

## Connected Transaction

Related transactions which might have conflicts of interest in 2018

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
Samart Corporation Public Company Limited. ("SAMART")	- Samart Corporation Plc. The major shareholder of the company.  Director of SC (related person) 1.Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Sirichai Rasameechan 4.Mr. Thananan Vilailuck.	- A/R for contact center services render - Service Revenue from Contact center services - Prepaid expenses	0.051  0.694  0.001	0.031  0.407  -	- OTO provides contact center service to SAMART and its subsidiaries. - Telephone system maintenance service fee.  <u>Audit Committee Opinion</u> - OTO provides contact center service to SAMART group at the same service rate and term of payment as third parties. - Advanced payment of telephone system maintenance service fee is the same term of payment as third parties.

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
		- A/P for Information Technology System Service	4.030	3.509	- SMART is OTO major supporter via financial and legal consultant, business plan and strategy, IT system service.
		- Account Payable	0.075	0.046	
		- Management Fee	4.800	4.800	
		- Fee-based service in Data Center	15.425	15.425	<u>Audit Committee Opinion</u>
		- Phone line rental cost	0.002	-	- SMART supports OTO in various ways as it is OTO's parent company.
		- Purchase of Fixed assets	-	0.002	
		- Service Expenses	0.877	0.395	- Service Pricing is based on hourly rate which the parent company used a maximum markup rate of 5% due to company payment agreement.
		- Other Expenses	0.078	0.001	- SMART offers a lower cost of Management Consulting Contract to compare with other outsourcing.

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
					<ul style="list-style-type: none"> <li>- Service pricing for Information Technology Service Center is based on management cost (e.g. computer accessories, hardware, software, internet content and social media rental, payroll, and all bills) and 5% markup for 1 year average cost (regular rate price for SMART Group) without any extra charge for special request such as extra staffs or works.</li> <li>- Compare with installation cost of Information Technology Service Center, the cost of rental SMART facilities and services is lower.</li> <li>- Phone line rental cost is in accordance with TOT invoice. A 6 months advance payment aims to resource saving.</li> </ul>
Samart Engineering Co., Ltd. (“SE”)	<p>- SE is a subsidiary of SMART, the major shareholder of OTO.</p> <p>Director of SE (related person)</p> <p>1. Mr. Charoenrath Vilailuck 2. Mr. Watchai Vilailuck 3. Mr. Thananan Vilailuck.</p>	<ul style="list-style-type: none"> <li>- A/R for contact center services render</li> <li>- Service Revenue from Contact center services</li> <li>- Accrued revenue</li> </ul>	0.096	0.100	<p>- OTO provides contact Center Service for SMART group.</p> <p><u>Audit Committee Opinion</u></p> <p>- The fee and payment terms and conditions of contact center service provided to SMART group were consistent to third parties.</p>
			1.239	0.588	
			0.008	0.049	

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
		- Other Expenses	-	0.028	- OTO hired SCT for configuration switch.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of SE provided to OTO was consistent to third parties.
Vision and Security System Co., Ltd. ("Vision")	- Vision is one of the subsidiaries of SAMART group, the major shareholder of OTO.  Director of Vision (related person) - Mr. Thananan Vilailuck	- A/R for contact center services - Service Revenue from Contact center services	0.002 0.018	0.002 0.018	- OTO provides contact center service to SAMART group.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.
		- CCTV Expenditure - Purchase of Fixed assets - Purchase of Goods	0.014 - -	- 0.120 0.035	- OTO purchased CCTV from Vision for internal and on site usage.  <u>Audit Committee Opinion</u> - Vision quoted the CCTV with price, term of payment and condition based on market price.

