

(Translation)

**Minutes of the 2013 Annual General Meeting of Shareholders
of Thai Airways International Public Company Limited
on Wednesday, 24 April 2013
at Miracle Grand Ballroom, 4th Floor, Miracle Grand Convention Hotel,
Vibhavadi Rangsit Road, Laksi, Bangkok**

Shareholders Present:

1. The Ministry of Finance, holding 1,113,931,061 shares
(Represented by Mr. Niti Wittayatem, proxy)
2. Other 5,478 shareholders, holding 567,654,516 shares
Totaling 5,479 shareholders present, representing a total of 1,681,585,577 shares

The Meeting commenced at 13.40 hrs.

Mr. Ampon Kittiampon, Chairman of the Board of Directors, and Independent Director, presided over the Meeting as the Chairman. Directors and committee members including management executives attended the Meeting as follows:

Board of Directors and Committees

1. Mr. Ampon Kittiampon, Chairman and Independent Director
2. Mr. Chulasingh Vasantasingh, Vice Chairman, Chairman of the Audit Committee and Independent Director
3. Mr. Areepong Bhoocha-oom, Vice Chairman, Chairman of the Nomination, Remuneration and Human Resources Development Committee
4. Mr. Kanit Sangsubhan, Director, Independent Director and Chairman of the Executive Board
5. Mr. Chutinant Bhirom Bhakdi, Director and Member of the Audit Committee
6. Mr. Dheerasak Suwannayos, Director and Chairman of the Good Corporate Governance Committee
7. Pol.Gen.Wichean Potephosree, Director and Chairman of the Risk Management Committee
8. Mr. Weerawong Chittmitrapap, Director, Independent Director and Member of the Audit Committee
9. ACM. M.L. Suprija Kamalasila, Director
10. Mr. Sutham Siritipsakorn, Director
11. Mr. Silpachai Jarukasemratana, Director
12. Pol.Gen.Adul Saengsingkeo, Director
13. Mr. Sorajak Kasemsuvan, Director and President

Management Executives

1. Mr. Sorajak Kasemsuvan, President
2. Mr. Chokchai Panyayong, Senior Executive Vice President, Strategy and Business Development
3. Mr. Pandit Chanapai, Managing Director, Ground Services Business Unit
4. Mr. Teerapol Chotichanapibal, Executive Vice President, Products and Customer Services
5. Flt.Lt. Montree Jumrieng, Executive Vice President, Technical Department
6. Mrs. Wasukarn Visansawatdi, Executive Vice President, Finance and Accounting
7. Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance
8. Lieutenant Athisak Padchuenjai, Executive Vice President, Operations

9. Mr. Danuj Bunnag, Executive Vice President, Commercial
10. Mrs.Suvakhon Nawongs, Vice President, Office of the Internal Audit
11. Mrs.Sunathee Isvarphornchai, Vice President, E-Customer Relations Department
12. Mr. Prakobkiat Ninnad, Vice President, Petroleum and Corporate Insurance Department
13. Mrs. Chuda Dhanabhumi, Vice President, Human Resources Management Department
14. Mr. Raj Tanta-Nanta, Vice President, Corporate Finance Department
15. Mr. Pichait Riengvattanasuk, Vice President, Risk Management Department
16. Mr. Thongchai Singhakul, Vice President, Financial Accounting Department
17. Mrs. Bhinkham Rohitasthira, Vice President, In-Flight Services Department
18. Mrs. Charita Leelayudth, Vice President, Management Accounting and Budget Department
19. 2nd Lt. Anussorn Naksrichum, Vice President, Ground Equipment Services Department
20. Flt.Lt. Yuthasit Suwanloy, Vice President, Technical Support Department
21. Mr. Woranate Laprabang, Managing Director, THAI Smile Business Unit
22. Flt.Lt. Kanok Thongpurk, Vice President, Personnel Development and Training Department
23. Mr. Chalongchai Hiranyalekha, Vice President, Market Planning and Revenue Management Department
24. Mr.Krittaphon Chantalitanon, Vice President, Product and Service Development Department
25. Flg.Off. Suraphon Israngura Na Ayuthya, Managing Director, Catering Department
26. Mrs. Busaba Sanghawibha, Vice President, Customer Service Management and Relations
27. Mr. Bumpen Suppasri , Vice President , Legal Department
28. Ms. Jirapan Siripraiwan, Vice President, Business Development Special Project Department
29. Mrs. Suvimol Bualerd, Vice President, Corporate Secretariat Department
30. Mr. Saroj Yuttatri, Vice President, Information Technology Services Department
31. Sqn.Ldr. Pongpeera Paisarnkulwong, Vice President, Aviation Safety Security and Standards Department
32. Mrs. Duanpen Teekakul, Vice President, Corporate Strategy and Planning Department
33. Mrs. Usanee Sangsingkeo, Vice President, Ground Customer Services Department
34. Mrs. Petchpring Sarasin, Vice President, Corporate Public Relations Department
35. Mrs. Benjamas Wilaichon, Vice President, General Administration Department

The representatives of the Office of the Auditor General of Thailand (OAG), as the Company's auditor, who were in charge of observing the voting process:

1. Mr. Thurdpong Pongsaksri
2. Ms. Pattamon Puttaseema
3. Ms. Patthamika Pao-in
4. Ms. Wasana Danpongprasert
5. Mr. Boonchai Coomsanghirun

The volunteer shareholders who were vote-counting committee members:

1. Ms. Pornpilai Kosolprapa
2. Ms. Pasita Nananukoon
3. Ms. Pornrat Achariyahirunchai

Mr. Ampon Kittiampon, Chairman, greeted all shareholders present and apologized for the delay in registering the shareholders in attendance. He stated that he had discussed the matter with Mr. Sorajak Kasemsuvan, President, and they had concluded that at the Shareholders Meeting next year, there would be a separate desk for registering the attendance of the shareholders who were 60 or more years of age for their convenience. At this 2013 Annual General Meeting of Shareholders (AGM), there were 2,453 shareholders present, in person and by proxy, holding altogether 1,498,594,691 shares, equaling 68.65% of the total shares of the Company, thus constituting a

quorum in accordance with Article 34 of the Company's Articles of Association. Presently, the Company had 112,139 shareholders totaling 2,182,771,917 shares. Accordingly, the Chairman declared that the Company 2013 Annual General Meeting of Shareholders (AGM) was opened.

The Chairman provided to introduce to the Meeting the members of the Board of Directors and informed the Meeting that the Company had appointed Siam Premier International Law Office Limited (SPI) as its legal advisor to take care and provide advice that the Meeting proceedings were carried out properly and in compliance with the law. The Chairman introduced SPI's representative, Mrs. Kulkanist Khamsirivatchara, and had the President introduce the Company's Management Executives to the Meeting. The Chairman stated that the Company's Articles of Association in regard to the meeting of shareholders require that such meeting proceed in accordance with the proposed agenda, of which all shareholders had been notified. In order for all shareholders to be familiar with the voting and the counting of votes, the Chairman requested that Mrs. Suvimol Bualerd, Vice President, Corporate Secretariat Department acting as the Secretary of the Meeting, explain the procedures to the Meeting.

Mrs. Suvimol Bualerd, Vice President, Corporate Secretariat Department acting as the Secretary of the Meeting, stated that, in order to promote the good corporate governance in regard to the protection of the shareholders' rights and equality, the Company allowed the shareholders to propose beforehand the inclusion of any issues on the agenda as well as the nomination of any qualified persons as the Company's directors at the 2013 AGM in accordance with the rules and procedures disclosed on the Company's website from 28 September 2012 to 31 December 2012. However, as no issue or name had been proposed by any shareholder, there were 10 issues on the agenda of this 2013 AGM, as detailed in the Meeting Invitation Notice proposed in advance to all shareholders.

Regulation of the Meeting:

Article 36 of the Company's Articles of Association provides that "the Chairman of the Meeting is responsible for conducting the meetings in accordance with the Company's Articles of Association in regard to meetings and according to the order of issues on the agenda, as proposed in advance in the Meeting Invitation Notice, unless the Meeting resolves that such order be rearranged by a vote of not less than two-thirds of the shareholders present at the meeting".

Expression of Opinions:

Any person who wishes to express an opinion at the Meeting shall raise his/her hand. When granted permission by the Chairman, such person shall step to the provided podium, state his/her full name and status as a shareholder or a proxy and then discuss the subject matter of the agenda. If there are several shareholders who have raised their hands, the Chairman of the Meeting or the person acting in place of the Chairman at that time shall allow them to inquire or express opinions by taking into consideration to the shareholders who have yet to ask questions or, express their opinions. The expressed opinions shall be pertinent to the issue under discussion, without unnecessary repetition. Those who express their opinions shall do so politely and should avoid saying anything which might constitute a criminal offence or a violation of the civil rights of others. In order to control the meeting time effectively, the Chairman may limit the number of questions to be asked by the shareholders regarding each issue as he deems necessary.

Voting:

In order for the Meeting to be effective and not too time-consuming, the Company determines that if any shareholder wants to vote against an agenda or abstain from voting, such shareholder or his/her proxy shall hand a ballot in which he/she indicates such voting to the

Company's officers. Any shareholder or proxy who fails to hand the ballot in respect of any agenda shall be deemed to have voted in favour of such agenda, save in the case of Agenda 9 where all ballots will be collected.

When the Chairman declares the collection of ballots for each agenda closed, any ballots handed in after that shall be deemed invalid and not be included in the counting of votes.

The proxy who holds a proxy instrument in which the shareholder has indicated his/her voting need not hand a ballot to the Company's officers as the Company will count such vote from the proxy instrument.

Moreover, after the collection of ballots is declared closed, the Chairman in order to save time may proceed to consider the next agenda during the counting of votes. Once the counting is finished, the Chairman shall announce the results to the Meeting.

Counting of Votes;

For Agenda 2, 4, 5 and 7

Resolutions shall be adopted by the majority votes of the shareholders present at the Meeting and have the right to vote.

For Agenda 6: Consideration of Directors' remunerations

Section 90 of the Public Limited Companies Act B.E.2535 (1992) provides that the resolution approving the payment of the Board of Directors remuneration shall be adopted by an affirmative vote of not less than two – thirds of the total votes of the shareholders present at the Meeting.

For Agenda 8: Consideration and approval of the amendment to Article 23 of the Articles of Association of the Company

A resolution shall be adopted by an affirmative vote of not less than three-fourths of the shareholders present at the Meeting and have the right to vote.

For Agenda 9: Consideration of election of Directors

On this issue, all shareholders present, in person or by proxy, who vote for or against or who abstain from voting shall hand the ballots to the Company's officers. The Chairman shall have the ballots collected in respect of each person who is nominated for the Board of Directors, and the resolution accepting the election of each nominated person shall be adopted by a majority of affirmative votes of the shareholders present at the Meeting.

Invalid Votes:

Votes would be invalid if:

- the vote cast the ballot does not correspond to the issue on the agenda proposed for voting;
- the ballot handed to the Company's offices is left blank;
- the ballot is so damaged that it cannot be determined the voter's intention; or

- the ballot is handed in after the Chairman has declared the collection of ballot for each agenda closed.

The Chairman asked three volunteer shareholders to join the vote – counting committee and asked the Office of the Auditor General of Thailand (OAG) representatives to observe the counting of votes. The three volunteers were asked to be the vote-counting committee on every agenda proposed for voting.

Mr. Monchai Rabruentaveesuk, shareholder, expressed his disagreement over the Meeting procedures and objected to the vote-counting method where only the negative votes and the abstentions were counted. He reasoned that with such vote-counting method, if any shareholder proceeds incorrectly or is absent from the Meeting, his/her vote would be counted and considered an affirmative vote. Besides, such method of vote – counting was not specified in the Company's Articles of Association.

The Chairman thanked Mr. Monchai Rabruentaveesuk for his opinion and asked that such opinion be put on record. The Chairman then proceeded with the Meeting according to the agenda.

Mr. Visut Sahachartmanop, shareholder, inquired about the moving up of other issues on the agenda. In this regard, Mr. Visut had sought an approval of the Ministry of Finance as there was evidence of corruption. He asked that the representative of the Ministry of Finance would say on this matter. If no resolution accepting the moving up is passed, the Chairman had to keep an open mind and would not be hurry to adjourn the Meeting as occurred in 2011. Mr. Visut urged the Company's representative to collect the evidence of corruption from him^{*}. Mr. Visut reminded the Meeting that the Chairman used to state that the Company had set up an ombudsman unit to deal with all complaints about corruption and that the Company had operated with good corporate governance. Besides, the Board of Directors had promised that all complaints would be answered and explained. If anybody ever spoke ill of him, Mr. Visut cautioned the Chairman that those comments were then ill – founded.

The Chairman confirmed that the Company has always operated with good corporate governance.

Mr. Uthit Hemavattakit, shareholder, inquired about the number of shareholders present at the Meeting.

The Chairman stated that 2,453 shareholders had registered for attendance, though some might not be present at the time being as they might be having their lunch. The Chairman then proceeded with the Meeting according to the agenda.

Agenda 1: Report from the Chairman

The Chairman informed the Meeting that on 19 April 2013, the Company held the Board of Directors Meeting where Agenda 8: Consideration and approval of the amendment to Article 23 of the Articles of Association of the Company was considered. At that meeting, the Chairman of the Legal Committee (Mr. Chulasingh Vasantasingh) and members of the Legal Committee after consideration were of the opinion that such amendment did not reflect on the Company's intention of informing the shareholders. Accordingly, the Chairman hereby informed the Meeting that the 19 April 2013 Board of Director Meeting had resolved that Agenda 8 be cancelled so that all points of law involved therein would be reviewed before being proposed to the shareholders and that the

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Note: Any evidentiary documents delivered by the shareholder at the Meeting would be reviewed by the Company later. However, the Company did not record the contents of those documents in the meeting minutes since the Meeting did not discuss such contents.

Company had apprised the Stock Exchange of Thailand of such cancellation. The Chairman, then repeated the vote-counting method to be applied at this Meeting and confirmed that Mr. Monchai Rabruentaveesuk's opinion on the vote-counting had been put on record.

As no further question or opinion from the shareholders, the Chairman proceeded to Agenda 2.

Agenda 2: Consideration and approval of Minutes of the 2012 Annual General Shareholders' Meeting

The Chairman stated that the Company had sent the Minutes of the 2012 AGM held on Wednesday, 25 April 2012, together with the Meeting Invitation Notice since 21 March 2013, as required by the rules and regulations of the Securities and Exchange Commission (SEC) that the same be delivered to the shareholders within 14 days prior to the Meeting date. The Meeting was asked accordingly to consider adopting the Minutes of the 2012 AGM held on Wednesday, 25 April 2012. The Chairman also asked if any shareholders wish to object to or amend such Minutes.

Pol. Col. Sermkiat Bamrungpruek, shareholder, stated that he did not question the constitution of quorum but wanted to bring to the Meeting's attention Page 35 of the said Minutes where the Company's losses of Baht 2,428 million from foreign exchange had been shown. Such losses testified to the Company's erroneous management, despite the fact that he had warned the Company all along to take into account the fuel cost and to prevent the foreign exchange risk. He reiterated that the President should manage in the best interest of the Company and that in managing the financial risk, the Company has to take into account all businesses involving foreign exchange.

Mr. Prasert Lerdyaso, shareholder, asked if the Minutes be adopted in their entirety or page by page.

The Chairman explained that the Minutes would be adopted in their entirety.

