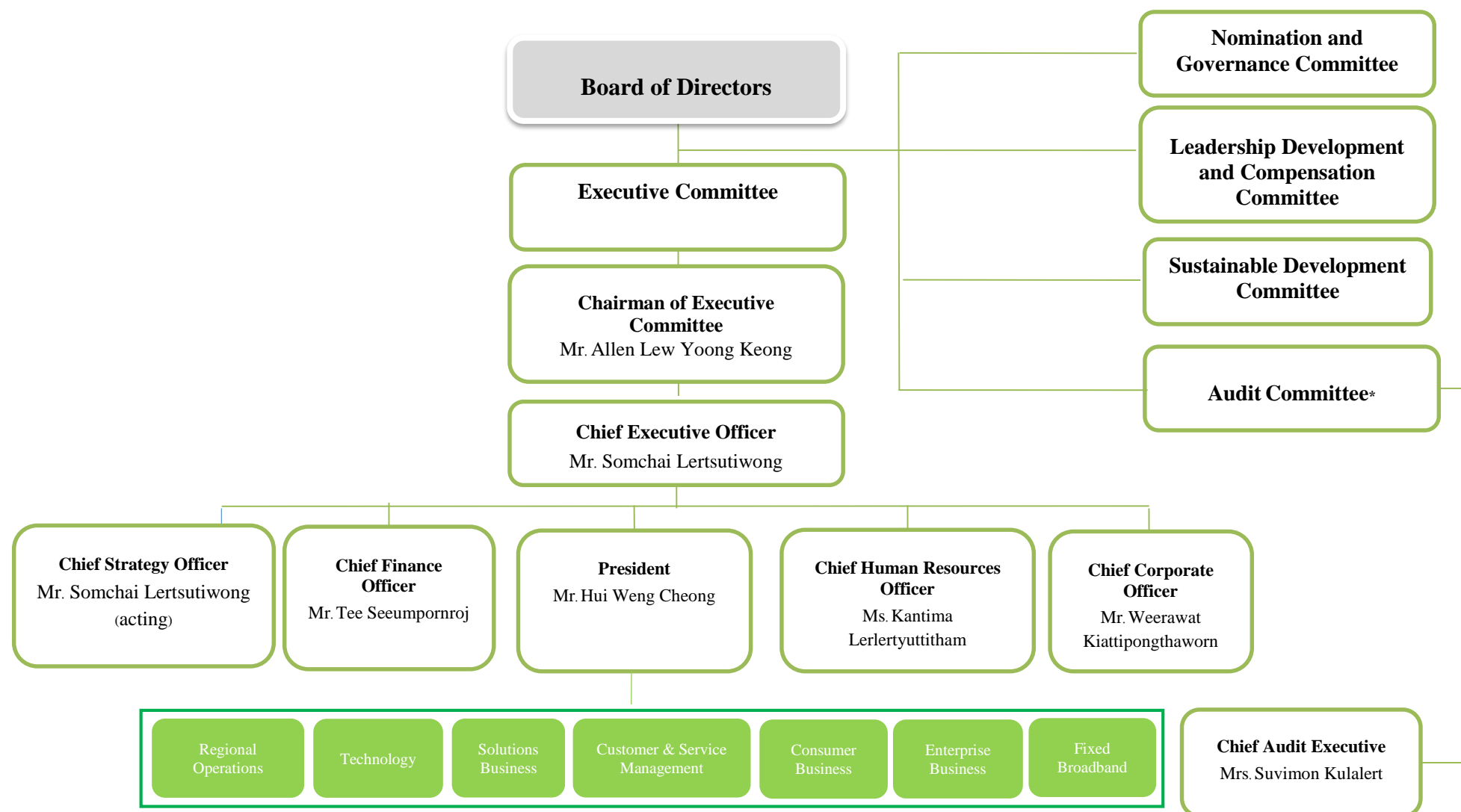
In all cases, dividend payment shall be depending on cash flow, investment plan including any other future obligations of the Company and/or subsidiaries. Such dividend shall not exceed the retained earnings of the Company financial statements nor adversely affect the Company and subsidiaries ongoing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

Historical Dividend in 5 consecutive years is as follows:

Historical Dividend	2014	2015	2016	2017	2018
Total Dividend Payment (Baht per share)	12.00	12.99	10.08	7.08	7.08
1. Interim Dividend	6.04	6.50	5.79	3.51	3.78
2. Annual Dividend	5.96	6.49	4.29	3.57	3.30
Dividend Payout Ratio	99.01%	98.64%	97.72%	70%	71%

Note: 2014-2016 information is based on former dividend policy 100% of net profit, while 2017 - 2018 dividend payout rate is based on current policy 70% of net profit.

Management Structure



*The Board of Directors has resolved to approve the name change of Audit Committee to "Audit and Risk Committee" which is effective on 1 Jan 2019

Board of Directors and Sub-Committees

Name	Board of Directors	Board Committees				
		Audit Committee	Nomination and Governance Committee	Leadership Development and Compensation Committee	Sustainable Development Committee	Executive Committee
Mr. Kan Trakulhoon	Chairman of Board of Directors and Independent Director	-	-	Chairman and Independent Director	-	-
Mr. Somprasong Boonyachai ¹⁾	Non-executive Director	-	-	Non-executive Director	-	-
Mr. Prasan Chuaphanich ²⁾	Independent Director	Independent Director	-	-	Chairman and Independent Director	-
Mr. Surasak Vajasit	Independent Director	Independent Director	Chairman and Independent Director	-	-	-
Ms. Jeann Low Ngiap Jong ^{1,2)}	Non-executive Director	-	Non-executive Director	-	-	-
Mr. Allen Lew Yoong Keong ¹⁾	Non-executive Director	-	-	Non-executive Director	-	Chairman and Non-executive Director
Mr. Krairit Euchukanonchai ²⁾	Independent Director	Chairman and Independent Director	Independent Director	-	-	-
Mr. Gerardo C. Ablaza Jr. ^{1,2)}	Independent Director	-	-	-	Independent Director	Independent Director
Mr. Somchai Lertsutiwong ¹⁾	Executive Director	-	-	-	Executive Director	Executive Director
Mr. Hui Weng Cheong	Executive Director	-	-	-	-	-
Mr. Anek Pana-apichon ³⁾	-	-	-	-	-	Non-executive Director

Remark:

- ¹⁾ Mr. Somprasong Boonyachai, Mr. Allen Lew Yoong Keong, Ms. Jeann Low Ngiap Jong, Mr. Gerardo C. Ablaza, Jr., Mr. Somchai Lertsutiwong and Mr. Hui Weng Cheong are directors who have expertise in telecommunications business. Summary profiles of these directors and executives are shown in [Appendix I](#).
- ²⁾ Mr. Prasan Chuaphanich, Mr. Krairit Euchukanoncha, Mr. Gerardo C. Ablaza, Jr. and Ms. Jeann Low Ngiap Jong are directors who have expertise in account and finance. Summary profiles of these directors and executives are shown in [Appendix I](#).
- ³⁾ Mr. Anek Pana-apichon has been appointed as the member of the Executive Committee replacing Mr. Anant Kaewruamvongs who resigned on 21 January 2019.
- ⁴⁾ Investors can look at the Company's definition of independent director criteria at <http://advanc-th.listedcompany.com/misc/cg/20171122-advanc-qualification-independent-th.pdf> The criteria defined by AIS are stricter than the criteria established by the Securities and Exchange Commission and the Stock Exchange of Thailand.

Meeting Attendance

Name	Meeting Attendance/Total Numbers of Meetings ^b					
	Board of Directors	Audit Committee	Nomination and Governance Committee	Leadership Development and Compensation Committee	Sustainable Development Committee	Executive Committee
Mr. Kan Trakulhoon	9/9	-	-	5/5	-	-
Mr. Somprasong Boonyachai	9/9	-	-	4/5	-	-
Mr. Prasan Chuaphanich	9/9	13/13	-	-	4/4	-
Mr. Surasak Vajisit	9/9	13/13	4/4	-	-	-
Ms. Jeann Low Ngiap Jong	8/9	-	4/4	-	-	-
Mr. Allen Lew Yoong Keong	7/9	-	-	2/5	-	11/11
Mr. Krairit Euchukanonchai	7/9	13/13	4/4	-	-	-
Mr. Gerardo C. Ablaza Jr.	9/9	-	-	-	4/4	9/11
Mr. Somchai Lertsutiwong	9/9	-	-	-	4/4	11/11
Mr. Hui Weng Cheong	9/9	-	-	-	-	-
Mr. Anek Pana-apichon ²⁾	-	-	-	-	-	-

Remarks:

- 1) The meeting attendance includes physical and telephone or video conference participation.
- 2) Mr. Anek Pana-apichon has been appointed as the member of the Executive Committee replacing Mr. Anant Kaewruamvongs who resigned on 21 January 2019.

The Authorized Directors

Any two of the following three directors namely: Mr. Somprasong Boonyachai, Mr. Somchai Lertsutiwong or Mr. Hui Weng Cheong jointly sign with the Company's seal affixed.

The Scope of Authority and Duties of the Board of Directors and Sub-committees**The Board of Directors**

The Board of Directors is the representative of all shareholders, not of a particular group of shareholders. Nonetheless, the number of directors nominated by the controlling shareholders is in corresponding fairly to the shareholding percentage in the Company. The scope of authority and duties of the Board of Directors is as follows:

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 efficiency 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

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

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 Chairman of the Board is an independent director who has not authorizes to sign and bind the Company.

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

The Chairman of the Board of Directors and the Chief Executive Officer shall not be held by the same person and both are competent with the appropriate experience and qualifications for their positions.

Roles of Chairman of the Board of Directors	Roles of Chief Executive Officer
<ul style="list-style-type: none"> • To perform leadership roles of the Board of Directors; • To perform chairperson' roles of the Board of Directors' meeting, the Shareholders' meeting and the Non-executive Directors' meeting; • To collaborate with Chief Executive Officer in setting the Board meeting agenda; • To promote directors' contribution to the company' s ethical culture and good corporate governance; • To promote directors to debate important matters thoroughly; • To coordinate with directors and executives for the constructive relations. 	<ul style="list-style-type: none"> • To formulate and identify vision statement, mission, strategies, business plan and annual balance scorecard (BSC) index propose to the Board of Directors for approval. Monitor the progress against budget and plan as well as report the results to the Board of Directors regularly; • To manage and control the business of the company in accordance with the company's vision statement, mission, strategies, and business plan; • To seek for new business opportunities which are consistent with the company' s vision, direction and strategies; • To reserve and strengthen the capability of competent management team to achieve the company' s goals and strategies. Identify and recruit qualified candidates to succeed senior management; • To coordinate with directors and executives.

The Audit Committee

1. to review the accuracy of the Company's financial reports in accordance with legally defined Accounting Standards and Financial Reporting Standards, and to ensure 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 an 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 interest to ensure they are in compliance with the laws and regulations of Regulators to ensure that all transactions 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 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;
11. to oversee that quality of the Internal Audit be reviewed independently by external assessor once every 5 years;
12. To oversee Anti-Bribery and Corruption Policy and its program to ensure compliance with legal and ethical obligations;
13. 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:
 - (a) an opinion on the accuracy, completeness and credibility of the Company's financial report;
 - (b) an opinion on the adequacy of the Company's internal control system;
 - (c) an opinion on the compliance with the law on securities and exchange, SET's regulations, or the laws relating to the Company's business;
 - (d) an opinion on the suitability of an auditor;
 - (e) an opinion on the transactions that may lead to conflicts of interests;
 - (f) the number of the Audit Committee* meetings, and the attendance of such meetings by each committee member;
 - (g) an opinion or overview comment received by the Audit Committee* from its performance of duties in accordance with the charter; and
 - (h) 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;
14. 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 Securities 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;
15. 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;
16. 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;

17. In performing their duties and responsibilities assigned, the Audit Committee* may engage consultants or experts to provide opinions, advice or work, if necessary;
18. to conduct the Audit Committee's* individual and group self-performance assessment annually;
19. to review this charter annually and propose to the Board of Directors for approval if changes are needed;
20. to perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit Committee

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.

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.

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.

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. 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;
9. Engage consultants or independent persons to provide opinions or advices if necessary;
10. The Committee may ask members of the management or other persons to attend its meetings or provide pertinent information as necessary;
11. 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;
12. 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
13. 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.

