

Internal Control and Internal Audit

The company has established internal control systems in line with standards set by the SEC in accordance with Internal Control Framework of Committee of Sponsoring Organizations of the Tread way Commission or COSO. The Internal Control Framework consists of following five key components:

1. **Control Environment:** The Company has set up appropriate internal control systems covering all business units of the organization including proper job description, segregation of duties, Approval Authority based on Good Corporate Governance and the Company's Corporate Governance policy.
2. **Risk Assessment:** The Company has formed a Risk Management Committee and developed a risk management system based on recommended Enterprise Risk Management Framework of COSO, customized to align with the Company's business and its continuing development.
3. **Control Activities:** The Company has created control mechanisms for all staffs through company policies, procedures including adoption of Quality Management System of ISO to align business operations with fit for purpose controls which emphasize on information reliability, asset safeguarding, and compliance with the rules and regulations of the Company and outside authorities and to strengthen information security.
4. **Information and Communication:** The Company realizes the importance of its information system and the distribution of information both internally and externally through its intranet, and website. A culture of openness is promoted to emphasize communication between all levels.
5. **Follow-up and Monitoring:** The Company's Executive Committee monitors the Company's and the company in the Group's financial and operating results, and other

The internal audit activities are in charge by the office of Internal Audit which is an independent unit reporting directly to the Audit Committee. The main responsibilities of the office are to provide assurance to the Board of Directors on adequacy and effectiveness of Good Corporate Governance, Internal Controls, Risk Management and Compliance across the Group of Companies which includes all overseas units through its assurance and consulting service activities.

This policy became effective on March 23, 2016.



(Paron Israsena)

Chairman of the Board of Directors

Thaicom Plc.