Mr. Prasert Lerdyaso, shareholder, suggested that the Company's balance sheets be made on a quarterly basis and that the shareholders' meeting be held at least twice a year. Then, Mr. Prasert brought to the Meeting's attention Page 28 of the said Minutes where he had proposed 11 issues to be put on record. A failure to put the proposed issues on record was held to be an omission of duty, Mr. Prasert urged that the 11 issues be put on record at this Meeting*.

The Chairman explained that if Mr. Prasert wanted to have those issues put on record and had reasons in the interests of the Company as stated, the Management Executives would consider the points of law involved therein. The Chairman further stated that the Company would ask Mr. Prasert to sign his name in acknowledgement of his responsibility for such information.

Mr. Prasert Lerdyaso, shareholder, confirmed that he would take such responsibility and proposed further that Page 40 (line 17) of the said Minutes where he had said about the Company's erroneous management be changed from "....., thus incurring losses of more than Baht 10,000 million" into "....., which caused the Company to incur losses of more than Baht 10,000 million".

The Chairman accepted Mr. Prasert's proposition for change.

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Note: Any evidentiary documents delivered by the shareholder at the Meeting would be reviewed by the Company later. However, the Company did not record the contents of those documents in the meeting minutes since the Meeting did not discuss such contents.

Mr. Thong-In Saeng-Ngam, shareholder and proxy, objected that the Chairman and the Board of Directors had allowed the discussion to stray from the point of the agenda and proposed that the meeting be proceeded according to the agenda.

Mr. Monchai Rabruentaveesuk, shareholder, proposed that the word “storm surge” on Page 21 (line 11 from the bottom) be changed from referring to “twister-like wave into “coastal storm”.

The Chairman accepted Mr. Monchai’s proposition for change. Then, the Chairman proposed the said Minutes for adoption and asked the Meeting to cost votes for Agenda 2.

The Meeting passed a resolution, adopting the Meeting of the 2012 Annual General Meeting of Shareholders held on Wednesday, 25 April 2012, with the majority votes of the shareholders present at the Meeting and have the right to vote as follows:

Affirmative votes:	1,678,666,420	representing	99.8990 %
Negative Votes:	1,413,570	representing	0.0840 %
Abstention:	285,534	representing	0.0170 %

Agenda 3: Acknowledgement of the report on the results of operations for the year 2012

The Chairman informed the Meeting that the Board of Directors, the Management Executives and all employees had carried out the Company’s business in 2012 as suggested by the shareholders and that the Company’s results of operation were satisfactory to a certain extent. Then, the Chairman asked Mr. Sorajak Kasemsuvan, President, to report on this Agenda.

Mr. Sorajak Kasemsuvan, President, stated that the year 2012 had been rather exceptional for the Company as there were two Presidents and one Acting President working together in one year. The results of operations for the year 2012, upon closing of the fiscal year, were satisfactory. However, as he had taken office for only 2 months during such fiscal year, he had to ask the Senior Executive Vice President, Strategy and Business Development, who used to be Acting President for 4 months in the year 2012 to give an overall picture of the Company’s operation with further explanations to be provided later.

Mr. Chokchai Panyayong, Senior Executive, Vice President, Strategy and Business Development, reported in addition to the Annual Report that, the Company’s shareholding structure as of 18 March 2013 consisted of the Ministry of Finance, the Vayupak Fund and other shareholders holding 51%, 15% and 34% shares, respectively. The Company’s assets as at the end of the year 2012 were Baht 304,096 million and its liabilities were 234,277 million Baht. The Shareholders’ equity was 69,818 million Baht. The Company had 25,412 employees in total somewhat fewer than the previous year.

The Company’s revenue from the sales and services (of the airline business) was approximately 201,058 million Baht, 82% of which was from the transportation of passengers and excessive baggage. 13% of the revenue was from cargo transport and parcel post and 5% was from other activities.

In addition, the Company holds shares on other business i.e. 55% in Thai – Amadeus Southeast Asia Co., Ltd. 49% in Nok Airlines Co., Ltd. and 49% each in three strategic companies, namely Wingspan Services Co., Ltd., Thai Flight Training Co., Ltd., and Tour Eurng Luang Co., Ltd.

In 2012, the Company transported 20.6 million passengers (incoming and outgoing flights) and 679,120 tons of cargo (cargo compartments and freighters).

The Company also received revenues from other businesses i.e. warehouse services 2,749 million Baht (both Thai Airways and customer airlines), catering business which can serve 68,000 sets per day to passengers (both Thai Airways and customer airlines) generating revenues of 6,294 million baht, ground services which comprise ground handling service and parking lot and ground component service generating revenues of 7,652 million Baht and THAI Smile Business Unit which commenced on 7 July 2012 generating revenues of 1,204 million Baht (July-December 2012) as there were more aircrafts at the end of 2012.

As of December 2012, the Company had a total of 95 aircrafts (excluding 5 aircrafts rented out to Nok Air, 2 freighters and 4 Airbus 340-500 which had been phased out and waiting to be sold). Of those 95 aircrafts, 38 were those flying the intercontinental routes (25 were those with 3 classes of seats: first class, business class and economy class and 13 were those with 2 classes of seats) and 57 were those flying the regional routes (48 are wide-body and 9 are narrow-body). For narrow-body aircraft, 4 of them are in service which operated by THAI Smile.

The Company's flight routes cover 73 flight locations in 34 countries. Of the 73 locations, 20 are intercontinental, 43 are regional, and 10 are domestic.

THAI Smile is the Company's newly established business unit. Its marketing status is a regional airline that flies short-range routes of not more than 4 flight hours. THAI Smile provides services which are modern, friendly and worthwhile. THAI Smile's first route was Bangkok-Macau. Subsequently, the services are extended to domestic destinations i.e. Surat Thani, Krabi, Chiang Mai, Phuket, all of them are successful with an over 80% cabin factor. In 2012, THAI Smile had 4 Airbus 320-200. In 2013, THAI Smile would extend its flight routes, both domestic and Asian regional e.g. South China, India and ASEAN countries for the purpose of regional competition and in readiness for the AEC.

The year 2012 had been the worst crisis for the Company due to the continuing effect of the flood situation at the end of 2011, resulting in a decline in the number of tourists. This had prompted the Company to promote its sales by offering special prices for its air tickets in order to attract more passengers, which affected the Company's revenue per unit. Besides that, the fuel average price which was higher than that of the year 2011 had caused the Company's operating cost to increase. The world's economic downturn, particularly the Europe's economic problem, had caused the economy of the Asian countries to decline. The closing of runways in Suvarnabhumi Airport in during June-July 2012 for repair purposes had resulted in the Company' flight delays and increased cost. Additionally, despite the economic downturn, the competition in the aviation business was even fiercer, especially from the airlines from Middle East and low-cost airlines, resulting in the Company losing some of its market share.

The price of fuel in the world market had been on the increase since 2010. The fuel price was the Company's main cost, accounting for 35-40% of its total operating cost. Fuel price fluctuated widely according to present circumstances i.e. concern about the problem of public debt in Europe, economic downturn, political unrest in oil-producing countries, speculation in funds, making it difficult to predict the direction of the fuel price. As a result, airlines were to face the risk caused by the fluctuations. The Board of Directors and the Management Executives had always been paying close attention to the risk management in regard to fuel price. The Company had accordingly hedged against fuel price fluctuations, saving itself about 3,763 million Baht in fuel expenses in 2012. The fuel price risk had been hedged at 84% of the Company's overall demand for fuel. In respect of the Gross Domestic Product (GDP), in the second half of the year 2012, there was a decline in the growth rate, particularly in the Euro zone. However, the Middle East airlines could increase its flights to Thailand, with as many as 1,460 flights per year. In the Scandinavia-Thailand market, the competition was fiercer as a result of the Middle East airlines and the charter

airlines increasing their flights to Thailand. The market share of the charter flights increased from 17% in 2011 to 24% in 2012.

With all the aforesaid reasons, the Company did not much increase its ASK, it increased only by 0.9% or 1% since the increase in ASK during a crisis meant increased cost. Besides, the strategy for adaption and adjustment of ASK resulted in an increase in RPK by 9.8%, though RFTK declined by 4% due to the economic situation in the region and the economic crisis in Europe which had a severe impact.

The measures taken in 2012 are the adjustment of the flight timetables to the travelling demand, the adjustment of the flight frequency of profitable routes, the decrease of the number of flights of unprofitable routes, and the opening of new potential routes such as Bangkok-Sapporo with positive feedback. In addition, the use of certain aircraft for certain routes, for example, alternating Boeing 747-400 with Airbus 340-600 to fly to Sydney, had produced a better response from the passengers. Phasing out of Airbus 340-500 greatly reduced the Company's expenses. There was also the change of marketing strategies, including the promotion campaign ensuing the 2011 flood with special after on air tickets to urge passengers as well as tourist to travel back to Thailand again. In 2012, there were change in price setting, work efficiency for improvement and decrease of expenses as well as decrease and suspension of unnecessary expenses, and suspension of investment projects. All of which had been already proceeded as per the plan.

As a result of all those measures, in 2012 the Company's ASK increased by 0.9% and RPK, by 9.8%. The cabin factor increased from 70.4% to 76.6% and the number of passengers increased by 12.1%. The passenger revenue less fuel expenses/ASK increased from 1.10 Baht to 1.26 Baht and the revenue quality increased by 14.3%.

However, the cargo transport business did not change much as it decreased by 0.5%. The RFTK declined from 2011 by 4.1% and RFTK ratio decreased from the previous year from 56.2% to 54.2%. The revenue per Ton-Kilometres was 5.33 Baht, compared to 5.60 Baht of 2011.

In 2012, the Company's revenues derived from operation increased by 5.4% whereas the operating expenses could be capped at 1%. This could demonstrate the growth in revenues against expenses with a picture of better revenues. The net profit of the Company for specific business was 4,430 million Baht, while the net profit of the Company and its subsidiaries was 6,229 million Baht. EBITDA (Earnings Before Interest, Tax and Depreciation) was 26,680 million Baht.

In regard to new strategies, the Company had developed the 2D Barcode Boarding pass system which allowed the passengers to check in via 2D Barcode at the airports in Bangkok, Chiangmai and Phuket. However, the sale of air tickets did not yet show a positive trend, with the selling through the internet averaging out at 8%. Yet after the system development, the passengers could check in through the internet, hence an increase to 8.6% as opposed to 4-5% of the previous years.

In addition, there had been improvements in the first class lounge, the high-speed internet and the in-flight menus to be more modern. For the business class, all computers had been equipped with touch screens.

With respect to the in-flight products, the Company had provided Ipad 2 for business class seats (without in-seat personal monitors) on flights of more than 3-4 hours. The economy class seats had been provided with one-ear services since 27 June 2012. Besides, the child meal boxes had been improved to be more attractive to children. As for food and beverage, improvement had been continuously made to add variety to the menus and there had been special menus for special

occasions such as Chinese New Year. The first class and business class passengers were privileged to order food beforehand by online.

As for cabin reconfiguration, the economy class cabins of the first 6 Boeing 747-400s had been retrofitted since 2012. All cabins of the remaining 6 Boeing 747-400 had also been retrofitted. The reconfiguration of the 13th -15th aircraft was completed in 2012. At present, the 17th aircraft was being retrofitted while the 18th had yet to be done. With respect to Boeing 777-200 which flew regional, the 1st – 3rd aircraft had been retrofitted since 2012 whereas the 4th – 7th aircraft were completed this month. It was expected that the reconfiguration of the 8th aircraft would be completed in June 2013. Then, the Company's fleet would be ready for full competition. In conclusion, in 2012, the Company took delivery of 12 aircrafts, and there was also a new type of aircraft, namely, 3 Airbus 380-800, which were the highlight.

The Company continued its measure to cut costs and increase crew service efficiency by reducing the crews of the Airbus 330 from 14 to 13 crews, thereby decreasing its expenditure by approximately 153.9 million Baht a year.

In respect of the social activities which the Company placed an importance and always arrange the activities and were shown in the Sustainable Development Report, the Company had provided financial aid to students in Nakhon Ratchasima, collaborated with the Airbus Foundation to transport the donated medical instruments to Veterans General Hospital and given donations to the Thai Red Cross. The Company has also launched projects on planting trees, building a school (Noo Soo Pai) in Don Muang District, and sponsoring Thai athletes in the 14th Paralympics game. The shareholders could check those activities out in the said Report. However, the most important thing was that the Company had encouraged and praised the employees for their devotion to social work, for example, those who assisted the police and the tourists at Chatuchak market in order to support the police, the Dog Tag group consisting the THAI's crews who went to help in the city and remote areas, the medical pilots, angels nurses project and the project for the crews to help keep the rivers clean for fishes, and the 11-year-old diving club for the conservation and protection of underwater environment.

With respect to the award for its achievement in 2012, the Company was awarded the Norwegian Grand Travel Award for the eight consecutive years as the best intercontinental airline. The Company also won the Award of Excellent Business Establishment in Occupational Safety, Health and Working Environment, the CSRI Recognition for 2012, the Thailand Energy Awards. For air transport as a result of 2012, the Company won the Award of Excellence in the Best Feature on Asian Travel, the Award of Excellence in the Project on Efficiency of Integrated Cargo Handling, and the Award of Good Project from development of information centre.

The aforesaid were those achieved in 2012. As for the goal for 2013 as set by the Board of Directors and the President, the Company would maintain its standing as a leading aviation business in Asia, with its core values of customer satisfaction, cost efficiency and dynamic.

As for the strategies, during the Company's recovery, it had set and proceeded with the 9 strategies. At present, the Company's recovery became stable, the 9 strategies were combined and rearranged and the Company finally set 5 strategies only, namely, the strategy for the entire business group, the strategy of transport business, the strategy of efficiency improvement of business structure, the strategy of information technology, and the strategy of social responsibility.

From now until 2018, the Company would have 53 new aircrafts and would phase out 37 aircrafts that were more than 20 years old. Therefore, its fleet of 95 aircrafts would become a fleet of 111 aircrafts which are ready for full competition in the market.

Airbus 380 was the pride of the Company. The feedback in terms of cabin factor was quite good, that is, the cabin factor for either first class or business class was more than 80%. For the first class, it can be seen that there was a decoration so as to satisfy the passengers' convenience and the In-Flight Entertainment (IFE) system had been installed together with the 24-hour bar service. The business class seats had been improved to be as flat as the first class seats so that the passengers could relax throughout the flight. The most responsive to the Company's revenues was the economy class. Presently, the Company had installed an in-seat personal monitor for every seat with 200-300 movies so that the economy class passengers could watch movies at all time during the flight and provide convenience to passengers.

Lastly, the Company will commit to respond to the shareholders as well as to being an airline of the customers' first choice with its excellent services with the "Charms of Thai Style."

Mr. Sorajak Kasemsuvan, President, explained further that in 2013, the Company would focus on making its airline the "First Choice of Carrier", the first airline that first come to mind wherever the customers are in the world and that would be due to the Company's services with the charms of Thai style. In 2013, the Company's main focus would be to generate revenues. As Mr. Chokchai Panyayong, Senior Executive Vice President, Strategy and Business Development had reported, the Company's production increased by 9% because there were 17 more aircrafts. With production increase, the Company set a target for growth in revenues by 11% in 2013 as opposed to 5% in 2011-2012. The revenues from the sale of tickets would account for 12%. At the same time, the Company would also focus on other issues, for example, the modernization of its airline, particularly in terms of IT. From 2013 to 2014, the Company would install as many digital systems as possible so that the Company would be a modern airline with digital systems. In regard to catering service, the Company intended to be the "Best Thai Restaurant in the Sky" where the passengers were served the best Thai food on a good aircraft. The important thing was the crews' morale. The Company would use its best effort to raise morale among the crews as the crews are the key factor for the Company's excellent services. The Company expected that its 2013 revenues would be as much as 224,000 million Baht.

