





CONNECTION

You can be connected anywhere to every communication means. Design your lifestyle as you wish with your smooth and most efficient communication network.

Good Corporate Governance Policy

CAT Telecom Public Company Limited (CAT) realizes the importance of Good Corporate Governance (CG) and how it would make the organization become a company which operates with the highest sustainable profitability through transparent and auditable process, and fairness to all stakeholders. Consequently, the seven principles of internationally accepted CG standards are introduced to manage the organization. In 2015, the CG performance was done as follows;

1. Good Corporate Governance Policy and Activities

CAT Board of Directors has appointed Good Corporate Governance and Social Activity Promotion

Committee comprising Mr. Rathapol Bhakdiphumi as chairman, Mr. Apinetr Unakul, Colonel Sanpachai Huvanundara and Mr. Narin Kanlayanamit as members to set CG policies and monitor operational results. Moreover, a Working Group of CG Development and Social Activity Promotion chaired by the President with members from all Senior Executive Vice Presidents and Vice Presidents of concerned departments is appointed to drive CG implementation.

In 2015, CAT Board of Directors, executives and staff participated in the CG Action Plan in 5 strategies;

- | | |
|-------------------|---|
| Strategy 1 | To promote awareness of CG and foster CG values to CAT Board of Directors, executives and staff to read the objective performance |
| Strategy 2 | To develop the knowledge on CG and strengthen it within the organization |
| Strategy 3 | To increase CG performance |
| Strategy 4 | To develop integration management based on the National's Anti-Corruption Plan |
| Strategy 5 | To improve the CG for sustainability and consistency in corporate management plan |

Activities could be summarized as follow;

1. Promulgate CAT CG principles (Revised version) as guidelines to CAT Board of Directors, executives and staff.
2. Review and update the Charter of CAT Good Corporate Governance and Social Activity Promotion Committee in accordance with international practices.
3. Prepare CG Master Plan for the years 2016-2020.
4. Prepare CG Action Plan for the year 2016.
5. Internal communication : broadcast CG information through internal public announcement every Monday morning, publish CG knowledge / information in CAT Club magazine quarterly to inform and educate all staff within the organization, provide communication channels for recommendation / comments and distribute CG information through IT infrastructure both within and outside the organization.
6. Knowledge distribution : special lecture by experts and study visits both internal and external organization as follows;

6.1 Special Lectures

- Subject : “Management and Good Corporate Governance Establishment in the Organization” by Mr.Tanakrit Permpoonkantisook, General Manager and Secretary of Somboon Advance Technology Public Company Limited.
- Subject : “Ethical Business Operation” by Mrs. Weerawan Worraroot, Dean of Faculty of Arts, Stamford International University

6.2 Study Visits

Internal

- CAT Customer Service, Western Region Department (Ratchaburi and Petchaburi)
- CAT Customer Service, Northern Region Department (Chiangrai and Maesai)

External

- Bank for Agriculture and Agricultural Cooperatives

7. CG Workshop “Work Development, Life Development, with Ethical Mind” by Assoc. Prof. Noppakhun Kunacheewa. Associate Dean of Policy and Planning Department, Ramkhamhaeng University
8. Training to create awareness of anti-corruption discipline under the Office of the Public Sector Anti-Corruption Commission’ s project “Thai Civil Servants Say No to Corruption” together with Education Service Center, Srinakharinwirot University by Dr. Waiyawut Yoonisil, Associate Dean of Graduate School, Educational Quality Assurance Department, Srinakharinwirot University
9. Participate in an exhibition to show the Anti-Corruption Campaign Cooperation and the national strategy on Anti-Corruption based on Anti-Corruption and Misbehavior of the government under the concept “Transparent Thailand” of Office of the National Anti-Corruption Commission

2. Rights of Shareholders

CAT recognizes the ownership rights as shareholders thus appointed a committee to act on their behalf over significant corporate decision. Therefore, the Board of Directors must protect the rights and interests of shareholders in accordance with the provisions of laws and the Company’s regulations, e.g., the right to attend shareholder meetings; and the right to obtain complete, sufficient, and timely information for effective decision making.

3. Rights of Stakeholders

CAT place great importance on looking after all groups of stakeholders, e.g., shareholders, clients and the general public, business partners, competitors, creditors, employees, and the society and environment. This is clearly specified in writing as a guideline for Board members, executives, and employees as transparent guidelines in response to specific requirements of each group of stakeholders.

4. Shareholder Meetings

CAT is a public limited company wholly owned by the Ministry of Finance. According to Article 23 of the Corporatization of State Enterprise Act, B.E. 2542 (1999) specified, “while the Ministry of Finance has yet to transfer shares to other entities, the Ministry’s opinion in relation to the said corporation shall be regarded as a resolution of shareholder general meetings”. Therefore, CAT has notified the Ministry of Finance about shareholder meetings to seek the Ministry’s opinion as a resolution at such meetings.

5. Board of Director’s Self - Evaluations

The Board members must conduct 2 types of self-evaluations twice annually including each member’s self-evaluation and the Board’s effectiveness evaluation, based on the Ministry of Finance’s state enterprise CG criteria. Following the Board’s self-evaluation, a formal discussion is held to consider the evaluation results and determine operation guidelines to further enhance the Board’s performance.

6. Business Ethics

CAT Board of Directors set ethical standard and code of business conduct for Board members, executives, and employees to adhere to. The guidelines recommend that all must perform their duties with integrity, transparency, accountability and morality to obtain the greatest benefit of the Company and fairness to all groups of stakeholders. To create positive impression and increase customer satisfaction, all must avoid any conflict of interest arising from their positions, and regularly assess and improve performance.

7. Conflict of Interest

CAT Board of Directors comprises 15 members, 14 of whom are not management executives and only one holds an executive position. For this reason, stakeholders can be confident that CAT Board of Directors can function independently.

8. Management Separation

The chairman of the Board is a different person from the president with clear separation among prescription of policy determination, supervision, and routine administration.

9. Internal Control and Auditing Procedures

Internal Control

CAT Board of Directors realizes the importance of internal control procedures by encouraging positive control environment, effective information and communication management, and efficient monitoring and evaluation system for both executive and operation levels as well as sufficiency assessment on overall internal control procedures. The Risk Management and Internal Control Committee plays an important role in assessing risks and managing organization risks at an acceptable level. The committee is also responsible for staff encouragement in the importance of internal audit and arranging an internal control system covering all aspects including finance, performance, and operations conforming to related laws and regulations

Internal Audit

CAT Board of Directors assigns the Audit Committee to closely supervise the internal audit by providing the Internal Audit Bureau with an independent audit mechanism, which is an important mechanism for Good Corporate Governance. The Internal Audit Bureau assesses the efficiency and adequacy of internal control system and risk management process in accordance with annual audit plan. The Bureau quarterly reports its findings to the Audit Committee, the executives, and related persons, respectively, to ensure effective operation and optimal resource management; accurate and reliable financial and operational statements; and compliance with policies, laws and regulations of the company and related parties. There are quarterly follow-up of agreed actions to ensure further execution over its recommendations. The Internal Audit Bureau regularly carries out evaluation of its own audit performance by audited units and takes all recommendations to further improve its auditing procedures.

10. Investor Relations

CAT fully discloses both financial and non-financial information in accordance with the Official Information Act, B.E. 2540 (1997) in the annual report and also on CAT website (www.cattelecom.com) in Thai and English. There are also printed materials for both internal and external distribution, and official information centers to disseminate essential information.