Management Team

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

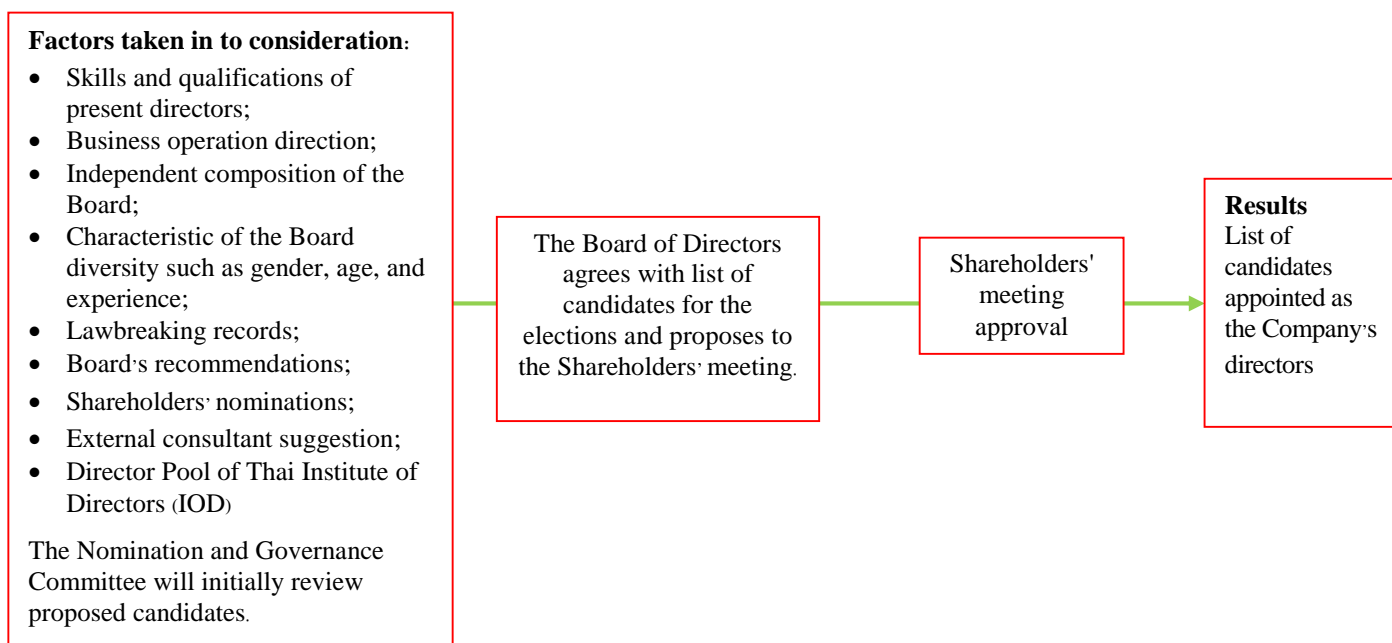
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|-----------------------------------|---|
| 1. Mr. Somchai Lertsutiwong | Chief Executive Officer and Acting Chief Strategy Officer |
| 2. Mr. Hui Weng Cheong | President |
| 3. Mr. Tee Seeumpornroj | Chief Finance Officer |
| 4. Mr. Weerawat Kiattipongthaworn | Chief Corporate Officer |
| 5. Ms. Kantima Lerlertyuttitham | Chief Human Resources Officer |

Remark: Mr. Tee Seeumpornroj was appointed as CFO which is effective from 1 October 2018 replacing Ms. Sunitaya Shinawatra who retired.

Nomination of Directors and Management

Director Nomination

Nomination process



In determining whether to recommend a director for re-election, the director's performance, history of attendance at and participation in meetings, and other contributions to the activities undertaken by the Board of Directors are taken in to consideration. In case of independent directors, their respective independence qualifications shall also be considered. The appointment procedure of the Board members at the shareholders' meeting shall be as follows:

- (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. In 2018, no minority shareholder nominated a candidate for directorship.

Nomination of Chief Executive Officer and Management

The Leadership Development and Compensation Committee shall nominate the suitable person(s) either internally or externally including the preparation of a succession plan relating thereto on the principle of considering the qualified person(s) either internally or externally. The Leadership Development and Compensation Committee may consider hiring professional consultants if required.

In addition, the Company shall prepare the succession plan of the high level head of unit 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.

Term of Directors

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.

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. A new qualified member shall be considered to fill the vacancy for the remaining unexpired term. 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.

Term of Membership of Other Board Committees

- (1) Members of the Board 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.

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.

Directors' remuneration

Total monetary remuneration for the Chairman of the Board of Directors, independent directors, and non-executive directors totaling 7 persons was Baht 29.66 million. The remuneration was paid from 2018 operating results as approved by the general meeting of shareholders, held on 29 March 2018, in an amount not exceeding than Baht 36 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 2015.

Directors' remuneration policy for the year 2018

Director	Monetary Remuneration (Baht)		
	Monthly Retainer	Meeting Allowance	Bonus
The Board of Directors			
• Chairman	300,000	x	✓
• Member	75,000	25,000	✓
Audit Committee/Executive 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 controlling 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 7 directors in year 2018 is as follows:

Name	Position	Monthly Retainer (Baht)	Meeting Allowance ¹⁾ (Baht)	Bonus (Baht)	Others
Mr. Kan Trakulhoon	- Independent Director - Chairman of the Board of Directors - Chairman of Leadership Development and Compensation Committee	3,600,000	-	3,150,000	-
Mr. Somprasong Boonyachai	- Vice Chairman of the Board of Directors - Non-executive Director - Member of Leadership Development and Compensation Committee	900,000	325,000	2,253,600	-
Mr. Krairit Euchukanonchai	- Independent Director - Chairman of Audit Committee - Member of Nomination and Governance Committee	1,200,000	600,000	3,150,000	-
Mr. Surasak Vajasit	- Independent Director - Chairman of Nomination and Governance Committee - Member of Audit Committee	1,020,000	650,000	2,289,000	-
Mr. Prasan Chuaphanich	- Independent Director - Chairman of Sustainable Development Committee - Member of Audit Committee	1,013,333	650,000	2,289,000	-
Mr. Gerardo C. Ablaza, Jr.	- Independent Director - Member of Executive Committee - Member of Sustainable Development Committee	900,000	550,000	2,253,600	-
Mr. Stephen Miller ²⁾	-	765,000	175,000	1,935,224	-
Total¹⁾		9,398,333	2,950,000	17,320,424	-

Remark: 1) The above payments are the transactions during 2018 period including bonus 2018 paid in February 2019.
2) Mr. Stephen Miller resigned from the director of the Company, with effective from 6 November 2018.

Management's remuneration

The Company's compensation philosophy seeks to recognize and reward the executives' performance in implementing the approved business plans and policies. The Leadership Development and Compensation Committee, as delegated by the Board, annually reviews and approves the Executives' Compensation Policy, which incorporates the following key elements:

Pay for performance

- Variable compensation is tied directly to the achievement of Company's strategic targets.
- A Key Performance Indicator (KPI) scorecard is used to measure performance, comprising of financial and non-financial metrics.

Shareholder alignment

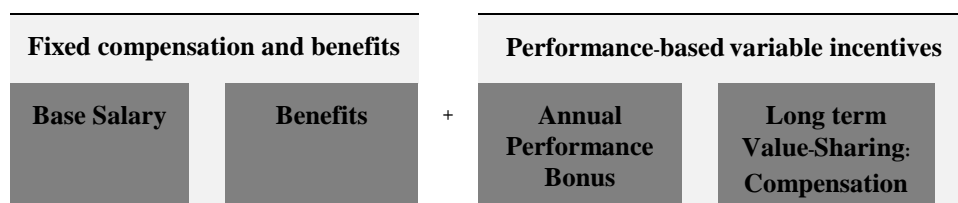
- Appropriate performance metrics are selected for annual and long-term incentive plans that will support business strategies and enhance value for shareholder.
- Appropriate goals are set for threshold, target and stretch levels of performance.
- A sound compensation structure is established to ensure affordability.

Competitive compensation

- Compensation benchmarking helps the Company attract and retain highly experienced and talented individuals.
- A significant proportion of remuneration is linked to performance, both on an annual and long-term basis.

Compensation structure

The compensation provides to CEO and Executives, as approved by the Board, consists of the following components:



Fixed compensation and benefits

Base Salary

- The level of base compensation reflects each associates key responsibilities, job characteristics, experience and skill sets. It is paid in cash, monthly. Base compensation is reviewed annually, and any increase reflects merit based on performance, as well as market movements.

Benefits

- The primary purpose of benefits is to establish a level of security for employees and their dependents with respect to age, health, disability and death. The provident fund, insurance plans, and other welfare provisions are in line with market practices and legislative requirements.

Performance-based variable compensation

Annual Performance Bonus

- Provides a variable level of remuneration dependent on short-term performance against the annual plan, as well as relevant market remuneration benchmarks. The performance bonus is tied to annual Key Performance Indicator (KPI) and weights the various scorecard measures in order to determine overall company and individual performance evaluations and bonus awards.

Long term Value-Sharing Compensation

- Long term Value-Sharing Compensation focuses on a long-term incentive that reinforces the delivery of sustainable growth and increase shareholder value as well as retain key management position. The incentive scheme is intended to drive fundamental performance and business decision that align the interest of shareholders and executives based on the economic profit, absolute total shareholder return, and relative total shareholder return. The compensation is based on three-year performance period and has three-year vesting period. Such award is also subjected to clawback policy in cases such as misconduct, resignation or termination of employment.

Company's Compensation Structure

CEO	Executives	All Employees	Description	Link to compensation principle

Base Salary	✓	✓	✓	Cash - all employees	Attract and retain high quality employees and provided for ongoing performance and delivery in position
Benefits	✓	✓	✓	Provident Fund, Life & Health Insurance	Establishes a level of security for employees.
Performance Bonus	✓	✓	✓	Cash - all employees	Performance-based compensation that reward employees on annual to individual performance
Long term Value-Sharing Compensation	✓	✓		Cash - Executive	Drive sustainable growth and align the interest of shareholders and the executives based on total shareholder return and economic profit performance of the Company

In 2018, the total amount of remunerations for four (4) executives of the management team was calculated at Baht 52.54* million comprised of salary, bonus, provident fund and other benefits.

Remark: *The total remuneration for management in the amount of Baht 52.54 million includes Ms. Sunitaya Shinawatra's remuneration as CFO during the period from 1 January 2018 - 30 September 2018.

The Company has issued warrants as part of the long term performance-base incentive from 2013 to 2016. The top 4 executives, defined by the notification of the Office of Securities and Exchange Commission, were granted the warrants as follows.

Name			The Amount of Warrants (unit)										
			2017	% of total warrants	2016	% of total warrants	2015	% of total warrants	2014	% of total warrants	2013	% of total warrants	Total
1.	Mr. Somchai Lertsutiwong	Units	88,700	6.3	56,800	6.87	51,600	5.92	29,816	4.38	19,824	4.89	246,740
2.	Ms. Sunitaya Shinawatra	Units	35,440	2.5	11,900	1.44	11,890	1.36	11,020	1.62	6,864	1.69	77,114
3.	Mr. Weerawat Kiattipongthaworn	Units	44,300	3.1	30,200	3.65	30,174	3.46	27,116	3.99	19,864	4.90	151,654
4.	Ms. Kantima Lerlertvutthitham	Units	44,300	3.1	33,200	4.01	0	-	0	-	0	-	77,500

Company Secretary

Mr. Chavin Chaivatcharaporn has been assigned to perform duties in accordance with Section 89/15 of the Securities and Exchange Act B.E. 2535 (1992) and to give advice to the Board of Directors in order to comply with relevant rules and regulations pertaining to responsibilities of directors. In this regard, Company Secretary also ensures that the Company acts in accordance with the Board of Directors' resolution as well as ensures that the Board of Directors acts in compliance with related laws and Notifications.

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.

Personnel

As at December 31, 2018 the Company and its subsidiaries consisted of 12,552 employees (including temporary staff).

The Company		AMP / ADC / AIN / WDS / SBN / AWN / FXL / MMT / ADD / ABN	
Key departments	Employees (persons)		Employees (persons)
Corporate Finance and Accounting	243	AMP	39
Human Resource	211	ADC	-
Internal Audit	49	AIN	22
Corporate Strategy	54	WDS	380
Executive Office	17	SBN	39
Company Secretary	8	AWN	6,840
Business Relations & Development	20	FXL	131
Legal	40	MMT	1,507
Cyber Security and Information Resilience	40	ADD	2
Organization Transformation	17	ABN	7
Total	699	Total	8,967

ACC		DPC	
Key departments	Employees (persons)	Key departments	Employees (persons)
MD-ACC Office	4	Executive Office	3
Contact Center - Bangkok	1,384		
Contact Center - Nakhon Ratchasima	684		
Contact Center - Operation Development	66		
Contact Center Platform	38		
Human Resource Contact Center	33		
Quality Assurance & Complaint Management	73		
Human Resource Development	578		
Strategic Planning & Analysis	23		
Total	2,883	Total	3

In 2018, the total amount of compensation for all employees of the Company and its subsidiaries was Baht 7,537.66 million, comprising salary, bonus and provident fund payments. Further details of remuneration policy are shown in AIS Sustainability Report 2018.

Corporate Governance

Award of Achievement 2018

- Received “Excellent CG Scoring” from Corporate Governance Report of Thai Listed Companies 2018 by Thai Institute of Directors Association.
- Received “Best Investor Relation Awards” for 7 consecutive years from SET Awards 2018.
- Received the full score of 100 based on the evaluation of the quality of the Annual General Meeting of Shareholders held in 2018 from the Thai Investors Association.
- ADVANC was selected as one of the Thailand Sustainability Investment for 4 consecutive years by the Stock Exchange of Thailand (SET)

Corporate Governance Policy

Corporate Governance Policy of AIS adheres fundamentally to laws and developed to be transparent, reliable and acceptable in line with best practice of good corporate governance and sustainability growth, both domestic and international level which can be divided in to 5 sections.

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

The Corporate Governance Policy was adopted in accordance with the Corporate Governance Code 2017, Corporate Governance Report of Thai Listed Companies (CGR) by Thai Institute of Directors Association, ASEAN Corporate Governance Scorecard (ASEAN CG Scorecard) and DJSI indices (Dow Jones Sustainability Indices) with the supervisory process as per the following.

- To monitor by Nomination and Governance Committee
- To approve by the Board of Directors
- To be complied by directors, executives and employees of the Company and subsidiaries.
- To be reviewed at least once every year.

The Company’ Corporate Governance Policy has been reviewed by Nomination and Governance Committee agreed on 29 October 2018 and approved by the Board of Directors on 12 December 2018.

1. To limit the number of external directorship in other public listed companies of each director to be not exceed four.
2. To determine that directors’ performance assessment shall be conducted by an independent third party at least once every three years.
3. To determine that all directors are expected to attend a minimum of 75% of regularly scheduled board and committee meeting.
4. To expand Audit Committee’s scope of work so as to cover the risk governance.
5. To determine the board composition in term of diversity to include gender, race, country of origin and nationality as well as taken an independent and qualified female candidate into consideration when nominating an independent director.
6. To determine that the majority and Chairman of the Leadership Development and Compensation Committee shall be independent board members.