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
Samart U-Trans Co., Ltd. ("SU")	- SU is a subsidiary of SAMART, the major shareholder of OTO.  Director of SU (related person) 1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck	- Service Revenue from Contact center services	0.002	0.002	- OTO provides contact center service to SAMART group.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.
Samart Telcoms PCL. ("SAMTEL")	- SAMTEL is a subsidiary of SAMART which is the major shareholder of OTO.  Director of SAMTEL (related person) 1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck 3.Mr.Sirichai Rasameechan 4. Mr. Thananan Vilailuck	- A/R for contact center services - Service Revenue from Contact center services	0.103 0.161	0.026 0.110	- OTO provides contact center service to SAMART group.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.
Samart Communication Services Co., Ltd. ("SCS")	- SCS is a subsidiary of SAMTEL, SAMTEL is a subsidiary of SAMART which is the major shareholder of OTO.  Director of SCS (related person)	- A/R for contact center services - Accrued Income from contact center services - Service Revenue from Contact center services	0.492 0.001 2.131	0.101 0.091 1.347	- OTO provides contact center service to SAMART group.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
	1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck.	- A/P for system's facilities freight and installation	0.347	0.347	- OTO hired SCS for system implement carrying and setting TOT system nationwide. All expenses were recorded as cost of production and selling administrative expense.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of SCS provided to OTO was consistent to third parties.
Thai Trade Net Co., Ltd. ("TTN")	- TTN is a subsidiary of SAMTEL, SAMTEL is a subsidiary of SAMART which is the major shareholder of OTO.  Director of TTN (related person) 1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck.	- A/R for contact center services - Service Revenue from Contact center services	- 0.151	0.013 0.151	- OTO provides contact center service to SAMART group.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
PosNet Co., Ltd. (“PN”)	<p>- PN is a subsidiary of SAMTEL, SAMTEL is a subsidiary of SAMART which is the major shareholder of OTO.</p> <p>Director of PN (related person) 1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck</p>	- Service Revenue from Contact center services	0.051	0.045	<p>- OTO provides contact center service to SAMART group.</p> <p><u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.</p>
Samart Comtech Co., Ltd. (“SCT”)	<p>- SCT is a subsidiary of SAMTEL, SAMTEL is a subsidiary of SAMART which is the major shareholder of OTO.</p> <p>Director of SCT (related person) 1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck</p>	<p>- A/R for contact center services</p> <p>- Service Revenue from Contact center services</p>	<p>0.007</p> <p>0.149</p>	<p>0.149</p> <p>0.210</p>	<p>- OTO provides contact center service to SAMART group</p> <p><u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties. - OTO sell and install Call Center System to SCT so as to support SCT customer relationship management with a regular payment term and condition.</p>

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
		- Other Expenses	-	0.010	- OTO hired SCT for configuration switch.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of SCT provided to OTO was consistent to third parties.
Samarterware Co., Ltd. ("STW")	- STW is a subsidiary of SAMTEL, SAMTEL is a subsidiary of SAMART which is the major shareholder of OTO.  Director of STW (related person) 1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck.	- A/R for contact center services - Service Revenue from Contact center services	0.001 0.009	0.001 0.009	- OTO provides contact center service to SAMART group  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.



Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
Samart Infonet Co., Ltd. ("SIF")	<p>- SIF is a subsidiary of SAMTEL, SAMTEL is a subsidiary of SAMART which is the major shareholder of OTO.</p> <p>Director of SIF (related person) Mr. Watchai Vilailuck.</p>	<p>- A/R for contact center services</p> <p>- Service Revenue from Contact center services</p>	<p>0.003</p> <p>0.038</p>	<p>0.003</p> <p>0.038</p>	<p>- OTO provides contact center service to SAMART group</p> <p><u>Audit Committee Opinion</u></p> <p>- The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.</p>
		<p>- A/P for internet and network system</p> <p>- Internet access service fees</p> <p>- Selling administrative expenses</p> <p>- Other Expenses</p>	<p>1.013</p> <p>-</p> <p>6.528</p> <p>0.152</p>	<p>2.030</p> <p>0.726</p> <p>4.833</p> <p>0.103</p>	<p>- SIF provided internet and network access to OTO. All expenses were record as cost of production and Selling administrative expense.</p> <p><u>Audit Committee Opinion</u></p> <p>- Service fees for internet and network access provided by SIF is at a regular price which can be compared to other service providers.</p>

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
Samart Digital PCL. (“SDC”)	- SDC is a subsidiary of SAMART, SDC is a subsidiary of SAMART which is the major shareholder of OTO.  Director of SDC (related person) 1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck. 3.Mrs.Sukanya Vanichjakvong	- A/R for contact center services - Accrued Income from contact center services - Service Revenue from Contact center services	2.524 0.329 7.843	0.050 - 1.594	- OTO provides contact center service to SAMART group and specific field of contact center service to SDC.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties. - OTO provided specific field of contact center service to SDC in accordance with customer usage on the regular rate of Service charge.
		- Other Payable - Administrative expense (mobile phone) - Service expenses - Other Expenses	0.014 0.115 0.367 0.073	0.002 - 0.028 -	- OTO purchased mobiles from SDC. - OTO purchased SDC Open service for internal company or staff welfare. <u>Audit Committee Opinion</u> - OTO purchased mobiles and accessories for the company and staffs usage from SDC with a regular payment term and condition.

