

Details of the “Prohibitions of Actions regarded as Business Takeover by Foreigners”

To be in line with the standard prescribed by the Notification of the National Broadcasting and Telecommunications Commission Re: The Determination of Prohibitions of Actions regarded as Business Takeover by Foreigners B.E. 2555, the Board of Directors’ Meeting No. 1/2561 held on 28th February 2018 is of the opinion that the “Prohibition of Actions regarded as Business Takeover by Foreigners” as appeared in Article 31 of the Company’s Articles of Association, which is the same content as approved by the 2013 AGM, should be proposed to 2018 AGM for review and approval, details are as follows;

“Article 31. Prohibitions of Actions regarded as Business Takeover by Foreigners

Referring to the Notification of the National Broadcasting and Telecommunications Commission Re: the Determination of Prohibitions of Actions regarded as Business Takeover by Foreigners B.E. 2555, which was announced on 23 July 2012, published in the Government Gazette on 23 July 2012 and became effective on 24 July 2012, requires that the telecommunication business licensee shall determine the prohibition of actions regarded as business takeover by foreigners. Whereas True Corporation Public Company Limited (the “Company”) is a private entity participating and co-investing with the Telephone Organization of Thailand (at present TOT Public Company Limited) in procuring, installing, controlling and maintaining the equipment of the system in order to transfer and deliver such equipment to the Telephone Organization of Thailand, in order for the Telephone Organization of Thailand to provide service to the public. As such, the Company understands that the Company is not a telecommunications business operator under the Telecommunications Business Act, B.E. 2544, and is not a licensee under the Notification of National Broadcasting and Telecommunications Commission Re: The Determination of Prohibitions of Actions regarded as Business Takeover by Foreigners B.E. 2555 (“the Notification of NBTC”), which is obligated to comply with the terms and conditions of the Notification of NBTC. Nevertheless, as the Company is a public company which is listed on the Stock Exchange of Thailand, and in order to show that the Company has not been taken over by foreigners, with respect to the standard prescribed by the National Broadcasting and Telecommunications Commission, the Company has used the standard prescribed in the Notification of NBTC to identify itself and determine the “Prohibitions of Actions regarded as Business Takeover by Foreigners” in order to certify that the Company will not be taken over by foreigners according to the behavior or facts prescribed in the Notification of NBTC. Therefore, the Company has determined prohibitions of actions regarded as business takeover by foreigners as described below.

(1) In these prohibitions:

“Notification of NBTC” means the Notification of the National Broadcasting and Telecommunications Commission Re: the Determination of Prohibitions of Actions regarded as Business Takeover by Foreigners B.E. 2555;

“Company” means True Corporation Public Company Limited;

“Foreigner” means foreigner under the Foreign Business Act B.E. 2542

“Business Takeover” means having control power or influence, regardless of whether it is direct or indirect by foreigners in determining policies, management, operation, appointment of directors, appointment of high-level executives which may affect the management or operation of the telecommunication business of the Company, by holding voting shares from one-half of all voting rights, control power over the Company’s majority voting rights in shareholders meeting or appointment or revoke the directors from one-half of all directors

(2) Business takeovers by foreigners through the following circumstances are regarded as prohibitions of actions regarded as business takeover by foreigners according to the Notification of NBTC.

- (2.1) A business takeover by allowing foreigners, their agents, or nominees to hold shares, either directly or indirectly, to avoid the compliance under the Notification of NBTC.
- (2.2) A business takeover by allowing foreigners to hold shares directly or to hold shares through their representatives or nominees, whereby such shares have special rights by casting votes greater than the proportion of shareholding actually held in a shareholder meeting, or they are shares with preferential rights over shares held by Thai nationals.
- (2.3) A business takeover by allowing foreigners to have control power or influence, regardless of whether it is direct or indirect in determining policies, management, operation, or appointment of directors or high-level executives.

High-level executives refers to chairman, managing director, manager, supervisor, chief executive on purchasing, chief financial officer, or any other person who has controlling power or influence to the management of the business or telecommunication business operation in the business of the Company.
- (2.4) A business takeover via legal relations with sources of investment money and loans from foreigners or their subsidiary juristic persons, such as, guaranty of loan, lending money at interest rate lower than market rates, guaranty of business risk, or granting of credit of discriminatory description.
- (2.5) A business takeover through the making of contract concerning intellectual property, franchise contract, or contract giving exclusive rights to foreigners or their subsidiary juristic persons, and such contract rendering an effect of transfer of expenses and benefits in return to foreigners.
- (2.6) A business takeover through the making of contract of procurement or contract of hire of work of management with foreigners or their subsidiary juristic persons, or with employees or staff of foreigners or of their subsidiary juristic persons, and such contracts rendering an effect of transfer of expenses and benefits in return to foreigners.
- (2.7) A business takeover through the making of joint business operation with foreigners or their subsidiary juristic persons, by allocating or dividing capital in the business operation in a manner that renders a transfer of expenses and benefits in return to foreigners.
- (2.8) A business takeover through the execution of transactions in the manner of a transfer pricing or a price collusion with foreigners or their subsidiary juristic persons.