Mr. Somkuan Tiarasaranond, shareholder, inquired about (1) the Company short-term and long-term competition strategies since the Company was still unable to compete with Arab airlines in terms of financial cost and fuel cost and the low-cost airlines were ahead of the Company in terms of the number of domestic passengers. Considering the growth rate of those airlines against that of the Company in terms of the number of flights and the number of aircrafts, it was most likely that the Company's competitiveness would be affected. Mr. Somkuan mentioned that (2) the Company's service rating had gone down from No. 5 to No. 9 in one year, but the President still focused on the food aspect. He was of the opinion that though food was important, the Company should focus more attention on the services. As for (3) the expenditure which was divided into the financial cost, fuel cost and depreciation, the Company's financial cost was quite high but nothing could likely to be done in this regard since the interest depended on the market. With respect to the fuel cost, the Company should be able to cope with it. Mr. Somkuan wanted the Company to control the employee expenses as they were very high. The former President used to reduce this portion of the Company's expenditure somewhat, but the new President greatly increased those expenses compared to the Company's revenues, which would not be so good in the long term period. In regard to the depreciation, Mr. Somkuan understood that the Company was reducing the depreciation from 15 years to 20 years. As he knew that aircrafts were generally used for an average of 18 years, he viewed the 20 year depreciation is a drop in standard, which would also cause the Company to lose tax benefit. Mr. Somkuan therefore warned the Company to pay attention on this matter. (4) According to the Company's strategies of THAI Smile and Nok Air which were low-cost airlines, Mr. Somkuan wanted the Company to adopt a long term strategy to compete with other up-and-coming low cost airlines. (5) The President used to give an interview to

Krungthep Turakij Newspaper to the effect that the best the Company could do was to break even. In Mr. Somkuan's opinion, such interview might hurt the feelings of the shareholders and the employees. He wanted the Company to study Japan Airlines' case as an example since the leadership is the most important. (6) The Company is the national airline but many were of the opinion that the Company's pricing was not up to the pride compared to the competitors both in its own market and other markets in Asia. Mr. Somkuan wanted the Board of Directors to pay attention to this matter as it was important to minority shareholders.

The Chairman asked that the Meeting express opinions concisely.

Mr. Jetsada Niyompattama, shareholder, expressed further opinion that he had been following the Company's results of operation since 2007 until present. In 2007, the Company's passengers were 19 million in number. From 2008 to 2010, the production dropped from 19 million to 17-18 million. Particularly in 2011, the number of passengers was 18 million. The Company had explained the drop in production and the loss of over 10,000 million Baht as being the result of volcano eruption, flood and earthquake in 2011. As a matter of fact, the number of passengers who had used the services of Suvarnabhumi Airport did increase from 42 to 45 million, which meant that more people had come to Thailand. The number of passengers who flew with the Company decreased in 2011, while there were more than 20 million passengers in 2012. However, on comparison, the revenues generated in 2012 were close to those from 2011. In other words, the Company did not get any better in terms of revenues despite an increase in over 2 million passengers. This meant that the Company had sold the tickets at a low price to attract passengers. The Company informed this Meeting that this year's cabin factor was 78%, which was very high compared to other airlines whose cabin factor averaged out at about 74-75%. However, that the Company's cabin factor was 78% without any increase in revenues testified to the fact that the cabin factor increased as a result of the increase in the number of passengers while the ticket price became lower but revenues were the same. The Company had purchased several new aircrafts during 2010-2012 in the amount of approximately 150,000 million Baht but the number of flights and flight locations remained the same which meant that the new aircrafts were bought only to replace the old ones. In fact, a number of the Company's aircrafts had been kept in the hangar waiting to be sold. Mr. Jetsada was afraid that the 150,000 million Baht spent on aircraft replacement would cause the Company to incur annual expenses. In addition, as the interest on the loan taken out by the Company for such purchase was 3.5%, plus the depreciation over the newly adjusted to be 20 years, it meant that the Company would incur expenses of about 13,000-14,000 million Baht. From 2008 onwards, the Company's profit was about 4,000-5,000 million Baht but the expenses were about 10,000 million Baht. Mr. Jetsada therefore asked what the Company's future situation would be.

Mr. Suthee Sahassarangsi, shareholder, proposed that the Company to educate the investors on a quarterly basis like PTT, for example, the information about the useful life of the Company's aircraft compared with that of its competitors and how to impress the passengers or invoke the sense of safety in them, the Company's air tickets in comparison with those of other airlines and whether the cabin factor that had increased from 70% to 76%, if averaged by the Company's industry, could compete. As a minor investor, Mr. Suthee was of the opinion that the Company had been the picture of a vehicle for political fight all along. He wanted to know how the Company would become an image of business operation in order for the Company to make profits and eliminate the image of fighting.

Mr. Monchai Rabruentaveesuk, shareholder, made a comment which differs from what has been explained by the Vice President that the Company has never announced a benchmark as to what strategy would be used to run the airline and that during the past 3-4 years, the Company's sales turnover did not reach this extent of 200,000 million while Singapore Airlines, on the other

hand, achieved a sales turnover of as much as 300,000 million. Thus, he would ask the Company to make comparisons on profit margins and would ask the Meeting to consider page 11 of the Minutes of the Meeting. At the same time, he mentioned the incident of seats being fell on the aircraft about 2 months after the President assumed his position and then asked about the Company's standards of aviation as the Company has never made any disclosure of facts on this issue. And, other than its profits and loss margins which are very low and never exceed the 10% benchmark for several years, coupled with this issue about the size of its staffs, both in the kitchen and in the technical department vis-a-vis Singapore Airlines which employed outsourcing on these matters and yet make profits, he would ask Flt.Lt. Montree Jumrieng about the Company's repairs of its engines that, even though there are technicians available in the Company who could handle engine repairs, the Company, however, went ahead to buy engines that could not be repaired by its technicians and had to contract other parties to do the work such that technicians do not work to their full capacity. About 2 years ago, he has asked for information about this but answers given were not directly on the issue. Mr. Monchai then presented results of evaluation to confirm facts obtained from airline magazines and various airlines such as flights to Japan, Tokyo, Nagoya on 777 ERs without aviation capacity such that the 330s should be used instead as it would enable the Company to generate more profits. Figures from manufacturers also confirm the fact that the Company has turned this around by using aircrafts used to fly to India despite the fact that both passengers and cargo are different. Other than this, the Company has ordered the 787 Dream Liner which has problems with its battery exploding in flames. Dream Liner's aviation capacity is for long flights albeit it is used for short distance flights instead which can be verified from the fact there are no sleepers for pilots on the aircraft. In the past, the Company had been growing rapidly as its planning on selection of flights and aircrafts had been complete. But now, even though each department has full information in hand, errors occur such that it cannot make profits. For instance, Tokyo, India should generate more than 550 million Baht of profits for each route or an aggregate total of 1,000 million Baht and the said profits to be shared out among shareholders would be less than 1,000 million. As for this issue about the Technical Department making a saving of more than 5,000 million Baht from having to send aircrafts overseas for repairs, there is no good movement as yet on this. And, for this opening of THAI Smile, he learned that the market would also be shared with low cost airlines which are now stepping in to take its market share with premium airlines. And, on investment in the computer centre which has already been made for 2 systems, not counting Amadeus, sale system and alliance system for a total of 4-5 systems. In brief, one does not know as to how many systems there would be.

Mr. Visut Sahachartmanop, shareholder, asked about the 777-300 aircraft leased by the Company from Jet Airways which allows children to sit with passengers which would be a cause of endangerment to passenger lives. Mr. Visut has the list of names and dates on which permission was given for children to sit on people's laps. Aviation rules forbid passengers to hold children in their laps albeit it transpired that the Company has allowed this to happen and Mr. Visut has evidence to confirm this fact as well. The Company has given an answer on this issue that if facts are so, a committee shall be set up to find a proper solution, and asked that the party authorized to consider this matter file a complaint to ICAO, IATA, and SAA to carry out their investigations and whatever the outcome of such investigations would be, this has already been said on the issue but the Company is still given a chance. Thus, if the Company thinks it has taken erroneous action on this matter, the Company should apologize and let the matter end. But, if no apologies are forthcoming, then there should be investigations and if results transpire to the effect of causing the Company to suffer damages, you must take the responsibility for it. On this issue, evidences have already been sent to the Company and the response received is that the Company has never taken such kind of action.

Mr. Supote Kosiyachinda, shareholder, mentioned about page 29 of the Minutes of the Meeting where a shareholder filed a complaint which was indicated by the Legal Department as there being a malfeasance albeit the Company had the staffs indicating that it was not an offence. A complaint was then filed to the Good Corporate Governance Committee which forwarded it to the staffs and was given the same answer. On that day, he learned that Pol. Gen. Preawpand Damapong would be in the Good Corporate Governance Committee to look after this matter of good corporate governance albeit there was a change in committee. However, if good corporate governance is taken into account, one could see clearly whether the Company has created good corporate governance or not such that he would like to be informed if such action has taken place or not as well as to criticize about the way Minutes of the Meeting have been taken as shareholders words have been changed. And, notices had been given on several occasions about the Company's use of the word Strategy when the Senior Vice President, Strategy and Business Development, spoke about strategic planning such that he would like to ask which word would be used by the Company as it stems from the same word in English. Moreover, the Company should let us know if that specific strategy could be put to use or not and how, and it should give a clear explanation on its strategy as to which method there would be. And, from what the President has explained that the Company would be the First Choice Carrier, that has already been said for about 30 years but it has never been the first choice. Thus, he is of the opinion that it would, indeed, be very good if the Company could do that, but there must be strategies in place for its operations.

Mr. Visut Sahachartmanop, shareholder, asked the Company to take the documents and asked for answers concerning the 777-300s.

The Chairman asked Mr. Visut if the said document is all that he would submit and were those the ones sent to the Ministry of Finance or not. After that, he asked an officer to accept documents from Mr. Visut*.

Pol. Col. Sermkiat Bamrungpruek, shareholder, made suggestions on this issue of risk prevention measures taken by the Company through route adjustments and selection of types of aircrafts which would be cost-effective for every flight, and explained about competitive methods business-wise for airlines which is a highly competitive business that if action is delayed and trends of thoughts taken wrongly with bad risk prevention measures leading to failure, the Company would suffer a loss such that a new direction should be laid down by experts well-versed in the field of market competition. He gave an example of Philip Cotler who used 4 simple words, i.e. 4Ps which are (1) Products which is production or our existing costs, (2) Place which is determination of destinations with focus on the market and how to achieve that market share, (3) Price which is competitive pricing whether it should be Low Cost or Premium at the regional or international level and (4) Promotion and Brand as we have the Thai Airways Brand which makes good impression with its hospitality staff in which screening of characteristics of people who would be working on aircrafts or on the ground, or pilots or other positions would help the Company to compete with other airlines. Moreover, the Company's strongest point is on the issue of safety. The Company has never suffered an accident which has caused it to be ill-reputed nor has it come under any conflicts on the issue of hospitality. Thus, in this creation of the THAI Smile or Smooth as Silk Brand, the Company would have to focus on building up the brand to build up its value and must always adhere to this guideline. Pol. Col. Sermkiat has considered directions of the Company's plans for the next 5 years ahead, what it has done in the past and is doing at the moment as well as what it plans to do in the future. For the figure of the first quarter of this year in which profits of

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Note: Any evidentiary documents delivered by the shareholder at the Meeting would be reviewed by the Company later. However, the Company did not record the contents of those documents in the meeting minutes since the Meeting did not discuss such contents.

3,000 million Baht are expected to be generated is good news and he is of the opinion that it is unlikely that the Company would fail because it has the Ministry of Finance and the Permanent Secretary of Finance sitting in its Board. Care should be exerted by the Company not to have any conflict of interests in its organization and that it must have two-ways communication with employees. There must be close relationships before conflicts arise. Employee morale must be built up and when the President knows that the Company has so many problems, action must be taken to improve itself, the organization and select individuals who are capable and skilled to help in each area. One should not look at things from the old angle which is to have technocrats from the various ministries. As this airline is our country's national symbol, one must, therefore, build it up to stand in the world's forefront. What he raised here is to have shareholders duly informed of the operating results for the first quarter of this year when profits of 3,000 million Baht are anticipated. In addition, he asked that follow-ups be made on issues in which the Company is having problems such as contracts for installation of passenger seats. The Company undertaking such contract in Japan has become bankrupt and a German company was selected in lieu: so, what action has been taken in court against that bankrupt company and how has the said company made its payment of indemnification because he has not received any information on this issue. The Company should take this matter as a lesson and he asked that assets management be closely monitored at every stage and that professionals should be sought out to help as well.

Mr. Uthit Hemavattakit, shareholder, stated that, as the President has mentioned about food served on aircrafts, he would like to check on page 22 of the Minutes of the Meeting in which he has once raised enquiries on this subject of raw food but has never received any response. The Company's problem is that foreign airlines have made their encroachments to do business in Thailand more and more and from what he learned by testing ticket-reservations, he found that the Company suffers a loss because passenger tickets were given to agents, acquaintances or their own subordinates. When prices of the Company's tickets are compared with those of Srilankan Airways, for example, on the Kwangchao return flight which is 8,500 Baht, the Company's ticket is priced at around 10,000 Baht. Their food, too, is better than ours and flight attendants on Thai's flights are not smiling and cheerful and the result is a drop of income of 4% as explained by the Company which has never given any response, acknowledgement or improvement of the matter. Thus, he asked the President for an explanation on the way to solve this problem as well.

Mr. Somsak Manop, shareholder, asked the President if he knows about the number of the Company's employees in all of its departments or not, and employees from which department have been active in generating profits for the Company. He then asked to make this comment, as the Company's shareholder as well as its employee that, what the President has just said that, by 2013, the Company would increase its productivity by another 10-12% and this would be propelled by its crews which refer only to flight attendants on board and pilots despite the fact that the Company has as much as 26,000 employees. Mr. Somsak is of this opinion that every employee has a part in generating profits and productivity for the Company. The President has just assumed this position for about 2-4 months: has he looked after employees or not, from those who work hard such as ticket sales, check-in counters, loading employees, aircraft cleaners, kitchen workers, drivers of tractors, hi-loaders, FMC water trucks, WC waste trucks, aircraft-pushers. Every department is important. The President's mention by giving importance to only one group of employees may have an impact on the feelings of employees in each department who have been working hard, and without any safety at that, to the extent of being sued by the Company and having to shoulder the burden of finding funds to bail themselves out. Thus, the Company should not look after only crews on board because it would affect the feelings of staff who work on the ground and those who work in the kitchen and everyone is the Company's employees. Thus, as the Company's administrator, the President should look after all employees. The fact that the Company has new aircrafts and various strategies but nothing to build up its employees' morale, work will not

succeed. He therefore asked that importance be given by the Company on this matter and that there should not be a double standard of treatment for employees so as to create a difference.

