



PO# 008 / 2017

27 January, 2017

Subject Report of Lawsuit and Risk Management Committee Appointment
To President
The Stock Exchange of Thailand

The International Engineering Public Company Limited ("the company") or ("IEC") received a copies of litigation on 14 November 2016 and an order from The Central Administrative Court to prepare an interrogation regarding Black Case # 1609/2016, in that CAT Telecom Pcl. ("CAT") has filed a lawsuit via The Central Administrative Court against 4 defendants. Such 4 defendants are comprised of 2 companies which are not affiliate, not related company nor related persons. They are Defendant No. 1 and No. 2. IEC is the Defendant No. 3 while a Thai commercial Bank is the Defendant No. 4. The accusation is breaking a contract and CAT as a Plaintiff has claimed the damages of Baht 164,342,219.79.

In this lawsuit, CAT has filed that , on 25 January 2008, it hired LSI Consortium ("LSI") which include Defendant No.1 – No.3 as the contractors who entered into the agreement of Integrated Billing and Customer Services System (IBACSS) and Billing Mediation System Furnishing ("Contract for Services") totaling Baht 953,359,300. In 2009, LSI has completely submitted all the works done under IBACSS including installations and software development for customer services and Customer Relationship Management (CRM) which were parts of this project. Under this project, No.1 Defendant has submitted Epiphany CRM, a computer software which are the product that No.1 Defendant was assigned to provide and install in CRM for CAT's usage. Later, CAT was informed by INFOR Software (Thailand) Co. (INFOR), owner of Epiphany CRM computer software license after CAT has used such software, that CAT's actual utilizations exceeded allowable user's rights. It therefore asked CAT and No.1 Defendant to stop such computer software utilization. CAT viewed that this has incurred damages thus it filed such lawsuit via Central Administrative Court.

IEC wishes to clarify that it has considered methods to stop damage that can occur as a party in LSI. Such mutual liabilities and destructions may reach LSI consortium. Therefore, IEC management has entered into a negotiation with CAT and INFOR to reduce such destructive impacts. 3 Parties (IEC, CAT and INFOR) have derived at mutual conclusions to stop such legal dispute and legal litigation withdrawal by CAT, provided that

1. CAT must receive Release Letter issued by INFOR, provided that INFOR will not file legal case about Epiphany CRM computer program against CAT both at current and future.
2. CAT must receive the Right to Use Epiphany CRM computer program from INFOR.

Under this disputes settlement, INFOR and CAT has set out conditions for IEC as follows

- (a) IEC is to pay Software License fee of CRM to INFOR in the amount of Baht 21,152,297 before VAT.
- (b) IEC is to pay for CAT's damage totaling Baht 1,935,592.73 (net)

For such reason, IEC #2 / 2017 Board of Directors meeting dated 26 January 2017, has considered that IEC may incurred inappropriate image among public if it is sued and incurred legal



liabilities in this case which carries very high value of amount claimed. Moreover, the plaintiff is a state enterprise. In order to relieve and stop possible damages, IEC Board of Directors then approved settlement via compromise with CAT and INFOR according to the above mentioned terms and conditions

In case CAT has completely withdrawn the case, IEC will release the message via SET notification.

Under this Board of Director Meeting # 2/2560 on 26 January 2017, the Board also appoint a Mr. Pornthep Tippayatat to be a Risk Management Committee with effective from 26 January 2017. Therefore, the company's Risk Management Committee is as follows

1. Prof. Dr. Pairote Sattayatham - Chairman
2. Asst. Prof. Dr. Yossapong Laonual - Committee
3. Mr. Pornthep Tippayatat - Committee

Please be informed accordingly.

Yours sincerely,

(Mr. Satitpong Tongtom)
CFO, Authorized Person to Disclose Information