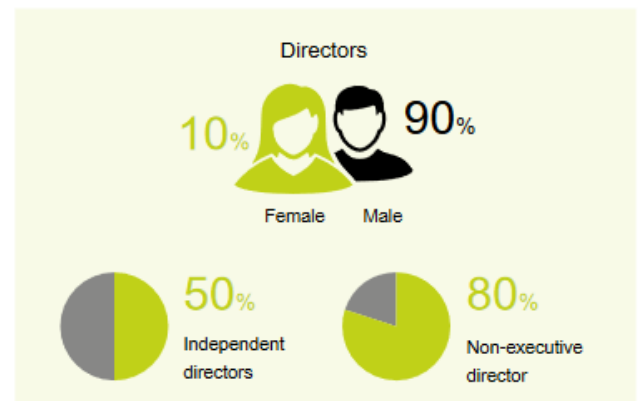
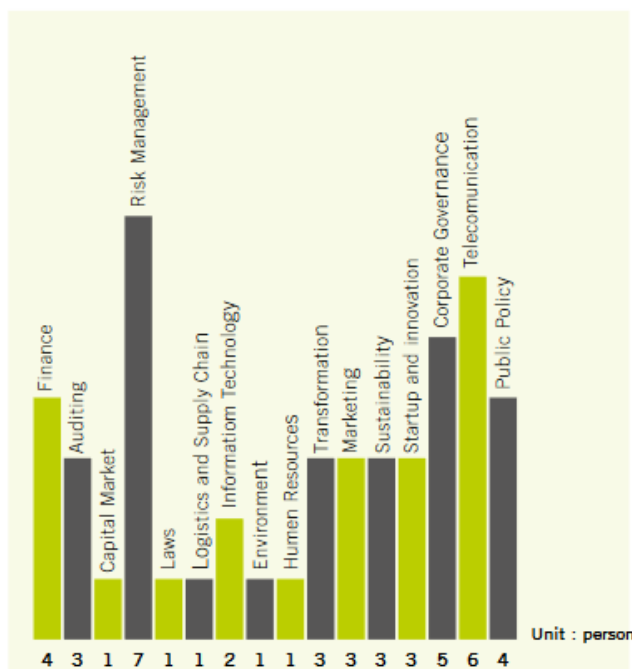
7. To communicate AIS's code of business ethics and anti-corruption policy further to AIS staff's families including promote ethical business operation of AIS's joint ventures.

Shareholders may further study all of these policies on "<http://advanc-th.listedcompany.com>" under Corporate Governance section.

Performance Report on Corporate Governance for the year 2018

Section 1: The Board of Directors

1. The Board of Directors is the experts who have a strong leadership and vision aiming to lead AIS to be an acceptable digital service provider. The Board has set up vision and mission of the Company so as to lead the management in formulating strategies and long-term goals and reviews and monitors this matter annually. The Board of Directors monitors and supervises the implementation of the Company's strategies. The performance and the operating results of the company especially in terms of financial goals and plans are required to report to the Board of Directors' meeting in every quarter in order to ensure the fully in line with stipulated strategy. In addition, in 2018, the Board of Directors has reviewed the vision, mission and strategy of the company (Strategic direction) in to be consistent with the changing circumstances and the business operations of the Company.
2. Composition of the Board of Directors is diversifying from experiences, education, gender, race, country of origin and nationality. Additionally, more than half of the Board of Directors is composed of independent directors and non-executive directors. As such the board would be able to make decisions independently as a representative of all shareholders and balance the power of management.



3. In term of power separation, the Chairman of the Board of Directors: Khun Kan Trakulhoon, an independent director, and Chief Executive Officer are not the same person nor have any genetic or personal business relationship. The Board of Directors has mandated the

segregation of the roles and responsibilities of the Chairman of the Board and Chief Executive Officer explicitly in Corporate Governance Policy. Nonetheless, apart from such segregation, AIS has set the separation of roles and responsibilities between the Board of Directors and management.

In any case, the Board of Directors encourages the directors and management forming a good relationship on the culture of respect for each other's roles and responsibilities in coordination under good governance principle.

4. Independent Director qualification has been defined stricter than criteria stipulated by laws such as holding shares not exceeding 0.5 percent, not 1 percent as required by law, of the total number of voting right of the Company, its parent company, subsidiary, and juristic person which may have conflicts of interest, including the shares held by related persons of the independent director Shareholders may further study AIS's independent director eligible qualification at <http://advanc-th.listedcompany.com> on Corporate Governance section: "Governance Policy".
5. The Board meeting was scheduled in advance. The Company Secretary will circulate notice and the supplement documentation to the Board at least seven (7) days before each meeting so that each director shall have sufficient time to analyze the information in advance. 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 agenda item. At every Board meeting, high level managements are encouraged to attend the meeting to receive suggestion from the Board.
AIS has set up a video conference system and developed the channel to submit meeting documents via the Board Portal which is a secure electronic channel to enhance the efficiency of the meeting and to facilitate directors to attend the conference. In case of there being no Board's meeting in any particular month, the Company Secretary will provide the Board with the monthly operating report for their acknowledgement.
6. In 2018, one Non-Executive Directors Meeting was held independently without presence of executive directors and management. There were discussions on issues related to risk management, aggressive business competition and human resources development. After the meeting, the results of the meeting were reported to the Board of Directors and Chief Executive Officer for acknowledgement.
7. Directors and executives shall submit report declaring the nature and extent of their interests related to the Company and its subsidiaries when they assume the position as directors or managements and when there is any change. Therefore, the Company shall have sufficient information to practice in accordance with the rules on connected transactions. The Company Secretary shall present the report of interest arising or changing as well as report ownership of all securities issued by the Company to the Board of Directors' meeting on a quarterly basis.
8. 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.

Apart from Chief Executive Officer, our Human Resources Department has formulated the succession plan and strategies in order to manage our diversified groups of talent as well as determine Corporate KPI. The details of the succession plan are listed in the Sustainability Report.

9. The Company Secretary shall act as the coordinator between directors and the management team. While the Internal Audit Office shall act as the coordinator between audit committee and management team. The Company shall not obstruct communication between directors and management. However, this access and communication shall not interfere with or interrupt the Company's normal business operations.
10. The Leadership Development and Compensation Committee (LDCC) has been authorized by the Board of Directors to consider and review a policy and structure of director's remuneration. The LDCC has considered remuneration policy by taking into consideration of directors' roles and responsibilities, remuneration payment by comparing to industry standards and companies of a similar size, the Company's performance and direction as well as individual performance of each director. The details of the directors' remunerations are listed in the "Management Structure".
11. A newly-appointed director will be provided with all necessary business information about the Company required to perform their fiduciary duties. In this regard, in organizing the director orientation, the management has been invited to present a summarized roles and responsibilities of each business unit, practices in compliance with relevant laws and regulations such as roles and responsibilities of the board of directors of listed company, trading AIS securities procedures of directors, executives. In 2018, the Company did not recruit any new directors.
12. AIS also places a great emphasis on continuing training and development provided to all director, executives, and company secretary, paid for by the Company. In 2017, the training programs and activities are listed below:

Training Program/Activity	Objectives	Participants
Board Trip to Republic of Korea and the United States of America for learning innovation	To provide an opportunity for the board to develop innovations and technologies	Khun Kan Trakulhoon Khun Somprasong Boonachai Khun Krairit Euchukanonchai Khun Surasak Vajasit Khun Prasan Chuaphanich Khun Allen Lew Yoong Keong Khun Jeann Low Ngiap Jong Khun Somchai Lertsutiwong Khun Hui Weng Cheong

Training Program/Activity	Objectives	Participants
Director Accreditation Program (DAP 146/2018) arranged by the Thai Institute of Directors (IOD)	To provide an opportunity for the board to gain knowledge and understand principle of good corporate governance, rules and regulations including roles and duties of the board on good corporate governance implementation.	Khun Gerardo C. Ablaza Jr.
Chairman Forum 2018: "Digital Transformation – A Must for all Companies"	To provide an opportunity for the board to develop innovations and technologies	Khun Kan Trakulhoon Khun Prasan Chuaphanich

13. The Board of Directors and all board-committees shall evaluate their own performance (Self-assessment) as individual and as a group on an annual basis. The assessment form covers the board structure, director's qualification, roles, duties and responsibilities, meeting attendance, self-development and relationship with the management with the following objectives:

- 1) To help review and consider the performance, issues, and obstacles of the past year;
- 2) To help improve the effectiveness of the Board and to raise awareness of the scope of responsibility;
- 3) To help improve the relationship between the Board and management.

Procedure

1. The Company secretary proposes the form to directors every year.
2. Then gather and report the result of assessment to the Chairman of Board of Directors and the Chairman of each subcommittee for consideration so as to study and jointly analyze result of assessment and to determine development direction for director's performance.

The Board views that their performance evaluation of the year 2018 as individual and as a group is in accordance with the Board's charter and good corporate governance principles. In 2018, the Board agreed with the policy to hire an independent third party to conduct the Board assessment and the assessment results shall be a guideline to develop the performance of the Board of Directors to be more efficient.

14. The Leadership Development and Compensation Committee is responsible for setting CEO performance targets and evaluating performance against the annual targets and long-term goal in order to determine the CEO's compensation. The details of the directors' remunerations are listed in the "Management Structure".

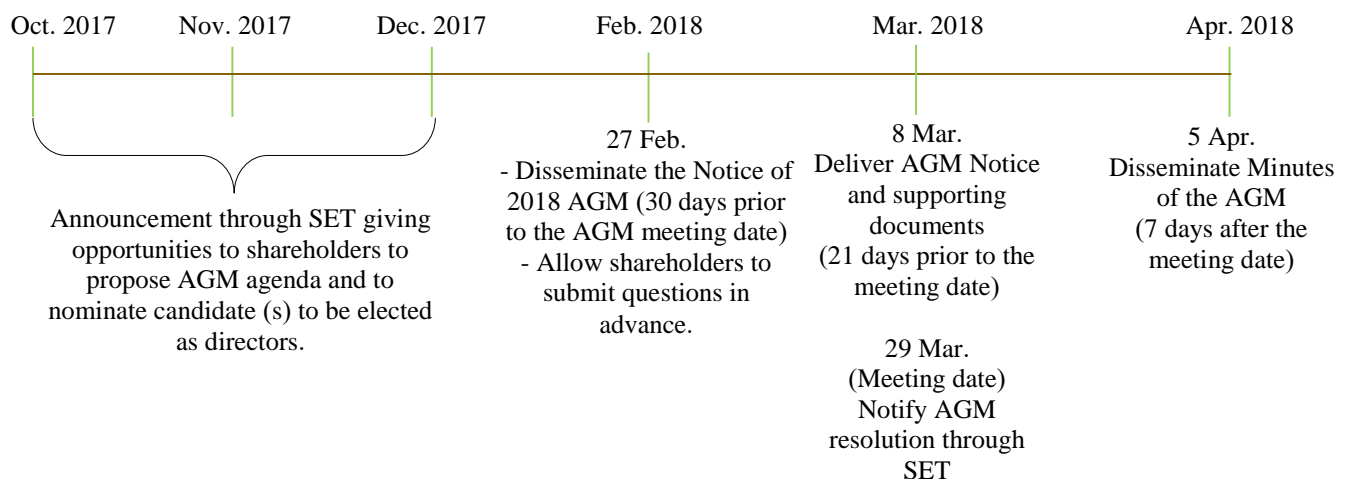
Section 2: Rights and Equitable Treatment of Shareholders

AIS respects the shareholders' rights and treats to all shareholders equally, including the right to approve and receive dividend at the same rate per share, right to purchase, sell, and transfer of their own securities independently, do not intervene in market transactions, right to nominate, appoint and dismiss directors, right to appoint independent auditors and fix annual audit fee, right to express

opinion in the shareholder's meeting independently, right to participate in deciding and approving concerning major corporate action which affect AIS's financial statement and operating result .

In addition, apart from aforementioned right, AIS also arranged various activities to support its shareholders. Key actions are being summarized as follows:

1. Disclosing important information related to operations, execution of transactions, quarterly and annual financial result through website of the Company and SET so as to facilitate shareholders to access the Company's performance data in a variety of channels and a timely manner.
2. Establishing the investor relation department to be function as the center of communication between shareholders and the Company, to provide an opportunity for minor and institutional shareholders to raise questions and to recommend matters deemed as beneficial to the management as well as suggest useful information for investment decisions, participate in Opportunity Day organized by SET on the quarterly basis in order to meet with investors and to present the Company's performance result and engage in Road Show to meet up with domestic and foreign institutional investors.
3. Announcing the " Securities Trading Policy for Directors, Executives and Employees" to prescribe rules and guidelines related to securities trading for directors, executives, and employees, and to prevent the use of inside information that has not been publicly disclosed for their own interest and/or related persons. In this regard, the policy encompasses the securities of AIS and Intouch Holdings PCL., a listed company and a major shareholder of AIS.
Further, the Company also identifies persons, who are in the position or duty that have access to or possess inside information (Designated Person). This group of persons is prohibited to trade, or accepts transfer AIS and Intouch's securities during the thirty (30) days period prior to the disclosure of quarterly and annual financial statements including any other period occasionally announced. Directors, Executives, and Designated Person are obliged to file report on their securities holding including those held by their spouse and minor children and any changes thereto with Compliance Department within three (3) working days as from the date of such changes.
4. Practicing in relation to the conducting Annual General Meeting of Shareholders.