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
Samart Digital media Co.,Ltd. ("SDM")	<p>- SDM is a subsidiary of SDC, SDC is a subsidiary of SAMART which is the major shareholder of OTO.</p> <p>Director of BUG (related person) 1. Mr. Watchai Vilailuck. 2. Mrs. Sukanya Vanichjakkong</p>	<ul style="list-style-type: none"> <li>- A/R for contact center services</li> <li>- Accrued Income from contact center services</li> <li>- Service Revenue from Contact center services</li> </ul>	<p>7.350</p> <p>2.117</p> <p>17.064</p>	<p>7.492</p> <p>0.817</p> <p>11.150</p>	<p>- OTO provides contact center service to SAMART group and specific field of contact center service for BUG 1113 project.</p> <p><u>Audit Committee Opinion</u></p> <ul style="list-style-type: none"> <li>- The fee and payment terms and conditions of contact center service provided to SAMART group were consistent to third parties.</li> <li>- Over a decade of providing contact center service to SDM, or BUG 1113, service fees were determined by revenue sharing based on minute usage. However, OTO decided to increase its service fee twice, while SDM requested to inform minimum minute service usage one month in advance as a reciprocity</li> <li>- Gross Profit Margin on BUG 1113 project is significantly decreased in some quarter as a result of the downfall of customers which impact on OTO's CSR workforce plan. However, the latest efficient CSR allocation plan leads to the growth of gross profit margin.</li> <li>- Audit committee commented that BUG1113 project bring OTO to illustrious contact center service. Service providing to SDM is in a reasonable rate price and the company still gain gross profit margin in this project.</li> </ul>

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
		<ul style="list-style-type: none"> <li>- A/P for service purchase</li> <li>- Deposit account</li> <li>- Selling goods and service expenses</li> <li>- Purchase Expenses</li> <li>- Other Expenses</li> </ul>	<p>0.024</p> <p>0.505</p> <p>0.174</p> <p>-</p> <p>-</p>	<p>0.780</p> <p>0.505</p> <p>-</p> <p>0.039</p> <p>0.859</p>	<ul style="list-style-type: none"> <li>- SDM provided SMS services to OTO which all expensed are recorded as selling goods and service expense for each department.</li> </ul> <p><u>Audit Committee Opinion</u></p> <ul style="list-style-type: none"> <li>- SDM provided SMS services to OTO for internal usage and for OTO's customers. The fee and payment terms and conditions of service provided by SDM were consistent to third parties</li> </ul>
I-Sport Co., Ltd. ("I-Sport")	<p>- I-Sport is a subsidiary of SDC, SDC is a subsidiary of SMART which is the major shareholder of OTO.</p> <p>Director of I-Sport (related person)</p> <p>1.Mr.Watchai Vilailuck.</p> <p>2.Mrs.Sukanya Vanichjakvong</p> <p>3.Mr.Pairoj Boonkongchuen</p>	<ul style="list-style-type: none"> <li>- A/R for contact center services</li> <li>- Service Revenue from Contact center services</li> </ul>	<p>0.051</p> <p>0.285</p>	<p>0.051</p> <p>-</p>	<ul style="list-style-type: none"> <li>- OTO provides contact center service to SMART group.</li> </ul> <p><u>Audit Committee Opinion</u></p> <ul style="list-style-type: none"> <li>- The fee and payment terms and conditions of contact center service provided to SMART group were consistent to third parties.</li> </ul>

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
Vilailuck International Holding Co., Ltd. (“VIH”)	- Mr.Charoenrath Vilailuck - Mr.Watchai Vilailuck and - Mrs.Sukanya Vanichjakvong are the directors of OTO and major shareholders of VIH.  Director of VIH (related person) 1. Mr.Charoenrath Vilailuck 2. Mr.Watchai Vilailuck. 3. Mr. Thananan Vilailuck	- Deposit account	1.629	1.629	- OTO has rented area for its operation from VIH. Rental, utilities ,and service fee are charged according to rental agreement.  <u>Audit Committee Opinion</u> - Area rental is for customer services with a rental rate. The rate rental is at a regular price which can be compared to other rentals nearby.
		- A/P for rental and utilities fee - Other Payable - Rental and utilities expenses - Others expenses	1.778 0.019 9.567 0.525	0.903 0.024 4.825 0.384	- OTO has rented area for its operation from VIH. Rental, utilities,and service fee are charged according to rental agreement. - Others expense as parking space rental and others extra fee.  <u>Audit Committee Opinion</u> - Area rental is for customer services with a rental rate. The rate rental is at a regular price which can be compared to other rentals nearby.