Sqn. Ldr. Thanit Promsatit, shareholder and the Company's former employee, congratulated ACM. M.L. Suprija Kamalaksana on his appointment to the Board and then raised this issue of aircraft problems for which he has notified Mr. Piyasvasti Amranand, the former President and then sued in a criminal case that at the moment, pilots are having lots of problems with the Company as the result of unfair treatment concerning pilot management. At the moment, pilots are used by the Company in contravention of international aviation law even though an accident has not as yet occurred. If a check is made, there would be problems. At this moment, pilots are having problems and there is quite a severe in-fighting going on which, however, has not been brought out into the open in public. If disclosed, for example, with checks made by FAA on the Company, there would be problems. He has already raised this issue, both under confidentiality and in the open on several occasions, on several issues, but has never received any response from the Company's management executives. And, if a complaint does take place actually on this issue concerning duty time regulations in which the management executives know that it is subject to detailed regulations and ICAO supervision, it is under the Department of Civil Aviation's jurisdiction in Thailand, the Company must take care of its pilots. However, he would not like to touch on what has already been checked on with clear evidences but would like to submit 3 sheets of documents to the Company and would like to have it duly recorded as evidences in the Minutes of the Meeting that this has been duly notified to the Meeting* and that if the Company has not carried out proper corrections pursuant to the ICAO's regulations, at the moment Sqn. Ldr. Thanit is being sued by the Company, by Product Development and Services Director and fights are ongoing about embezzlements in the Company albeit the said issues have not reached any conclusion as yet. And, on this issue of pilots suffering, Sqn. Ldr. Thanit has a list of more than a hundred pilots who admit that the Company has committed malfeasance(s) and that the President has concealed this matter such that he would ask to have the said documents included in the Minutes of the Meeting as well as otherwise it would be brought out into the open in public. As for the HS-TAM aircraft that has been parked without any scheduled flight, a hard-landing was made in Khonkaen Province albeit it was not recorded in any form albeit there are evidences to confirm that expenses and costs of repairs had been incurred by the Company. That aircraft is parked and technicians know about it well. However, the crews and employees are not courageous enough to bring it out to the open. He would, therefore, like the management executives to be informed and to solve problems for pilots. Moreover, various conditions are applied for enforcement which are internal secrets and this issue of pilots has even reported in the Naew Na Newspaper. If no such news cropped up, the Company would not have made the correction. He would, therefore, asked that the Company gives its consideration on the said issue and to take action correctly pursuant to regulations that have been set.

The Chairman declared closure on discussions of this issue and invited the President to make his explanation.

Miss Wongduang Kasirasane, shareholder, proposed a method to have shareholders send in registrations from their home by receipt acknowledged mail to speed up the process of registration for attendance of the Meeting.

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Note: Any evidentiary documents delivered by the shareholder at the Meeting would be reviewed by the Company later. However, the Company did not record the contents of those documents in the meeting minutes since the Meeting did not discuss such contents.

The Chairman explained that he has already apologized about this and asked that it be recorded in Minutes of the Meeting that the said matter would be improved next year where a column would be set up especially for senior citizens.

Mr. Visut Sahachartmanop, shareholder, asked about Mr. Piyasvasti Amranand and about the issue of selection of the President where it is not finalized as yet because the party which sent a letter of explanation is the Company's employee and not the Court such that he or she has no authority to say what is right or wrong. The party with the authority to deliberate on this issue is the Court such that he would not argue with that letter of explanation nor discuss about it in detail albeit he asked that the Company records the document to be discussed in the Minutes of the Meeting. On this matter, he would like to inform the entire Selection Committee and the Chairman that this matter of the President selection would be submitted to the Anti-Corruption Commission for its deliberation.

The Chairman then invited the President to respond to queries raised by shareholders.

Mr. Sorajak Kasemsuvan, President, stated that his responses would be made in a non-respective order and he would ask Vice Presidents in the pertinent line of work to answer some issues in lieu. As far as this matter concerning employees' morale is concerned, he would like to reiterate what he has said earlier on that, he was talking about in-flight services then such that focus was made on crews. He then apologized to the Meeting if there had been a misunderstanding. He further stated that the Company has tried in every way to build up its employees' morale at every level as far as it could and it will definitely not abandon its employees, no matter from which part, which section or which department. In addition, the Company wants to give utmost importance, boost up morale and treat every party as fairly as it possibly can and agrees with Mr. Somsak Manop, shareholder, that all 25,000 employees constitute one united organ which will work and create results for the Company as well as generating income and success for the Company. This is not a focus with attention paid only to any one particular group alone. And, he concurs and confirms with the fact that the Company's stand is to boost up morale and treats employees in every department and section no matter where they are, fairly. He then reiterated the stand point on building up an increased fair treatment for every party as already discussed with the Union.

On several issues raised by Mr. Somkuan Tiarasaranond, shareholder, he concurs with them and would take them up for further consideration such as issues about THAI Smile and Nok Air. THAI Smile and Nok Air's marketing standards are distinctly different and the Company has received the Board of Directors' resolution and would carry out action pursuant to the said resolution which is, Nok Air in which the Company holds 49% equity would be working as a low cost airline such that it is in the market as a low cost airline for the Company's group of companies while THAI Smile would be entering the market known as a semi full service market and would be regional with services provided locally and internationally at a higher level than those of a low cost airline. This is an important market segment without too much penetration in this region and is considered a market of importance with profit-generation potential. And, in the region, Singapore Airlines is also in this market under the Silk Air brand and there is no airline which has been adequately developed for this segment. However, as far as low cost airlines are concerned, the competition is, indeed, high. If the Company enters into the competition despite the fact that it already has Nok Air, it would be competing within a duplicated segment of the market.

On the issue of agents, the Executive Vice President, Commercial, is making attempts for improvement. At this point of time, the Company is managing its income via route revenue management which is to set up targets for each route as to how much income it must generate and that such targets must be reached. Thus, cabin factor is merely a part of its consideration as this

cabin factor will not be the Company's sole issue for consideration. The utmost importance will be given to generate income from each route. Destinations and Origins, therefore, are subject to income management to ensure achievement of targets and if there are agents carrying out this work for the Company without achieving the targets, action must be taken to have such targets reached ultimately.

Mr. Monchai Rabruentaveesuk, shareholder, asked that questions be answered briefly as there are several items in the agenda to be further considered and asked that votes be made by the meeting on Agenda 3.

Mrs. Worranan Vaewsorn, shareholder, mentioned about the issue explained by the President that the organization would be looked after well with good corporate governance that, there is a shareholder filing complaints about dishonest activities by a person in the level of the Company's director on 3 January 2012 and that the Company's Legal Department had already explained that there is a ground for disciplinary offence pursuant to Clauses 7.4 and 7.15 of the Company's Rules and Regulations. After that, the results were concluded on 16 November 2012 albeit there was silence on this matter after that. At this point, checks are being made if infringements have been made by the Company's employees against Rules 7.4 and 7.15 or not. She would like to ask, therefore, what would be the consequences of this matter and would it be different from the said case concerning the Company's director or not, and how.

The Chairman asked for the said document to be submitted so that he could send it to the Good Corporate Governance Committee to further answer the query.

Mrs. Worranan Vaewsorn, shareholder, confirmed that the original of the said document had already been submitted and they had also been submitted to the Office of the National Anti-Corruption Commission (NACC).

The Chairman asked for the document to be re-submitted and will then have it duly recorded in the Minutes of the Meeting that such document had been submitted and will assign the President to give a clear explanation after he has verified them. He would also ask the Chairman of the Good Corporate Governance Committee to participate in the check as well.

Mrs. Worranan Vaewsorn, shareholder, asked about the duration of time it would take to consider this matter.

The Chairman explained that initially, he would ask to check the documents first as well as reiterating on good corporate governance and that he would have a member of the Good Corporate Governance Committee, Mr. Dheerasak Suwannayos, participate in the check as well so that he asked not to rush the matter.

Mrs. Chamsri Sukchotrat, shareholder, said that she was informed that the Company would be employing some employees who had already reached their retirement age and learned that objections against this had been made by employees in several forums albeit attempts are still there to make such employment with as high a sum of over 3 million Baht despite low scope of work and a few months duration in the term of work. Her opinion, therefore, is that these are things which employees look at the Company of not being run with good corporate governance. The Company has several experts and people with capabilities still working in their positions. If the Company has to contract those who have reached their retirement age to teach existing people on how to work, how the organization can survive. And, she does not know why such individuals are that important to the Company despite the fact that there are so many capable people in the Company. She,

therefore, asked the Company's Board of Directors to review this matter and to cancel their employment as she is confident that employees disagree with it and there is no necessity for it. And, she has learned, too, that people related to this issue had also written to say that they do not want this individual to carry out this duty. Therefore, not wishing to name this person albeit she is sure that the entire Board knows who this person is, and for the sake of good corporate governance in the Company and to reduce costs which would lead to savings, and what is important is that the Company should not use this method to benefit any particular individual without any returns for the Company.. She would, therefore, like the Meeting to be duly informed of this matter and that she, Mrs. Chamsri, has already raised her objections against this issue in which it was also reported in newspapers. She, therefore, asked that a stop be put on this issue. As far as appointment of qualified and capable people are concerned, she would ask the Board to proceed in its selection with transparency and to review and bear in mind that positions in marketing areas are very important in matters pertaining to income-generation and the Company's image, and so as not to make any references to a third party, whether such be the SS (Sales Director) or FZ (Managing Director, Cargo and Mail Commercial) who have already been appointed and are the subject of doubts among employees, she is of the opinion, therefore, that the process of selection of a person to a position should be made with more transparency and through a good selection process in view of the fact that if people without the ability to conduct work pursuant to their line of duties are appointed, it would have an impact on the Company and would cause shareholders to have to take the stand for discussion. Thus, she would ask that well-thought out consideration be made for appointment rotation and that action be taken through a proper selection process and that no power is exerted which would cause the Company to incur damages.

The Chairman thanked the shareholders and asked the Meeting to proceed to the next Agenda.

The Meeting acknowledged the report on 2012 Annual Report pursuant to details given in the 2012 Annual Report that has been sent to the shareholders together with the Meeting Invitation Notice.

Agenda 4: Consideration and approval of balance sheets and income statements for the year 2012

The Chairman asked the President to report to the Meeting on this matter.

Mr. Sorajak Kasemsuvan, President, explained to the Meeting that, as at 31 December 2012, the Company's Profits (Loss) before exchange rates and income tax in 2012 are 3,891 million Baht with total net profits (loss) for 2012 amounting to an aggregate of 6,510 million Baht with 6,229 million Baht being the Company's portion of net profits (loss). He then asked the Executive Vice President, Finance and Accounting to give the meeting a report on details.

Mrs. Wasukarn Visansawatdi, Executive Vice President, Finance and Accounting, explained to the Meeting that in 2012, the Company purchased a total of 5 million shares in Nok Air on 29 November 2011 which amount to 10% of the registered capital thereby increasing the Company's equity in Nok Air from 39% to 49% with the result of having the Company's balance sheets and that of another subsidiary, i.e. Nok Air consolidated. Thus, shareholders at this Meeting will see a distinct difference between the 2011 and 2012 balance sheet statements for, as at 31 December 2012, the Company and the subsidiary had consolidated revenues for the total of 213,530 million Baht which is 19,188 million Baht more than that of the preceding year. The Company's aggregate income from specific operations rose by 10,042 million Baht as the volume of passenger transports rose by as much

as 9.8% as the result of sale of special-priced passenger tickets to encourage travel during the time of the great floods. However, even though its average passenger income per person would be 2.72 Baht or a drop of 1.1% from the preceding year, the Company had nevertheless effectively adjusted its fuel surcharge compensation, together with the increased number of passengers, which caused the Company's income to be contained within a parameter of not too great a loss. On this issue of freight for cargo and mail, this drops by 4.8% as the result of global economic recession, severe competition right through to the growth of land transportation goods which has expanded enormously. Expenses excluding profits/loss from foreign exchange were 209,639 million Baht or 9,808 million Baht more than the preceding year caused primarily by the consolidation with Nok Air balance sheets. The Company's expenses for specific operations increased by 2,685 million Baht only or 1.3% as the result of all fuel cost increases of 3,790 million Baht. This is the Company's portion for specific operations of 1,092 million Baht. The reason for this is because the average fuel cost increased by 1.2% and the volume of consumption which grew by 0.5%. However, the Company has been able to reduce its fuel burden by managing risks for fuel pricing by 3,764 million Baht which is 2,661 million Baht more than the preceding year. And, as the result of consolidation of Nok Air's entire fuel expenses into its consolidated balance sheets of 2,276 million Baht, it can be seen that this item of expenses has, indeed, increased. Other of the Company's expenses involved pertinent expenses for its operations also increased which consist of expenses for employee benefits, expenses pertaining to flights/aviation and relating to advertisements, etc. In 2012, the Company generated profits from exchange rates of foreign currencies of 3,213 million Baht vis-a-vis its profits of 2,428 million Baht in the preceding year. In all, the Company's net profits or total profits generated amount to 6,510 million Baht or 2.85 Baht per share vis-a-vis the preceding year's net loss of 10,162 million Baht or 4.67 Baht per share. In 2012, net profits in the Company's portion amount to 6,229 million Baht, and 281 million Baht in the portion for which it holds no supervisory power. The Company's profits before interests, tax, depreciation and rental or EBITDAR amount to 31,232 million Baht which is 8,596 million Baht more than that of the preceding year.

In the area of balance sheet statements or statements which show its financial status as at 31 December 2012, the Company has total assets of 304,096 million Baht or 30,140 million Baht or 11.0% than on 31 December 2011 as the result of having more aircrafts as well as those under leasing agreements from acceptance of delivery of aircrafts under Leasing Agreement of three A300-300s and three A380-800s. The Company's debts/liabilities stood at 234,278 million Baht or an increase of 23,269 million Baht or 11.0% from the preceding year primarily caused by long-term debts as the result of loans acquired to support purchases of 6 new aircrafts. In addition, new debentures were issued for use as its working capital, investment funds and to repay debts with high financial costs of 11,500 million Baht. Shareholders equity was 69,818 million Baht or an increase of 6,871 million Baht from 2011 as the result of the Company and its subsidiary achievement of net profits in 2012. Details of the above-stated financial statements are shown in page 140-188 in the 2012 Annual Report sent in advance to shareholders. The Company's Board of Directors had already considered the said balance sheet statements and is of the opinion that the Meeting should approve such financial statements, statements displaying its financial standing and complete profits and loss accounts that have been duly audited by the Audit Committee and the Auditor which, in this case is the Office of the Audit General of Thailand.

The Chairman expressed his thanks and asked if any shareholder wishes to raise any question or not.

Mr. Somkuan Tiarasaranond, shareholder, stated that from what has been explained by the President about low cost airlines, he had discovered facts that even though the Company holds about 49% shares in Nok Air, it has no full authority, however, over this airline's management while Nok Air's CEO had once explained that Nok Air is not a low cost airline. He then

commented that other airlines too have been making tremendous investments to achieve an economy scale and be ready for the AEC such that the Company should give its consideration to plan to develop the Company both for the short and long term as otherwise it may lose its competitive edge because, at this point in time, the Company has limitations in several areas such as limitations relating to financial and personnel management, etc. He therefore asked that the Chairman helps determine a number of issues for further clarification to shareholders.

The Chairman expressed his thanks and explained to the Meeting that for issues raised by shareholders, it could be summarized as follows: the first issue concerns morale of the Company's employees which had already been explained by the President. The second issue concerns strategies with low cost airlines and routing which will be explained further by the Senior Vice President, Strategies and Business Development in another agenda. The third issue concerns this matter of good corporate governance for which the Legal Department will provide explanation for each issue and the fourth issue concerns flight technology and safety which will be further elaborated by the Executive Vice President, Technical Department and Executive Vice President, Operations.