- 4.1 Preparing the notice of AGM and supporting documents both in Thai and English version. In this regard, shareholders could acknowledge and understand information thereto that will be presented to shareholders accurately and equally. The Company has provided clarification relating to documents and evidence that shareholders shall bring to attend and vote at the Meeting including those for attaching to the proxy. The description was prepared in a manner there is easy to understand by classifying the participation into categories such as attending in person or by proxy, as well as individual or juristic person. In this regard, the requirement is applicable to the law for identifying shareholders and proxy but not to restrict the shareholders' right or to create unnecessary burden.
- 4.2 Appointing three (3) independent directors served as proxies namely Khun Krairit Euchukanonchai and Khun Surasak Vajait and Khun Prasan Chuaphanich for a shareholders inconvenient to attend the meeting in person.
- 4.3 Establishing procedure of examination of the details of shareholding and submission of the proxy form in advance to facilitate institutional shareholders and custodians as they were taking care of a large number of shareholders. In case institutional shareholders and custodian, who grant a proxy to the independent directors, the Company will send a copy of proxy form having a signature of independent director to the institutional shareholders and custodian after the meeting in order to use as evidence documents.
- 4.4 Utilizing the barcode system to quickly and accurately facilitate the registration and vote counting. The registration counters were set up and segregated for minority shareholders and institutional shareholders. In addition, the Company assigned adequate staffs and other amenities to facilitate shareholders (i.e. copy machine, duty stamp, and signage for registration process). In this regard, the Company conducted a survey on the satisfaction of shareholders with regard to the quality of the AGM to again feedback on how to improve in the following year.
- 4.5 The Board had scheduled the AGM on March 29, 2018 which is not a holiday or a weekend and the meeting time was appropriate. The venue of AGM was at Centara Grand Central Plaza Ladprao which is convenient in terms of transportation and access and is appropriate to accommodate large numbers of shareholders.
- 4.6 The Chairman of the Board of Directors and the Chairman of all Sub-committees including Chief Finance Officer and Senior Executives attended the meeting so as to address and clarify any queries or concerns of the shareholders.
- 4.7 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 make 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.
- 4.8 Company Secretary, the moderator, has notified to the shareholders, who participated in the meeting in person and or with proxies, the amount of participants, procedure of the meeting, casting votes and vote counting.

- 4.9 The Company issued voting cards for each item on the agenda. For the director appointment item, the voting related thereto was organized on an individual basis. Independent legal counsel was also engaged to examine vote counting process in order to ensure accuracy and reliability of vote counting process.
- 4.10 Chairman of the meeting regarding the voting results for each agenda item and there was no objection in relation thereto from shareholders.
- 4.11 The Company Secretary prepares the minutes of the meeting and posts them on the Company's website within seven (7) days after the meeting date. The minutes cover all material facts in compliance with the good corporate governance of the Stock Exchange of Thailand such as list of director and management who participated in the meeting, resolution of the meeting, issues, queries and recommendations of shareholders and clarification of director/management.
5. AIS provides channels for stakeholders to inquire, suggest, or file any complaints to the Board of Directors through:

Department	Address
Company Secretary Office, Corporate Compliance and Ethics	Advanced Info Service Public Company Limited 414, 28 th 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

The Company Secretary will forward all suggestions, complaints or reports to the related departments and all actions taken with respect to the abovementioned shall be reported to the management and the Board of Directors including notify the results to relevant stakeholders. In case of fraud and breaches against the Code of Business Ethics, the Company shall conduct the investigation of such misconduct or fraud in compliance with reporting and investigation of misconduct and or fraud and whistleblower protection policy.

For other matters, stakeholders may directly contact responsible departments such as Community Relation who is the intermediate responsible for listening to suggestions and promoting relationship between the Company and communities as well as non-profit organization while Business Relation who acts as the intermediate and spokesperson between the company and telecommunication regulatory agency.

6. AIS is aware of the rights of every group of stakeholders, irrespective of whether they are customers, partners, communities, society, or the environment. As a result, the Company has established guidelines on how to treat for all stakeholders according to the law and the sustainable co-existence principle pursuant to the Company's sustainability development strategy, Code of Business Ethics, human resource management policy and other relevant policies of the Company. Additionally, the Company also designates appropriate guidelines, internal control systems and anti-bribery and corruption policy to prevent corruption in the organization and fulfill fair benefit to every stakeholder. In this respect, the shareholders can study the guidelines from Section 5: Code of Business Ethics and the sustainability development report 2018.

Section 3 Disclosure of Information and Transparency 1. The Company discloses the Company's financial and non-financial information, such as article of association, memorandum of association, risk management policy, financial statements, and analysis and performance report, in accordance with the relevant laws and regulations accurately, completely, punctually, and transparently to all shareholders and investors. As such, the investors can have confidence in the Company's reliability and integrity. "Disclosing information policy" of AIS applicable to changes in the social context, AIS adheres strictly to three (3) principles as follows:

- 1.1 Compliance with all legal and regulatory requirement;
 - 1.2 Transparency and accountability
 - 1.3 Fair and equitable access to information
2. The Company set up an Investor Relations Department to be responsible for communicating material information to shareholders, investors, analysts and other stakeholders. In addition, the Company set up a Compliance Unit to ensure that all material information of the Company is properly disclosed through various channels in accordance with disclosing information policy to disclose information accurately, sufficiently, in a timely manner and regularly as well as not to disclose or inform confidential or insider information to any persons prior to the public disclosure through SET channel. The details are listed in the "Investor Relation" in 2018 Annual report.
 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. The Board of Directors and executives of AIS shall report their shareholding of the Company including those held by their minor child and spouse including unmarried spouse as well as submit report of the change in securities holding sending to Compliance within 3 working days.
 4. The Board stipulated the rules and procedures for reporting the declaration of directors and executives' interests since 2008 so as to provide AIS with necessary information in order to monitor interests and transactions that may cause conflict of interests of directors and executives. This policy encourages the Company's directors and executives to exercise their duties of care, integrity and honesty and to avoid any conflict of interests by disclosing their interests, including those of their related persons when entering into any transaction with the Company and its subsidiaries and abstain from expressing any comment and casting vote considering such transaction.
 5. The Board of Directors and executives of AIS shall report their shareholding of the Company including those held by their minor child and spouse in the annual report.
 6. When executing connected transaction, AIS abides to Notification of Capital Market Advisory Board, and discloses the information in accordance with SET's regulations and Thai Accounting Standards so as to execute such transaction accurately and transparently with the best interest for the Company as if the Company executes transaction with other third parties (Arm's length basis) and is in compliance with the good corporate governance principles. The Board of Directors has approved "Connected Transaction Policy" and assigned Compliance Department to be responsible for communicating, supervising and disclosing the information when executing transactions to the Stock Exchange of Thailand and in the annual report. Such details are demonstrated on page 35.

Section 4 Internal Control and Risk Management Systems

As the Board considers the internal control, audit and risk management systems crucial for protecting the shareholders' investment capital and the Company's assets, it has therefore set up relevant policies, measures and supervising departments. In 2018, the Board approved the expansion of Audit Committee's scope of work so as to cover the risk governance and approved the name change of Audit Committee to Audit and Risk Committee. The details of which are listed in the "Internal control, internal audit and risk management".

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.
10. Communicate code of business ethics and anti-corruption policy further to AIS's subsidiaries and joint ventures.

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

Section 5 Code of Business Ethics

Further, in order to ensure that AIS's operation and the performance of employees in the organization are honestly and ethically in accordance with laws and regulation which is the heart of sustainable business, the Board of Directors established "Code of Business Ethics" comprises of 12 chapters ranging from responsibility to stakeholders, prevention on conflict of interest, respect for human right as well as compliance with the laws and regulations. The Ethic Committee has been formed and comprising of Chief Executive Officer (CEO) as chairperson and other executives. This Committee acts as a driving force and integrates the ethics into corporate culture. Shareholders may further study the Code of Business Ethic on the company's website: http://advanc-th.listedcompany.com/governance_policy.html

AIS provides confidential channels for staff and outsiders to inform any suspicion or concerns on unethical actions to the Board of Directors which includes investigation procedure and whistleblower protection measure under “The Reporting and Investigation of Misconduct and/or Fraud and Whistleblower Protection Policy”. The Board of Directors assigned Ethic Committee to communicate the policy to everyone through channels and activities such as email, intranet, billboards, announcements and internal campaigns.

The 2018 operation to promote business ethics can be summarized as follows.

- 5.1 Communicating and arranging both online and offline seminar, media and communicating through agents who contact with business partners by emphasis on 3 matter comprises of giving and accepting bribery and corruption, procedure in receiving assets from business partners or any persons who have business relationship with the company either directly or indirectly.

	Number of Employees/Companies Being Communicated or Engaging Seminar (%)		
	Communicating through letters or public relation medias	Online and offline seminar	Communicating through other channels such as notification through agents who contact with business partners
AIS employees	100	99.08	-
Business partners	100	90.44	Communicate through sales agents -
Subsidiaries	100	99.08	-
Affiliates	60	40	Proposed to the Board of Meeting for acknowledgment

- 5.2 Conducting the assessment on level of understanding of the Code of Business Ethics of employees, business partners and joint ventures to assess the level of understanding and the effectiveness of the project in order to improve and develop continuously. In 2018, the employees (including executives) have harmoniously cooperated to take the ethic test which is accounted for 99.88 percent of total employees. The average score is 87.16 percent of total scores which is close to the expectation 90 percent of the total scores.
- 5.3 The Business Ethics Committee has provided opportunities for employees to address and clarify any queries concerning the business ethics of the Company. The employees can contact the committee by e-mail at ethicclinic@ais.co.th In 2018, there are 4 breached situations/circumstances against code of business ethics, detail is shown below:

Case	Unethical Conduct	Company Action
1	Employees accept personal benefit from business partner of the company in the form of package tour discount.	After investigation by the Business Ethics Committee, Internal Auditor, Legal and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations by written warning, temporary suspension of employment without pay as the case may be.
2	Employees had conflict of interests to be the Company's contractor without notified to the Company. In some case, such employee involved in the procurement process.	After investigation by the Business Ethics Committee, Internal Auditor, Legal and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations by verbal and written warning, degrading annual performance evaluation, lessening annual bonus, temporary suspension of employment without pay.
3	Employees disclosed customer data for the personal benefit without consent from the customer. In some case, employees present information about products and services that do not really exist and then bring money from customers to use personally.	After investigation by the Business Ethics Committee, Internal Auditor, Legal and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations by dismissing without pay.
4	Employees use the company's assets for personal gain.	After investigation by the Business Ethics Committee, Internal Auditor, Legal and Human Resources Management, disciplinary punishment was imposed in accordance with the Company's regulations by verbal and written warning, temporary suspension of employment without pay or notice in advance and dismissing without pay.

Human Rights Policy

AIS recognizes the importance and respect for the rights, freedom and equality of all people which is the basic virtue of working and living together in society. In the previous year, the Board of director has issued a policy on human rights to be the operational guideline of AIS's business partners and all stakeholders throughout the business value chain ranging from duties and responsibilities of person in each group, employee treatment, lawful labour, and not participating in any actions violating to human rights, determining guidelines for monitoring operational activities and assessing human rights risk from business operation.

Human rights policy of the Company is in conformity with United Nations Universal Declaration of Human Rights (UNDHR) and The International Labor Organization (ILO). The policy can be found at http://www.ais.co.th/sustainability/policy/thai/Human_Rights_Policy_TH.pdf

Anti-Bribery and Corruption Policy

The Company intends to operate its business with a sense of honesty, transparency and is in accordance with good corporate governance principles. The Company is also against any types of giving, bribing and corruption by recognizing that giving or bribing and corruption is a serious threat that destroys free and fair competition including causes damages to the economic and social development. In this regard, the Board of Directors recognizes the importance and consideration of Anti-bribery and Corruption Policy in order to use as the guideline for performing duties of directors, executives and employees and to comply with the rules and guidelines as well as to prevent the company and directors, executives, employees and other stakeholders from violating the law concerning anti-bribery and corruption. The policy can be found at http://advanc-th.listedcompany.com/anti_bribery.html

On November 5, 2018, AIS received the renew certification from the Thai's Private Sector Collective Action Against Corruption (CAC). The certification period is 3 years from the first day re-certified. This certificate confirms that AIS and AIS Group of Company's personnel not to undertake or engage in any form of corruption either directly or indirectly provided that AIS and AIS Group of Company's personnel shall strictly comply with the Anti-Bribery and Corruption guidelines which encompasses several operations such as charitable donation and sponsorship, human resource management, etc.

In addition, AIS has communicated its Anti-Bribery and Corruption Policy to AIS's subsidiaries, joint venture and other controlling companies, business partners and stakeholders including the public via various communication channels such as email, website, social intranet, exhibitions or inclusion in the Board's meeting agenda, etc., in this regard, in order to ensure that all stakeholders acknowledged and comply with the guidelines as specified by the Company.

Furthermore, AIS has continuously communicated and offering training to its personnel in order to offer knowledge and to gain an understanding related to Anti-corruption measures, Company's expectations and penalties for failing to comply with such measures such as offering training related to Anti-Bribery and Corruption to new employees as part of the orientation program, organizing training related to Code of Business Ethics via Information technology (LearnDi) as well as initiate an assessment related to business partners, executives, employees' level of understanding concerning the Code of Business Ethics and Anti-Bribery and Corruption annually.

AIS has made an announcement related to the implementation of "No Gift Guideline" during New Year including amended and promulgated Anti-Bribery and Corruption policy, Guideline related to Accepting Gifts of Executives and Employees in order to inform business partners and other stakeholders, who are involved in the business, and to promote a good standard among employees at all levels to implement provided that the Company expects employees at all level shall perform

his/her duties without illicit compensation. This will reinforce the Company's compliance with the good corporate governance principles.

To establish requirements and guidelines related to complaints and fraudulent clues. (Whistleblowing) to be more appropriate and is in the same direction throughout the organization. The measures to protect and to treat complainants fairly has been put in place provided that Whistleblowing shall be used as a tool as an advance warning signal and as a channel to counter frauds because it permits the Company to solve the problem promptly before the problem is enlarged and may cause serious impact to the image and financial status of the organization thereafter.

Market Disclosure Policy

As a listed company in the Stock Exchange of Thailand, AIS aims at disclosing material information both financial and non-financial information to shareholders accurately, sufficiently, in timely manner, equitably and in compliance to relevant laws to promote confidence in shareholders and investors on the company's reliability and honesty.

