

(Translation)

**Minutes of the 2014 Annual General Meeting of Shareholders  
of Thai Airways International Public Company Limited  
on Tuesday, 29 April 2014  
at Chaiyaphruek Room, Air Force Convention Hall (Thongyai Building),  
Paholyothin Road, Bangkok**

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Shareholders Present:

|  |              |               |        |
|--|--------------|---------------|--------|
| 1. The Ministry of Finance<br>(Represented by Mr. Pitaya Uthaisang, proxy) | holding      | 1,113,931,061 | shares |
| 2. Other 4,698 shareholders  | holding      | 514,066,603   | shares |
| Totaling 4,699 shareholders present  | representing | 1,627,997,664 | shares |
|  | a total of   |               |        |

**The Meeting commenced at 13.45 hrs.**

Air Chief Marshal Prajin Juntong, Chairman of the Board of Directors and Independent Director presided over the Meeting as the Chairman. Directors and committee members including Management Executives being present at the Meeting as follows:

Board of Directors and Committees

|                                 |  |
|---------------------------------|--|
| 1. ACM Prajin Juntong           | Chairman and Independent Director  |
| 2. Mr. Kanit Sangsubhan         | Independent Director and Chairman of the Executive Board                     |
| 3. Mr. Athapol Yaisawang        | Independent Director and Chairman of the Audit Committee                     |
| 4. ACM M.L. Suprija Kamalaksana | Independent Director   |
| 5. Mr. Sutham Siritipsakorn     | Independent Director   |
| 6. Mr. Pongpanu Svetarundra     | Director   |
| 7. Mr. Dheerasak Suwannayos     | Director   |
| 8. Pol. Gen. Adul Sangsingkeo   | Independent Director and Chairman of the Good Corporate Governance Committee |
| 9. Mr. Weerawong Chittmittrapap | Independent Director and Member of the Audit Committee                       |

Management Executives

|                                   |  |
|-----------------------------------|--|
| 1. Mr. Chokchai Panyayong         | Senior Executive Vice President, Corporate Strategy & Sustainable Development and Acting President |
| 2. Mr. Pandit Chanapai            | Executive Vice President, Aviation Business Unit   |
| 3. Flt.Lt. Montree Jumrieng       | Executive Vice President, Technical Department   |
| 4. Mr. Teerapol Chotichanapibal   | Executive Vice President, Commercial   |
| 5. Mr. Danuj Bunnag               | Executive Vice President, Corporate Ancillary Revenue  |
| 6. Mr. Niruj Maneepun             | Executive Vice President, Human Resources and Compliance   |
| 7. Lieutenant Athisak Padchuenjai | Executive Vice President, Operations   |

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8. Mr. Prakobkiat Ninnad Vice President, Petroleum and Corporate Insurance and Aviation Environmental Department
9. Mrs. Chuda Dhanabhumi Vice President, Human Resources Department
10. Mr. Raj Tanta-nanta Vice President, Corporate Finance Department
11. Mr. Pichait Riengvattanasuk Vice President, Risk Management Department
12. Mr. Thongchai Singhakul Vice President, Financial Accounting Department
13. Mrs. Bhinkham Rohitasthira Vice President, In-Flight Services Department
14. Mrs. Charita Leelayudth Vice President, Investor Relations Management Department
15. Flg.Off. Chalermpon Intarawong Vice President, Aircraft Maintenance Center BKK Base Department
16. Flt.Lt. Yuthasit Suwanloy Vice President, Technical Support Department
17. Mr. Dullayapong Sukhanusas Vice President, Marketing & Revenue Management Department
18. Flt.Lt. Kanok Thongpurk Vice President, Personnel Development and Training Department
19. Mr. Krittaphon Chantalitanon Vice President, Aviation- Services Support Department
20. Mrs. Busaba Sangkawibha Vice President, Marketing Development and Customer Services
21. Mr. Bumpen Suppasri Vice President, Legal Department
22. Ms. Jirapan Siripraiwan Vice President, Aviation Business Management Department
23. Mrs. Suvimol Bualerd Vice President, Corporate Secretariat Department
24. Mr. Saroj Yuttatri Vice President, Information Technology Services Department
25. Mrs Duanpen Teekakul Vice President, Corporate Strategy and Planning Department
26. Mrs. Petchpring Sarasin Vice President, Corporate Image and Communication Department
27. Sqn.Ldr. Sathaporn Charoensiri Vice President, Flight Operations Department
28. Mrs. Benjamas Wilaichon Vice President, General Administration Department
29. Mrs. Nantana Sangkavichitr Vice President, Office of the Internal Audit
30. Mr. Wiwat Piyawiroj Vice President, Sale & Distribution-Thailand/ IndoChina
31. Mr. Viroj Sirihorachai Vice President, Sale & Distribution-Regional Department
32. Mr. Kriangkrai Manomaiphan Vice President, Sale & Distribution-Intercontinental
33. Mr. Chutintorn Srisittikum Vice President, Digital Commercial Department
34. Mr. Woranate Laprabang Vice President, Office of the President, Acting Managing Director of Thai Smile Airways Company Limited
35. Flg.Off. Suraphon Israngura Na Ayuthya Managing Director, Catering Department
36. 2, Lt. Anussorn Naksrichum Managing Director, Ground Equipment Services Department
37. Mrs. Usanee Sangsingkeo Managing Director, Ground Customer Services Department
38. Mr. Poonsak Chumchuay Managing Director, Cargo & Mail Commercial Department

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

1. Mr. Thurdpong Pongsaksri
2. Miss Pattamon Puttaseema
3. Miss Patthamika Pao-in

The volunteer shareholders who were vote-counting committee members:

1. Miss Dhan Packpongpanchai
2. Miss Petchada Kingwattanakul
3. Mr. Tul Ngeayvijit

Air Chief Marshal Prajin Juntong, Chairman, welcomed shareholders attending the Meeting and thanked every shareholder who has sacrificed his/her time to participate in the Meeting today. In holding this Annual General Meeting, Article 34 of the Company's Articles of Association prescribes that to form the quorum; there must be at least 25 shareholders and their proxies attending the Meeting or at least half of the number of shareholders and their proxies with an aggregate total of one-third of shares that have been distributed. The Company currently has a registered capital of Baht 26,989,009,500 separated into 2,698,900,950 ordinary shares at the par value of Baht 10 each. At this Meeting, there were 2,232 shareholders present, in person and by proxy, holding altogether 1,459,892,924 shares or 66.8825% of the total number of shareholders. Presently, there are a total of 111,455 shareholders in the Company with the total of 2,182,771,917 shares thereby forming the quorum pursuant to the Company's Articles of Association such that he would like to declare the Meeting opened. He then introduced the Company's directors and the Management present in the Meeting and introduced Mrs. Suvimol Bualerd, Vice President, Corporate Secretariat Department who acts as the Meeting's secretary. He stated that for this Meeting, the Company has assigned Siam Premier International Law Office Limited as its legal advisor to take care and provide advices to ensure that the Meeting proceeds in accordance with the law. He then introduced the representative from Siam Premier International Law Office Limited i.e. Mrs. Kulkanist Khamsirivatchara and then asked the Acting President to introduce the Company's Management present to the Meeting.

Mr. Chokchai Panyayong, Senior Executive Vice President, Corporate Strategy & Sustainable Development and Acting President, introduced the Company's Management after which he asked the Chairman to explain about the Meeting procedures.

The Chairman explained that before getting to the Meeting's Agenda, there is a rule in its Articles of Association on Shareholders Meeting that the Meeting must proceed in accordance with the Agenda that have been set such that this Meeting would proceed accordingly. He then invited Mrs. Suvimol Bualerd, Vice President, Corporate Secretariat Department to give shareholders an explanation for their further information concerning any Agenda for which a vote must be cast and on the method and process of voting and count of votes on the Agenda to ensure correct compliance.

Mrs. Suvimol Bualerd, Vice President, Corporate Secretariat Department informed the Meeting that in this 2014 Annual General Meeting of Shareholders, in order to promote good corporate governance in regard to the protection of shareholders' rights and equality, the Company has allowed shareholders to make any proposal beforehand concerning any issue they would like to have included on the agenda as well as nomination of any individual

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with suitable qualifications as the Company's directors at the 2014 Annual General Meeting of Shareholders in accordance with rules and procedures displayed on the Company's website at [www.thaiairways.com](http://www.thaiairways.com) between September 27, 2013 to December 31, 2013 albeit no issue has been forwarded nor nomination made by any shareholder. Thus, there would be a total of 10 Agenda for this 2014 Annual General Meeting of Shareholders as detailed in the Meeting Invitation Notice already sent to all shareholders in advance.

Rules governing 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".

Discussions:

Anyone who wishes to speak to the Meeting shall wait behind the microphone stands prepared for this purpose at 8 locations and give the following information once permission is granted by the Chairman:

- name/surname of the speaker
- his/her status either as shareholder/or proxy
- he/she can then speak on the issue(s) in the Agenda.

If there should be more than one speaker, they shall wait behind the microphone stands for permission from the Chairman for his/her turn after the preceding shareholder has finished. The Chairman will give priority to shareholders who have not presented their questions or comments before. However, expression of opinion must be contained within or pertaining to issues being addressed and must be made with politeness.

Voting:

To ensure that the Meeting proceeds succinctly and does not waste too much of the shareholders' time, the voting method is set by the Company as follows: if any shareholder wants to vote against an Agenda or abstain from voting, he/she or his/her proxy shall hand the ballots indicating such votes to the Company's officers. Any shareholder or proxy who fails to hand in the ballots in respect of any Agenda shall be deemed to have voted in favour of that Agenda save in the case of Agenda 9 where all ballots will be collected.

Once the Chairman declares that collection of ballots for each agenda is closed, any ballots handed in after that shall be deemed invalid and shall not be included in the vote count.

The proxy who holds a proxy instrument in which the relevant shareholders has indicated his/her vote needs not hand the ballots to the Company's officers as the Company will count such vote as indicated in the proxy instrument.

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Moreover, after the collection of ballots is declared closed, the Chairman may, to save time, proceed to the next Agenda immediately while waiting for the vote count and will announce the results of the votes to the Meeting once such vote count is completed.

Counting of Votes:

For Agenda 2, 4, 5 and 7

A resolution shall be adopted by majority votes from shareholders present at the Meeting and have the right to vote.

For Agenda 6 re: Consideration of Directors' Remuneration

A resolution shall be adopted by an affirmative vote of not less than two-thirds of the votes of shareholders present at the Meeting.

For Agenda 8 re: Consideration of the cancellation of the outstanding amount for issuing and offering debentures under the existing scheme and to approve the new scheme for issuing and offering debentures in the amount not exceeding Baht 40,000 million within 5 years

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

Vote counting on Agenda 9 re: Consideration of Election of Directors

On this Agenda, 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 nominated to the Board, and the resolution of approval will be adopted by a majority of affirmative votes of shareholders present at the Meeting with the right to vote.

Votes would be invalid:

- Where vote cast in the ballot does not correspond to the particular Agenda indicated for that vote.
- Where the ballot handed in to the Company is left blank.
- Where the ballot is so damaged that the voter's intention cannot be determined, or when the ballot is handed in after the Chairman has declared a collection of ballot for each agenda closed.

At this Meeting, the Office of the Auditor General of Thailand which is the Company's auditor sends its representatives to observe the voting process as listed below:

1. Mr. Thurdpong Pongsaksri
2. Miss Pattamon Puttaseema
3. Miss Patthamika Pao-in

Next, we would like to invite the Chairman to proceed with the Meeting in accordance with the Agenda.

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Mr. Monchai Rabruentaweasuk, shareholder, commented that the Meeting should, indeed, be run democratically. As for rules alleged as being the Company's Articles of Association, he would accept those in clause 34 and 36 albeit on this method of vote count, he has already raised an objection about it in page 6 of minutes of the Meeting last year that there is no provision in the Company's Articles of Association which prescribes that votes of those who come to the Meeting and then leave it or did not send ballots to be counted as votes of approval as the Ministry of Finance which holds 51% of shares would have come out the winner regardless with their votes. He would not agree to have the Meeting proceeded in the manner against which he has already raised last year at the end of the minutes in page 6 and against which he has already expressed his disagreement at the end of page 46 as well. Besides, the Company has suffered a loss to the point of being almost bankrupt. Shareholders attending the Meeting still hope that the Company would make profits and that they would receive payment of dividends. With respect to the appointment of 15 directors, if one looks at page 63 of the Annual Report, Khun Ampon Kittiampon receives various meeting allowances of approximately Baht 1,600,000 while other directors receive Baht 1,700,000. If the Company were to appoint 15 directors like before while it is running at a loss, and seeing that there are only 9 directors in Singapore Airlines Board, the Company should, therefore, appoint only 8-9 directors and not to appoint people who are not of use. Thus, he would like to propose an urgent motion to reform the Company on this occasion by having minority shareholders who hold 25% of shares or about one-fourth being able to select one-fourth of directors to the Board although only one should be appointed among the 9 directors to be appointed this time under the current climate for national reform. The Minister, under the financial policy, has already nominated 8 individuals with 6 others from Transport and various funds, for a total of 14 and 15, including the Chairman. He expressed his opinion that shareholders would fall prey if they continue to participate further in this Meeting such that he would propose that shareholders confirm this motion and that all walk out of the Meeting to leave less than 25 shareholders so that the Meeting would be considered ended and to have the Company turn to reforming the Company first before convening a new Meeting. He then asked shareholders who agree with him to walk out of the Meeting and leave less than 25 people here.