Mr. Monchai Rabruentaveesuk, shareholder, stated that answers should be given to cover queries raised by himself on a variety of issues in the beginning as well such as abnormalities about passenger seats on aircrafts, routing and flights on erroneous routes as well as on financial statements particularly on the matter of the Company's sale of its used engines to Air India as he would like to be informed about the status of delivery of the engines, payment of compensation received by the Company and the party responsible for such matters.

The Chairman replied that he would ask the Executive Vice President, Technical Department to explain about this issue of safety and engines.

Mr. Uthit Hemavattakit, shareholder, stated that further to what have been stated by the Chairman and Executive Vice President, Finance and Accounting, on Nok Air's fuel costs which have been brought in to involve the Company, he is of the opinion that as the Company does not manage the operations of Nok Air, it should not, therefore, be involved with Nok Air's fuel costs. Thus, this matter should be corrected because this issue of fuel costs is Nok Air's own fuel costs.

Pol. Col. Sermkiat Bamrungpruek, shareholder, asked the President and the Office of the Audit General of Thailand, as the auditor, on disclosure of substantial information concerning financial ratio in the balance sheet statements, page 133, in order to be provided with additional information for use in making comparisons between management by the Company and those operating in similar or same type of business, as follows: first, what is the percentage of cost to income ratio? Secondly, what is the percentage of employees costs to sales turnover or income which would reflect on suitability of the Company's operations as the Board of Directors should carefully analyze these financial ratios so he asked the Office of the Audit General of Thailand to make its disclosures on these two issues as well.

The Chairman assigned the Executive Vice President, Finance and Accounting, to note down these various issues for action in the parts which would be beneficial as recommended by the shareholders. There being no other questions from shareholders, he then asked the Meeting to cast votes.

The Meeting passed a resolution, approving the Company's Balance Sheet Statements and Profits and Loss Accounts for 2012 as already audited and certified by the Office of the Audit

General of Thailand, with the majority votes of the shareholders present at the Meeting and have the right to vote as follows:

Affirmative votes:	1,679,545,002	representing	99.8970%
Negative votes:	1,426,520	representing	0.0850%
Abstention:	305,268	representing	0.0180%

Agenda 5: Consideration and approval the dividend payment from the Company's business operations for the year 2012

The Chairman asked the President to explain the matter to the Meeting.

Mr. Sorajak Kasemsuvan, President explained that the Company's policy on dividend payment for 2012 was to pay not less than 25% of the net profit before gain or loss on foreign exchange as shown in the consolidated financial statements, taking into account the investment plan, necessity and other appropriate factors in the future. In respect of the results of operation in 2012, the Company made a net profit before gain (loss) from foreign exchange rate of 3,016 million Baht, compared with the preceding year when the Company made no dividend payment due to a loss before gain (loss) on foreign exchange of 7,769 million Baht and with the year 2010 when the Company made a net profit before gain (loss) on foreign exchange of 5,638 million Baht which the Company paid a dividend of 1.25 Baht per share. In comparison to the Company's decisions in 2010 and 2011, the Board of Directors' Meeting had resolved that the Company pay a dividend of 0.50 Baht per share in 2012. Accordingly, the Meeting was asked to consider the matter.

The Chairman thanked the President and asked the shareholders to cast votes.

The Meeting passed a resolution, approving the dividend payment for the results of operation in 2012, with the majority votes of the shareholders present at the Meeting and have the right to vote as follows:

Affirmative votes:	1,679,494,654	representing	99.8950 %
Negative votes:	1,414,770	representing	0.0840 %
Abstention:	369,966	representing	0.0220 %

Agenda 6: Consideration of Directors' remunerations

The Chairman stated that the Company had assigned the Nomination, Remuneration and Human Resources Development Committee the task of fixing the directors' remuneration and proposing the same to the Board of Directors. The Board of Directors had approved to submit the same to the shareholders meeting. The Chairman then asked Mr. Areepong Bhoocha-oom, Chairman of the Nomination, Remuneration to explain the matter to the Meeting.

Mr. Areepong Bhoocha-oom, Chairman of the Nomination, Remuneration and Human Resources Development Committee, explained that the Nomination, Remuneration Committee had resolved that at its Meeting No. 2/2556 on 27 February 2013, the Nomination Remuneration and Human Resources Development Committee rules and criteria for the directors' remuneration, meeting allowance and benefits in air ticket for the period of 1 May 2013 to 30 April 2014, and the annual bonus for the directors in 2013 be set out and proceed to the Meeting for consideration. Such rules and criteria involved:

1. the directors' remuneration and meeting allowance;
2. benefits in air ticket for the directors; and
3. the annual bonus.

Such rules and criteria were similar to those proposed to the 2012 AGM as follows:

Remuneration and meeting allowance:

- Each member of the Board of Directors will receive monthly remuneration of 50,000 Baht and meeting allowance of 30,000 Baht per each meeting attendance. Should there be more than 1 meeting per month, each Board member will receive meeting allowance of 30,000 Baht only. The Chairman of the Board of Directors will receive meeting allowance of 25% more than that of the other Board members and the Vice Chairman will receive meeting allowance of 12.5% more than that of the other Board members. All remuneration and meeting allowance are subject to income tax to be paid by Board members.
- In such case when a Board member is appointed by the Board of Directors or its Chairman to be a committee, sub-committee and member of working groups of the Company, such Board member will receive additional meeting allowance of 10,000 Baht per meeting. Should there be more than 1 meeting per month, such Board member will receive meeting allowance of 10,000 Baht only.
- Audit Committee will receive meeting allowance on a monthly basis at the same rate as that of the Board of Directors. The Chairman of the Audit Committee will receive meeting allowance of 25% more than that of the other members. The allowance will also be paid for the month during which no meeting is held. This shall be in accordance with the Ministerial Rule of the Ministry of Finance regarding Audit Committee and Internal Audit Department of State Enterprises B.E.2555 (2012) as published in the Royal Gazette and effective from 8 September 2012 onwards.

Details of sub-committees and the scope of powers and responsibilities are elaborated on page 70-79.

Benefits in air ticket for the Board members: Board members will receive benefits of 10 round trip air tickets per year for international routes and 10 round trip air tickets per year for domestic routes which are free of charge. The tickets shall be in business class but can be upgraded to the highest class subject to its availability. The air tickets can be used as appropriate. These benefits will be granted only for the period the Board members are serving in their directorship. The amounts of the air tickets are equivalent to those approved by the 2012 shareholders' meeting.

Bonus: The Board of Directors will receive annual bonus at the rate of 0.2% of the consolidated net profit before any gain or loss on foreign currency exchange from the financial statements but not exceeding 30 million Baht. This rate is the same rate

as that of the previous year and shall be used for annual bonus calculation for the following year.

The Chairman thanked the Nomination Chairman of the Nomination, Remuneration and Human Resources Development Committee.

Mr. Uthit Hemavattakit, shareholder, opined that the rules regarding the fixing of remuneration for the Audit Committee were inappropriate. Such work done that is, if no meeting was held in any month, the Audit Committee should not be paid.

The Chairman explained that such remuneration was paid in accordance with the Ministerial Rule of the Ministry of Finance regarding Audit Committee and Internal Audit Department of State Enterprises B.E.2555 (2012).

Mr. Uthit Hemavattakit, shareholder, stated that even if they were the Ministry of Finance's rule, they could be amended by this Meeting where most shareholders were present.

The Chairman asked that there be vote casting on the agenda first and agreed to accept the shareholder's opinion on this matter for considerations. The Chairman also explained that the Audit Committee on average met twice a month in 2012.

Mr. Uthit Hemavattakit, stated that with two meetings a month, it even justified his opinion that the rules for fixing the Audit Committee's remuneration were inappropriate.

Miss Suporn Pathumsuwanwadee, shareholder asked if the welfare and privileges for the entourage of the directors were as explained by the Chairman of the Nomination, Remuneration and Human Resources Development Committee. She also expressed the view that this year's dividend payment of 0.50 Baht per share was far less than the 1.25 Baht per share in 2010, which was the result of the Company's excessive expenses on such welfare and privileges. She requested that the Chairman and the Board of Directors reduce such expenses somewhat.

The Chairman acknowledged Miss Suporn's opinion.

Mr. Wanchai Charoenwaikiat, proxy, inquired about the criteria of the annual bonus whether the directors would still receive the bonus in the event that the Company made a loss.

The Chairman explained that if the Company incurred losses, the directors would not receive the bonus.

Mr. Abhisit Likhitsathaporn, shareholder, inquired about the percentage of the tax credit the shareholder would receive on the dividend.

The Chairman asked Mrs. Wasukarn Visansawatdi, Executive Vice President, Finance and Accounting, to explain this matter.

Mrs. Wasukarn Visansawatdi, Executive Vice President, Finance and Accounting, explained that there would be no tax credit on the dividend paid to the shareholders since the Company had been granted tax privileges from investment promotion.

The Chairman confirmed what the Executive Vice President, Finance and Accounting had explained about the tax credit on dividend.

Mr. Abhisit Likhitsathaporn, shareholder, further inquired whether such rule also applied to minority shareholders.

Mrs. Wasukarn Visansawatdi, Executive Vice President, Finance and Accounting, explained that the minority shareholders would not get any tax credit on dividend.

Mr. Abhisit Likhitsathaporn, shareholder, inquired further if the depreciation over 20 years instead of the previous 15 years would also be applied in 2013.

The Chairman answered that Mrs. Wasukarn Visansawatdi, Executive Vice President, Finance and Accounting would explain about this matter in other agenda.

Pol. Col. Sermkiat Bamrungpruek, shareholder, stated that Section 114 (4) of the Public Limited Companies, Act B.E. 2535 (1992) provided that “the Board of Directors’ annual report shall at least report about(4) remuneration for shares, debentures or other privileges the directors receive from the company, with the name of the recipients being indicated therein, and (5) such other reports as specified in the Ministerial Regulations”. As the directors benefits in air ticket were “other privileges” required to be disclosed in the annual report, he inquired whether the Company had disclosed in its annual report as to which director had exercised such privilege and to what extent.

The Chairman stated that since this is a point of law so he would ask Mr. Weerawong Chittmittrapap, director, to explain this matter.

Mr. Somsak Songmanee, shareholder, proposed that the Company’s shareholders who held a number of shares be granted certain privileges, e.g. discount for the air tickets when upgrading the travelling conditions from economy class to business class.

The Chairman asked Mr. Weerawong Chittmittrapap, director, to explain this matter and proceeded to have the votes cast on this agenda.

Mr. Somsak Manop, shareholder, inquired how much the meeting allowance and the annual bonus for the directors totaled in one year.

The Chairman explained that such remuneration had been disclosed in the Company’s annual report.

Mr. Somsak Manop, shareholder, asked the Chairman to elaborate on each director received in one year in terms of remuneration.

The Chairman explained further that the details about this matter as well as the number of meeting held by committees and sub-committees, had been shown in the Company’s annual report relevant pages of which the Secretary of the Meeting would identify for the shareholders asked Mr. Weerawong Chittmittrapap, director, to further explain.

Mr. Weerawong Chittmittrapap, director, explained that the comments on the directors’ air ticket privileges were sensible. The relevant figures were shown in the 2012 annual report which was according to the shareholders’ approval. He understood that the shareholders might want to know whether each director had used up his/her ticket privileges. In the future, the Company would gather such information to disclose to the shareholders.

Pol. Col. Sermkiat Bamrungpruek stated that the annual report showed only the remuneration but not other privileges, which was already contrary to the law. He accordingly asked the Company’s directors who were inquiry officials and public prosecutors to investigate into the matter and provide explanation.

Mr. Weerawong Chittmittrapap, director, explained that the directors did not receive any other benefits other than the monthly remuneration, meeting allowance and air ticket privileges, all

of which had been approved by the meeting of shareholders. As for the disclosure of information in the annual report, he accepted the shareholders' opinion to improve BUT he confirmed that no process had been taken contrary to the law.

Mr. Uthit Hemavattakit, shareholder, stated that the directors who held the Company's shares should not be entitled to vote on this agenda on grounds of conflict of interests.

The Chairman asked the Meeting to cast votes on this agenda.

The Meeting passed a resolution, approving the rules and criteria for fixing the directors' remuneration as proposed by the Chairman of the Nomination, Remuneration and Human Resources Development Committee, with the majority votes of the shareholders present at the Meeting and have the right to vote as follows:

Affirmative votes:	1,677,998,632	representing	99.8240 %
Negative votes:	2,938,974	representing	0.1750 %
Abstention:	343,184	representing	0.0200 %

Agenda 7: Consideration for the appointment of an auditor and determination of audit fee

The Chairman asked Mr. Chulasingh Vasantasingh, Vice Chairman, Chairman of the Audit Committee and independent Director, to explain to the Meeting.

Mr. Chulasingh Vasantasingh, Vice Chairman, Chairman of the Audit Committee and independent director, stated that the Company was a state enterprise, with the Office of the Audit General of Thailand (OAG) acting as its auditor in accordance with the Act Incorporating the Constitution on the Audit B.E. 2542 (1999). The OAG had no relationship with or interest in the Company's operation. In 2012, the OAG performed its duty as the Company's auditor and received the annual audit fee of 2,000,000 Baht and the fee for reviewing the Company's quarterly financial statement in the amount of 300,000 Baht for each quarter, totaling 900,000 Baht for three quarters. Presently, the OAG had carried out its work until the team expired. It was expedient for the Company to consider the appointment of the auditor and fixing the audit fee for the year 2013. In this regard, the Company had been informed by the OAG that the audit fee for 2013 would be 2,500,000 Baht and the fee for reviewing the quarterly financial statements would be 350,000 Baht for each quarter, or about 20% more than the previous rates. In the Audit Committee Meeting No. 2/2556 on 27 February 2013, considered such quotation of the OAG and seeing that the quotation was reasonable enough and therefore proposed the matter for the consideration of the Meeting of shareholders.

The Chairman asked if any shareholder had any question regarding this matter. As there was no question, the Chairman asked the Meeting to cast votes.

The Meeting passed a resolution, approving the appointment of auditor and the audit fee for the year 2013 as proposed by the Audit Committee, with an affirmative vote of not less than two-thirds of the total votes of the shareholders present at the Meeting and have the right to vote as follows:

Affirmative votes:	1,679,481,806	representing	99.8760 %
Negative votes:	1,764,722	representing	0.1050 %
Abstention:	338,434	representing	0.0200 %

Agenda 8: Consideration and approval of the amendment to Article 23 of the Articles of Association of the Company

The Meeting did not consider this agenda as the Board of Directors' Meeting No.4/2556 held on 19 April 2013, at the Conference Room on the 22nd Floor, Head Office Building, 89 Vibhavadi Rangsit Road, Jompon, Chattuchak, Bangkok had resolved that this Agenda be cancelled so that all points of law involved therein would be reviewed to be clearer. The Meeting acknowledged and such not object to such cancellation.

Agenda 9: Consideration of election of Directors

The Chairman asked the directors who had an interest in this matter to leave the conference room.

Mr. Uthit Hemavattakit, shareholder, proposed that in addition to proposing the nomination of persons as director on the Company's website, the Company in accordance with the principle of good corporate governance should notify all shareholders in writing of the persons nominated as the Company's directors. Then, Mr. Uthit nominated Sqn. Ldr. Thanit Promsatit as director.