The market disclosure policy is based on 3 principles which are practices in compliance with applicable laws and regulations, transparency and information disclosure responsibility, and equality to access to information. The essential part of this policy includes roles and responsibilities of executives as authorized spokespersons, guideline on disclosure material information, keeping confidential information, responding to rumors or unusual market activity, announcing temporary halt, determining the period of time to prohibit the dissemination of information before the performance announcement and prohibiting the communication with investors in various aspects as well as penalty for breach of the policy.

Connected Transaction Policy

In order that the business transaction between the company or its subsidiaries and its connected persons shall comply with the laws, announcements, regulation and other relevant notifications from the authorized agency based on transparency and for the maximized benefit of the company, AIS announced the Connected Transaction Policy for the business transaction between the company or its subsidiaries and its connected persons shall be in accordance with the company's policy, procurement procedure, and business code of business ethics.

Role and responsibility of the Board of Directors, the Audit Committee, and Compliance Section are set to consider the reasonable of the transaction and to oversee the compliance with laws and all departments involving in or acknowledging the occurrence of the connected transactions are required to notify such information to the Compliance Department before executing the transaction.

The essential part of this policy is the business transactions between the company or its subsidiaries and its connected persons shall be done for the ultimate benefit of the company similar to those transacted with external parties under arm's length basis. There is procedure on considering before engaging to the connected transactions which Board of Directors and the executives who are interested parties or have conflict of interest concern shall not participate in the consideration and approval process nor vote in any agenda relating thereto.

Board of directors and executives are required to report their conflict of interest in accordance with rules and guidelines both an existing and when there is any change.

Securities Trading Policy for Directors, Executives and Employees

In 2017 the Board of Directors has considered and approved the Securities Trading Policy for directors, executives and employees with the objective of maintaining the sense of confidence among shareholders and investors who invest in the Company and Intouch Holdings Plc's securities. (INTUCH is the Company's major shareholder.) The essential part of this policy is to prohibit the Company's personnels from using inside information to gain the benefit of trading AIS and INTUCH securities, whether directly or indirectly. This is in line with the Securities and Exchange Act (as amended) including other related announcements.

In this regard, the requirements and guidelines have encompassed several groups of people such as directors, executives, and employees. Furthermore, the requirements also spelled out special duties for designated persons namely directors, executives and employees, whose roles and responsibilities entitled them to assess the insider information that they shall disclose to Compliance Department any securities holding in AIS and INTOUCH HOLDINGS PUBLIC COMPANY LIMITED. This also includes filing a report for any changes in securities holding for the benefit of good corporate governance and transparency. In addition, the designated persons are prohibited from trading securities for a period of thirty (30) days prior to the date of disclosure of the quarterly and annual financial statements (Blackout Period).

The policy can be found at http://advanc-th.listedcompany.com/governance_policy.html

Online and Social Media Guideline

Technological development has changed the way people communicate. As such, the Business Ethics Committee has endorsed the appropriate guideline – which is in compliance with applicable laws – with the purpose of guiding Company's employees when using the Internet and social media. The essence of the guideline is to recognize the impacts that may arise as a result of using the Internet and social media inappropriately, especially when the employees use the Internet and social media with lack of care. This also includes avoiding any violation related to the computer law, for instance, employees shall use the Internet and social media in compliance the intellectual property might not belongs to Company, etc.

Audit fee and non-audit fee

In 2018, audit fee and non-audit fee of the Company and its subsidiaries are as follows:

The Company's audit fee

Annual audit fee for the Company's financial statement (Baht)	1,714,000
Fees for annual audit and quarterly review of the Company (Baht)	712,000
Total audit fees of the Company (Baht)	2,426,000

The aforementioned audit fee for the year 2018 excluded non-audit fee paid for the assurance fee of the Company's anti-corruption guidelines in compliance with Thailand's Private Sector Collective Action Coalition Against Corruption (CAC) in the amount of Baht 400,000 and the out of pocket expense in the amount of Baht 44,186.

Audit fees of the Company's subsidiaries

Audit fee of subsidiaries (Baht)	8,991,600
Number of subsidiaries (companies)	17

The above audit fees for the year 2018 excluded non-audit fees paid by subsidiaries for the advisor fee relating to establishing data lose protection program and other expenses in the amount of Baht 5,742,500 and out of pocket expense in the amount of Baht 154,961 to audit firm and persons or business related to the auditors and the audit firm.

Good Corporate Governance Guidelines in other aspects

The company considered to apply the Corporate Governance Code 2017 (CG Code) issued by the Securities and Exchange Commission, Thailand with AIS's business operations. However, in 2018 there are certain matters that the company opts for other suitable mechanism and record in the minutes of the meeting for a regular review annually as follows:

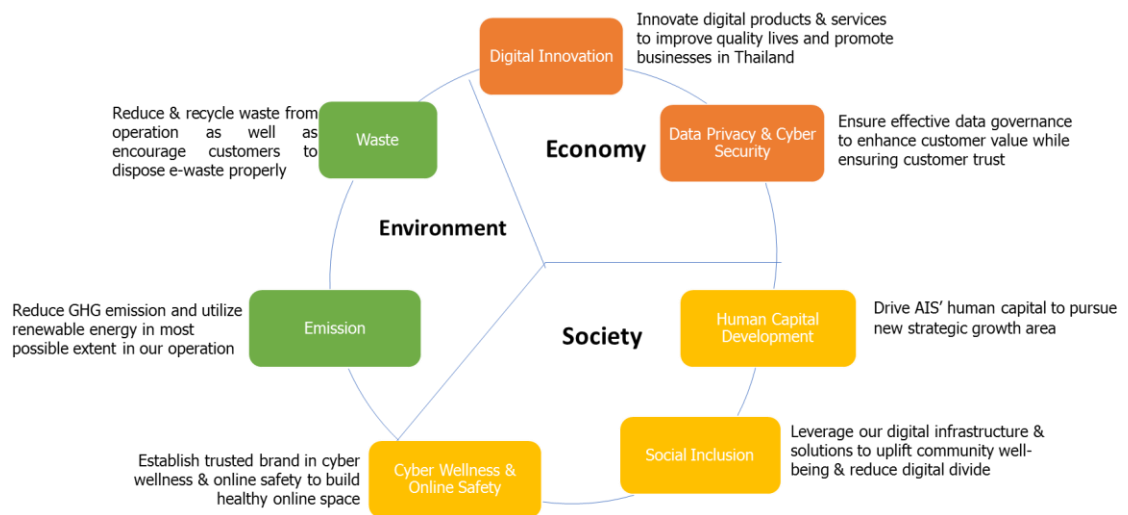
- One of the company's independent director's tenure is over 9 years continuously, the Board considered that the independent director is qualified, able to give opinion independently in accordance with relevant regulations including being a director who brings experience, knowledge and expertise to provide suggestions useful in determining the company's strategy and business operations.
- The majority members of the Leadership Development and Compensation Committee Members are non-independent. However, the Board approved the policy to the majority and Chairman of Leadership Development and Compensation Committee shall be independent board members and the implement shall be taken after the next annual general meeting of shareholders.

Sustainable Development

2018 was a remarkable year for sustainable development at AIS as we revamped our strategy for long-term development and growth. After five years, we replaced the 5 former focus areas which placed emphasis on communities and society, customers, partners, employees and environment in relation to the telecommunication business. In their place, 7 new strategic focuses have been established with the aim of supporting AIS's new business direction as a digital life service provider.

The 7 strategic focuses place importance on building the business's strength and on responding to the challenges and opportunities that may have significant impacts on AIS and the use of digital technology to create a positive impact.

The 7 strategic focuses

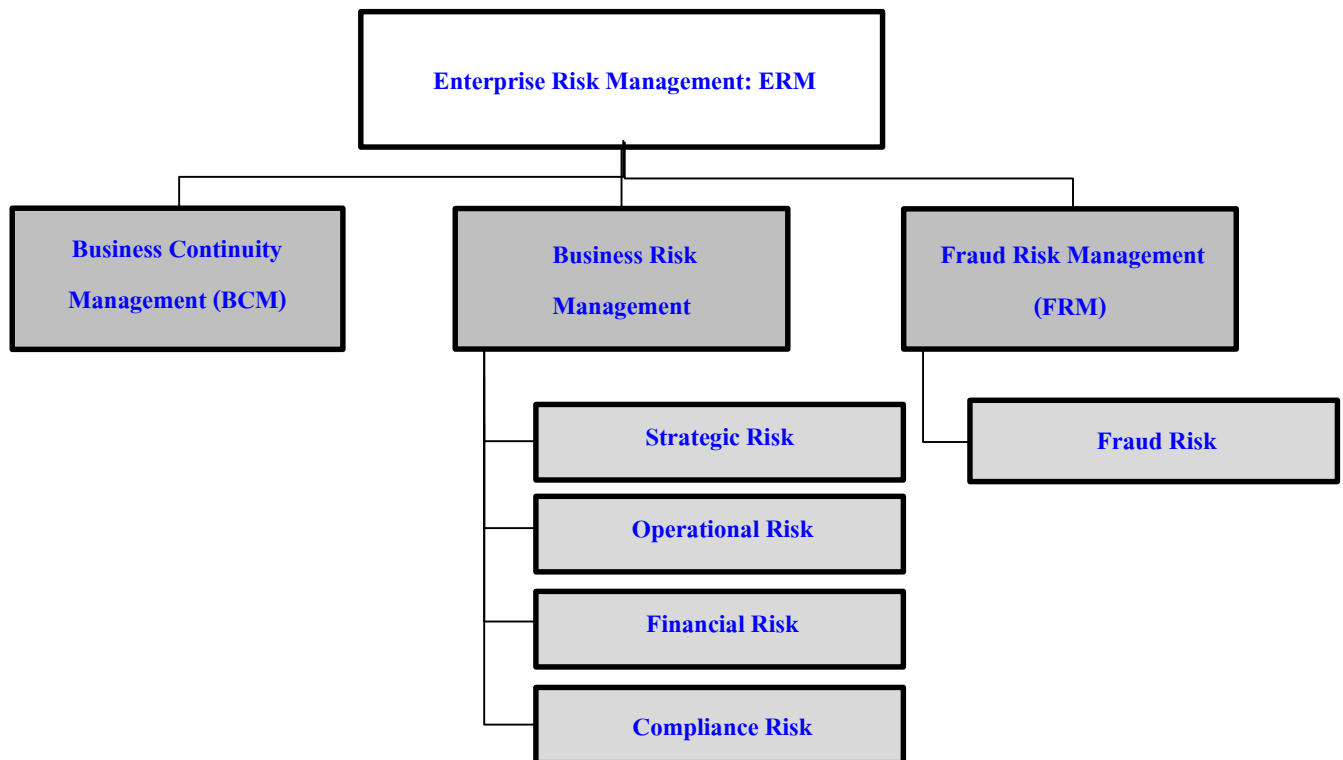


AIS has embedded its sustainability strategy into day-to-day business operations; defining the Company's business direction, product and service development, innovation, and human resource management. In doing this, we set a clear performance measurement as well as short-term and long-term targets. For further information, please refer to the Sustainability Report 2018.

Risk Management, Internal Control, and Internal Audit

Enterprise risk management

Risk management is an important process will help AIS achieves the objectives and goals of the company. Including it can also respond the expectations of various stakeholders appropriately. AIS has established an Enterprise Risk Management Policy and Framework which applicable to corporate level and operational level in order to manage and maintain risks at an acceptable level (Risk appetite). The Enterprise Risk Management framework of AIS is consists of the following components,



AIS Enterprise Risk Management Framework & Processes

The AIS Enterprise Risk Management framework and process are aligned with the integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and applied to business risk management and fraud risk management. The 6 steps in the risk management process are



1. **Set objectives at both corporate and functional level** which are aligned with AIS'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 AIS'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; in addition, the

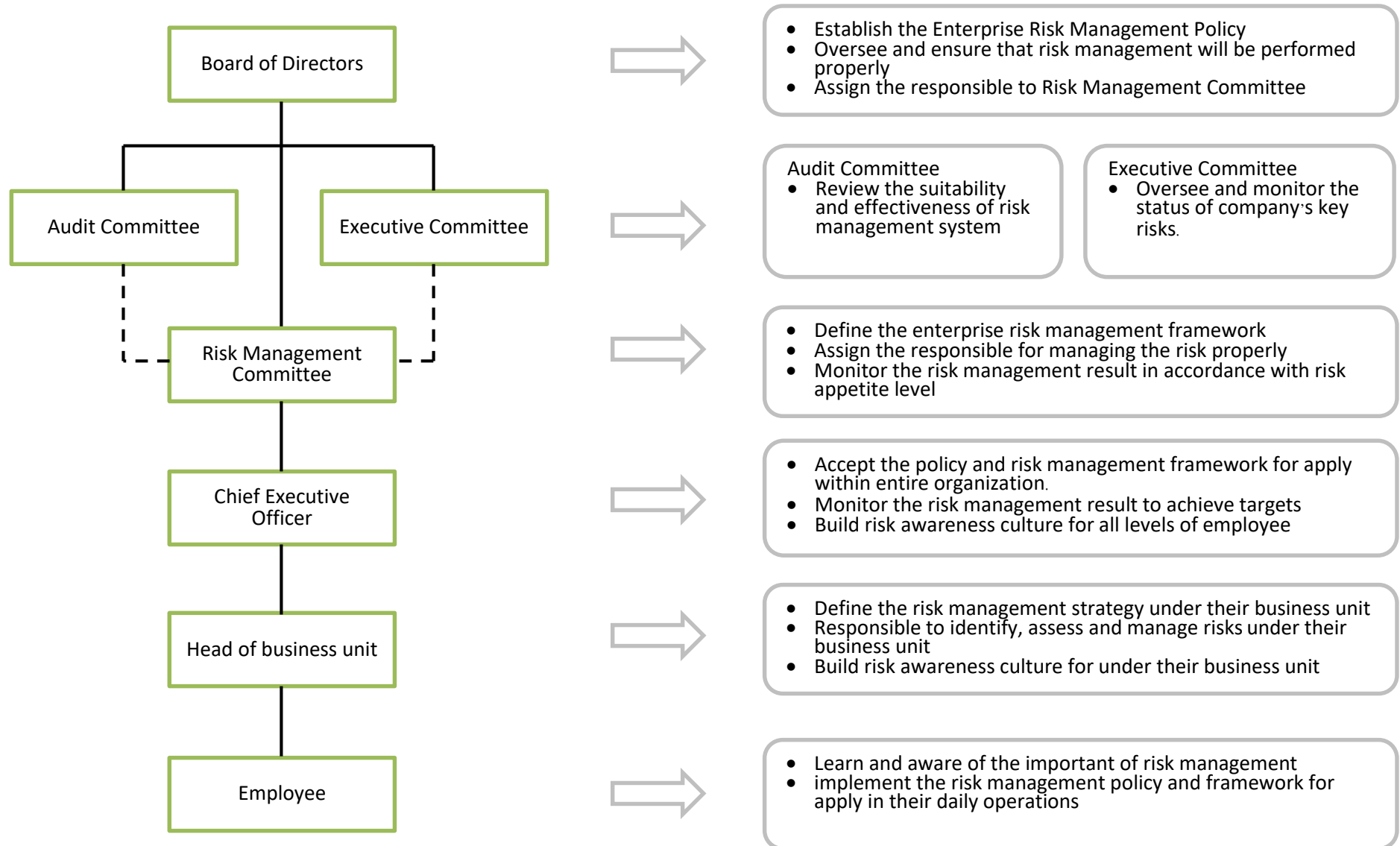
correlation between the impact of any risk and how it could affect another risk must also be assessed.