Mr. Uthit Hemwatthakit, shareholder, asked the Chairman who was getting close to his retirement not to tarnish the honour of his records. He then cited examples of corruption that has occurred which have not been able to be solved as yet such as luggage or lack of souvenirs for meetings. He would ask that the Chairman make a presentation on his vision as well.

The Chairman said that he would be ready to listen and is prepared to make adjustments and rectifications on everything albeit the Meeting's Agenda had already been set and preparations had been made for quite some time such that he would ask the Meeting to go on and then asked the Company's Legal and Secretariat Department to take down these matters in the Meeting's minutes as well.

Mrs. Supanee Boonyawatana, shareholder, asked shareholders to continue the Meeting because she attended this Meeting in order to hear the Meeting. Now the Company is facing the problem of loss, if shareholders walk out of the Meeting, no one will take care of the Company.

Mr. Monchai Rabruentaweasuk, shareholder, commented that the Meeting should be reconvened.

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Mrs. Supanee Boonyawatana, shareholder, commented that it would take a long time to convene a new Meeting as one would have to wait for a new government.

Mr. Monchai Rabruentaweasuk, shareholder, stated that it would be finished by next week.

Mrs. Nilubol Boanoi, shareholder, commented on this disarray in the Meeting that she would ask shareholders to calm down because each Meeting convened involves shareholders' money. If shareholders walk out of the Meeting, the quorum would still be there such that she would ask for the Meeting to proceed in accordance with its Agenda and to have the Chairman take up this issue. The reason why she attended this Meeting today is because she wanted to hear why the Company suffers a loss and how is this loss situation going to be solved. What method would be used to cut down on expenditures? If shareholders become worked up with their emotions during these discussions, it would be detrimental to the Company so she would ask everyone to listen to the Management and every shareholder who comes to express their opinion before deciding whether they should walk out or not. At this juncture, it is merely Agenda for information only. She asked, therefore, for shareholders to stop and think first about what steps they should take next.

The Chairman expressed his thanks and invited the next shareholder to express opinion.

Mr. Bancha Wudhiprecha, proxy, asked the Chairman to exercise his discretion to proceed further with the Meeting. He stated that every shareholder has the right to attend or not attend the Meeting such that he would ask the Chairman to proceed with the Meeting in accordance with Agenda which, at this junction, has not commenced at all. If shareholders wish to add any Agenda, there is still the last Agenda which is: Other Business that will give shareholders the chance to discuss things out. To enable this Meeting to continue, he would, therefore, ask the Chairman to proceed further.

The Chairman expressed his thanks and invited the next shareholder to express opinion

Mrs. Chamsri Sukchotrat, shareholder, stated that she believed the shareholder who was the first to start this discussion did so because he was concerned as there is a great number of people attending the Meeting today. However, as the Ministry of Finance holds more than 50% of shares, the power of affirmative votes lies with the Ministry and in the past, no matter how shareholders voted, they would always lose to the Ministry of Finance every time. However, what the first shareholder has said could mean that, in any event, today's Agenda would have sailed through as well as the appointment of 5 directors which includes Mr. Ampon Kittiampon. She would like to comment to the Meeting on the reason why the said shareholder asked shareholders to walk out that the intention would not have been to end the Meeting but rather, it is a line of thought to make the community at large understand that the minority quorum has no use no matter how they vote, they would end up losing to the Ministry of Finance's votes anyway. Thus, she would like to state to let the Meeting understands the intention of the first shareholder who spoke up that shareholders should walk out that he did not do so with any ill-will but rather with the intention to show that nomination of people to the Company's Board of Directors is subject to a protest because there are 9 directors only in Singapore Airlines Board while the Company has as much as 15 directors.

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The Chairman explained to the Meeting that any person who wishes to speak at the Meeting should give his/her name before doing so. He then invited the next shareholder to express opinion.

Mr. Uthit Hemwatthakit, shareholder, queried about the Company's response on the subject of corruption and asked that adjustment be made to have 25% of these minority shareholders being able to appoint 2.5 directors out of the 15.

The Chairman expressed his thanks and invited the next shareholder to express opinion.

Mrs. Supanee Boonyawatana, shareholder, commented that she agreed with Mrs. Chamsri Sukchotrat and the first speaker in view of the fact that the Ministry of Finance which holds as much as 1,114,000 shares would win anyway in the cast of votes. She therefore called for fairness from the Chairman as to what action would be taken to treat minority shareholders in fairness. The Ministry of Finance should not win with its votes and uses the right to appoint anybody whosoever to sit in the Board. If that person is a person of quality, she would, indeed, be delighted. However, the Company is currently suffering a loss of as much as Baht 12,000 million and nothing like this ever happened during the 54 years of the Company's incorporation. She, therefore, asked for comments in order to solve the problems.

The Chairman asked for this discussion to be recorded and then invited the next shareholder to express opinion.

Mr. Visuthi Sahajatimanop, shareholder, stated that in the case of Mr. Bancha Wudhiprecha's discussion that if there should be other issues, they should be raised under Other Business Agenda, this issue has been discussed for 10 years and when the Meeting proceeded to Other Business, the Chairman would close the Meeting. And, every time shareholders including himself raised queries on a variety of issues, no response would be forthcoming throughout these 10 years particularly with Mr. Ampon Kittiampon. He has complained with Mr. Ampon Kittiampon in writing about corruption, with affixment of the Chairman's (DH) seal. However, no action appeared to have been taken and that issue disappeared in silence. He would, therefore, like to ask as to how the Company manages its affairs and would like to inform the Chairman that the subject that he would be raising does not involve the Chairman but involves the former Chairman, Ampon Kittiampon which has made the Company suffer a loss for the second time. And, Mr. Ampon Kittiampon has announced to this Meeting that if he runs the Company at a loss again, he would resign. However, he is still coming back as a director. Thus, he would like to ask Mr. Ampon Kittiampon for reasons for the Company's loss as to whether it is because some employees have lost their spirits and become discouraged in their work as they are harassed and treated badly by the Management because they are not their lackeys. For instance, when the Company became dissatisfied, such employees would be fired. The appeal went on for over a year and the result is that the employees are not at fault and was reinstated to work as before. With a case like this, how can employees keep up their spirits and morale to work for the Company? For employees who are of use to the Company, the Company would fire them like Mr. Pruet Buppakam. The Labour Court has adjudicated that it was an unfair dismissal under Section 49 of the Act of Incorporation of the Labour Court and Labour Proceedings with judgment rendered for the Company pay indemnification of Baht 4,500,000. That is the shareholders' money. And, in the case of Mr. Piyasvasti Amranand, the Labour Court adjudicated that it was an unfair dismissal too and the Company has to pay indemnification of Baht 1 million to Mr. Piyasvasti excluding payment of compensation

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already made of approximately Baht 5-6 million. Such payment of damages is the shareholders' money and is not Mr. Ampon Kittiampon's money. These damages are a part of loss and loss from the Company's performance, it is because Mr. Ampon Kittiampon does not protect the Company's interests, is that right or not? He would, therefore, like to ask through to Mr. Ampon Kittiampon to please give an answer. Moreover, there is a group of employees in the Company who can take leave without having to work for the Company albeit they are paid full salaries for the whole year and salary increment of 1 step per annum. The Company has given him a response in writing that such leave were taken properly in line with the Company's Rules. With such handling of affairs, how can we not suffer a loss. The main point about the Company's loss is its purchase of many aircraft, 58 aircraft in total during Mr. Ampon Kittiampon's tenure as the Company's Chairman. Purchases were made by and by for a particular model. After these aircraft became operative in the fleet, there would be a loss and a loss for every flight at that, notwithstanding if it was a long-range or short-range flight. Once it runs into problems of loss, it would be grounded. Such grounding gives rise to expenses for the Company. In other words (1) very high costs to have the aircraft grounded idly (2) maintenance costs to warm up engines pursuant to international flight schedules and (3) costs to renew the licenses pursuant to aircraft's international rules. This purchase of a great number of aircraft, on the other hand, does not mean that the Company has expanded its new routes or increased its flights or even generated any increased revenue at all. On the contrary, it hikes up its long-term binding expenses with impact on short-term investment which has caused the loss today. The Company's earnings, on the other hand, remain static and could even go down because of the political situation. At this juncture, there are purchases of new aircraft to replace old aircraft and the old aircraft cannot as yet be sold off and have to be grounded such that there are more expenses. This is the second loss around. The former Chairman, i.e. Mr. Ampon Kittiampon said to the Meeting when the first loss was suffered that if he made the Company suffer a loss again he would resign. If he is present in this Meeting, please stand up and apologize to the Meeting and make a statement that he would take the responsibility for the performance at a loss by resigning. Moreover, there are other damages resulting in loss of Baht 12,000 million such as the airport shut-down in 2008 and another loss of Baht 300 million from a strike by employees in early 2013. He has made complaints and raised queries but received no response and would ask as to what action has been taken by the Company. These people clearly committed offences against both labour and criminal laws albeit the Company has not taken any punitive action against them for which he also holds certified true copies of evidences from the Company. He therefore asked that the Company be reformed pursuant to what the first shareholder has said and stated that he was sorry that shareholders did not walk out of the Meeting so as to have the Company's history written down that the Company's shareholders Meeting failed because of what ensued from Mr. Ampon Kittiampon.

The Chairman explained that today's Meeting is held for an exchange of view from both sides pursuant to Article 16 of the Company's Articles of Association which prescribes that election of directors must be based on majority votes. And, in view of the fact that the Company has no other directions at this junction, it must take action, therefore, according to what is set by its Articles of Association. He then asked for the Company to have the chance to present its information at the same time as listening to comments, criticism or proposals from shareholders under this two-way exchange of opinion. He asked the Meeting to proceed further by asking shareholders waiting to speak before proceeding further.

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Miss Praneet Choungwanich, shareholder, stated that she attended the Meeting every time since it started to hold and that just now the Company's Secretary stated that there are Agenda and that discussions should take place pursuant to such Agenda. She, therefore, understood that this Meeting would go well as every time that she attended a Meeting, there would be problems. However, she felt sad today that there were talks for the Meeting to fail and she was of this opinion that in listening, one should not only focus on complaining against other people. The Company has already set up Agenda for the Meeting and there are people who speak outside such Agenda which would lead to work failure and there are free-for-all discussions. And, if discussions were to take place about corruption over luggage as mentioned by Mr. Uthit Hemwathakit, that would be making a statement without clear evidences and does not give the opportunity for the accused party to explain. For internal problems within the organization itself, this matter should be handled on its own and does not have to be announced to inform the public as she is of the opinion that it is not right to defame in public. And, on this subject of protests, everyone knows well that this has been the weak point since 2008 and that protests within the organization will lead to losses and make shareholders lose their money. However, shareholders should coordinate among themselves to solve this organizational problem and she is willing to help in this action and to cast her vote for things which would be of benefits to the overall society as the Company is held as the country's pride and should not be brought to its fall by any one at all.

The Chairman expressed his thanks and invited the next shareholder to express opinion.

Pol Col. Sermkiat Bamrungphruak, shareholder, stated that he has been following up on the Company's management throughout. However, he would like to speak on the first issue which is (1) the hospitality shown by the Company staff who send out their full-hearted smile which is characteristically the Thai Smile, that trace of friendship-inducing smile which shows the Company's corporate tradition and (2) on the subject of selection of Chairman to help in the crisis from the former Chairman which was summarized in the report to be approved which, however, has not reached that Agenda as yet. However, he would like to comment that in pages 2 and 21, which he asked shareholders to read as they had all been summarized pursuant to discussions concerning performance which were not as targeted ensuing in an accumulated loss which may continue if it is not solved and for which he has an objective plan towards its solution. For instance, a shareholder has just mentioned the method of voting in which the major shareholder, i.e. the Ministry of Finance which holds 51% of shares, can bind other minority shareholders. Secondly, the method of auditing financial statements or various accounts which is required by law to have the Office of the Auditor General act as the auditor in this case. Shareholders well understand the fact that state enterprises must be subsidized a part of which comes from the government such that final decision will have to rest on the cabinet whether such be purchases, supplies, leases and so forth. However, the Company has already been converted into a public company and subject to applicable laws and conditions such that it cannot take action arbitrarily. For example, in the case of voting, if there is no provision in the Articles of Association in force, it will have to use the cumulative voting and majority votes may not be applicable as in the case where there is a provision in force in its Articles of Association. This is considered an exemption of law and on this opportunity he asked the representative from the Ministry of Finance, the major shareholder assigned today who has already registered his attendance to identify himself and to make pertinent comments when we come to major Agenda. Successful management of any organization does not rest on

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any one particular but on its entire work force, all of its personnel must be united albeit the organization is a disaster at this juncture because the Company's organization is now in the path of disunity, be such with Mrs. Chamsri Sukchotrat or the Company's Labour Union. Thus, he would ask the representative from the Ministry of Finance and the Legal Department to listen to this opinion. Firstly, on the subject of sending out Meeting Invitation Notice on which he has consulted with Mrs. Suvimol Bualerd, Corporate Secretariat Department about cost-savings even though it is prescribed by law under Section 113 that documents must be sent to shareholders such as Annual Report, Financial Statements and Balance Sheets and the Company has suggested that interested shareholders could request for such information to have the Company sent them. He has already received this document in advance from Mrs. Suvimol Bualerd and wanted to thank her on the phone but there was no one taking the call. If the Company makes no such suggestion, it will be considered as a contravention of Section 195 and liable to a fine of Baht 20,000. Thus, the Company does not have to make any cost-saving on this matter. He then asked shareholders to be brought back to the course of this Meeting according to its Agenda as well as to listen to reasons and asked the Ministry of Finance's representative and legal advisor invited by the Company to get themselves prepared for that particular Agenda as well.