Pol. Col. Sermkiat Bamrungpruek, shareholder, expressed his opinion that the law clearly stipulated how to proceed when no name had been proposed for the nomination as the Company's director. Section 69 of the Public Limited Companies Act. B.E. 2535 (1992) provided that any restrictions which could be construed as precluding shareholders from being nominated as directors were not allowed. Therefore, in order for this action to be lawful, the Chairman had to ask this Meeting if any shareholder wishes to nominate any person as director.

The Chairman heard such opinion and proceeded to inquire whether any shareholder wishes to nominate any person as the Company's director. As Mr. Uthit Hemavattakit had nominated Sqn. Ldr. Thanit Promsatit as director, the Chairman called out Sqn. Ldr. Thanit Promsatit name to see if he accepted such nomination.

Mr. Prasert Lerdyaso, shareholder, confirmed that Sqn. Ldr. Thanit Promsatit accept the nomination.

The Chairman explained that Sqn. Ldr. Thanit Promsatit had to present himself for such acceptance.

Mr. Uthit Hemavattakit, shareholder, objected and requested that everything be handled with the same standards.

The Chairman explained that he had proceeded in accordance with the Company's Articles of Association, the law and the rules and regulations of the Securities and Exchange Commission and then asked the legal adviser to explain this matter.

Mrs. Kulkanist Khamsirivatchara, legal advisor, explained that the Public Limited Companies Act B.E. 2535 (1992) provided that the nominations for directorship were made by the directors and proposed to the meeting of shareholders, but that did not deprive the shareholders' right to nominate other person other than those proposed by the Board of Directors. However, if the person nominated by the shareholders was not present at the meeting and did not acknowledge or accept such nomination, that person, if and when elected as director might not agree to perform his/her

duty as director. It, therefore, stood to reason that the nominated person had to give his/her consent to the nomination and, if elected, accept to his/her directorship.

Mr. Uthit Hemavattakit, shareholder, stated that the person in question had signed his name in confirmation and asked to see the document which stipulated that the nominated person was required to be present at the Meeting.

Pol. Col. Sermkiat Bamrungpruek, shareholder, stated that when the shareholders nominated a person for consideration and election by the meeting of shareholders as director, there was a condition that the nominated person must have been attested by someone. That, someone who was the attester had to take into consideration whether such person possessed any prohibited characteristics. If the person had prohibited characteristics, he would not be entitled to vote. The explanation given by the legal advisor was vague and unclear. If the nominated person used to be the pilot in charge of the Company's aircraft or had a history of being dismissed removed or imprisoned, that person possessed prohibited characteristics. Besides, there was no rule or regulation that precluded any shareholder from being a director. He therefore asked that such nominated person be considered and voted.

Mr. Bancha Wudhiprecha, proxy, stated that in order for the Meeting to continue, he suggested that if there was a document confirming the nomination of Sqn. Ldr. Thanit Promsatit and a witness to his signing on such document, the Chairman should accept such nomination for consideration.

Mr. Uthit Hemavattakit, shareholder, informed the Chairman that Sqn. Ldr. Thanit Promsatit had signed in acceptance of such nomination, as evidenced by the document given to the Chairman.

Mr. Somsak Manop, shareholder, nominated Mr. Monchai Rabruentaveesuk for directorship.

Mr. Monchai Rabruentaveesuk, shareholder, accepted his nomination and stated that according to page 67 of the annual report, the Ministry of Finance held 51.03% shares in the Company and item 11: other shareholders, which were minority shareholders who held not more than 0.71% or 15,450,000 shares, held 21% shares. To be fair, the Company has 15 directors so the minority shareholders should have the right to elect 3 directors from the total of 15 directors. In his opinion, the Ministry of Finance should abstain from voting, and he also asked to be put on record that the shareholders should have the right to take part in the appointment of the members of the Good Corporate Governance Committee and the Audit Committee.

The Chairman repeated the names of those nominated for directorship by the shareholders, namely Sqn. Ldr. Thanit Promsatit and Mr. Monchai Rabruentaveesuk, and asked for the documents evidencing their names and surnames and their signatures. The Chairman reiterated that the qualifications of the nominated persons would be inspected and that even elected as directors, the said persons would still be subject to the conditions of the inspection. The Chairman nominated 7 persons for directorship and then asked Mr. Areepong Bhoocha-oom, Vice Chairman and Chairman of the Nomination Remuneration and Human Resources Development Committee, to explain to the Meeting in details.

Mr. Areepong Bhoocha-oom, Vice Chairman and Chairman of the Nomination Remuneration and Human Resources Development Committee, stated that Article 17 of the Company's Articles of Association provided that, one third of the directors or if their number is not a multiple of three, then the number nearest to one-third, were to retire from office. In the first and the second years after the incorporation of the Company, the retirement of directors by rotation would be done by drawing lots. In the subsequent years, any directors holding office for the longest term would

vacate office. A retiring director was eligible for re-election. At this Meeting, the directors who were to retire by rotation were:

1. Mr. Chulasingh Vasantasingh
2. Mr. Weerawong Chittmittrapap
3. Mr. Kanit Sangsubhan
4. Mr. Apiporn Pasawat
5. Pol.Gen.Wichean Potephosree

The Company had allowed the shareholders to propose the nomination of any qualified persons for directorship in accordance with the rules and procedures disclosed on the Company's website from 28 September 2012 to 31 December 2012. However, no name had been proposed by any shareholder. The Nomination Remuneration and Human Resources Development Committee, therefore, selected the persons who were in the Committee's opinion, highly qualified and very experienced in various fields, who had vision, integrity and moral sense and who were capable of expressing ideas independently and performing duties as directors perfectly. At its meeting on 27 February 2013, the Audit Committee, excluding interested members, resolved that the following 5 persons be proposed to the Board of Directors and the 2013 AGM for the election of directors:

- | | |
|---|---|
| <ol style="list-style-type: none"> 1. Mr. Chulasingh Vasantasingh, 2. Mr. Weerawong Chittmittrapap, 3. Mr. Kanit Sangsubhan, 4. Pol.Gen.Wichean Potephosree, 5. ACM. Prajin Juntong, | <p>to continue one more term</p> <p>to replace Mr. Apiporn Pasawat</p> |
|---|---|

With the other two persons previously named by the Chairman, there were 7 nominations for directorship.

Mr. Uthit Hemavattakit, shareholder, opposed the nomination of Pol.Gen.Wichean Potephosree, reasoning that it was unlikely that Pol.Gen.Wichean Potephosree could protect the interests of the Company and the shareholders since he had failed to protect even himself when he was removed from office.

The Chairman informed the Meeting of the inclusion of Sqn. Ldr. Thanit Promsatit and Mr. Monchai Rabruentaveesuk and that Alternate Ballot No. 1 would be used for the voting in regard to Sqn. Ldr. Thanit Promsatit and Alternate Ballot No. 2, in regard to Mr. Monchai Rabruentaveesuk. The Chairman had it put on record that these two persons were subject to the conditions of the inspection of qualifications and the verification of the signatures of those who were nominated and those who nominated. Then, the Chairman asked the Meeting to consider and cast the votes on each nomination as follows:

1. Mr. Chulasingh Vasantasingh,
2. Mr. Weerawong Chittmittrapap,
3. Mr. Kanit Sangsubhan,
4. Pol.Gen.Wichean Potephosree,
5. ACM. Prajin Juntong,

Alternate Ballot No. 1 – Sqn. Ldr. Thanit Promsatit

Alternate Ballot No. 2 – Mr. Monchai Rabruentaveesuk

Sqn. Ldr. Thanit Promsatit, shareholder, stated that he accepts his nomination.

Mr. Visut Sahachartmanop, shareholder, proposed that in the vote casting on the election of directors at the AGM next year for the integrity and appropriateness, each shareholder should have one vote, with the Ministry of Finance being excluded from voting.

The Chairman explained that the election of directors had to proceed in accordance with the law. The Chairman therefore announced the results of the vote counting.

The Meeting passed a resolution, approving the election of 5 directors who retired by rotation in accordance with Article 17 of the Company's Articles of Association with the majority votes of the shareholders present at the Meeting and have the right to vote as follows:

1. Mr. Chulasingh Vasantasingh

Affirmative votes:	1,644,389,073	representing	97.7880 %
Negative votes:	3,980,128	representing	0.2367 %
Abstention:	691,406	representing	0.0411 %
Non-exercised voting right:	32,525,270	representing	1.9342 %

2. Mr. Weerawong Chittmittrapap

Affirmative votes:	1,643,266,255	representing	97.7188 %
Negative votes:	4,401,122	representing	0.2617 %
Abstention:	699,206	representing	0.0416 %
Non-exercised voting right:	33,259,294	representing	1.9779 %

3. Mr. Kanit Sangsubhan

Affirmative votes:	1,635,255,862	representing	97.2449 %
Negative votes:	12,741,577	representing	0.7577 %
Abstention:	700,806	representing	0.0417 %
Non-exercised voting right:	32,887,632	representing	1.9558 %

4. Pol.Gen.Wichean Potephosree

Affirmative votes:	1,639,251,650	representing	97.4825 %
Negative votes:	9,083,859	representing	0.5402 %
Abstention:	695,545	representing	0.0414 %
Non-exercised voting right	32,554,823	representing	1.9360 %

5. ACM. Prajin Juntong

Affirmative votes:	1,638,545,851	representing	97.4405 %
Negative votes:	9,334,844	representing	0.5551 %
Abstention:	709,745	representing	0.0422 %
Non-exercised voting right:	32,995,437	representing	1.9622 %

6. Sqn. Ldr. Thanit Promsatit

Affirmative votes:	8,333,291	representing	0.4951 %
Negative votes:	1,114,328,416	representing	66.2014 %
Abstention:	2,776,772	representing	0.1650 %
Non-exercised voting right:	557,802,650	representing	33.1386 %

7. Mr. Monchai Rabruentaveesuk

Affirmative votes:	8,328,157	representing	0.4948 %
Negative votes:	1,114,313,886	representing	66.2005 %
Abstention:	2,809,472	representing	0.1669 %
Non-exercised voting right:	557,789,614	representing	33.1378 %

The Company's Board of Directors would then consist of:

1.	Mr. Ampon Kittiampon	Chairman
2.	Mr. Areepong Bhoocha-oom	Vice Chairman
3.	Mr. Chutinant Bhirom Bhakdi	Director
4.	Mr. Dheerasak Suwannayos	Director
5.	Mr. Silpachai Jarukasemratana	Director
6.	ACM. Satitpong Sukvimol	Director
7.	Mr. Sutham Siritipsakorn	Director
8.	ACM. M.L. Suprija Kamalasila	Director
9.	Pol.Gen.Adul Saengsingkeo	Director
10.	Mr. Sorajak Kasemsuvan	Director
11.	Mr. Chulasingh Vasantasingh	Director
12.	Mr. Weerawong Chittmittrapap	Director
13.	Mr. Kanit Sangsubhan	Director
14.	Pol.Gen.Wichean Potephosree	Director
15.	ACM. Prajin Juntong	Director

Agenda 10: Other Business

The Chairman asked if any shareholder would want to inquire or propose any other issue.

Mrs. Ratchaneewan Vejapruet, shareholder, suggested that there be shareholder cards.

The Chairman informed the Meeting that he had consulted the President and they were of the opinion that the Company should familiarize the shareholders with its business operation. The Chairman stated further that all departments of the Company were linked by an integrated system, thereby enabling the Company to take good care of its customer. With regard to the shareholders' benefit in particular consideration to the shareholder cards, the Company would first consider whether they were beneficial to the shareholders in terms of a return on investment and whether it was possible for the Company to provide the shareholders with those cards without burdening itself. The Chairman agreed to accept Mrs. Ratchaneewan's opinion for consideration.

Mr. Uthit Hemavattakit, shareholder, proposed that there be a 30% discount on air tickets for the shareholders.

Pol. Col. Sermkiat Bamrungpruek, shareholder, opined that the venue for this meeting was not suitable in many ways, which the Chairman had promised to improve. Pol. Col. Sermkiat gave an example by referring to the lunch provided by the Company. He wondered why this time lunch was not provided in a box which allowed eating in one's own car. As for the attendance registration, he suggested that it start at 10.00 a.m. so that the shareholders did not have to wait for a long time. He proposed a more suitable place to be used for the meeting since, without the sky train, it was inconvenient for the shareholders to get to this place. Pol. Col. Sermkiat also disagreed with the separate desk for registering the attendance of the elderly shareholders and proposed that lunch be provided in a box.

Mr. Visut Sahachartmanop, shareholder, informed the Meeting that he had received a copy of the plaint filed by the Company's attorney, Mr. Bumpen Suppasri, as Black Case Number 6430/2552. He then handed over the said document to the Company since the Defendant number 29 in the Plaint is also the Company's employees.*

The Chairman inquired Mr. Visut about the lawsuit.

Mr. Visut Sahachartmanop, shareholder, explained that it was about the blockade of the airport and prompted the Company to use such document in filing additional lawsuits.

The Chairman acknowledged receipt of the document in question from Mr. Visut and informed the Meeting that the Board of Directors already had a resolution on this matter. He then explained that as the matter was in the public prosecutor stage, it was not the duty of the meeting of shareholders to record the proceedings.

Mr. Visut Sahachartmanop, shareholder, stated that it was said among the shareholders that the person who had blockaded the airport was Mr. Sereerat Prasutanon, which had cost the Company 21,000 million Baht in damages. He then asked that this matter be put on record.

The Chairman told the Company's officers to receive the documents.

Mr. Surasit Sriprapa, shareholder, urged the Chairman to control the proceedings of the meeting and stated that the lawsuit was in the judicial process, pending the court judgment.

The Chairman agreed with Mr. Surasit and explained that the matter was in the judicial process and was governed by the Company's rules and regulations. If any act was found to have breached the Company's rules and regulations, the shareholders were welcome to submit the documentary evidence to the Company, and he, as the Chairman, would handle the matter. However, as the Legal Department was of the opinion that as presently there was no breach of the Company's rules and regulations, the Chairman asked that the matter not be discussed further.

Mr. Surasit Sriprapa, shareholder, asked the Chairman to *control the proceedings in strict compliance with Article 36 of the Company's Articles of Association.

Mr. Uthit Hemavattakit, shareholder, asked that the Chairman accept the matter so as to protect the Company's interest and that the Company take part in the said lawsuit as a joint plaintiff.

The Chairman informed Mr. Uthit Hemavattakit that the said matter had already been accepted for consideration.

Mr. Somsak Manop, shareholder, asked that the use of code 41 for over 200 days be examined to see if it was inappropriate, for example, the use in a trip to Cambodia.

Mr. Monchai Rabruentaveesuk, shareholder, asked that the Company have the shareholders mutual interest at heart and that the shareholders be united. Any conflict, if pending judgment, should be left to the jurisdiction of the court. He also expressed his opinion that (1) the shareholder cards are unlikely to be beneficial, (2) that in order to achieve a successful prior registration, the Company's officer should stand by at the Head office to handle the registration prior to the meeting date, (3) that the shareholders who attended the meeting from the beginning to the vote casting should be rewarded with domestic air tickets from Nok Air or THAI Smile by drawing lots at the

* Note: Any evidentiary documents delivered by the shareholder at the Meeting would be reviewed by the Company later. However, the Company did not record the contents of those documents in the meeting minutes since the Meeting did not discuss such contents.

closing of the meeting, (4) that, as sales promotion, any shareholders who bought international air tickets should get a discount of 1 Baht for each share held by them, and (5) that a new method of vote counting had been previously proposed and put on record but had never been applied and the Company insisted on using the existing method. Mr. Monchai stated that if the Company insisted on using the existing method of vote counting next year, the shareholder would walk out, resulting in the quorum not being constituted, and the Company would have to re-convene the meeting.