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 carried out effectively.

6. **Monitor and report** the status of the risks and the effectiveness of the risk management processes. The report shall be made and informed to the Audit Committee, the Executive Committee, and the Board of Directors on regular basis.

Roles and responsibilities of AIS Risk Management



The Risk Management Committee consist of Chairman of Executive Committee as the Chairman and head of business units. The Risk Management Committee held quarterly meetings in order to identify and assess both new risk and correlation with other identified risks as well as 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.

In 2018, AIS set up meetings chaired by the CEO in order to report on all functional risk management, to acknowledge all functional risk issues and risk management as well as to ensure the effectiveness and productivity of the risk management system of all levels and determine whether the risk level has been successfully mitigated within the acceptable risk appetite of AIS.

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

Fraud Risk Management

AIS announced the Fraud Risk Management policy with a view to preventing, investigating, reporting and managing fraud matters. This policy has established the practical guideline in relation thereto in three (3) areas namely:

1. Prevention – to proactively identifying, assessing, reviewing and responding to all possible frauds in the organization and communicate them to the employees in all levels for building awareness and the importance of reporting fraud, corruption and misconducts.
2. Detection – to check or investigate any misconduct or fraud or case where there is a reasonable suspicion of such activity.
3. Response – to perform investigation processes and through it to punishment process

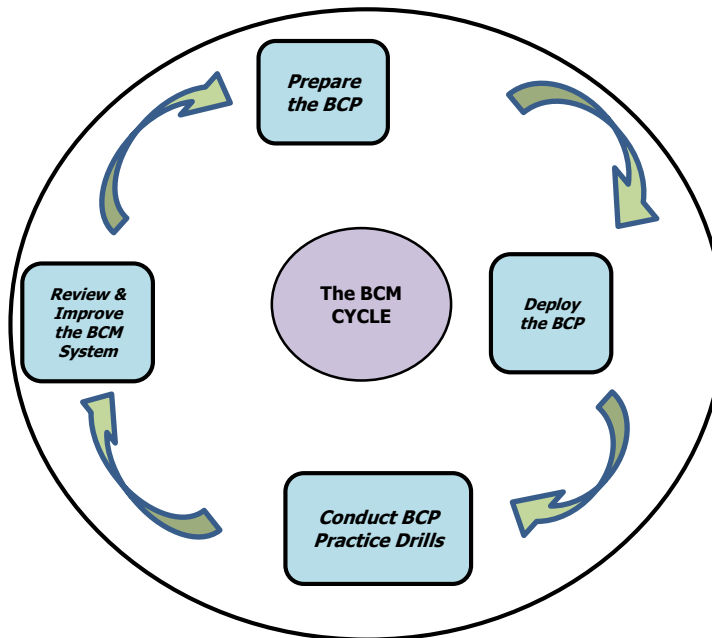
The company anticipates that directors, executives and employees are aware of the essence of fraud risk and shall notify the Company of any action possibly leading to fraud immediately as well as cooperate fully in any investigation relating thereto. In this regard, the Company has appointed Fraud Risk Management Committee (FRMC) to oversee the policy and fraud risk management process. Also to support other functions to develop fraud risk management including self-manage and systematically control risk.

Business Continuity Management

The Company has set in place a business continuity management system in accordance with international standards. The objective is to continue operations 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 at both central and regional levels, including AIS group and subsidiary companies.

To support this system, the Company has established the Business Continuity Management policy and manual, also appointed 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 4 main steps



- **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. This will be based on consideration of both business impact analysis and risk assessment to determine the critical business process of each unit, as well as to define the period of time after which outages of the business process become unacceptable.
- **Deploy business continuity plan:**
Distribute and communicate the approved business continuity plan to all related parties and ensure its understanding. This also includes the preparation of the resources, both internal and external, that are necessary and sufficient to implement the business continuity plan.
- **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.
- **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 organization.

Overall of Business Continuity Management framework

Put in place enterprise and departmental BCP: AIS has in place a Business Continuity Management System that is comprised of an Enterprise Business Continuity Plan (Enterprise BCP), Departmental Business Continuity Plan (Departmental BCP) and significant functions of AIS. Risk assessment of any threat to the Company must assess both the likelihood of that threat occurring and its impact in order to prepare the Enterprise BCP for coping with the crisis or any emergency situations which adversely affect or damage the working facilities or staff.

Based on the findings of the business impact analysis, Departmental BCPs are also in place to manage the situation in the event that any department is not able to perform any process that could directly impact the company's products or services.

A Disaster Recovery Plan (DRP) of IT systems has also been established to provide the strategy and working process in order to recover all information technology systems that support critical processes. This includes all of the resources required to ensure our business continuity within an acceptable recovery time period and at an acceptable operational level.

BCP for critical business process: 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 AIS'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 business continuity management.

Building an organizational culture in Enterprise Risk Management

In addition to the determination of Risk Management framework and roles and responsibilities of all level employees, AIS has also promote and cultivate Risk Management culture for build an awareness and understanding about the Risks conformed to achieving the organization's objectives and goals. AIS performed to create an organizational culture in Risk Management as following:

- Establish the Risk Management policy, manual and procedures, publish on social intranet for employees can read and understand.
- Develop the Risk Management plans in both corporate level and functional level covers efficiency internal control process and internal audit.
- Communicate through the semi-annual performance review event to ensure that employees at all levels have same understanding and acknowledge the direction and obstacles/challenges of the company's business operations in short-term and long-term.
- Provide knowledge of Risk Management principle to employees via presentation documents and publish on social intranet.

Performance result of 2018 and goal in 2019

In 2018, AIS has achieved ISO 22301:2012 Business Continuity Management System certification for Cloud service as a company that developed a complete business continuity management system to cope with crisis or disaster. This lead to the sustainability development of the Company.

In addition AIS continues to conduct business continuity plan practice drills on the continuation of critical business processes, in 2018 a simulation exercise; cyber threat attacked at main data center which caused an interruption to our network and services was carried out to test responsiveness of company's business continuity plan to ensure the continuity of our service. Based on the findings from this exercise, AIS also reviewed and updated the plan in order to align it more appropriately with the current situation and ensure that AIS is ready and able to respond to and manage a variety of situations in times of crisis.

Internal Control

AIS has established a comprehensive internal control system based on the COSO Internal Control – Integrated Framework 2013 (COSO 2013) of the Committee of Sponsoring Organizations of the Treadway Commission, which comprises 5 components and 17 principles. The objective of this control system is to help the Company achieve its key objectives relating to operations, financial reporting and compliance with all relevant regulations. It also supports and enhances performance, as well as safeguarding the Shareholders' investment and the Company's assets. The internal control activities undertaken in 2017 can be summarized as follows:

AIS has established the internal control system prudently under COSO Internal Control – Integrated Framework 2013 (COSO 2013) of the Committee of Sponsoring Organizations of the Treadway Commission which comprises 5 components and 17 principles in order to achieve significant objectives relating to operations, financial reports and compliance with relevant regulations. It also supports and enhances performance, and safeguards the Shareholders' investment and the Company's assets.

During the Board of Directors Meeting No. 1/2019, on 21st of January 2019, the Board of Directors assessed the adequacy of internal control system according to the assessment form prepared by Securities and Exchange Commission (SEC). 4 independent directors attended the said meeting and 2 of them are the Audit Committee * members. The Board of Directors concluded that the Company has effective and adequate internal control system to oversee operations to align to goals, objectives, and applicable laws; and to safeguard and optimally utilize assets for the Company's benefit, as well as having accurate and reliable financial reports.

Internal control activities in 2018 can be summarized as follows:

1. Control Environment

- AIS is committed to integrity and ethical values. The Board of Directors and the Management have established the Corporate Governance Policy, Code of Business Ethics and Anti-Bribery and Corruption Policy to have directors, executives and employees embrace integrity, ethical values, honesty, accountability, transparency and legal compliance. Interests of business partners, communities and environment are taken into consideration. In addition, Audit Committee is responsible for the oversight of the Anti-Bribery and Corruption Policy and measures. The Business Ethics Committee, including

Chief Executive Officer (CEO) as the Chairman, was appointed with responsibility to promote integrity and ethical values of AIS executives, personnel, and any related parties including outsource staff and business partners. The evaluation of understanding levels of the Code of Business Ethics and the Anti-Bribery and Corruption Policy has been conducted annually for seven years consecutively.

Furthermore, “Reporting and Investigation of Misconduct and/ or Fraud and Whistleblower Protection Policy” has been established together with channels for notifying fraud and misconduct since 2014 to provide a guideline for such notification, confidentiality, protecting the person providing such information, investigation and penalties on perpetrators.

- The Board of Directors has overseen the Management diligently; is independent from the Management; and maintains relevant expertise. Chairman of the Board of Directors was independent and one-third or 45% of board members were independent. For more details, please see the Structure of the Committee, page xx-xx. Moreover, authority and duties of each board's sub-committee were defined in regard of internal audit, risk management, sustainability, good governance, development and remuneration for the committee. Results of each committee are reported to the Board of Directors every quarter. For more details, please see the Management Structure.

- AIS structures and authorities are defined in accordance with business goals and objectives under the oversight of the Board of Directors by emphasizing on balance, flexible operation, and disruptive innovation. Authorities and responsibilities have been delegated to employees based on demonstrated competence of each person. Segregation of duties was applied to ensure check and balance. All personnel are responsible and accountable for internal controls and Internal Audit Office can perform duties independently.

- AIS gives priority to the Company's employees as stipulated in the AIS mission and encourages them to perform duties with expertise and a sense of ownership. Work and life balance is also promoted among them to create a sense of family and retain them with the Company. AIS has also created a culture of innovation for employees to achieve the goal of being the Innovation Organization through communication, activities, management support. For more details, please see ‘Digital Innovation’ in 2018 Sustainability report. AIS Academy is responsible for developing competency regarding management and leadership; and encourages employees to improve their knowledge and skills through various approaches such as on-the-job training, internal and external training, and e-learning.

* The Board of Directors resolved to approve changing name from the Audit Committee to the Audit and Risk Committee, effective 1st of January 2019.

- The Board of Directors has established a clear succession plan to ensure the business continuity, and such succession plan covers successors from Senior Management, such as Chief Executive Officer, through Head of core business units. In this matter, the succession plan, training, and advice have been developed to equip the potential successors with necessary competency. In addition, the Company identified key function to set the plan to facilitate business continuity. For example, the system development process relating to engineering and IT systems operated by service providers will be included in the knowledge sharing program for IT and engineer teams periodically. Moreover, related documents will be stored systematically to facilitate workflow.

- In each year, the Board of Directors and Senior Management have established Balanced Scorecard and key performance indicators to evaluate actual performance in comparison to goals in order to ensure proper practice and direction. Such performance measurements were conducted at all levels including the Board of Directors, executives, permanent and temporary employees and outsource staff. In every performance evaluation comprising objective appraisals and behavioral appraisals according to the corporate culture, supervisor provided positive and negative feedback to their subordinates in order to encourage them to improve their performances efficiently.

2. Risk Assessment

- AIS risk management has been in corporate and functional levels to ensure the achievement of the Company's objectives, under oversight of the Risk Management Committee and coordination of the Enterprise Risk Management Department. For more details, please see Risk Management, page xx-xx. From 1st of January 2019 onwards, the Board of Directors has assigned the Audit and Risk Committee to oversee risk framework which comprises relevant policies, risk appetite and risk tolerance, as well as review enterprise risk management and adequacy of such policies and risk management defined by Risk Management Committee prior to proposal to the Board of Directors. The Audit and Risk Committee is also responsible for considering and providing advice on enterprise risk oversight to the Board of Directors, and assessing adequacy and appropriateness of strategic risk management.

3. Control Activities

- AIS has selected and developed written internal control activities, in response to specific risk needed to be controlled regarding environment, complexity, operation manner and scope, and unique corporate features. For example, clear policies, procedures and approval authority levels concerning finance, purchase, connected transactions, securities trading by AIS Board of Directors, Management and Employees have been in place and regularly reviewed. For significant matters, there will be a mix of control between manual control and automated control, which are preventive and detective controls. In addition, AIS segregates duties performed regarding record, approval and assets management to ensure check and balance. AIS policies and practices have been reviewed regularly to ensure appropriateness.