Mrs. Nilubol Boanoi, shareholder, stated that she felt that the Chairman was acting in contravention of rules governing the Agenda in view of the fact that Agenda 1 is Report from the Chairman but he has, instead, allowed a great deal of discourse to take place with discussions by shareholders as the Chairman is not strong and does not conduct the Meeting pursuant to its Agenda. She, therefore, asked the Company to get dinner ready and then asked the Chairman to proceed further in accordance with the agenda.

Miss. Pornrat Atchariyahiranchai, proxy, asked the Chairman to proceed with the Meeting in accordance with its Agenda and asked for cooperation from every shareholder by making their comments on pertinent issues to save time for other shareholders as well.

The Chairman invited 3 volunteers from the Meeting to act as witnesses in vote-counting by saying that if any shareholder wishes to perform this work as a witness in the vote-counting process to please raise their hands clearly. He then announced that the Meeting will proceed in accordance with the Agenda.

### **Agenda 1: Report from the Chairman**

The Chairman stated that it is his honour to be in the position of the Company's Chairman because the Company has been looked up as Thailand's pride and prestige for a long time. He is happy to be working together with the Management, employees and shareholders to together help getting the Company back to its position of greatness once again as the country's prestige and an airline which is accepted worldwide as in the past. One must say that problems faced by the Company today are numerous and quite heavy albeit he would not go into details. Moreover, he is determined to lead the Company back to be accepted once again and would like to ask for cooperation from every part and sector to help solve problems on an urgent basis. He reasserted at the same time that decisions made by Chairman and the Board would be along the course of action which would be of utmost benefit to every side and that efforts will be made to minimize any impact as much as possible because it is a well-known fact for every organization that the confidence of its shareholders and morale of its employees are factors with utmost importance to lead the

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organization to success. Likewise, the Company will not be able to be reinstated as long as there are no morale and good spirits among employees. Thus, in making decisions on a variety of issues, other than having to take the maximum interests of both the Company and its shareholders into account, he also gives the importance to the morale and spirits of employees as well. For this Meeting, therefore, he would assign the Management to make pertinent explanation on any doubts and queries raised by shareholders while he, as Chairman, the Board of Directors as well as the Management would accept any issue of complaints or compliments for further consideration.

Without any questions or comments from shareholders, the Chairman proceeded next to Agenda 2.

### **Agenda 2: Consideration and approval of Minutes of the 2013 Annual General Shareholders' Meeting**

The Chairman explained that Meeting Invitation Notice in conjunction with minutes of the 2013 Annual General Meeting of Shareholders had already been sent to shareholders since April 8, 2014 or about 21 days in advance of the Meeting which is more than 14 days advance notice at least required by the Office of Securities and Exchange Commission. He then invited shareholders who wish to raise any objection or to revise the minutes to express opinion.

Mr. Suthep Suebsantiwongse, shareholder, explained that in page 11 of the minutes under Agenda 3, in which Mr. Chokchai Panyayong made a verbal statement during the last Meeting concerning 2 cargo aircraft and 4 A340-500 Airbus aircraft that 4 aircraft had already been discharged from the fleet that, he is of this opinion that there could be a misunderstanding or concealment of information in view of the fact that for aircraft to be discharged from the fleet, they must be old aircraft without any financial encumbrances. However, 2 of the A340-500 Airbus aircraft and the other 2 which were taken out for modification were still under binding encumbrances such that the term discharged from the fleet should not have been used. In addition, in respect of the background of the A340-500 as mentioned by Mr. Chokchai Panyayong, he felt that it should not be corresponding with facts and these A340-500 are still grounded at the airport. Explanation, therefore, should have been made on the reasons why such aircraft could not take flight and the reason for their discharge from the fleet. As page 13, the first line states that it has resulted in a reduction of expenses which shows that there were tremendous expenses when these aircraft were purchased such that it was necessary to discharge them from the fleet. He, therefore, would ask the Board to expedite action both on Cargo and the A340-500 so as to get a speedy conclusion. As for the subject of aircraft being taken out for modification into cargo aircraft, he is of the opinion that it would cause damages because flights could be made currently by only one aircraft with the other being grounded and the same old situation could crop up again because there are 20 more of 320 aircraft being purchased with 12 already purchased but could not find a flight slot and there was a very low rate of utilization. This could cause the same problem as with the A340-500 if no correction were made. Moreover, in respect of Thai Smile, he would ask for a clear consideration from what was previously mentioned in 2012-2013 concerning its incorporation which he felt then that such establishment was not be smooth. The former Chairman, Ampon Kittiampon, asked for the Board's resolution to have him appointed as the Chairman of the Establishment of Thai Smile as a Subsidiary Steering Sub-Committee in respect of which he assigned Mr. Chokchai Panyayong as the right-hand in moving this matter forward. However, there are lots

(Translation)

of hidden agenda behind this establishment and he would not vote for Mr. Ampon Kittiampon in Agenda 9. Moreover, when you set up Thai Smile, you were going to enter into Code Share with every airline such as EK, or Dubai's Emirates Airline. If your intention is like this, it shows that Thai Smile is not set up exclusively for the Company as it would be listed in the Stock Exchange and then separated out eventually. This would definitely cause the Company to suffer damages. Furthermore, he does not understand the reason why information concerning establishment of Thai Smile should be withheld because as a shareholder, he should have been given this information and facts should be disclosed as to how such establishment would be of benefit to the Company and where did this form of establishment come from because there are people who say that Thai Smile is a No Cost Airline because all of its costs are concealed inside those of the Company. Work carried out in this manner is, indeed, not right such that correction should be made including any transaction which would all lead to damages like the case of the A340-500s or cargo aircraft. And, on the subject of the Company's loss of Baht 12,000 million last year, he would like to know as to who would take the responsibility for that. Finally, he would like to leave it with Mr. Teerapol Chotichanapibal about the problem that one of the speakers at the Meeting faced last week on the issue of the Company's services as well.

The Chairman stated that he would assign officers to check on minutes of the Meeting. As for questions on each issue, he would assign Mr. Chokchai Panyayong, Senior Executive Vice President, Corporate Strategy & Sustainable Development and Acting President to answer further when it comes to Agenda 10.

Mr. Visuthi Sahajatimanop, shareholder, commented that in minutes of the Meeting sent to shareholders, the Board's opinion was stated in first page, last paragraph that "Opinion of participants at the 2013 Annual General Meeting of Shareholders had been duly considered by the Board which is of the opinion that minutes of the 2013 Annual General Meeting of Shareholders held on April 24, 2013 has been properly and fully recorded pursuant to facts such that it is appropriate to approve minutes of the said Meeting". In points of facts, however, things are not so, therefore, he would suggest that these wordings be deleted so as not to influence shareholders and to ensure that consideration of minutes of that Meeting be made at the shareholders' genuine discretion. He then asked the Meeting to consider revising minutes of the Meeting in page 7, last sentence which states that "if anyone should take Mr. Visuthi Sahajatimanop's story to speak out on the negative side, he would like the Chairman to know that such various stories are false", by replacing the wordings that "the Chairman to know that such various stories are false" by "the people who listen to them acknowledge that these various stories are all false". Moreover, as the Company has not recorded details in documents submitted by Mr. Visuthi Sahajatimanop during last year's Shareholders Meeting when this annotation is made in the minutes that "documents submitted to the Company by a shareholder during that Meeting will be taken up for further consideration by the Company albeit their contents will not be recorded in the minutes as there were no discussions about them at the Meeting". In addition, there is a letter from Mr. Sorajak Kasemsuvan, the former President, in response to enquiries which states that any entry of contents over and above those which were discussed may constitute an unlawful act and the recorder of such minutes as well as the Company's Board of Directors shall be liable under the law. Such reasons and legal principles, however, are contradictory to facts for which Mr. Ampon Kittiampon who chaired the Company's Shareholders Meeting on April 27, 2011 had apologized to shareholders for errors in recording the minutes of the Company's Meeting and explained that the Company would do its best to make pertinent corrections by

(Translation)

preparing documents submitted by Mr. Visuti Sahajatanop with the said 8-9 issues as attachment to the minutes. Besides, Mr. Ampon Kittiampon, the Meeting's Chairman, even suggested that any shareholder who has any comment or question could do so in writing to have them attached to the minutes too. However, minutes of the 2013 Meeting do not contain a memorandum pursuant to the gentleman's agreement given by Mr. Ampon Kittiampon. This could be because there is one shareholder who submitted an important document concerning the results of investigation by the Board on closure of the Financial Statements in the Company's first quarter and concerning the case where comments made by the Office of the Auditor General that entry in the account of a sum of Baht 632 million should be suspended for the time being so the Company did not record its receipt of documents from shareholders during the course of the Meeting in the minutes for fear lest shareholders have evidence on the said issues. It can, therefore, be construed in this case that minutes of the Meeting are not complete and he would like to raise the contents which are of substance in the documents to discuss at this Meeting to have them duly recorded in the minutes of this Meeting, as follows:

1. The Company is requested to give a report on its action during the course of last year concerning people who have committed wrongful acts as the result of a strike on January 6, 2013 which has made the Company suffer damages to the amount of Baht 300 million.
2. Incorporation of Wing Span Services Co. Ltd. as a joint venture between the Company and its affiliate, i.e. Phuket Air Catering Co. Ltd. for the purpose of having labour procured by Wing Span Services Co. Ltd. and sent onwards to the Company. This action is likely to fall within the scope of an offence to connive in a premeditated scheme for bids in the State Sector by virtue of the Act governing Budgetary Procedures, B.E. 2502 in view of the fact that Wing Span Services Co. Ltd. is considered as a state enterprise under the said Act.
3. In establishing Thai Smile Airline which holds the status of a state enterprise, as much investment as Baht 1,800 million has to be made by the Company while it suffered as much as Baht 12,000 million in its performance last year. More importantly, the Company will have to make an investment of Baht 50,000 million to purchase aircraft to be rented out to Thai Smile for its operations. There are two legal issues involved in these facts as follows: (1) Constitutional law, Section 84 (1) forbids state enterprises to conduct operations in competition with the private sector and (2) the Cabinet has adopted a resolution on December 4, 2007 to forbid state enterprises from setting up an affiliate to conduct the same type of businesses as the parent company.
4. He would like to know the reasons for setting up and dissolving Tiger Airways and its expenditures such as cost of hiring advisors and personnel during the course of its operations.
5. He would like to know the reasons for dismissing Mr. Piyasvasti Amranand, President, in May 2012 as he knows that Mr. Piyasvasti has won the case against the Company for unfair dismissal.

(Translation)

Pol. Col. Sermkiat Bamrungphruek, shareholder, asked to correct contents in page 8, line 3 of the minutes on the part of Pol. Col. Sermkiat Bamrungphruek by adding the following wordings “with substantial inefficiency which must be rectified on an urgent basis” to this sentence “which shows up an erroneous management of work”. He then asked the Meeting to help read contents in page 21 on the part of Pol. Col. Sermkiat Bamrungphruek concerning Philip Cotler’s 4P rules and proposal of matters which should be corrected by the Company’s personnel on an urgent basis namely (1) Management Business (2) Management Yourself and (3) Management Your Team in view of the fact that the success of this organization does not depend on Mr. Ampon alone nor is its failure caused by him single-handedly. It is just like taking passengers to their destination which does not depend exclusively on the captain but on maintenance personnel, on-board service personnel and technicians as well. Every department must all play their part to attain success. Failure in this organization, therefore, arises out of disunity within itself. The use of rules for votes based on the majority is not wrong vis-à-vis minority shareholders who hold minority votes or minority rights. Lack of understanding on this issue will make this organization unable to reach success. And, on this subject of who will be representing the major shareholder or the Ministry of Finance, he proposed that, for the sake of good governance, the Ministry of Finance’s representative first identifies himself before casting a vote from Agenda 1 to 10.

The Chairman acknowledged the matter as proposed by the shareholder.