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
WIN Performance Co., Ltd.	- Mr. Watchai Vilailuck, a director of the OTO, is a major shareholder of WIN Performance Co.,Ltd	- Account Receivable - Accrued Income - Service Revenues from Contact center services	1.995 - 15.630	- 0.315 3.780	- OTO provides contact center service to SMART group.  <u>Audit Committee Opinion</u> - The fee and payment terms and conditions of contact center service provided to SMART group were consistent to third parties.
IQ White Co.,Ltd.	- Mr. Thananan Vilailuck, a director of the OTO, is a major shareholder of IQ White Co.,Ltd	- Others expenses	-	0.020	- OTO purchases products from IQ Wine Co., Ltd., which operates as normal business according to general trading conditions.  <u>Audit Committee Opinion</u> - Purchases of products are priced according to normal trading conditions and can be compared to the price that IQ Wine Company Limited sells to other customers.
Palangmitr Transport Co., Ltd.	- Director of Palangmit Transport Co., Ltd. is a spouse of Mrs. Sukanya Vanichjakkong, director of OTO.	- Deposit account	0.374	0.374	OTO has rented area for its operation from Palangmit Transport Co., Ltd. Rental, and other service fees are charged according to rental agreement.  <u>Audit Committee Opinion</u> - Area rental is for customer services with a rental rate. The rate rental is at a regular price which can be compared to other rentals nearby.

Related Parties	Relationship	Transaction Type	2017 (THB. millions)	2018 (THB. millions)	Necessary of Transactions
		- Rental fee	1,990	-	<p>OTO has rented area for its operation from Palangmit Transport Co., Ltd. Rental, and other service fees are charged according to rental agreement.</p> <p><u>Audit Committee Opinion</u></p> <p>- Area rental is for customer services with a rental rate. The rate rental is at a regular price which can be compared to other rentals nearby.</p>

## **Materiality Criteria for Related Party Transactions which might have conflicts of interest**

### **1. Necessity and Rationale of Transactions**

OTO's Audit Committee had the opinion that the above said inter-company transaction is necessary and proper to be done for the best benefits of the Company. The conditions were set according to the general trade conditions.

### **2. Measures and Steps of Approval for Connected Transactions**

In order to avoid conflict of interest from connected transactions, the Audit Committee verified before submitted to the Board of Directors' and shareholders' meeting for approval respectively on the basis of OTO's stipulation and value of transactions. The directors, managers and the stakeholders who have the beneficial interest shall have no right to vote on that matter. The approval on the connected transaction would be complied with the regulations and notifications of the Stock Exchange of Thailand (SET).

#### ***2.1 General term and condition for business transaction***

Business transaction with General terms and conditions shall have been approved by the Board of Directors. However, in such case, the executive board has the right to approve, without the beneficial interest and/or bargaining power, trade transaction as person of ordinary prudence would exercise in business dealing.

The 5th meeting (August 23, 2013) held by Board of Directors, shareholders and audit committee announce the "Materiality Criteria for Related Party Transactions" as follows:

- Pricing for goods and services based on cost estimate or a markup rate of at least 15%.
- Pricing for the Contact Center Service has used a markup rate of at least 10%.
- Service Pricing is based on hourly rate which the parent company used a maximum markup rate of 5% due to company payment agreement.
- Pricing for fixed assets sales is based on net book value and addition of conversion costs.

All general business transactions have to be reported at the meeting of the Audit Committee and the meeting of the Board of Directors on quarterly basis.

Business transaction with special terms and conditions shall have been verified before submitted to the Board of Directors' and shareholders' meeting for approval respectively on the basis of OTO's stipulation and value of transactions. The approval on the connected transaction would be complied with the regulations and notifications of the Stock Exchange of Thailand (SET) and the regulations on disclosure of information concerning the connected transactions



In such case of business transaction which Audit Committee has inexperienced, an independent financial advisor's opinion, appointed by the company, shall have been submitted to the Board of Directors' and shareholders' meeting for approval respectively on the basis of OTO's stipulation and value of transactions. All related transaction along with footnotes to financial statement shall disclose in annual report.

## 2.2 Policy and Trend in Future Connected Transactions

The Company may have any suitable connected transaction with the normal business based regarding to the terms and conditions of general trade on the basis of OTO's stipulation and value of transactions as well as strictly comply with SET's regulations and notifications. Audit Committee opinion of necessary of transactions will be required and disclosed in footnotes to financial statement report for any conflict which might occur.

Future Connected Transactions are as follows:

### Purchase of goods and services

OTO purchase goods and services from SAMART group for operation and customer service support such as CCTV, mobile, SMS, internet access.

Sales prices are determined at market price, or a markup rate of at least 15% if there is unknown market price.

### Maintenance Service

Although the maintenance crew activities are critical to support after sale services, OTO maintenance crew will provide service in Bangkok area only. In case of lack of staff or service area is in the provinces, OTO hires maintenance team from SAMART group to support our service as it is a worthy investment. Moreover, any delay of maintenance will be charged as stated in the contract and agreement. Service Pricing based on cost estimate or a markup rate of at least 15%.

### Area rental for business operation

OTO has rented area for its operation and customer services from PalangmitrTransport Co., Ltd. and Vilailuck International Holding Co., Ltd ("VIH") are charged at the amount stated in the agreement .