- AIS has selected and developed proper general controls over technology ensuring integrity, continuity, security, proper acquisition, development and maintenance of information technology system. AIS has also assigned certain departments to be responsible for technology infrastructures and software. AIS has appointed Information and IT Security Committee to be responsible for policy prescription, overseeing compliance with information security requirements, seeking for new technology and tools, and overseeing piracy or intrusion cases in order to warn relevant departments to take appropriate actions accordingly. Necessary trainings have been provided to ensure that employees would understand the practice correctly. For more details, please see, Data privacy and Cyber security, in 2018 Sustainability report. Moreover, AIS has managed internal and external threats by configuring access to critical information system, such as mobile network, computer network and database. Authorizations of different logical and physical access levels have been set for using data on network operation systems. In case of piracy or intrusion, it will be automatically and consistently monitored by security tools. Then, the relevant team will be notified to take actions accordingly.

- Board of Directors, Management and Supervisors shall clarify purposes and internal control activities to all relevant personnel to ensure proper practice. Furthermore, the Management under all departments as the Second Line of Defense and Internal Audit Office as the Third Line of Defense against risks shall provide advice on designing efficient and effective internal control systems.

4. Information & Communication

- AIS emphasizes on quality of information underpinning internal control activities. AIS information systems are efficient, updated, and improved continuously to enable processing of high volume of data into managerial information (Big Data Analysis) in a timely manner to remain competitive in consideration of costs and benefits.

- AIS regularly ensures adequacy of material reports presented to the Board of Directors for making decision prior to the board meeting as required by applicable law, as well as preparing minutes of the board meeting with adequate details and storing such documents by Company Secretary Office for reviewing or reference.

- AIS maintains several efficient internal communication channels through the Company's website social intranet, SMS, email, People Champion under each department, monthly CEO Chit & Chat, and Half Year Business Plan Report. Certain departments have been assigned to share necessary information within the organization. In addition, the Company provides communication channels via Board Portal and the Company Secretary Office for the Board of Directors, Executive Committee and Sub-Committee.

- Any employee can safely report actual and suspicious cases of misconduct or fraud via internal Nokweed hotline 3333 or directly to Audit Committee at AuditCommittee@ais.co.th *. Employees will be protected under the policy regarding reporting misconduct or fraud, investigation and protection. To build more

awareness of results from misconduct or fraud, AIS has been communicating of such matters with penalties through cartoon without disclosing any names.

- AIS assigns Company Secretary Office and Investor Relations to be responsible for communication and interaction with external parties according to types of stakeholders. Processes are in place to track troubleshooting and complaints from all parties. For more details, please see page xx. Apart from that, any external parties could report actual and suspicious cases of misconduct or fraud relating to the Company directly to the Audit Committee at AuditCommittee@ais.co.th, or directly to the Chief Audit Executive at nokweed@ais.co.th, or to Chief Human Resource Officer at human-resource@ais.co.th, or via ethics hotline at 02029333. Investigation and protection shall be provided accordingly.

5. Monitoring Activities

- AIS Management and Supervisors have established processes to monitor effectiveness of the internal control systems by means of follow-up meeting, unusual activity investigation, as well as control self-assessment, whereby Internal Audit Office is tasked with assessing effectiveness of internal control systems independently, and reports results to Audit Committee on a monthly basis. After that, Audit Committee will present such results to the Board of Directors and hold meetings with External Auditors to assess adequacy and effectiveness of internal control systems on a quarterly basis.

- When significant internal control deficiency was detected, the Management analyzed its root cause and assigned employees responsible for remediation in a timely manner.

The Board of Directors has established level of deficiency that requires the Management or the Internal Audit Office to report to the Board of Directors promptly; for example, the matters with high financial impact, damage to the reputation, non-compliance to the laws and regulations, violation of key control system, or possible case of fraud. Internal Audit Office and other assigned departments are responsible for following up on the Management's corrective actions and reporting to the Audit Committee until such matter is completely remediated.

** From 1st of January 2019 onward, e-mail address has been changed from AuditCommittee@ais.co.th to AuditandRiskCommittee@ais.co.th instead.

Internal Audit

Mrs. Suvimon Kulalert was appointed as Chief Audit Executive on 1st of January 1999. Her expertise in the field and adequate understanding in the Company's functions and operations support her roles and responsibilities appropriately. Approval, appointment, dismissal or transfer of Chief Audit Executive must be concurred by Audit Committee.

For Chief Audit Executive's portfolio, please see 'Appendix 1'

Roles and Responsibilities of Chief Audit Executive and Internal Audit Office

1. Chief Audit Executive (CAE) reports directly to Audit Committee who oversees that Internal Audit Office (IAO) performs internal auditing with independence, objectivity, integrity, and professional adherence to the internal audit standards. CAE reports administratively to the Chief Executive Officer.
2. IAO operates independently under the internal audit charter which clearly specifies the internal audit mission, scope, authority, duties, responsibilities and procedures. The charter is revised for its appropriateness periodically.
3. IAO's duties include provision of assurance and consulting services through the evaluation of effectiveness and efficiency of internal control systems, risk management systems, and good governance in order to support the Company's business objectives and targets.
4. IAO prepares its annual audit plan aligning with AIS and its subsidiaries' strategic direction, change in the risk level, and Audit Committee's directives. The plan is conducted based on severity of risks focusing on critical risks to AIS' operations, objectives, and strategies. In 2018, IAO plan focuses on effectiveness of operations critical to preventive control, prevention of fraud, advisory services by means of value-added workshops. The plan is approved by Audit Committee. Audit reports and following up on the Management's corrective actions are reported for Audit Committee's consideration on a monthly basis.
5. Additionally, IAO acts as Secretary to Audit Committee, supporting their oversight responsibilities as assigned by the Board of Directors. IAO also acts as a channel for internal or external parties to file complaints on possible misconduct or fraudulent action. After receiving such complaints, IAO will find facts and investigate in accordance with the Whistle-Blower Policy, and report the case results to the Audit Committee on a monthly basis.
6. Beyond the internal auditing activities, CAE also gives advice relating to internal control, risk management, business ethics, information security, etc. The Audit Committee oversees all CAE's roles beyond internal auditing to prevent from the independence impairments of IAO.
7. IAO regularly coordinates with external auditors to ensure that audit scope appropriately covers all critical risks.
8. IAO adheres to the International Professional Practices Framework and the internal audit charter. IAO revises the internal audit manual and conducts internal audit quality self-assessment on an annual basis. It also receives a Quality Assessment Review (QAR) by external, independent assessors every five years to ensure that IAO adds values to its stakeholders and promote the sustainable development of the Company's internal control system, risk management and good governance. Latest external, independent assessment suggested that IAO generally conformed to the international standards and ranked "Standard" when benchmarking against other internal audit functions globally.

Internal Audit Activities in 2018 and Future Plans

1. Encouraging the Management to implement internal control system and self-business assurance effectively

In 2018, Internal Audit Office has been supporting AIS and its subsidiaries in enhancing more understanding level and implementation of good internal control system in accordance with COSO framework 2013 and the model of three lines of defenses. Several workshops with the Management were held to remediate several internal control issues. In addition, IAO has been promoting self-business audit concepts and provided tools to facilitate the Management in relevant control self-assessment.

2. Transforming internal audit activities into digital technologies

IAO has developed and started deploying Robotic Process Automation (RPA) since 2017 as a tool to automatically analyze data from various databases. Big data analytics has also been applied to internal audit activities to boost agility and accuracy, as well as giving an early warning of potential risks to the Company when any risk identification or internal control deficiency is found.

3. Creating risk center to enhance audit activities efficiency

IAO has emphasized on building awareness of risk management among internal auditors. The proactive Risk Center has been established to gather and analyze risk issues in order to create an internal audit plan for high risk areas including operational risks and fraud risks. The integrated risk management has been implemented according to COSO ERM 2017 and Fraud Risk Management Policy. All internal auditors are encouraged to propose ideas relating to preventive control.

4. Transforming into Trusted Advisor Role

In 2018, Internal Audit Office has enhanced an advisory role including the review of all functions covering revenue assurance, expenditure, and compliance to regulators' requirements and acts, such as sale and marketing processes, billing and collection, and engineering. RPA has been adopted as a tool to analyze data and strengthen the Second Line of Defense to transform into the Trusted Advisor according to the Internal Audit Roadmap.

Internal Audit Training and Competency Development

1. Pursuit of knowledge and updated international professional practices standard

To enhance effectiveness of AIS internal audit operation and stay updated, IAO regularly reviews and upgrades domestic and international professional practices and standards relating to internal control system, risk management, good governance and other fields relating to AIS's business.

2. Integrated and innovative audit

IAO encourages all internal auditors to acquire more skills and enhance competencies in order to perform multi-functions or integrated audit. All internal auditors are also encouraged to be innovative in developing more effective and efficient audit techniques.

3. Competency development roadmap under global internal audit competency framework

Internal auditors are encouraged to seek continuous development in order to acquire knowledge and skill critical to AIS's business operation. Therefore, IAO has developed "Development Roadmap" according to roles and responsibilities of IAO under global internal audit competency framework of The Institute of Internal Auditors (The IIA) as follows:

3.1 Core Competency

3.2 Essential Competency

Each internal auditor shall attend trainings for at least 11 days per year according to the established strategy.

4. Acquiring related professional certificates to promote internal audit profession.

All internal auditors are encouraged for self-development to build internal audit expertise by acquiring professional auditor certification or other relevant qualifications. In 2018, IAO has set a target that 50% of the total number of IAO staff should acquire professional certificates. At present, 15 out of 53 staff or 28% in IAO obtain following certificates.

Certificates	Details	Number of IA Staff with Certificates (persons)
Certified Internal Auditor (CIA), USA	This internal audit certificate requires competency of internal audit, risk management and related matters.	8
Certified Information System Auditor (CISA), USA	This certificate relates to control activity and information system security uplifting international professional standard.	4
Certified Information Systems Security Professional (CISSP), USA	This certificate requires competency in 10 aspects of information security called “Common Body of Knowledge” (CBK) – that is access control, telecom & network security, application & system development security, security management, cryptography, security management, operation security, business continuity planning & disaster recovery planning, law investigation & ethic and physical security.	1
Certification in Risk Management Assurance (CRMA), USA	This certificate requires competency of business environment assessment and enterprise risk management.	9
Certified Public Accountant (CPA), Thailand	Certified Public Accountant has competency of accounting practice and standard, auditing, related laws, information system, computer literacy and accounting report.	5

Certificates	Details	Number of IA Staff with Certificates (persons)
Tax Auditor (TA), Thailand	Tax Auditor has competency of accounting practice and standard, auditing, Revenue Code, and Civil and Commercial Code.	1
Information Security Management Systems Auditor/Lead Auditor: ISO/IEC 27001:2013	This certificate requires competency of information security management systems and the principle of assessments regarding to ISO/ IEC 27001: 2013 standard to perform auditing as standard defined.	3
Business Continuity Management System Auditor/Lead Auditor : ISO 22301:2012	This certificate requires competency of internal and external threat management for business continuity to perform auditing according to the international standard ISO 22301:2012.	1

A number of internal auditors are studying to acquire CIA, CISA, and CFE (Certified Fraud Examiners) in order to support internal audit tasks as professionals and to meet international audit control standards.

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 period year ended 31 December 2018, 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	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
1. Intouch Holding Public Company Limited (INTOUCH) / INTOUCH is a major shareholder, holds 40.45% - Co-directors: 1. Mr. Somprasong Boonyachai 2. Ms. Jeann Low Ngiap Jong 3. Mr. Kan Trakulhoon	The subsidiaries pay service fee and interest expense from long-term debentures to Intouch.					The subsidiaries charge mobile services and handset sales at the same rate as external customers.
	While the subsidiaries provide mobile services and handset sales to INTOUCH.					
	<u>Sales and services</u>					
	1. Service income	-	0.91	1.20	3.09	
	2. Other income	1.11	1.50	0.01	0.13	
	3. Trade and other accounts receivable	0.48	1.54	0.11	0.60	
	<u>Purchase of goods and services</u>					The subsidiaries pay service fee and interest expense to INTOUCH at the same rate as others parties.
	1. Rental and Other service expenses	-	1.13	1.37	1.49	
	2. Trade and other accounts payable	-	-	1.63	9.51	
	3. Interest expenses	-	1.10	-	1.71	
	4. Debenture	-	21.00	-	62.50	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
2. Thaicom Public Company Limited (THAICOM)/ INTOUCH is a major shareholder, holds 41.13% - Co-directors: Mr. Somprasong Boonyachai	The subsidiaries pay US\$ 1,400,000 per year for leases satellite transponder (Thaicom7) from THAICOM. The contract has effective to 19 November 2020					Thaicom is the only satellite operator in Thailand.
	Moreover Thaicom has provides satellite downlink equipment and space for transponder equipment installation.					
	While the subsidiaries provide domestic and international phone services and handset sales to THAICOM.					
	<u>Sales and services</u>					
	1. Service income	-	1.40	-	4.27	The subsidiaries charge mobile services and handset sales at the same rate as external customers.
	2. Other income	-	0.48	-	0.33	
	3. Trade and other accounts receivable	-	0.13	-	1.92	
	<u>Purchase of goods and services</u>					
	1. Rental and Other service expenses	-	59.93	-	47.12	The subsidiaries pay service fee (transponder) to THAICOM at the same rate as external customer.
	2. Trade and other accounts payable	-	6.38	-	9.00	
	3. Interest expenses	-	-	-	0.11	
4. Debenture	-	-	-	5.90		
	5. Purchases of property and other assets	-	0.02	-	2.90	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
3. I.T. Applications and Services Company Limited (ITAS) / INTOUCH is a major shareholders, holds 100%.	The subsidiaries hire ITAS to provide SAP solution and application development.					ITAS provides SAP application development and improvement, including maintenance services. The services are timely and rapidly while the service fee is reasonable.
	While the subsidiaries provide mobile services to ITAS.					
	<u>Sales and services</u>					
	1. Service income	-	0.75	-	1.51	The subsidiaries charge mobile services at the same rate as external customers.
	2. Other income	-	0.08	-	0.17	
	3. Trade and other accounts receivable	-	0.01	-	0.21	
	<u>Purchase of goods and services</u>					
	1. Rental and other service expenses	-	81.86	-	109.90	The subsidiaries pay consultant fee depend on the type of work and the level of consultant and develops application to ITAS with the same rate as other SAP consultant.
	2. Purchases of property and other assets	-	24.46	-	10.21	
	3. Trade and other accounts payable	-	14.50	-	23.08	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
4. Group of SingTel Strategic Investments Private Limited (SingTel) / SingTel is a major shareholder of the Company, holds 23.32%.	The subsidiaries enter into an agreement with companies of SingTel group: - The joint International Roaming operation services (IR) - Network telecom service operator i.e. International Private Leased Circuit (IPLC) and content services. <u>Sales and services</u> 1. Service income 2. Other income 3. Trade and other accounts receivable <u>Purchase of goods and services</u> 1. Rental and other service expenses 2. Trade and other accounts payable	- - - - - - -	41.80 - 20.96	- - 19.69	191.91 268.53 60.79	The agreement 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.