Mr. Prasert Lertyaso, shareholder, asked the Ministry of Finance’s representative to identify himself to the Meeting. He then raised an objection on the issue referred to by the Meeting’s Secretary that rules and method on the nomination of the Company’s directors had already been disclosed on the Company’s website and asked to nominate a shareholder to be elected as the Company’s director under Agenda 9 in lieu of Mr. Ampon Kittiampon. Moreover, he asked the Chairman to review minutes of Meeting retroactively to the last 5-6 years as it can be seen that the Company’s Board merely accepted new proposals made by shareholders without having ever solved any old problems once and for all. For instance, in the case of Baht 6,000 million of money lost in London. Aside from this issue not appearing in the Company’s Financial Statements, action taken by the Company is only to deduct 15% of salary from the related parties while promoting such individuals at the same time. In this respect, he has already prepared a memorandum on the 12 issues which had made the Company suffered a loss to have it incorporated in the minutes as well as suggesting that its Balance Sheet be closed for every quarter and a Meeting held at least twice a year as shown in page 8 of the minutes. However, contents in the said document were not recorded in the minutes because they were not discussed in the Meeting as noted in page 8 of the minutes. Other than this, there were also other issues such as false statement on the Balance Sheets, improper purchases of aircraft, violation of aviation rules, action undertaken by employees which have caused damages to the Company, labour strikes, 2013 performance, rules governing procurement of supplies as well as issues already discussed by other shareholders such as those on Wing Span, Tiger Airways, Thai Smile Airways and appointment of the President. If there is a chance, he would like to bring shareholders to consult further with the Chairman to see if he does, indeed, have the intention to really solve the Company’s problems as he has stated or not. Furthermore, he reiterated that he would cooperate with the Chairman in order to develop the Company into a model for the other 51 state enterprises and would like to give the Chairman an encouragement to carry out his duties further.

(Translation)

The Chairman thanked him and informed the Meeting that the Ministry of Finance's representative at this Meeting is Mr. Pittaya Uthaisang who has the discretion either to present himself to the Meeting or not. The Chairman further stated that shareholders have the right to nominate directors under Agenda 9.

Sqn. Ldr. Thanit Promsatit, shareholder, informed the Meeting that he has been sued by Mr. Ampon Kittiampon and Mr. Piyasvasti Amranand and that during the course of presentation of witness testimonies he had given the Court an explanation on aviation law to the extent that it was understood by the Court and the case against him was dismissed then the Company filed an appeal and the case is now in the process of the Appellate Court. He would, therefore, like to ask the Chairman if he wishes to have the International Aviation Organization ("ICAO") be informed of this matter as well or not as he is confident that if ICAO comes to know of this, the Company would definitely come under ICAO's investigation just like the case of the Philippines Airlines. As far as the litigation with the Company is concerned, even though he has fought against corruption in the Company's aviation department, right from the case of foreign pilots in 1995-1996 when Mr. Thammanoon Wanglee was the President and judgment passed for the Company to lose the case and to indemnify damages to the amount of Baht 15.2 million, the Court of First Instance's judgment, however, was overturned by the Appellate Court, therefore, he has filed an appeal to the Supreme Court and the case is now in the process of its consideration. If it should transpire that the Company wins the case, he would sue it further on the charge of violation of international aviation law. However, he is glad that the Company now has ACM Prajin Juntong as its Chairman because he is confident that as a pilot, he would well understand fellow-pilots. On the subject of his lawsuit against the Company, he would like to stress that he has no intention to destroy the Company but merely wishes to take action against corrupted executives only. He filed a lawsuit against the Company in 1998 while he was still under its employ and up to when he sought early retirement at the age of 58 as the result of the Management's malfeasance which had made several pilots resign. This does not pertain only to matters in the aviation department but he also fought against corruption in London Station albeit the Company does not follow up on this matter because no one could make a check on the Management. Moreover, the Company's employees are not entitled to benefits like the Management. He would like to cite another case as an example, presentation of the Company's profits and loss is merely another figure-dressing which the Company may arrange at will, how tickets are sold, which routes are used, how many first class seats will be installed in this aircraft or if passengers can seek a refund for their tickets or not. All of these, no one in the Company can investigate. It is a good opportunity, therefore, that the Chairman is going to be directly in the Company's Board of Directors. Moreover, he would like to emphasize that the case which is now in the Supreme Court is, indeed, a very serious matter and he would like to warn the Company that it should study this ICAO issue because he is confident that he has enough evidences to sue the Company either in Japan or Thailand. This case will cause the Company to be scrutinized in detail and even the Department of Civil Aviation will not be able to help it and may end up with the Company not being able to find pilots for domestic flights any further. He would also like to inform the Meeting that there is no one who can check on dishonest executives in the Company as the Company has no rules or any unit to carry out the duty of conducting an investigation on its executives' corruption. All of the Company's rules are there merely for enforcement on ordinary employees only and there is no good governance at all in the Company.

(Translation)

The Chairman expressed his thanks and accepted the shareholder's issue for consideration after which he invited the next shareholder to express opinion.

Mr. Basant Kumar Dugar, shareholder, spoke to the Meeting in English to the effect which may be summarized as follows. He would like to make suggestions to support the Company's management of its affairs, as follows: (1) on the subject of corruption, he would like to suggest that the Company arrange to have a complaint box available in which respect the complainant will be required to place a cash cheque of Baht 10,000 and hand over evidences necessary for investigation to the Company. If it transpires that the complaint is true as alleged, the Company will return the cash cheque and take further action pursuant to its rules. However, if it is not true as alleged, the complainant will forfeit his/her money placed thus. In points of fact, the Company's reputation as Thailand's flagship airline is very good indeed as one can see from the price of its tickets sold in India which are the highest price vis-à-vis other airlines. The Company's cabin factor is as high as 80% such that it must develop further to attain the remaining 20% which depends on works to build up its revenue, generate profits and for its marketing plans, over and above anti-corruption activities. He still has confidence in the Company's reputation in the ASEAN region as its good name is still resonant, be such in the area of service quality and food and (2) he commented that as over an hour has lapsed on this Agenda, he would like to suggest a method which is used in Shareholders Meeting by PTT Exploration and Production Plc. in which respect draft minutes of the meetings are sent to shareholders for their perusal within 14 days after the Meeting which would, indeed, reduce the time used to consider this Agenda. Finally, he suggested that the Company get itself ready to face the challenge of business competition. In other words, what should it do to increase its cabin factor to 100% as he feels that problems of corruption is secondary while there are governmental authorities such as the Ministry of Finance and various shareholders which are keeping a close eye on the situation, either via the website [www.setsmart.com](http://www.setsmart.com) or e-news. He hopes to see that the Company's performance next year turns profitable.

The Chairman expressed his thanks and accepted the shareholder's issue for consideration. He then asked shareholders to cast their votes on Agenda 2.

Mr. Visuthi Sahajatimanop, shareholder, raised a protest on voting on Agenda 2 in view of the fact that shareholders' discussions on this Agenda are not yet completed.

The Chairman invited the next shareholder to express opinion.

Mr. Norranit Silaket, proxy, asked the Chairman, for the sake of ensuring that the Meeting proceeds pursuant to the Agenda that has been set, to expedite the process under Agenda 2 as shareholders have been discussing things outside the scopes of that Agenda.

The Chairman invited the next shareholder to express opinion concisely.

Mr. Visuthi Sahajatimanop, shareholder, raised an objection against records of minutes of the Meeting in page 45 on the part of Mr. Visuthi Sahajatimanop that it still missed out on an important part such that he asked the Company to have the following text included: "and in the case of an employee, by virtue of Code 41, taking leave of 210 working days per annum, coming to work 8 days per annum and receiving full salary" after the text which says "the person who shut down the airport was Mr. Sereerat Prasuthanon which made the Company suffer a loss of Baht 21,000 million and that this item is to be recorded in the minutes". Details of this information, however, are in the hands of Mr. Pitak

(Translation)

Nakabhat who took the documents during the last Shareholders Meeting. The next item is on page 60 pertaining to Mr. Visuthi Sahajatimanop that “at the Company’s Board Meeting, the Chairman was appointed as director and chairman of several committee, true or not”. He would like to have the Company record a text that has not been recorded which is “and would like to ask the Chairman Ampon Kittiampon concerning the Board’s resolution, i.e. at its Meeting No. 10/2551 dated June 9, 2008 for which two resolutions were adopted albeit a high-level executive in the Company stated that there were three of such resolutions. He would, therefore, like to ask the Company if the said document is the Company’s correct document or not”. This objection made pertains to correctness in minutes of the Company’s Meeting in view of the fact that minutes of Meeting was not taken down correctly.

The Chairman expressed his thanks and accepted the shareholder’s issue for consideration. He then asked shareholders to cast their votes on Agenda 2.

The Meeting resolved by majority votes of shareholders attending the Meeting with the right to vote to approve minutes of the 2013 Annual General Meeting of Shareholders held on Wednesday, April 24, 2013.

Votes cast by shareholders were as follows:

|                    |               |              |          |
|--------------------|---------------|--------------|----------|
| Affirmative votes: | 1,580,878,487 | representing | 97.1123% |
| Negative Votes:    | 264,017       | representing | 0.0162%  |
| Abstention:        | 46,744,192    | representing | 2.8715%  |

### **Agenda 3: Acknowledgement of the 2013 performance report**

The Chairman informed the Meeting that Agenda 3 is acknowledgment of the 2013 performance report which will be presented by a video presentation with the summary of contents as follows:

*“Thai Airways International Public Company Limited is Thailand’s national flagship carrier holding the status of a state enterprise under the jurisdiction of the Ministry of Transport. It conducts the business of providing air transportation both domestically and internationally with its aviation base at Suvarnabhumi Airport, the aviation hub. Its main line of business is that of air-transportation for passengers, cargo and mail. Over 26 million tourists visit Thailand every year with 21 million of them being air travelers. Thai Airways undertakes the main task of transporting these tourists into the country and in 2013, Thai Airways have brought in more than 8 million tourists into the country, carried as much as 300,000 ton of goods for export and more than 200,000 tons for import per annum. Flight kitchen has turned out 66,000 sets of meals per day or 24 million sets per annum. One can see, therefore, that Thai Airways plays a part in developing the tourist industry and its downstream industries. This tourist industry generates an income for the country of as much as 13.8% of the GDP; created work for more than 5 million people in the tourist industry as well as continuing to build up work to other industrial and agricultural sectors. Furthermore, there are inter-related businesses with Thai Airways, namely warehousing services, ground customer services, ground equipment services, flight kitchen and aircraft maintenance and technical services as well.*

(Translation)

*Thai Airways has a total of 11 companies under its affiliation such as Nok Airlines in which it holds 39.2% of shares and operates at Don Muang Airport, and Thai Smile Airways in which it holds 100% of shares and operates at Suvarnabhumi Airport. Moreover, the Company has supplementary services to provide fully-comprehensive services such as mileage plan in which there are 2,600,000 subscribers throughout the world and provision of tourist packages in a variety of forms by Tour Eurng Luang. A crisis materialized during the last 5 years with direct and consecutive impact on aviation industry worldwide which Thai Airways could not evade and has been facing such an impact throughout. In 2008, the world's economy came under a recession as the result of the crisis among financial institutions in the United States and the record price-hike on fuel. Aviation business comes under the direct impact but in 2009, Thai Airways started on its steps towards organizational rehabilitation when it managed to turn its loss into profits in 2010. Despite fuel price hikes with Europe facing economy-finance problems while Thailand reeling under the situation of unrest, Thai Airways managed, nevertheless, to achieve profitability on a continuous basis with dividends returned to its shareholders. In 2011, fuel crises made a severe impact on the aviation business once again. With earthquakes in Japan, economic crises continuing in Europe from the preceding year and flood disaster in Thailand, all of which directly hit the Company's operations, Thai Airways was made to suffer a loss yet again. And, in 2012, with the economic recession continuing, Thai Airways proceeded in earnest under a cautious policy of risk management to reduce the impact from fuel pricing and currency exchange factors with the result that the Company returned to a situation of profitability once again.*

*It can be seen throughout the last 5 years that Thai Airways had been going through various situations such as the world's economy, fuel prices, exchange rates, natural disasters or a competition which increased in severity but the Company still perseveres doggedly to fight through these various crises throughout without reducing its work force nor its service standards in any way in order to build up continuous benefits for its shareholders, employees and the national economy. The world's economy started to pick up in 2013. Tourists came into the country on a continuous basis up to the 4<sup>th</sup> quarter which is a tourism season but it came under the impact of the domestic political situation and a drop in the number of Chinese tourists after the Chinese Government enacted laws to control low-priced tours. This has resulted in a 2% growth only in the number of overall tourists with a drop of as much as 15% Chinese tourists. In addition, competition in the aviation business forged on with severity. There were trends for premium passengers to drop from 2009 to now with an adverse impact on the airlines' fully-comprehensive form of operations. However, when compared with Asian airlines during the last period, several fully-comprehensive airlines were made to suffer losses in their performance too. Weakening of currencies which constitute Thai Airways' main revenue such as the Japanese Yen, Australian dollars and Euro have impacted on the Company's performance as its income comes from as much as 70% in foreign currencies such that its sales and services revenue income dropped by as much as 4% when converted into the Baht currency while its main expenditures which are in the US Dollar strengthened with the result that it has to shoulder increased expenditures. These have resulted in Thai Airways' performance failing to achieve last year's targets. However, the Company's financial standing is still stable. During the last 5 years, Thai Airways had interest bearing debts of Baht 176,350 million or an increase of Baht 29,169 million while its assets increases by as much as Baht 47,550 million at the same time such that its assets had grown more than its liabilities which is indicative of its strength and potential which are still stable. On the cash situation, cash management undertaken by Thai Airways since 2008 shows its cash flow rising*

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*continuously from Baht 7,446 million in 2008 and, at the end of 2013, the Company achieved as much as 350% rise in its cash position or Baht 33,857 million. Improvements were made in various sectors of Thai Airways during the course of last year to support severe competition in the aviation business such as its taking delivery of 17 new aircraft which boosted the ratio of new to old aircraft from 20% to 32% and enhanced the efficiency of fuel consumption such that it has been able to cut down on 3.1% of fuel consumption thereby reducing its cost per aircraft by 2%.*

*Furthermore, the Company is still focused on product development with improvements of passenger seats and in flight entertainment system on every flight flying international routes to an up-to-date and modern quality with individual monitors for seats in every class as well as an On-Demand entertainment system, introduction of seat-reservation system and updated ticket-issuing system in use to increase its channels of distribution via application on mobile phones and development of direct-sale channels via the internet which have grown from 8% in 2009 to 36% today. The Company provides wifi on board services as well. Moreover, Thai Airways had been awarded prizes from various institutions last year, in areas of performance of aviation businesses in a variety of sectors and for its responsibility to investors and shareholders as well as the society including activities to help Thai citizens and the Thai government such as help evacuating Thai citizens in Egypt, transportation of consumables to help people in the Philippines and promotion of Thai sports teams and Thai artists to reach out overseas, and so forth.*

*For this year 2014, the Company has prepared various operating plans to enhance its revenue and there are clear operating trends to achieve such targets objectively such as increasing the number of passengers and other supplementary income over and above sales of passenger tickets, increasing revenue from business units such as Puff & Pie Thai Shop, dynamic pricing to answer rapidly changing marketing conditions, market segmentation, direct communications on niche markets and customers. The Company would like to thank every shareholder for their confidence on the Company which is ready to step towards further stability and sustainability”.*

The Chairman stated that shareholders would be given a chance to discuss things further after the Acting President has made additional explanation.