Mr. Bancha Wudhiprecha, proxy, asked the Chairman to control the Meeting.

Mr. Sitthichoke Boonyawanich, shareholder, (1) inquired how the Company's plan to evacuate passengers would be if South Korea and North Korea were at war, (2) inquired whether there were any routes in which the Company had aviation rights but which had not been used and, if yes, what steps the Company would take in regard of those routes, (3) suggested that television series be made for the purpose of the Company's public relations and be broadcast to the shareholders and broadcast on board for the passenger, (4) inquired how much the Company would be able to buy oil futures if the Baht strengthened against other currencies and if there was a decline in oil price and whether and how the directors could handle this matter, and (5) expressed his opinion that the audit fee should be reduced since the Company now had better management and less corruption, resulting in an easier method of auditing and less expensive auditing cost .

Mr. Surasit Sriprapa, shareholder, mentioned about the Company's efficiency and its outsourcing of approximately 6,000 personnel. This Board of Directors had approved the establishment of an affiliate, Wingspan Services Co., Ltd., in which the Company is major shareholder, to replace several outsource companies used by the Company for its various services such as ground services, kitchens and cargo. However, Wingspan might inadvertently become a training school for other airlines or an ideal place for headhunters. There had so far been no follow-up to the Company's policy on this matter and whether this had truly helped the Company to save its expenditures. Since some of the Company's executives had an interest in those outsource companies, he wanted this matter to be examined. Besides, the Company should also pay attention to any agreement or contract in this regard. Mr. Surasit wanted to know the Company's policy on Wingspan's recruitment of employees. As for the problems of drug dealing, theft and luggage misplace, which caused damages to the Company in each year as the passengers claimed damages against the Company, Mr. Surasit was of the opinion that these were offences, but some of the directors did not agree so. For instance, for the investigation of the incident in Phuket which had as yet drawn no conclusion relating to the employees, Mr. Surasit believed that there had been a commission of drug trafficking since the alleged officer had testified so. In Mr. Surasit's opinion, the Company's decision in recruiting retired employees to work as ground crew or heavy high loaders drivers for aircraft service was against the Cabinet resolution. He asked whether it was true that the insurance company would not pay if those loaders crashed into the aircraft. Mr. Surasit proposed that the Company proceed this matter in the same way as the case of the Housing Authority Service Cooperative, where members were provided with welfare and emergency loan services. Mr. Surasit also proposed that a THAI service cooperative should be established so that the employees could be transferred from Wingspan to this THAI service cooperative and provided with welfare the same way as the case of Housing Authority Service Cooperative. Presently, the Company had had flight delays due to inefficient management of the outsourcing.

Mr. Prasert Tissayathicom, shareholder, referred to Agenda 3 where the President expressed his satisfaction to this year's results of operation and asked to Senior Executive Vice President in Strategy and Business Development to report to the Meeting. Mr. Prasert urged that the President manage the Company more efficiently. He then referred to the AGM 2 years ago where the Company had paid a dividend of 1.25 Baht per share. In the minutes of such AGM, the Chairman at that moment had said that, in regard of the Company's results of operation, it was likely that the

results of the first quarter would be satisfactory. However, two weeks later, the report on the Company's results of operation revealed by the Stock Exchange of Thailand demonstrated a poor result, despite the fact that the 2010 results had shown the earnings per share of more than 8 Baht. The results started to be poor in the first quarter of 2011 and continued their downward trend until the end of 2012 when the share price was only 19 Baht per share. This information showed that the information in the meeting minutes did not correspond to what had actually happened. Mr. Prasert therefore urged the President to have the relevant information checked thoroughly and not to focus too much only on the report. Finally, Mr. Prasert asked that the President and other directors to cooperate in developing the Company so as to better our organization.

Mr. Monchai Rabruentaveesuk, shareholder, protested that the directors had to answer the questions asked by the Meeting.

A shareholder (name unknown) asked the Chairman to take better care of the shareholders' welfare as there seemed to be a gap between the Company and the shareholders, and also mentioned about inconsistency of dividend payment. The shareholder complained about the quality of the food provided at the meeting and agreed with the idea of providing shareholder cards, shareholders' welfare and discount. The shareholder also proposed that rewards such as 20 domestic and 20 international air tickets be given out to the shareholders by lucky draw.

The Chairman said that those proposals would be considered in comparison of the welfare services of other organizations such as PTT.

Mr. Visut Sahachartmanop, shareholder, referred to page 39 of the meeting minutes of the years 2010-2011 and thanked Mr. Somsak Manop, shareholder, for asking about the remuneration of 150,000 Baht to be paid to the acting President. As some employees wanted to know if such remuneration was still being paid, Mr. Visut asked the former Acting President to answer and also asked that such answer be put on record at this meeting. The reason why Mr. Visut asked this question was that ACM. Narongsak Sangkhaopong used to say that an acting President did not receive any remuneration, but Mr. Visut had known the contrary. As for the corruption in the Company (unlawful withdrawal of money) which had been complained to the Company and for which the Company had set up an investigating committee, the investigation had not been conducted in line with the complainant's suggestion. While the facts finding committee had concluded that the persons alleged to have committed offences were guilty and were therefore subject to disciplinary punishment, the disciplinary committee found in favour of that persons and the conclusion came out as not guilty. When the "not guilty" conclusion was used in filing a lawsuit, the person who filed suit was subject to a fine of 100,000 Baht and one year's imprisonment, which was unfair. Mr. Visut had evidence of this matter and made a complaint to the directors on 30 May 2011. After the Chairman accepted the matter for consideration, he replied that there was no evidence, despite the fact that there was. The four alleged persons had given false statement by denying the commission of any offences, but in 2010 they testified that they had no authority in doing so.

The Chairman inquired when such lawsuit was filed and asked the President to explain the matter to the Good Corporate Governance Committee. He was told that the matter occurred in 2009 and the lawsuit was filed in 2011.

Mr. Visut Sahachartmanop, shareholder, stated that the Management had not disclosed the information to the shareholders and that there had been corruption in the Company. He had also submitted an appeal.

The Chairman said that several shareholders had heard about this matter for quite a while and, for practical purposes, asked that all relevant documents be submitted in the Company for the

consideration of the Good Corporate Governance Committee. The answer to the whole matter would be given by the President.

Mr. Jetsada Niyompattama, shareholder, referred to the Company's policy on generation of income by selling air tickets on the Internet. The sale of tickets on the Internet commenced in 2002, and could generate an income of about 1%. Currently, it was about 8%, so Mr. Jetsada suggested that the Company change such policy and evaluate such selling method to see what could be done to increase the sale. Mr. Jetsada further asked about the progress of the matter involving antitrust law. It was known that the Company had been sued by the governments of Republic of Korea, Australia, New Zealand and United States. The Company had paid a fine to Australia. As for New Zealand, the matter was pending the court's decision. In those countries, it was the case of freight forwarder associations joining forces to file suit. However, in United States, the passengers joined forces to sue the Company in regard of the fuel surcharge. Besides, in early 2011, the Company sold lands in Chiang Mai, Lampang, Phuket and Udon-Thani. Earlier in 2010, the Company consulted the Juridical Council about the sale, and it was concluded that the land sale by a state enterprise, which was a public company, would require an approval of its meeting of shareholders. Mr. Jetsada asked if the Company had complied with the Council of State's conclusion. He then referred to the fact that on 19 May 2012, the Board of Directors had a resolution to remove Mr. Piyasvasti Amranand without giving the reason for such removal. The only reason given to the media was that there was a communication problem. Mr. Piyasvasti himself told the media that he had been persecuted while the Company gave no answer, the Communications Minister at that moment said, in his interview to the media, that the reason for the removal was miscommunication with regard to the purchase of aircraft.

Miss Panisa Suwanmethajarn, proxy, asked the Chairman to announce the result of the vote on the previous agenda.

The Chairman asked the Management to answer the questions asked by the shareholders.

Mr. Uthit Hemavattakit, shareholder, proposed that the directors give out the air tickets they received as welfare so that those tickets could be given to the shareholders by lucky draw.

A shareholder (name unknown), asked the Chairman to control the proceedings.

Mr. Sorajak Kasemsuvan, President, asked that Executive Vice President of each department help answer the shareholder's questions.

Mr. Chokchai Panyayong, Senior Executive Vice President, Strategy and Business Development, stated that he would explain about certain matters after the meeting was adjourned because some matters had a lot of details and that he would answer only the questions involving the issues appeared in the agenda so as to control the time period of the meeting, as follows:

(1) On the issue of the adjustment of the aircraft depreciation from over 15 years to 20 years, according to the International Air Transport Association (IATA) on the study of the useful life of the aircraft of each airline, wide-bodied aircraft had a useful life of about 19.6 years and narrow-bodied aircraft had a useful life of about 19.8 years. Therefore, the utilization of aircraft for a period of 20 years was within standards as studied by IATA.

(2) As for the growth, in 2012 the Company's income from sale, and services was approximately 200,000 million Baht, a bit higher than the 190,000 million Baht of 2011.

(3) As for the proposals of Mr. Suthee Sahassarangsi, shareholder, about the meeting proceedings and other strategies, the Chairman had accepted those proposals for consideration.

(4) On the issue of the benchmark mentioned by Mr. Monchai Rabruentaveesuk, shareholder, in answering Mr. Monchai's question as to why the Company did not use Singapore Airlines as the benchmark for adopting competitive strategies, Mr. Chokchai explained that Singapore Airlines' flight path was long-range while the short-range flights were operated by Silk Air and Tiger Airways, the separate entities from Singapore Airlines. In aviation business, the usual practices were to multiply the number of passengers by the flight distance; for example, a short-range flight would carry 15 million passengers. However, the production capacity of an aircraft would be measured by multiplying the number of seats by the distance in kilometer. As for the low-cost airlines, which would reduce our share portion in the market, their market shares in Europe and America were at 35% and 30-40% respectively. However, the Company operated as a premium airline which was more responsible for the passengers and had a network that could provide better arrangements with regard to weight entitlement, damages as well as luggage insurance and life insurance. The Management conducted a workshop with the Board of Directors twice a year to follow up and evaluate if all the strategies used by the Company were really accurate.

(5) On the issue of an engine purchase, the fact was that some old engines had been sold to TP Aviation and that one of those engines had not been paid for. The Company was now pending process of filing a civil lawsuit over such non-payment. An investigation committee had been set up to investigate into the matter, but the conclusion had yet to be drawn. All arrangements were completely open and above board.

(6) On the issue of using long-range aircraft to fly medium-range, i.e., to Japan, Mr. Chokchai explained that the Company had made maximum use of the aircraft. In most cases, European flights left Thailand at night and reached their destinations in the next morning, and left Europe in the afternoon to arrive in Bangkok in the next morning. There was a day time gap during which the aircraft has to remain at the airport prior to flying to Europe again at night. For this reason, the Company used such aircraft to fly to regional route, e.g. to Japan. In terms of the aircraft utilization, the strategy of the utilization of the Company's long-range aircraft was at 12-14 per 24 hours in one year. As the Company also had intercontinental flights (i.e., Europe, Australia), medium-range flights (i.e., Asian countries), and short-range flights (i.e., domestic and neighboring countries), it was worthwhile to use the long-range aircraft to fly medium and short-range pending the period where the aircraft has to remain at the airport before flying long-range route again. Usually, passengers wanted to arrive in Thailand in the morning so that they would have more time for their trip, hence there would be a gap period where the aircraft has to remain at the airport until the next take-off. The Company, therefore, tried to make use of such aircraft during the gap period and to leave the aircraft unused. In this regard, an average utilization of aircraft with regard to the Company's entire fleet of aircraft was at 11.5 hours per 24 hours.

(7) With regard to the New Generation aircraft, Mr. Chokchai explained that in the future, the New Generation aircraft, whether Boeing 787 or Airbus 350, would be lighter and use less fuel. With a range of 8,000 nautical miles, those aircrafts would be suitable for both short-range and long-range flights, depending on how the users determined their flight routes. While having less maintenance cost, the aircrafts would be more efficient. The Boeing 787-800 which flew short-range could carry about 270-280 passengers, depending on the seat arrangements. On the other hand, the Airbus 380 would fly long-range to the main market route because the passengers would prefer to arrive in Thailand in the morning. England (London) and France were some of the routes where flight time tables would not approved easily, and the aforesaid phrase would be the answer to the shareholder's question about aviation rights. Therefore, if we had a number of passengers but could not increase the number of flights at the times we wanted, for example, flight to Indonesia, then it was necessary that we use a big aircraft since increasing the number of flights at inappropriate time could result in only a few tickets being sold.

(8) As for the market segmentation between the Company's low-cost and premium airlines, there are Nok Air, THAI Smile and Thai Airways, as opposed to Singapore Airlines (which includes Singapore Airlines, Silk Air and Tiger Airways) which share the premium and premium short haul market. With regard to the cost management, the low-cost airline would try to put in as many seats as possible, and their cost would be divided by the number of seats. In the case of Thai Airways, the seat arrangements were done in accordance with the standard for the passengers' convenience. THAI Smile was not a low-cost airline while Nok Air was. In this regard, the new in relation to Nok Air might be given for advertisement purpose as one of the many advertising tactics so that the customers would not think that it was as same as other low-cost airlines since it provided better services. This matter would be clarified later.

(9) The Recovery Site was a computer centre which collected back-up data. Presently, the Company's revenue from sale of tickets through a computer system was about 500 Million Baht per day. Upon inspection, it was found that if there was a failure in such computer system, the Company would suffer damages in the amount of 500 million Baht per day. It was necessary for the Company to have a back-up site to prevent such failure. So far, it would still be risky since there had been only one back-up site at the Company's Head Office. The Company, therefore, set up another back-up site to replace the first one, the contract for which was about to expire without being renewed. The Company was now in the process of diverting the computer system and improving the information technology. The SAP of the element mainframe was being moved, and the moving of the reservation system was expected to be completed in September. After that, there would be no need to use the existing back-up site as the new back-up site would operate with a hosting system where compute-related equipment and operating systems could be used elsewhere. However, as the relocation of the back-up site had not yet been completed, the existing site was still necessary.

(10) In the past 3-4 years, the Company's sale of tickets through the Internet had accounted for 3% of the total sale. Presently, the expansion was at the rate of 8.6% according to the KPI set up by the Management. This information was a direct result of the Board of Directors continuous push. In this regard, an increase of the growth rate from 8% to 12% would be a big challenge.

(11) In respect of the Company's sale of land, section 89/29 of the Securities and Exchange Act B.E. 2535 (1992) and other relevant Notifications provided for the sale or disposal of the property of a listed company to the effect that the acquisition or disposal of property which required an approval of the meeting of shareholder was subject to the following criteria:

- In the case of the disposal of property between the Company or its subsidiary and a non-listed company, the value of such property had to be equal to 50% or more when compared with the Company's assets.

Since the assessed value of the land sold by the Company to a person that was not a listed company was approximately 120 million Baht, which was less than 50% of the Company's assets, such sale did not fall under the above criteria where an approval of the shareholders meeting is required. Nevertheless, before the Board of Directors approved such sale of the Company's land, all relevant points of law had already been carefully and thoroughly reviewed.