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
5. Thai Advance Innovation Company Limited (TAI)/ INTOUCH is an indirect major shareholder.	The subsidiaries hire TAI to advertising on satellite television.					TAI has a specialization in media service, content services on satellite television and satellite dish distributor.
	While the subsidiaries provide mobile services and handset sales to TAI.					
	<u>Sales and services</u>					
	1. Service income	-	0.06	-	0.04	The subsidiaries charge mobile services and handset sales to TAI at the same rate as external customers.
	2. Other income	-	0.04	-	-	
3. Trade and other accounts receivable	-	0.04	-	0.01		

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
6. Lao Telecommunications Company Limited (LTC)/ INTOUCH is an indirect major shareholder.	The 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	-	14.32	-	26.81	The subsidiaries charge IR services at the same rate as external customers.
	2. Trade and other accounts receivable	-	26.69	-	2.23	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	5.91	-	3.73	The subsidiaries pay roaming fee to LTC at the same rate as other parties.
	2. Trade and other accounts payable	-	0.39	-	0.37	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
7. Ookbee Company Limited (OOKB)/ INTOUCH is a direct shareholder, holds 20.94%.	The subsidiaries hire Ookbee to provide E-booking application on smartphones and tablets by charging per monthly. While the subsidiaries provide mobile services to Ookbee.					Ookbee is a provider digital publication and E-Booking company such as books, magazines or newspaper on smartphones, tablets and computers.
	<u>Sales and services</u>					
	1. Service income	-	1.80	-	1.29	The subsidiaries charge mobile services at the same rate as external customers.
	2. Trade and other accounts receivable	-	0.22	-	0.19	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	23.71	-	4.27	The subsidiaries pay service fee (Content on mobile) by the percentage of revenue at the same rate as other content providers.
	2. Trade and other accounts payable	-	6.47	-	1.17	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
8. Information Highway Company Limited (IH)/ AIS is an indirect major shareholder.	IH provides facilities services under financial lease and transmission network to the subsidiaries. While the subsidiaries provide mobile services to IH.					IH provides facilities services under financial lease and transmission network.
	<u>Sales and services</u>					
	1. Service income	-	0.04	-	0.04	The subsidiaries charge mobile services at the same rate as external customers.
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	241.14	-	88.61	The subsidiaries pay transmission network fee to IH at the comparison rate as other providers.
	2. Purchases of property and other assets	-	14.48	-	-	
	3. Trade and other accounts payable	-	22.15	-	33.95	
	4. Interest expense	-	6.37	-	4.63	
	5. Financial lease liabilities	-	76.70	-	53.58	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
9. Krung Thai Bank Public Company Limited (KTB)/ - Co-directors: Mr. Krairit Euchukanonchai.	KTB provides financial services to the subsidiaries. While the subsidiaries provide 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	-	86.47	-	17.50	The subsidiaries charge mobile services and handset sales at the same rate as external customers.
	2. Other income	-	-	-	1.75	
	3. Trade and other accounts receivable	-	0.47	-	3.39	
	<u>Purchase of goods and services</u>					
	1. Bank deposits and Interest income	0.49	101.30	0.87	167.37	The subsidiaries receive interest income from bank deposit and pays interest expense from borrowing at the same rate as other commercial bank.
	2. Rental and service expenses	-	0.14	-	0.10	
	3. Trade and other accounts payable	-	0.08	-	27.18	
	4. Debenture	-	29.00	-	-	
	5. Long-term loan and Interest expense	-	11.85	-	3,040.68	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
10. High Shopping Company Limited (High Shopping)/ INTOUCH is an indirect major shareholder.	The subsidiaries provide mobile services to High Shopping.					High Shopping is a provider of digital content services to customer through TV, mobile devices, the internet and other advertising channels. The subsidiaries charge mobile services and handset sales at the same rate as external customers.
	<u>Sales and services</u>					
	1. Service income	-	0.73	-	3.33	
	2. Trade and other accounts receivable	-	0.08	-	0.88	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	-	-	0.03	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
11. TC Broadcasting Company Limited (TCB)/ INTOUCH is an indirect major shareholder.	TCB provides equipment system and television signal service to the subsidiaries. <u>Purchase of goods and services</u> 1. Rental and service expenses 2. Trade and other accounts payable					The subsidiaries pay services fee (transmission) to TCB at the same rate as other providers.
		-	5.65	-	12.01	
		-	0.36	-	0.49	
12. Golfdigg Company Limited (Golfdigg)/ INTOUCH is a direct shareholder, holds 25.00%.	The subsidiaries provide mobile services to Golfdigg. <u>Sales and services</u> 1. Service income 2. Trade and other accounts receivable					Golfdigg is a provider of the golf-course booking application on smartphone. The subsidiaries charge mobile services at the same rate as external customers.
		-	0.08	-	0.09	
		-	0.01	-	0.02	
		-	0.35	-	0.42	
		-	0.02	-	-	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
13. Amata Network Company Limited (AN)/ AIS is an indirect major shareholder.	AN provides transportation rental to the subsidiaries.					AN is a provider of transmission network in Amata industrial estate.
	While the subsidiaries provide of management service and mobile services to AN.					
	<u>Sales and services</u>					
	1. Service income	-	0.04	-	0.29	The subsidiaries charge mobile services at the same rate as external customers and management fee on mutual agreement.
	2. Other income	-	1.78	-	6.00	
	3. Trade and other accounts receivable	-	7.55	-	0.56	
	4. Sales of property and other assets	-	6.60	-	-	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	0.26	-	16.11	The subsidiaries pay services fee (transportation rental) to AN at the same rate as other providers.
	2. Trade and other accounts payable	-	0.88	-	1.96	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
14. Wongnai Media Company Limited (WONGNAI)/ INTOUCH is a direct shareholder, holds 9.54%.	The subsidiaries hire Wongnai to design website and media on smartphone. While the subsidiaries provide mobile services to Wongnai.					Wongnai is a provider of the application on smartphone to discover and review about restaurants, beauty and spas across Thailand.
	<u>Sales and services</u> 1. Service income	-	0.01	-	0.02	The subsidiaries charge mobile services at the same rate as external customers.
	<u>Purchase of goods and services</u> 1. Rental and service expenses	-	2.41	-	3.36	The subsidiaries pay services fee (media and advertising) to Wongnai at the same rate as other providers.
15. Digio (Thailand) Company Limited (DIGIO)/ INTOUCH is a direct shareholder, holds 8.05%.	The subsidiaries provide mobile services to Digio.					Digio is a provider of the mobile Point of Sale (mPOS) application on smartphone.
	<u>Sales and services</u> 1. Service income	-	0.06	-	1.41	The subsidiaries charge mobile services at the same rate as external customers.
	2. Trade and other accounts receivable	-	0.01	-	0.81	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
16. BEC World Public Company Limited and its subsidiaries (BEC)/ - Co-directors: Mr. Somprasong Boonyachai	The subsidiaries hire BEC to provide content on smartphone.					The subsidiaries of BEC World provide content services such as television program and entertainment content on mobile application.
	While the subsidiaries provide mobile services to BEC.					
	<u>Sales and services</u>					
	1. Service income	-	0.56	-	8.56	The subsidiaries charge mobile services at the same rate as external customers.
	2. Trade and other accounts receivable	-	0.07	-	1.65	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	12.66	-	9.35	The subsidiaries pay service fee (Content) by the percentage of revenue to BEC at the same rate as other content providers.
	2. Trade and other accounts payable	-	0.40	-	0.98	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
17. Mass Rapid Transit Authority of Thailand and its subsidiaries (MRTA)/ - Co-directors: Mr. Krairit Euchukanonchai	MRTA provides rental services to the subsidiaries.					MRTA group is a leading organization in providing efficient and complete mass rapid transit service to enhance people’s quality of life.
	While the subsidiaries provide mobile services to MRTA.					
	<u>Sales and services</u>					The subsidiaries charge mobile services and handset sales at the same rate as external customers.
	1. Service income	-	0.10	-	0.37	
	2. Other income	-	-	-	0.26	
	3. Trade and other accounts receivable	-	0.05	-	0.03	
	<u>Purchase of goods and services</u>					The subsidiaries pay rental fee (base station and electricity) to MRTA at the same rate as other lessor.
	1. Rental and service expenses	-	9.00	-	54.09	
2. Trade and other accounts payable	-	0.32	-	0.51		

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
18. The Siam Cement Public Company Limited and its subsidiaries (SCG)/ - Co-directors: Mr. Kan Trakulhoon	SCG provides rental services to the subsidiaries.					SCG group is the largest cement and building material company in Thailand and Southeast Asia.
	While the subsidiaries provide mobile services and handset sales to SCG.					
	<u>Sales and services</u>					
	1. Service income	-	42.85	-	50.81	The subsidiaries charge mobile services and handset sales at the same rate as external customers.
	2. Other income	-	0.46	-	-	
	3. Trade and other accounts receivable	-	4.47	-	6.37	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	1.01	-	0.09	The subsidiaries pay rental fee (base station and electricity) to SCG at the same rate as other lessor.
	2. Trade and other accounts payable	-	-	-	2.39	
	3. Debenture	-	-	-	255.00	
4. Interest expenses	-	-	-	7.96		

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
19. Rabbit - Line Pay Company Limited (RLP)/ AIS is an indirect major shareholder. * On March 5, 2018, Advanced Mpay Co., Ltd., a subsidiary, has invested in Rabbit Line Pay Co.Ltd which is 33.33% of ownership.	RLP provides e-money and e-payment service to the subsidiaries. While the subsidiaries provide mobile services to RLP.					RLP provides e-money and e-payment service to serve customers in the digital economy.
	<u>Sales and services</u>					
	1. Service income	-	-	-	1.55	The subsidiaries charge mobile services at the same rate as external customers.
	2. Trade and other accounts receivable	-	-	-	1.45	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	-	-	18.30	The subsidiaries pay service fee (e-money and e-payment) to RLP at the same rate as other providers.
	2. Trade and other accounts payable	-	-	-	17.79	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
20. Osotspa Public Company Limited (OSP) - Co-directors: Mr. Somprasong Boonyachai	The subsidiaries provide mobile services to OSP.					OSP is a Thailand-based consumer products company, with a focus on non-alcoholic beverages and selected personal care products.
	<u>Sales and services</u>					
	1. Service income	-	0.19	-	5.07	The subsidiaries charge mobile services at the same rate as external customers.
	2. Trade and other accounts receivable	-	0.07	-	0.68	
	<u>Purchase of goods and services</u>					
1. Rental and service expenses	-	0.10	-	0.20	The subsidiaries pay rental fee (base station and electricity) to OSP at the same rate as other lessor.	

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
21. CS Loxinfo Public Company Limited (CSL) / AIS is an indirect major shareholder. 						

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
22. Teleinfo Media Company Limited (TMC)/ AIS is an indirect major shareholder. * On January 23, 2018, Advanced Wireless Network Co., Ltd., a subsidiary, has invested in CS Loxinfo PLC at 99.11% of ownership which TMC is subsidiary of CSL; therefore the related transaction is amount on 1-31 January 2018.	<p>The 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.</p> <p>While the subsidiaries provide mobile services and handset sales to TMC.</p> <p><u>Sales and services</u></p> <p>1. Service income -</p> <p>2. Trade and other accounts receivable -</p> <p><u>Purchase of goods and services</u></p> <p>1. Rental and other service expenses -</p> <p>2. Trade and other accounts payable -</p>	-	1.06	-	0.30	<p>TMC has a specialization in providing information for content on mobile and call center service.</p> <p>The subsidiaries charge mobile services and handset sales to TMC at the same rate as external customers.</p> <p>The 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.</p>

Related parties/Relation to the Company	Detail of transactions	Related transactions for the period 31 December 2017 (Million Baht)		Related transactions for the period 31 December 2018 (Million Baht)		Rational and necessity
		Company	Consolidated	Company	Consolidated	
23. AD Venture Public Company Limited (ADV) / AIS is an indirect major shareholder. * On January 23, 2018, Advanced Wireless Network Co., Ltd., a subsidiary, has invested in CS Loxinfo PLC at 99.11% of ownership which ADV is subsidiary of CSL; therefore the related transaction is amount on 1-31 January 2018.	The subsidiaries hire ADV to provide content and value added service on smartphones to customers such as game, ringtone, wallpaper and etc. by charging per month. While the 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	-	0.50	-	0.03	The subsidiaries charge mobile services and handset sales at the same rate as external customers.
	2. Trade and other accounts receivable	-	0.01	-	-	
	<u>Purchase of goods and services</u>					
	1. Rental and service expenses	-	143.74	-	50.07	The 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	-	17.95	-	-	