Mr. Chokchai Panyayong, Senior Executive Vice President, Corporate Strategy & Sustainable Development and Acting President gave a briefing to the Meeting on the Company's 2013 performance as follows: as at December 2013, there is a total of 100 aircraft in Thai Airways' fleet with delivery taken of 17 new aircraft in all and a discharge of 16 old aircraft from its fleet thereby reducing the averaged life of aircraft as the result of such delivery from 10.7% per annum down to 9.3% per annum. New aircraft delivered to the Company consist of 3 A380-800 which are the world's largest aircraft which now gives the Company its full fleet of 6 A380-800. B777-300ER, on the other hand, are Boeing with efficiency in carrying weight for which the Company has taken delivery of 6 aircraft. Other than this, there are 2 more A330-300 used for regional routes and lastly, A320-200 which will be operating flights under Thai Smile logo. Thus, there is a total of 17 new aircraft delivered to the Company and a discharge of 16 from its fleet while the Company has received some aircraft back from Nok Air as well. Moreover, it can be seen that the life of usage of these discharged aircraft range is 21.5 years, 21.8 years, 23.4 years and 23.8 years respectively. As for the B777-300ER in respect of which short-term leases were taken out with Jet Airways, they have already been returned to Jet Airways at the end of their lease term. One may say, therefore, that this introduction of 17 new aircraft and a discharge of 16

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aircraft in the Company's fleet may not be too much of an expansion. Besides, he would like to further elaborate that in 2013, the Company had sold off 4 A300-600B4 or called as AB6 which had been grounded around February last year. On the issue about an aircraft's life of usage, their average would be at 9.3 years. Moreover, new aircraft with updated technologies and effective designs would lead to fuel-saving as well as a drop in their maintenance costs at the same time. On the issue about the volume of fuel consumption, data indicates that from 2010 through to 2013, there appear to be varying ratios with about 3.1% reduction in fuel-consumption from 2012 to 2013. Each year, the Company fuel expenditures are incurred at approximately over Baht 80,000 million which is considered a large sum. It is every airline's target to reduce its fuel consumption because fuel expenditures are the highest operating costs.

The Company has made improvements on numerous products. For example, there is now Ipad service on board business class while souvenirs have been designed for giving to children on board as well as improvements made to have an individual monitor on every seat with flight duration of 4-5 hours and more. Services had already been adjusted on every aircraft and there is also wifi internet services now for which licenses had been granted to the Company early this year by the Office of the National Broadcasting and Telecommunications Commission (NBTC) after action has been taken to apply for the license for almost 2 years. Thai Airways is, therefore, the first airline with wifi service in its on-board facilities particularly on the A380-800 which operate on the European and Japanese routes. The Company also promotes the use of telephone services such as the various applications on mobile phones which have been developed extensively, be such for online reservations and internet check-in and so forth. Last year, the Company replaced its seat-reservation system with the Amadeus Altea system in view of the fact that the old system has been in use for more than 35 years. Moreover, it plans to take Thai Kitchen out into the world by focusing on serving Thai food on every flight. The Company still gives importance and promotion to Corporate Social Responsibility (CRS) by supporting the International Olympics on mathematics and sciences events because it wants to promote the country's youth to reach their utmost potential in the future.

Moreover, the Company is an airline which has received the Award of Excellence from the Business Traveler in the overall picture when compared with other airlines in the Asian-Pacific Region. The Company was listed as No.3 rank in 2013. And, for services in the economy class, it moved up from No.5 to 3 and still retains in No.3 rank for the Excellent Programme for Accumulated Mileage among the airlines group as well. Smart Asia Travel Magazine too, had classified Thai Airways in No.4 rank for overall airlines worldwide as well as No.3 rank for Excellence for in-flight services. The Company was also listed at No.4 rank for Excellent Business Class Services while Thai Smile retained No.6 rank as Excellent Cost-Effective Airlines in the Light Premium Category or what is called Budget Airline Category. On the issue of survey on customers satisfaction arranged by a third party entity, Thai Airways is shown in the survey conducted by International Air Transport Association (IATA) that it still retains its No.7 rank while satisfaction on crew's services in 2012, listed at No.10 moved up to No.9 rank. For satisfaction on food and beverages, Thai Airways was still listed at No.6 as before. On satisfaction of passenger seats, the Company moved to No.8 rank from that of No.11 and satisfaction on in-flight entertainment system, it moved to No.7 rank from that of the previous No.10. As for Skytrax classification, the Company did not enter into this agreement in 2012 because there were issues to be considered concerning the Delivery Inspection Committee albeit talks were held by the Company in 2014 and the agreement has now been signed such that the results

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of its classification should be shown from the period after June onwards. With respect to its operations, one can, indeed, say that the Company has performed well during 2012 to 2013 as a result of its control over fuel pricing risks in respect of which the Company has taken out insurance coverage on fuel price risks at the average of approximately 70% to protect against the surge or hike of fuel prices which has resulted in the Company receiving indemnification from this risk insurance of approximately US\$56 million or approximately Baht 1,885 million. On the issue about the number of passenger seats in the overall, in 2013, the Company had an overall of 85,655 million of seat-kilometre in all which is an increase of approximately 8.1% and a total of approximately 21.5 million passengers which shows that about 900,000 more passengers had been taken in. The volume of transportation or cargo, however, dropped as a result of impact from economic conditions and the situation in the world's cargo shipment conditions. Regarding 2013 revenue, an aggregate income of Baht 206,000 million was generated by the Company or an increase of as much as approximately Baht 4,952 million over 2012 which is considered to be the highest revenue ever generated by the Company in its history. On the issue about its performance and profits and loss statements as at December 31, 2013, the Company suffered a net loss of approximately Baht 12,000 million consisting of approximately Baht 3,895 million of exchange rate loss, and Baht 5,426 million loss from depreciation of assets. Thus, if the Company's actual loss is considered on the basis of actual performance without taking into account such exchange rate loss and depreciation of assets and corporate income tax, the figure would be Baht 3,608 million in all. One of the reasons for such loss stems from a change in China's tourism policy from October 1, 2013 and impact from domestic political unrest which resulted in a drop in the number of passengers on several routes. In March, Chinese tourists travelling to Thailand dropped by almost 28%, and about 25% -26% drop of tourists from Japan as well as 21% -22% drop of tourists from the Republic of Korea. This reduced number of tourists sent out signals that the Company would, indeed, come under the impact of this drop of tourists coming to Thailand. Besides, in relation to the exchange rate fluctuations, the strengthening of US Dollar, Yen, Won and Australian Dollar led to a tremendous weakening of the currencies with an immediate reduction in the Company's sale earnings. Targets, therefore, were set by the Company for improvements and pertinent management adjustments next year as in 2014, it has set out policies for aviation developments, safety and certainty in the provision of services in areas of commerce, quality, earnings and adjustments of sale pricing to be updated and abreast with competition, quality and efficient maintenance, strong financial status which is to have adequate cash for its operations and increasing the ratio of profits to sale. Inside the Company, there is a policy to strengthen the confidence of its customers, shareholders, employees and those with vested interests. Moreover, the Board holds a policy to reinstate inter-relations among its directors, Management and employees to ensure a smooth collaboration in work as well as to improve the management of its work to ensure smoothness and updated action in keeping with changing business environment, to improve and develop its personnel in every dimension including development of their potential, progress, compensation, personnel retention and replacement of vacancies for which the system of personnel recruitment and transfer of knowledge must be improved, etc. In respect of business-wise, the Company has a policy governing generation of income, expenses control, solution of personnel problems, improvement of operating efficiency in response to changing circumstances as well as to disseminate and carry out PR activities on the organization in every form as mentioned here which will take Thai Airways on its path of growth and development as the national carrier which every one of us looks up to with pride such that the Company can, indeed, be back in the lead in this business of aviation once again.

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The Chairman invited the next shareholder to express opinion.

Mr. Somkuan Tearasranon, shareholder, made a statement to the Meeting that in 2013, the highest number of aircraft was delivered to the Company since its incorporation, that is a total of 17 aircraft. This went against the cabin factor which has dropped such that the Company was the only airline which suffered a loss in the 3<sup>rd</sup> quarter of 2013. And, on the subject of impairment on 4 A340-500, 3 A300-600 and 4 B737-400, he would like to cite an example of the 4 A340-500 bought by the Company for about Baht 20,000 million which were, however, used for about 3-4 years and suffered an operating loss of about Baht 6,000 – 7,000 million to the extent of being impaired and having to pre-terminate the use of these aircraft by as much as 16 years. Besides, this is an impairment of aircraft used for long-haul flights which consume fuel. And, because this model of aircraft had already been put out of use by most other airlines, their prices dropped heavily such that the Company could not sell them off and lawsuits may be filed against a person authorizing the sale as well. If one takes this subject of loss and impairment of these 4 Airbus aircraft of over Baht 20,000 million into account, it would be equivalent to the amount of the Company's registered capital. In addition, he would like to clarify that what the Acting President has explained that it is impairment on the account books is not true as it is rather a severe mismanagement of work which had allowed a sum of Baht 20,000 million to disappear. Because, in points of fact, if the Company had made a quick decision just like other airlines by exchanging other models of aircraft with Airbus, the Company would not have suffered as much damages as this because the original prices of these 4 aircraft were Baht 20,000 million although their market prices today is only approximately Baht 3,000 million. Furthermore, with respect to the issue mentioned by the Acting President concerning classification of worldwide airlines by Skytrax, he has received this information, however, that during a period of 2 years, the Company has dropped from No.5 rank to No.15. In relation to the number of domestic passengers, low-cost airlines have already gone ahead of the Company with their performance and they are planning at this point in time to compete in international routes which are the Company's strong points. If we let low-cost airlines get ahead of the Company, it will show that the Company has no competitive edge at all despite the fact that the Company has been established for more than 54 years while these low-cost airlines have just been established for about 10 years. In respect of debts of Baht 250,000 million, this shows that the ratio of debts to capital is 5:1. Currently, the Company's cabin factor has fallen tremendously vis-à-vis an increase at the same time of depreciation costs. The question, therefore, is that how the Company can solve these problems regardless of short term, medium term or long term. He would suggest that the Company analyzes its weak points and strong points as well as its risks and presents its strategy with regards to further competition. If the Company is compared with a house, one can say that the Ministry of Finance is the party responsible for expenditures incurred at the stage of construction with the Royal Thai Air Force accountable for its operations. The Company just got back its Chairman from the Royal Thai Air Force today and he would ask the Chairman to give the Meeting some hope about selecting a team of good executives who are acceptable to the employees for further development of the Company. This is the only company with more than 100,000 shareholders such that there are numerous questions raised during the Meeting. He would, therefore, ask that the Chairman selects questions which would be of benefit to the community at large and to please answer them under each Agenda as well. Furthermore, on the subject of organizational reformation, he is of this opinion that the Company has problems which are quite similar to those of Japan Airlines such that it could use their business model in the same manner too. If the Company

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expedites action to solve the problems at this juncture, there is still some hope that it may not have to go to stage of the rehabilitation plan.

The Chairman invited the next shareholder to express opinion.