(12) Mr. Chokchai did not wish to make any comment about the case of Mr. Piyasvasti Amranand, former President, since the case was pending the court procedure and should be proceeded in accordance with judicial procedures.

(13) On the issue of financial expenditures and the defective seats, Mr. Chokchai asked Executive Vice President, Technical to give an explanation.

Flt. Lt. Montree Jumrieng, Executive Vice President, Technical Department, answered the shareholder's question about the defective seats in Boeing 747-400 that the incident occurred on 31 October 2012 on Bangkok-Chiang Mai route. The seats installed on the aircraft in question had been in use for 28 years, and three similar incidents had occurred to the seats of the same model in the United States. The incident was caused by the fact that the metal track under the seats was damaged, causing the screws that fixed the seats to become loose. The seals of this same model were also installed in other two Boeing 747, which were going to be put out of commission in October and December 2013. As for the other 12 Boeing 747, the seats installed on board were not of the same model as the defective ones. Presently, the Company had made an investigation into the incident starting from the installation, inspection and flight operation inspection. The Company had also examined a Safety Indicator to ensure that all errors had the value 0. Upon inspection, no error had been found. Following the incident, the Board of Directors had proceeded in compliance with the Safety Management System. Flt. Lt. Montree assured that the two Boeing 747, which had the seats of the same model as the defective ones installed on board and which were still in service until this December, would be safe.

A shareholder (name unknown) stated that when the Executive Vice President, Technical, was aware of the problem with defective seats in American Airlines, he should have been more careful.

Flt. Lt. Montree Jumrieng, Executive Vice President, Technical, explained that he was aware of the problem happened to American Airlines after the incident involving the Boeing 747 in question and did solve the problem in the same way as American Airlines.

The Chairman requested that the Executive Vice President, Technical, explain the pending issues.

Flt. Lt. Montree Jumrieng, Executive Vice President, Technical Department, referred to the increase of the capacity of the Technical Department. He had explained in the previous meetings that the Company could repair GE 80 engines because a number of its aircraft used such engines. Usually, there should be about 200 engines in order to get a shop visit of about 50 engines of per year, or 50 customers should be collected. At present, the Company had more variety of engines, ranging from Rolls Royce 500, 700, 900 and Rolls Royce 1000 in the near future. Currently, the Company was taking delivery of GE 90 engines, following the purchase of 6 aircrafts and the rent of 8 leased aircraft. With a total of 14 aircrafts, there were going to be 28 engines, plus the reserve of 10%, which was still a too small scale to justify the increase of the ability of aircraft reparation from overhaul to the ability to re-assemble and repair from level 1 to level 5. In the opinion of the Technical Department, the Company would be mainly using Rolls Royce 1000 engines in the future. Though the Company had presently ordered 8 Boeing 787 and 12 Airbus 350-900, totaling 20 aircrafts, there would be no more than 45 engines unless the Company subsequently ordered more aircraft, which was unlikely to happen in Flt. Lt. Montree's opinion. Besides, even if the Company switched to Boeing 787-10, Boeing 777-9X or Airbus 350-1000, their engines would also be GE-Gen X or XWB, which had a very specific usage. Presently, Flt. Lt. Montree had tried to improve the skills of his technicians as much as possible. Those technicians now had a 2nd level skill, i.e. had an ability to dismantle, examine and test the engines and had the ability to do overhaul reparation. Flt. Lt. Montree was of the opinion that Rolls Royce 1000 engines could help increase the Technical's capacity. In this regard, the opinion also depends on the number of engines to be ordered by the Company.

Flt. Lt. Montree Jumrieng, Executive Vice President, Technical Department, explained further on the matter of the Technical Department's saving of 500 million Baht, as follows:

- (1) Gathering all non-move and non-fleet spare parts and seeking the Board of Directors' approval to sell them in order to generate income as well as to cut the Company's costs;
- (2) Making the best possible use of the aircraft currently in service and the spare engines, which could save about 10 shop visits. In this regard, each shop visit cost about 150-300 million Baht;
- (3) Reducing investments in equipment and spare parts, an investment which costs more than billion Baht per each investment, whether for Airbus 320 and Airbus 350 at the present or for Boeing 787 and Boeing 777-300 ER in the future, as the manufacturers of those aircrafts would be responsible for the equipment and spare parts instead; and
- (4) Improving the Technical's efficiency in accordance with the Company's growth and its customers, using DT Transformation Roadmap where 5 airlines, i.e. Singapore Airlines, Cathay Pacific, Korean Air, Malaysia Airlines, and Garuda were included for comparison. Such efficiency improvement was underway and was expected to be completed within 3 years.

It was expected that the foregoing would help the company save more than 5,000 million Baht.

Mr. Sorajak Kasemsuvan, President, asked Executive Vice President, Finance and Accounting, to explain about the Company's high financial expenditures.

Mrs. Wasukarn Visansawatdi, Executive Vice President, Finance and Accounting, explained that the Company had launched a fund-raising campaign, which had resulted in a cluster of investment during the past 1-2 years, as evidenced by the fact that the Company had taken delivery of a number of aircraft. Since the Company needed investment for the development of its fleet, the Company had to bear heavy financial burden, as reflected in the amount of interest appeared in financial statement of about 5,000-6,000 million Baht, which is considered as on the low side. When compared with other airlines, the Company's cost of fund was rather low. In this regard, even TRIS Credit Rating (who took care of the shareholders' credit rating) confirmed that the Company's credit was rated at A+, so there was nothing to worry in this respect.

Mr. Chokchai Panyayong, Senior Executive Vice President, Strategy and Business Development, further added that as for the shareholders' suggestion with regard to fuel and the financial matter which a specific committee had been set up to take care of this matter, the Board of Directors had appointed another committee to specifically take care of this matter as a result of the management of finances and fuel. As for the shareholder's question about the remuneration of 150,000 Baht paid to the acting President, the acting President had no longer received such remuneration since he has no longer acted in the President's place at this moment. With regard to the evacuation plan in the event of war between South Korea and North Korea, currently the Company had a capacity to accommodate about 2,700 passengers per day. However, the evacuation had to be in accordance with the government's civilian evacuation plan which would be implemented by the military sector. As for the civilians, the worst case scenario, the Company could provide 95 aircrafts which, when multiplied by 300 (persons) each, would be able to carry about 20,000-30,000 passengers, depending on the severity of the salvation and the extent to which the government had requested. With respect to the aviation rights, the Company would consider this matter in terms of profit and would not take any steps if losses were foreseeable. On the issue of the Baht value, he used to inform the Meeting that a committee had been set up to oversee the matter. With respect to the outsourcing, the President had set up a committee, with Mr. Chokchai Panyayong acting as chairman, to solve all problems involving the outsourcing. As for the antitrust case, he asked Mr. Niruj Maneepun to report the progress.

Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance, explained that all information about the antitrust case was shown in the Annual Report (pages 182-183). However, he further reported the progress in the case of New Zealand, where the court had already ruled in accordance with the settlement made between the Company and the New Zealand government, that is, the Company was to pay a fine in the amount of about 2.8 million New Zealand Dollars.

Mr. Sorajak Kasemsuvan, President, asked Executive Vice President, Operations, and the Executive Vice President, Commercial, to explain about the pilots and the flight routes, respectively.

Lt. Athisak Padchuenjai, Executive Vice President, Operations, assured the shareholders that all of the Company's pilots had operated in compliance with the Notification of the Department of Civil Aviation as well as the Operations Manual Part A (OM-A), which was prepared by the Company and approved by the Department of Civil Aviation. In each year, the Company would be audited by both internal and external agencies. The external audit agencies were Thailand's Department of Civil Aviation, the civil aviation agency of the country where the Company had flight operation, and the IATA Operations Safety Audit (IOSA). All shareholders could be assured that the Company's pilots had carried out the flight operations in accordance with the international safety standard. This was proven by the demand for the Company's pilots from other companies. As for the documents submitted by Sqn. Ldr. Thanit Promsatit, shareholder, the Company would review them and provide explanations later.*

Mr. Danuj Bunnag, Executive Vice President, Commercial, explained to the Meeting that since the Company had been operated as a good quality network airline, all flight routes, whether intercontinental, regional or domestic, had to be planned to be in accordance with one another. At present, the Company was focusing on regional flight routes as the Asian market was growing fast with higher revenue per kilometer from the Asian passengers. The Company would make an effort to sell more tickets in stronger currencies so as to solve the currency problem. Nevertheless, though the European economy was still weak, it was necessary for the Company to bring in the European passengers so as to support the Company's overall network. Similarly, THAI Smile's flight plan had to be in accordance with the main network so as to expand the total network capacity by the transfer of smaller aircraft to larger ones. In this regard, THAI Smile aimed at the network among main cities and subordinate cities, while Thai Airways, under the brand TG would particularly aim at main cities by using of wide-bodied aircrafts in transporting the passengers. Presently, THAI Smile used narrow-bodied aircrafts to transport passengers from small cities to be transferred to larger aircraft in big cities. This kind of network between THAI Smile and TG was the same as that between Silk Air and Singapore Airlines or between Dragon Air and Cathay Pacific. In regard of the distribution of sale, the Company had a clear policy on selling more tickets on the Internet. Yet each target group had a different way of buying tickets. In particular consideration to foreign countries where it was hard and costly for the Company to directly penetrate into every target group, the Company needed a distributor for each group for example, the corporate group would buy tickets through its distributor only. However, this year, the Company had fixed the sale target through the Internet for not less than 60%. Besides, the President had also set up a policy for the Company to be a THAI Digital Year by not only selling tickets through the Internet but also by providing as many services as possible through any digital network available so as to facilitate and the passengers' purchase of tickets in as many ways as possible.

The Chairman asked if any shareholder wanted to ask any questions for the final round.

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Note: The Company did not receive the said documents from the shareholder.

Mr. Monchai Rabruentaveesuk, shareholder, thanked the Chairman and expressed a summary of opinion with regard to the Company's choice of aircraft and engines that such choice would affect the Company's management and synchronization. In the case of Boeing 787 had flown for more than 10,000 kilometers, such aircrafts might cause problem to the pilots if no cabin was provided for them in the aircraft. With respect to Boeing 777 and Airbus 330, he asked the Senior Executive Vice President, Strategy and Business Development, to explain in more detail about the use of each type of the aircraft as it would have an effect on the profits and losses for each flight route. In addition, when compared to Singapore Airlines, it was evident that the two companies had a different set of standards. As for a company with similar standard, the Company should take a look at Air Siam in regard of the management of long-range flights. Mr. Monchai also commented that way that the Company could prove its efficiency would be by making an apparent increase of profit as a result of its management.

The Chairman thanked Mr. Monchai and invited the new shareholder to express his/her additional opinion.

Mrs. Chamsri Sukchotrat, shareholder, expressed her concern about the appointment of the Vice President, Sales and Distribution, since the said person might have a relative who was a member of the executive board of another airline. She was afraid that the flight time tables might be arranged in favour of such other airlines causing the Company to loose the customers. Since other shareholders used to raise this matter in the Meeting earlier, she asked that the Chairman and the Board of Directors to re-consider such appointment.

The Chairman asked if Mrs. Chamsri referred to the present Vice President, Sales and Distribution.

Mrs. Chamsri Sukchotrat, shareholder, said that she did not refer to the present Vice President, Sales and Distribution, but to the person who was about to be appointed. She then asked whether it was necessary for the Company to appoint a retired Vice President and whether the Company's VIP reception standard dropped after the retirement of such person.

The Chairman explained that this matter was in the power of the Management Executives, but as far as the Board of Directors were concerned, nothing had been done in regard of such matter.

Mrs. Chamsri Sukchotrat, shareholder, asked in conclusion that the Company give the money about to be spent on appointing such former Vice President to Mr. Sompote Sukkaruka the employee who had had an accident as a result of his supervisor's erroneous order. Such accident had cost him 200,000 Baht, which the Labour Union had paid for him to keep him form imprisonment.

The Chairman asked the Executive Vice President, Human Resources and Compliance to receive the matter for consideration.

Mrs. Chamsri Sukchotrat, shareholder, reiterated that the Company should allocate the budget to the said employee instead of hiring the former Vice President. She also mentioned the non-transparency of the good corporate governance and asked that the matter be examined by the Good Corporate Governance Committee and that it be put on record that the Company used to set up a sub-committee consisting of the representatives form ombudsman, Thammasat University's Faculty of Law, Chulalongkorn University, Ministry of Transport, and the office of the Attorney-General to investigate her and that this same sub-committee would be appointed by the Board of Directors to investigate into the matter about to be submitted to the Good Corporate Governance Committee.

The Chairman complied by asking that Mrs. Chamsri Sukchotrat's request be put on record.

Mr. Sakda, shareholders, inquired about the projections of THAI Smile's revenues in 2013-2014 and load rates, the Company's profits and total financial cost, the adjustment of the Company's income in relation to long, medium and short-range flight routes, the expenses for improvement of aircraft shown in the 2012 Annual Report and in the second quarter of 2013, the expenses for taking delivery of 3 Airbus 330-300 and the last years 3 Airbus 380-300, the expenses for the procurement in 2013, and the expected Debt Equity Rates. He also asked about the privileges of increasing the flight routes and the probability of the flight routes in Japan as a result of the Yen devaluation.

Mr. Prapan Pichaiwatkomol, proxy, asked the Chairman to wrap up the meeting.

Mr. Jetsada Niyompattama, shareholder, inquired about the legal action taken in connection with the employees' strike during 18-20 January 2013, which had cost damages to the Company about 300 million Baht.

A Shareholder (name unknown) inquired about the current share price and how to sell shares and to change addresses. The shareholder also asked that the meeting be held in the morning.

The Chairman explained that the Company's share price was at 29.25 Baht/share and that the shares could be sold through the Stock Exchange of Thailand or a broker. The dividend was 0.50 Baht per share. As for the change of addresses, the Chairman asked the relevant officers to explain to the shareholder.

Sqn Ldr. Thanit Promsatit, shareholder, submitted 3 documents and asked that the submission be put in the meeting minutes. He also asked the Company to explain about the pilots whose names appeared on such documents.

Mr. Dumrong Waikhani, shareholder, referred to Agenda 5 (Dividend Payment) in the 2012 Annual Report, where it was stated that the Company would make a dividend payment from the net profit before deducted by currency conversion. He asked where on page 121 such net profit was shown and exactly how much the Company's net profit was.

The Chairman asked the Executive Vice President, Finance and Accounting, to answer those questions.

Mr. Somkuan Tiarasaranond, shareholder, asked the President to explain about the Company's future short-and long-term obligations. He also suggested that the questions asked by investors be answered by the Investor Relations Department or through a tour of inspection or the Company's website.

Mr. Suchart Mitpakwaen, shareholder, inquired about the good corporate governance of the investigation into the case of Iran's Mahan Airlines which had been proved to have breached the Company's regulations, but the results of such investigation came out that the said airline was not guilty. Mr. Suchart inquired further about the case of expired food, the Management's use of High Loader during the flood, and the results of investigation into the case of the catering manager's accepting bribery.

Mr. Visut Sahachartmanop, shareholder, inquired whether it was true that at the Board of Directors Meeting, the Chairman had been appointed as member and chairman of a number of committees.

Mr. Surasit Sriprapa, shareholder, asked whether it was true that those who discussed in this meeting or any meeting were not granted immunity from prosecution. He also mentioned the case of the shareholder who was sued for slander because he had infringed the rights of others.