Mr. Monchai Rabruentaweasuk, shareholder, stated that during times when the Company was run by the Air Force people, it never faced a loss of as much as tens of thousands million. But, because of interferences from politicians as in the case of the former Chairman, the Company has suffered a loss in tens of thousands million every time. Moreover, he differed in opinion from what was previously explained by the Acting President on the subject of prizes awarded to the Company. From what he has been following up on various aviation magazines, he has never seen or heard of such information albeit from Skytrax classification which he has heard and which cannot be denied, it was shown that the Company's ranking has fallen a lot. Moreover, on the issue about performance problems which were caused by travel restrictions in China, he agreed that a large number of tourists coming to Thailand, a 1 – 2% sharing would have enabled the Company to perform well. As for unrest in the country during the last quarter which falls on the high season, that is something which is understandable. However, he remembered succinctly that the Shutdown Bangkok day on January 13, 2014 is not relevant to the high season or the 4<sup>th</sup> quarter of 2013 in any way. Regarding the operating results, it was explained by the Acting President that it is something to be happy about that the Company has achieved as much as over Baht 200,000 million in its operating results. However, the Company has been having this kind of performance for several years and in particular if one compares the Company to Singapore Airlines which has much less employees but nevertheless generated more profits. And, despite its operating results of more than Baht 200,000 million, how is it that the Company still suffered a loss. From the minutes of last year's Meeting, he had mentioned that the Company has made unsuitable allocation for its aircraft. For example, the Company's routes to India and Japan, cargo transportation were listed as number one but the Company arranged to use aircraft with low load capacity. On the other hand, for other countries with a great number of passengers, the Company arranged to use aircraft which could take in more load of cargo. Last year, he asked about this from every pilot and was told that aircraft allocation still remained as before. This shows that the Company never uses suggestions made by shareholders to make any improvement in any way. That is why the Company's efficiency is like this. On another issue which he raised with the Technical Department last year, the Executive Vice President, Technical Department (DT) merely said that the Company would try to find customers to have them send their aircraft for repair but he understood that it might not have been possible to find any and aircraft bought by the Company had to be sent for repairs by other companies most of the time. These errors could have been the reason for loss which has led to the Company's reduced profitability to the point of suffering losses. Moreover, he asked to talk about the Company's problems namely mislaid plans on pilots. He learned that the Company has employed pilots who are over 60 years and promote them to the executive positions with the result that the next generation of pilots would have to wait for as much as 11 -12 years to ever grow in their career path. This issue has caused the problem of brain drain because pilots moved out to other airlines where it would take them only 6-7 years before they prosper and grow in their career path. The Company, therefore, faces this problem of pilot shortages. Besides, there is yet the problem about the A340 aircraft which has ongoing for a long time. He would, therefore, like to check if the Company has any real intention to sell them off or not because he could see that no attempts were made to refurbish them and sell them off in earnest. And, when some

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interested party turned up, it transpired that the costs are very high in the books such that they could not be sold. During that period, only 26 A340 Airbus managed to be sold albeit the Company made its decision to buy them at a very high price because the person who ordered their purchase got a very high commission for them such that this problem persisted until today. If this issue is considered to be of any importance by the Company, it should arrange to have genuine investigation conducted which would be better than retaining the aircraft until their value depreciate by and by. He then moved on to another issue concerning personnel problems, i.e. unfair dismissal. There are people in high positions such as former public prosecutors and a former attorney general in the Company's Legal Department who, however, turned dishonest and malfeasances into lawful acts so as to prevent legal action to be taken while law firms are contracted at high price to provide assistance. If it is like this, what the Company's Legal Department is for. And, at this Meeting, no matter what opinion is expressed by shareholders, at the end, however, the Ministry of Finance's representative, under the Minister's order would be voting for all of these 15 directors with the result that directors elected are from the majority votes. Thus, as the Chairman is a representative from the Royal Thai Air Force, he asked that the Chairman talk it over with the Ministry of Finance that it is not necessary for the Company to have as many as 15 directors because it would be a waste of expenses. It is enough for the Company to have only 9 directors and, to save costs, 1 out of 9 such directors can be a shareholder too.

The Chairman explained that the last issue raised by the shareholder would be taken up again for discussion in Agenda 9. He then invited the next shareholder to express opinion.

Mrs. Supanee Boonyawatana, shareholder, suggested that the heart of the Company's management is its Board of Directors which currently consist of individuals from the Ministry of Finance. However, she commented that, if possible, she would like to have the Company directors duly recruited. If the nominated individual is fully qualified, then she would ask him/her to re-apply as a director to show his/her good will and to make shareholders comfortable that each director becomes a member of the Company's Board of Directors on their own capabilities and not because they used to hold the directorship or because they have whatever connections. Other than a recruitment of directors of the Company, she would ask to have a recruitment of the President in place promptly as well by the 2<sup>nd</sup> quarter. Finally, to ensure that the Company's operations be conducted with transparency and corruption-free, she suggested that the Company applies to become a member of the Anti-Corruption Association of Thailand as well.

The Chairman invited the next shareholder to express opinion.

Mr. Serm Phenjati, shareholder, made a suggestion concerning Thai Smile by referring to the last paragraph of the video presentation which states that "Thai Smile would be flying in the region of less than four hours" and added that the said text is often mentioned in both media and the Minister of Finance's press conferences. This sentence is highly deleterious to the Company because to say in the overall that Thai Smile will be flying four hours in the region could be interpreted in the future to include flying on Singapore, Kuala Lumpur, Delhi routes or on routes which are the Company's major cities such that the Company could be made to suffer damages. Thus, he would like to ask the Management and the Company's team in charge of Thai Smile operations to make pertinent corrections about it. Moreover, in minutes of last year's Meeting, there was mention on the model of the parent company and subsidiary of Singapore Airlines and

SilkAir. In other words, on pages 11 and 50, it is mentioned that Thai Smile would be flying in the region, i.e. flying to China, India and ASEAN countries in response to the ASEAN factor. For marketing analyses, however, such model differs entirely from what Thai Smile is at the moment. SilkAir's services show the support between a parent company and its subsidiary where it is explicitly laid out that Singapore Airlines would be flying to major cities which are national capitals such as Vientiane and Phnom Penh with SilkAir flying to cities with secondary importance or secondary cities. On points of facts, however, SilkAir and Singapore Airlines compete separately with each other in every market such as they in China, India, Indonesia or the Philippines. In Indonesia, Singapore Airlines will fly to only 2 major cities, i.e. Jakarta and Bali while SilkAir will fly to 12 secondary cities. However, in the Philippines, Singapore Airlines will fly to only one city with SilkAir flying to 3 cities. When such model is compared with flights by the Company and Thai Smile, he felt that the market should be penetrated by increasing more routes to other cities. And, on the issue concerning A320 aircraft which had already been delivered and more would be further delivered this year, plans should be made for their proper utilization so as to have Thai Smile retained to preserve the parent company like the Company as its core. Moreover, it was mentioned in the minutes of last year's Meeting that Singapore Airlines' operations are conducted with long-haul flights in the main leaving the task of regional flights to SilkAir and Tiger Airways. On page 50 of the minutes, it was mentioned in a way that the Company would be doing long-haul flights and letting Thai Smile do regional flights. This type of operations will not allow the Company to sustain itself such that he would like to leave this issue for all to mull over about marketing analyses to ensure maximized utilization of aircraft. Because a great number of aircraft are purchased and must be allocated and used to the utmost benefit, it would not be enough to have only day flights and night flights conducted for only 7-8 hours. As the rate of utilization of this large fleet is 10.8 hours this year, the 10.8 hours duration shows that in one day, the aircraft will be left on the ground longer than when it flies. If the aircraft is utilized more, from 10 hours to 12 or 15 hours, the Company would generate increased revenue.

The Chairman invited the next shareholder to express opinion.

Mrs. Worranan Vaewsorn, shareholder, said to the Meeting that the Company could probably compete with other airlines and that it could return to the number one position once again like before. However, there is one thing that the Company does not have which is good governance and the ethics. At last year's Meeting on April 24, 2013, Mr. Ampon Kittiampon and Mr. Sorajak Kasemsuwan who were then holding the positions of DH and President gave their assurance and promise that they would look after the Company and abide by the principle of good governance. She herself has taken up the issue of good governance at the last Meeting as she came to know of corrupted actions by employees who were holding management position as Vice President such that she filed her complaints accordingly. On that day, the President and DH said they would be conducting an investigation in fairness and pursuant to the rule of good governance and would also send members in the Good Governance Committee to participate in such investigation as well. But, in the morning of January 13, 2014, the day of the Shutdown Bangkok event, she received a letter which says that the said management executive in the position of Vice President has not committed any disciplinary offence while no members of the Good Governance Committee appeared in the list of those who participated in that investigation at all. As she was not treated fairly by the Company, she, therefore, sought assistance from independent organization which discovered that the said management executive had corrected

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the documents and the Company's rules to his/her advantage such that suggestions were made by that independent organization for her to file an appeal and that if the Appellate Committee and the Good Governance Committee refuse to carry out their duties, she is ready to proceed further on this matter and has already prepared documents to be handed over to the Chairman as well.

The Chairman asked Company officers to take the documents from Mrs. Worranan Vaewsorn.

Mr. Sittichok Boonvanit, shareholder, expressed his opinion to the Meeting that the Company is facing a heavy loss this year but there is still hope that there will be good things happening in the future.

The Chairman informed the Meeting that the Royal Thai Air Force has arranged for a bus to take the shareholders from the Meeting to the Head Office and Din Daeng.

Mr. Sittichok Boonvanit, shareholder, said that currently there are quite a number of hi-jacks of aircraft or disturbances on board such that he would like to know what is the Company's policy about this and whether its in-flight staff has been trained about it so as to be able to protect themselves in the same way as what Nok Air has done if a hi-jack arises rather seriously like in the case of the Malaysia Airlines MH 370 where there is one study which indicates that it was the result of a hi-jack carried out by a special unit sent from a particular country. This hi-jack was reportedly made by a sudden acceleration of the aircraft in a surge up high to have passengers on board suffer insufficient oxygen and knocked off unconscious before landing the aircraft somewhere. He questioned to what steps are made by the Company if a hi-jack like this happens to the Company's aircraft. Moreover, he would like to ask about the direction the Company will take to solve this problem of corruption to counter this allegation that "it does not matter how Thai Airways is run because whatever loss it incurs will always have the Ministry of Finance stepping in to increase its capital any way". And, how has the Company made adjustment about its aircraft and flight routes to respond to the policy of the Japanese government's not requiring visas from Thai tourists. He wondered if the Company will have a promotional campaign or what as the price of the Company's passenger tickets is still much higher than those of its competitors. And, lastly he would like to ask if ACM Prajin Juntong has any policy about the 4 aircraft which are left idle on the ground, and if it would be possible or not for the Royal Thai Air Force to set up a budget to purchase these aircraft because to have them grounded idly like so would only lead to further depreciation in their value.

The Chairman expressed his thanks and accepted the shareholder's proposal for consideration.

Mr. Uthit Hemwatthakit, shareholder, spoke to the Meeting that the reason why the management of the Company's affairs was not successful is because the Company lacks comparative factors. He also questioned if the Company know that its employees in Guangzhou, China, cannot speak Thai and some cannot even speak English. He had tried to lodge complaints with the Company's branch office in Guangzhou about the demeanour of its employee whose surname was Wang but could not contact any officer there. Besides, there are problems with food and the Company's flights which are delayed such that he would like to have some response from the Company about these matters.

The Chairman invited the next shareholder to express opinion.

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FS-1 Dumrong Waikhani, proxy, stated that the Company's loss of Baht 12,000 million last year has given rise to doubt as to what the Company's policy would be vis-à-vis Thai Smile because the Company has announced to the public that Thai Smile is a part of the Company but Thai Smile has now turned to separate itself into another company which is a separate entity from the Company. This, therefore, has caused concerns on Thai Smile's future. He wondered if Thai Smile would always remain with the Company or get listed in the Stock Exchange or belong to whom in the future. The concept behind setting up Thai Smile in the beginning was to have something like SilkAir which would fly only in secondary cities. But, today, from what he learns, Thai Smile is also flying in major cities in lieu of the Company. The next issue is the doubt as to whether Thai Smile has already passed AOC's inspection or not and what are facts on this because there were news that Thai Smile had been fined in China twice because it did not pass the AOC. Next issue is about the Company's loss in the shipment area and doubts as to why the Company's two Boeing 747-400 aircraft that have been converted into freighter aircraft had not been used. Or, is such conversion the reason why the Company has suffered a loss because such conversion of these two Boeing 747-400 aircraft would make the Company lose revenue on 750 seats per day. In this case, he questioned as to what would be the sum of damages incurred by the Company and who will have to be accountable for them. The next issue is about aircraft impairment. He would like to ask about the Company's method to handle this matter because he has made enquiries on this several times but has never received an answer from the management executives about its direction towards solving the problem. When looking at the report on account provided to the shareholders, it was found that the Company achieved domestic income of approximately Baht 23,000 million in 2012 while it was approximately Baht 15,000 million only this year. He would like to know the reasons for the drop in the Company's domestic income and whether Mr. Chokchai Panyayong would show the responsibility for what he has previously confirmed that Air Asia would never return to make its flights from Don Muang Airport. And, on the last issue, he suggested that the President give a presentation on his vision in front of the Company's employees and the shareholders during the process of recruitment as well.

The Chairman asked shareholders to be concise in their discussions.

Pol.Col. Sermkiat Bamrungphruet, shareholder, commented that the Company's receipt of the best airline award for a transcontinental airline consecutively for 6 years would be a demonstration of its strong point, honour and integrity that could demand respect from competitor airlines at international level and is considered an honour for the nation. He would thus like to thank every Company's employee. And, as far as the problem of revenue is concerned, it is the result of mismanagement of investment in its operation. It is a well known factor among business management operators that one of the components is fixed cost and the other is variable cost which is not foreseeable. Thus, aviation management executives must know that fixed cost comes from the cost of aircraft, whether it be outright purchases or rental. In this respect, the Company has explained to the shareholders that the averaged useful life of its aircraft has fallen from the past until it now reaches the age of not even 10 years. The Company should, however, be aware that for accounting professionals, cost of impairment and depreciation could have an effect on the Company's expenditures and lead to a condition of loss or reduced profit. To lower depreciation one would have to rely on write-off by taking into account the useful life of aircraft which will be realized gradually on an annual basis and the reversal of these values into the balance sheet once again. This has already happened in the case of Airports of Thailand Public Company Limited and he suggested that the issue of reversal be taken up

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for consideration as to whether it is an international accounting practice and whether it is creditable or not.

Miss Nidhikunnabronn Mangmesri, shareholder, stated that she loves the Company and does not wish to see it suffering from repeated losses. From the Company's video presentation which says that the Company has suffered loss because of less incoming travelers, she would like to know why the Airports of Thailand Public Company Limited is still profitable with their share prices rising. Moreover, what measures would be introduced by the Company to solve its problem of loss.

Mr. Thanawut Saengkassanee, proxy, explained about Agenda 3 that (1) he has received the Company's Annual Report and had a look at organizational structure as the first item and would like to make this comment out of his study of organizational structures of various companies that he receives their balance sheet and Annual Report that there would be Nomination Committee, Remuneration Committee and Good Governance Committee within these organizations while the Company has none. For its management of work, the Company's organizational structure has divided its management into 2 major groups, namely Company's Board of Directors and Executive Board. In view of the fact that both Board of Directors and Executive Board are responsible for the operation of the Company's affairs by using shareholders' money with the Ministry of Finance holding as much as 51% of shares, the thing which shareholders expect from these directors is their work capabilities. Besides, he added that what shareholders expect is for the directors to hold a vision so they could visualize ahead as to what could be materialized. He cannot accept things explained via the video presentation that the number of Chinese tourists dropped below the standard during the year-end period and does not believe the Chairman does not know about China's policy of restriction on its travelers because the Company's management at the level of Executive Board have political connections such that they should be informed of this and should adjust this issue to make use of it. He himself has no knowledge about aviation or engines although he has had some information on economic or international policies via the various media. He and shareholders, therefore, expect the management executives to utilize these information and make adjustment in their plans; (2) he expects that management executives who are employed, either as Company's Board of Directors or Executive Board should have the capability to forecast business by anticipating various items which should crop up and make plan accordingly to prevent problems from arising or, to turn a crisis into an opportunity; (3) As for the Baht 12,000 million loss this year, explanation has been given that Baht 5,000 million arose as a result of impairment and another Baht 3,000 million from exchange rate loss. However, impairment of asset arises in a case of asset held and then sold off before the end of their useful life, particularly if such a sale takes place before the asset has been totally depreciated. Like the other shareholder who has already taken up this issue and, for those who do not have this information, normally, there are high expenses in connection with an aircraft. Thus, to record expenses as an item for one year will result in a large sum of expenditure. Therefore, it is provided in accounting practice for such expenses to be written off on a gradually basis annually pursuant to the useful life of such asset depending on rules determining accounting standards or tax standards as to how many years are set for them. For example, depreciation of an aircraft is set at 20 years. And, from the video presentation showing that the average useful life of an aircraft has dropped from 10 to 9 years makes one understands that the Company has new aircraft in service which is considered a good marketing point. However, the results may be to the contrary, accounting and financial-wise. In other words, once criteria of depreciation is set at 20

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years but an aircraft has been pre-sold, the depreciation that has been written off in excess will have to be reversed as an accounting item which might create a loss situation and lead to an impairment in the value of assets which will show up in the balance sheet. He is not certain, however, that such problem could be solved financially or not. But for assets which are huge in size, the use of leasing method could probably help solve the problem. There are examples in the Annual Report concerning expenses in the leasing area such that he would like to suggest that aircraft be leased rather than purchased. And, on the issue of cost of maintenance and repair, discussion may have to be held with the lessor again as to who would be responsible for them; (4) on the subject of damages from exchange rate risk, it can be noted from the Annual Report that the Company has more than 50 related currencies which he believed to be the result of the Company's expansion of operations and establishment of branch offices in more than 50 countries. Thus, if the Company makes an adjustment by using only major currencies, this may be able to help in some way. In this regard, in consideration to the format of risk management on financial matters, derivatives have been applied as a helping tool. However, he does not understand why specific derivatives are used by means of swap mainly on the Yen currency as he considered the Dollar currency more preferable and could help more. Thus, he would like to ask the management in further detail under Agenda 4; and (5) about Thai Smile which several shareholders including himself are worried about this issue. Formerly, he knew that Nok Air is not Thai Airways' subsidiary as Thai Airways is merely a minor shareholder or just participates in investment with Nok Air and Nok Air is now also listed in the Stock Exchange. In this regard, we were worried and wondered whether the Company would cut off Thai Smile or not if Thai Smile started to be profitable as this action would reduce the Company's assets. In addition, we wondered as to what could happen afterwards is the scheduling of Thai Smile flights with a flight range of not more than 4 hours which may give rise to services which are unfair to the Company. What he has learnt is that the Company is still flying to the North while the South is all Thai Smile. Several passengers have started to complain that Southern businessmen would also like to use business-class services and to have services available in a greater variety. Moreover, the Company has no current flight to Haadyai despite the fact that Haadyai is a major commercial centre and the gateway to Malaysia and Singapore. There are also as much as 4 universities there and when they invite overseas lecturers, they have to use the services of low-cost airlines which may not facilitate their trips as much as they should be when comparisons are made between services for the North and the South which has a greater number of business travelers. For the stock market, it is also accepted that the ratio of investment by Southern investors ranked second in the country. Therefore, the question arises as to why services are not provided for the South but only for the North. On the last issue, he would like to note that the Ministry of Finance which is a shareholder with 51% of shares does not make any statement at all in the Meeting despite the fact that it is the recipient of benefits of as much as 51%. Thus, he would like to enquire the Ministry of Finance about its thought on the Company's loss on this occasion.

Mr. Prateep Watcharachokasem, shareholder, said that he uses the Company's service on a regular basis and found that the Company has been facing with problems for a long time and it is the zone for people with influence. It is the most appropriate, therefore, to have the Chairman from the Royal Thai Air Force to solve the Company's problems. He also felt that the quality of the Company's services had gone down lately. When using the services, he would face problems of aircraft not pulling in to stop at jet bridge which make him feel unsafe. Passenger fares are also high. Thus, the Company should have a policy to forbid aircraft from parking in the middle of the runway and that aircraft must pull into a

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set bridge every time for the sake of safety. Lately, he found that other airlines such as those from the Republic of Korea provide better services as they are clean and orderly with Thai cabin crew who are very attentive. Moreover, inside the Company itself, there is a great number of influential people who are still receiving privileges from the Company. He would therefore like to leave all these issues for the Chairman to consider.

The Chairman stated that he would like to explain concisely and then assign the Acting President (DD), Executive Vice President, Operations (DO), Executive Vice President, Technical Department and director, namely Mr. Kanit Sangsubhan to make further elaboration. On the issue of appointment of the Nomination, Remuneration and Personnel Development Committee, the Company is waiting for the 5 directors to be appointed today after which an order will be issued for the various committees to be appointed next day so such Committee could proceed to take action by the first week of March. With regard to the matter concerning a great number of aircraft awaiting sale, several meetings had been held by the Company's management to consider whether to sell or to dispose them by any other means. The Company is in the process of contacting experts to be responsible for this and will further proceed on this as a matter of urgency.

Mr. Surasit Sriprapha, shareholder, stated that he had raised 4 issues at the last Shareholders Meeting, in page 47. However, no responses were received as yet from the management. (1) Policy on drug suppression, theft of passenger belongings at Phuket Airport in which he himself was in the investigation committee with the evaluated result of investigation showing that the offence had, indeed, been committed. However, 2 years after he left the Company, the results of the investigation was still with Mrs. Chuda Dhanabhumi (DI) and no conclusion has been reached as to how the Company has incurred damages. This, indeed, shows that the Company lacks good governance. He would, therefore, ask for an answer from Mr. Niruj Maneepun; (2) The Company hired employees who have reached their retirement age of 60 to drive vehicles in the airport. He would like to ask if accidents happen to aircraft and if insurance companies refuse to make any compensation, and it is a violation of the Cabinet's resolution, what action would be taken by the Company. In this regard, he questioned if the Company will use outsourced people or Wingspan's employees in lieu of such employees to solve this issue or not; (3) In relation to labour shortage for which proposals had been made to use outsourced staff or those from Wingspan and the Deputy Director-General of the labour procurement division of the Ministry of Labour had been contacted, he learned that there are a lot of people waiting to be hired while the Company refused to take any action in this regard. This resulted in the Company losing benefit of approximately Baht 1,000 million per annum. He would, therefore, like the Company to provide answer on this matter as well; and (4) As it is said that work management would be successful or not depend largely on teamwork as a whole, he, therefore, asked that the Chairman shows his spirit in solving these problems and provide the Meeting with responses on the above issues.

The Chairman assigned Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance, and Mr. Pandit Chanapai, Executive Vice President, Aviation Business Unit to prepare the information for further clarification.

Mr. Chokchai Panyayong, Senior Executive Vice President, Corporate Strategy & Sustainable Development and Acting President thanked the shareholders for their suggestions and said that the Company would apply them for the benefit of the Company. Examples of the suggestions are as follows:

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With regard to the issue raised by Mr. Suthep Suebsantiwongse concerning queries under Agenda 1 on A340-500 aircraft which the Company has 4 of such model, the aircraft is 215 seated aircraft with large size engines, i.e. 4 engines with the capability for a very long-haul flight such as Bangkok – Los Angeles and Bangkok – New York without having to stop for re-fuel. The purchase of the aircraft was approved by the Company's Board of Directors since 2003 or about 11 years ago and the Cabinet had also approved the purchase of the 4 aircraft by means of financial lease or loan. Price of fuel was very high in 2008 and this model of aircraft had a rather high rate of fuel consumption. Fuel needed to be filled in to their full capacity when they are on direct long-haul flights. Sometimes, 200-300 tons of fuel is needed to be filled for 1 aircraft and this resulted in the aircraft bearing the weight of such fuel and thus the high fuel cost. However, these aircraft are considered to be today's longest-range aircraft such that in 2008, with a hike of fuel prices from US\$120 to US\$140 per barrel, the Company's operating result or its selling prices could not compete with the market. Moreover, the aircraft still needs en-route stops such that its first route, i.e. Bangkok – New York was cancelled by the Company in 2008 as, additionally, the Company had to pay very high parking fees for a stop-over. Thus, even though it is the Company generally plans to have its aircraft sold at a useful life of 20 years, this model, however, has been in use for about 5-6 years before it is taken off the fleet. The same thing has happened to Singapore Airlines as well. Thus, things planned in the past and things which happen at present are not as one could expect. This has led to a situation of impairment. Thus, what is uncompetitive is (1) Aircraft useful life. In other words, if the age of the aircraft is over 20 years, the efficiency of maintenance as well as fuel consumption would not be cost-effective; (2) A340-500 aircraft falls under the scope of aircraft designed for missions anticipated to be feasible when the price of fuel was around US\$60-70 while fuel price has presently hiked to as much as US\$130; and (3) Discharge of aircraft from the fleet or termination of aircraft usage. The terms governing lease or operating lease would be around 12 years when aircraft would be returned at the lapse of 12 years. Or, in the case of short-term lease like Jet Airways for which the Company takes out a 5-year lease, the aircraft will be returned at the end of the lease term. In the case of the A340-500 aircraft, it should be noted, however, that the Company has been using them for only 6-7 years when they are discharged because the more they are used, the less cost-effective they would be. Expenses concerning the Company's aircraft would be an average of 13%, while Variable Costs which are fuel and operating costs are 75% and approximately 15% being personnel cost. Thus, in the overall, it can be seen that running cost or variable cost is very high, particularly the fuel cost. To operate a business involving flight routes, cost of fuel, therefore, constitutes expenditure with major significance.

The issue concerning sale system suggested by Mr. Suthep Suebsantiwongse, shareholder, would be taken up for consideration by the commercial department as to what action should be taken to enable customers to buy these services quicker. The subject of Thai Smile should also be taken up for consideration. The subject of Tiger Airways, however, is something in the past and now, advisers have been contracted to carry out studies on expenses that had incurred. He would therefore like to inform the shareholders that the Company has taken every opportunity to generate income as well as to develop its network and will have to explore further opportunities to expand its business in the future. With so many competitors, both in the low cost and new comer sectors, the Company needs to be able to penetrate in every market. In the course of studies on these matters, experts and consultants have been contracted for when the results are out, the Company Board of Directors or department in charge will be able to consider the matter and make further decision appropriately.

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On the subject of utilization of the Company's fleet, the factors involved are as follows:

1. With regard to flight schedules, flight schedules do not depend solely on the Company but depends on the owner of the destination airport or a particular overseas destination as well.
2. In respect of the demand on flight routes, the question is whether the market big enough or not.
3. As to technical research, consideration will have to be made on the Heavy/Light line maintenance which will depend on the duration of ground time on which rules differ from airport to airport. For instance, during congestion period, instead of being grounded for only 1 hour, an aircraft may have to stay for 1.30 to 2 hours. Another factor is the number of pilots which must be adequate to service the number of aircraft. With regard to the proposal for matching, i.e. fly to a location by 01.00 hrs and then fly on to another location without passengers, this case can lead to damages. Thus, from these factors in the past, the Company had to schedule its utilization of aircraft at about 11–11.5 hrs per day per aircraft.
4. In relation to the issue on high season and low season, Thailand is a tourist destination such that, for example, there will be heavy congestion of travelers in the 1<sup>st</sup> and 4<sup>th</sup> quarters. Current utilization of A380-800 aircraft to their full capacity is at 15 hours.

In the case of Thai Smile which is a short-haul airline, for domestic routes, there will be no passengers flying to Bangkok at 01.00 hrs. At the most, they will arrive around 21.00 hrs. Thus, because of the reason regarding destination, Thai Smile cannot carry out night flights. And, as far as Thai Smile's current ratio is concerned, they will be flying domestic routes quite a lot and international flights at times all of which would come to a utilization time of about 8 hours or more. However, he would accept comments on this for further consideration. And, this improvement or utilization would incur an aviation cost of approximately 13% as already stated and developments will be improved.

On the subject of aircraft impairment, the Company would use its aircraft for about 15 – 20 years. From what the Company has checked around with operators in this area throughout the world, it found that their depreciation and write-off of asset prices for each year would be around 19.8 years vis-à-vis 20 years on the part of the Company.

With regard to aircraft grounding, there are presently 31 aircraft grounded, 18 of which are pending sale, 3 are at the start of grounding and 10 are pending maintenance. Out of these 10 aircraft pending maintenance, 5 aircraft are for heavy maintenance and 3 aircraft are pending special repair while the remaining aircraft are all operating under flight schedule.

With respect to aircraft procurement, the Company is in the process of taking action in 3 major areas namely (1) making outright purchase; (2) procurement by means of financial lease; and (3) operating lease. The Company has already taken action to procure aircraft under financial and operating lease as suggested by shareholders. The ratio on this would be approximately 30 – 40% for every airline and about 20% of the number of aircraft for

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some. However, such leases would include high cost, interest rate, cost for risk, operation and transactions. The Company will benefit from the discount on deposit but will lose benefit with operating and management costs imposed by the lessor of these aircraft.

From the data of China, Japan, Korea routes which the Company obtained from the tourism authority, the number of tourists coming in and out of Thailand was found to be dropped and there are issues to be decided by the management concerning opportunities and flight slot. That is, when the Company cancels a flight slot, that flight slot will be taken off flight schedule which the Company has previously submitted a request in each particular country. Thus, when the Company removes a flight, that country will also withdraw the Company's flight slots and other airlines which have made reservation would get that flight slot in lieu.

About Skytrax ranking in 2012, the Company has not renewed the contract as Skytrax could not deliver its report on that year's results as contracted by the Company. Nonetheless, at present, the Company has already entered into negotiation in relation to the scope of contract and repurchased its service.

He would accept suggestions concerning services and the request for aircraft to land next to the jet bridge for consideration. However, the Company may come under the airport's limitations such as the case of the Suvarnabhumi Airport while in provincial airport, the Company has the priority for all of its aircraft to go in to a halt at jet bridge.

Lt. Athisak Padchuenjai, Executive Vice President, Operations explained about cabin crew's action in the case of terrorism that cabin crew have already been trained by the Company on this. In practice, the first step would be to give the passengers a verbal warning followed next by a written warning. If the situation does not improve, the passengers would be detained and the pilot in charge of the flight will notify security officers or the police when the aircraft arrives at its destination to come and take the said passenger over for further action. As for pilots, there are already preventive measures in place but the process should not be disclosed in the Meeting for security reasons.

Mr. Prasert Lertyaso, shareholder, thanked the Company's management executives for their explanation and suggested that discussion should not go into detail as yet as the Chairman has already mentioned that it would need about 4 - 6 months for action. He then asked for the time the Meeting would end.

Mr. Jothin Pamon-montee, shareholder, asked the Chairman to check the result of studies on problems caused by A340-500 aircraft. Moreover, he disagreed with the hiring of advisors to look after the issue of Tiger Airways as he felt that the airline's flights had already been suspended since 2012 on the ground of safety which led to a loss of approximately Australian \$ 7,100,000 while Singapore Airlines holds as much as 49% of its shares. He, therefore, felt that it would not be suitable to bring Tiger Airways into Thailand. Besides, there are also problems about arrangements for its flight schedules as he is worried that Tiger Airways' routes may all be the same as those of Singapore Airlines. Objections on this had already been sent to the Company's Board of Directors and in the end, this project was cancelled and Thai Smile has been incorporated afterwards. In addition, he is concerned about the use of A330 aircraft for pilot training as he considered that it would take a long time and involve high maintenance costs. He also concerned with the Company's giving back aviation rights on good routes which would not leave the Company with good routes because to give back those rights would open up the

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opportunity for other airlines such as Bangkok Airways, Air Asia and Thai Lion Air which are waiting for their rights to use those flight routes in lieu. Moreover, he raised queries on the lack of co-ordination between the Company and Thai Smile to carry out pilot-training together from the start as well as the fact that he has asked for reasons why Thai Smile was granted the approval to buy A320 aircraft which differ from the authorization for Nok Air's purchase of the B737 aircraft as he felt that the same model of aircraft should be bought because they would be using the same spare parts and it would be easier for pilot training. Moreover, he expressed concern over the issue of pilots that after they have been trained with the A320 and B737 aircraft, they could move on to work with Air Asia or Thai Lion Air because those airlines use the same model of aircraft.

Flt. Lt. Montree Jumrieng, Executive Vice President, Technical Department, reassured shareholders on matter of safety by explaining that the process of aircraft maintenance would depend on the manufacturers which will set out criteria and make a check on what must be carried out by the Company and the question of whether the process is right or wrong depends on the verification system. Currently, the Company is subject to verification by 5 major organizations namely: (1) the Department of Civil Aviation pursuant to International Civil Aviation Organization (ICAO)'s rules; (2) the Federal Aviation Administration (FAA) of USA; (3) the European Aviation Safety Aviation (EASA) from Europe; (4) the Civil Aviation Administration of China (CAAC) from China; and (5) the Civil Aviation Safety Authority (CASA) of Australia. Thus, documentations will have to be issued by these 5 major organizations to the Technical Department every two years with a check carried out every year with corrections on defects every 6 months. He therefore asked shareholders to have confidence that there is a complete safety system in place for aircraft despite the incidents in the past that might have shaken their confidence somewhat about safety. However, if we look at these incidents in detail, we would find that some incidents could not be prevented, e.g. when an aircraft hit birds, faces weather turbulences, lands on an airport with short runway which demands heavy braking or a self-release safety system to flatten tyres without exploding. There was only one incident, however, when an A330 aircraft went off the runway at Suvarnabhumi Airport as the result of defects on the right tyre base. Result of unofficial investigation currently shows that this was not caused by maintenance. There is a process underway for a summary of conclusion from a french safety organization, the tyre manufacturer from England and the Department of Civil Aviation concerning reducing the useful life for tyre bases and replacements of some equipment. However, he would like to give reassurance that the Company's maintenance system is complete and correct in every respect.

Lt. Athisak Padchuenjai, Executive Vice President, Operations, thanked Captain Jothin Pamon-montee, shareholder, for his comments and explained that the Company's procedure for its selection of pilots is undertaken throughout by Professors from Scandinavia. As a result, there is definitely no issue of pulling strings under any circumstances. For training, consultation has been made with Captain Woranate Laprabang, Vice President, Office of the President, acting Managing Director of Thai Smile Airways Company Limited about joint training of pilots to expedite the process of promoting of the Company's pilots to be captains. As for the issue of shortage of pilot force (second pilot), action has been taken by the Company to solve this by employing pilots who have reached their retirement age of 60 to fly for the Company under a 1 year service contract because pilots can, under aviation rules, fly up to the age of 65 but they would have to be subjected to physical check-ups every 6 months. Thus, he would like the shareholders to be confident on the quality of our pilots. About the other issue on which concern has been expressed by

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shareholders that pilots might move out to work for other airlines, he explained that currently there is a large number of new airlines being established and a very high demand for pilots such that pilots are drawn out to work for them with good offer such as offers on income and that they would become captains right away. The Company, however, could not do that because it would have to take action pursuant to the seniority system by counting duration of work in the Company.

Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance, answered questions raised by Mr. Surasit Sriprapha, shareholder on the issue of a Phuket outsourced employee being accused of drug trafficking that Affair Relation Committee has already been appointed to investigate the matter and has concluded that no such facts have been discovered as yet. Further action, therefore, has not been taken although he would be checking on the development again.

Mr. Uthit Hemwattakit, shareholder, asked the relevant management executive to answer his queries and stated that he had faced this problem when contacting passenger ticket sales department in China as the employee there could not speak Thai.

FS-1Dumrong Waikhani, proxy, thanked the management executive for their explanations but commented that they have not yet answered his question as they merely explained about the process of work. He also asked for the answer on aviation rights raised by Mr. Jothin Pamon-montee. Also, he understood that a resolution has been adopted on the issue explained by Mr. Niruj Maneepun but no action was taken by the management in any way.

The Chairman assigned Mr. Teerapol Chotichanapibal, Executive Vice President, Commercial, to answer the question raised by Mr. Uthit Hemwattakit, shareholder, on problems on the food during Guangzhou flight and then assigned Mr. Pandit Chanapai, Executive Vice President, Aviation Business Unit, to clarify the issue concerning employee's impoliteness with their services in Guangzhou.

Mr. Nara Sripatch, shareholder, congratulated the Company for being a real public company as the number of its shareholders is the highest among listed companies in the Stock Exchange of Thailand. He raised queries on 2 issues as follows: (1) question from IOD or the Thai Institute of Directors concerning the Company's signing in anti-corruption movement. He asked the Company as to what kind of action it proposed to take for achievement of objective results and (2) With the Company's regular replacement of its management executives and President, he would like to know about implementation of plans that have been set whether there would be any continuity in them or not, and how. He then added that the Company is not only a major listed company in the Stock Exchange but is also Thailand's pride and prestige such that if it has problems, Thailand's honour and prestige are likely to be tarnished as well. He would, therefore, like to support not only the management but also every member of the Company's employees who are to co-operate with each other to develop the Company's future for its further growth and prosperity.

The Chairman asked Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Board to make an elaboration and answer questions raised by the Meeting.

Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Board thanked shareholders for their comments and asked to give explanation as follows: With respect to the first issue raised by shareholders concerning the structure of the Company's

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Board of Directors, he would like to give an explanation in conjunction with contents in page 60 of the 2013 Annual Report that the Company's directors comprise of its Executive Board and the Audit Committee excluding sub-committees and that details are given from page 80 onwards about the Company's sub-committees subsequently appointed by the Chairman for the purpose of the Company's re-structuring. In this regard, he would like to give an explanation in the respective order as follows: First, the Audit Committee which the Company already has in-place. Next, the Good Governance Committee chaired by Police General Adul Sangsingkeo. Next, the Nomination, Remuneration and Personnel Development Committee chaired by Mr. Areepong Bhoocha-oom which normally would have been the Ministry of Finance's representative or the Permanent Secretary of the Ministry of Finance. Next, the independent directors which are already in place. Next, the Risk Management Committee which is a new committee set up for the purpose of studying and analyzing problems the Company is likely to face in the future and the ways to solve them, chaired by Mr. Dheerasak Suwannayos. Next is the Committee for the Promotion of Activities for the Good of Society chaired by Mr. Somchai Siriwatanachoke, Permanent Secretary of the Ministry of Finance and lastly the Company's Executive Board chaired by him. The remaining committee is in the Legal Board. Thus, on the subject of committees, it is something for which the Company already has a personnel structure in a variety of form in place and not only the Audit Committee alone. This, indeed, complies with or even exceeds the Stock Exchange's requirements.

On the second issue raised by a shareholder on IOD (Thai Institute of Directors), he would like to explain in accordance with what he understood that the Company has signed an anti-corruption agreement with the Anti-Corruption Organization already but action might not have been taken as it must take more time to follow up on activities to see if there would be any party taking part or not. To ensure collaborated activities on a variety of areas, he is of the opinion that this matter should be under the consideration of the Good Governance Committee and asked the shareholders to wait for the results of their work for the time being.

On the third issue, he explained about Thai Smile in conjunction with the Acting President that if surrounding circumstances are taken into account, it should be found that the competition is not limited to the only case of the Company and Thai Smile but also includes other airlines, be they low cost or other network airlines. He explained about the issue of bringing in Thai Smile to support the Company's operation as follows: (1) The Company holds 100% of shares in Thai Smile; (2) The Company has no policy to sell off Thai Smile's shares under any circumstances as it has incorporated Thai Smile for the purpose of using it to compete with other airlines for which it needs tools in a variety of form for such action. For instance, for its Chiangmai flights, both morning and evening flights are always full and the Company could carry out these flights. Day flights, on the other hand, are empty and if the Company does not fly during day time, there would be other airlines flying them instead and the result could be that its customers are snatched away. Thus, the Company has to have the tool to support it and the use of such tool does not cause the Company to suffer any loss. He agreed with suggestion made by several shareholders that Thai Smile should not be called a regional airline or whatever name because Thai Smile is the Company's tool to be used in a variety of form, both for domestic and regional flights. If the Company succeeds in snatching back its customers in the market, it could remove Thai Smile and then fly in its place. This would create a case of synergy and the strategy used would result in clear-cut directions of activities between the

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Company and Thai Smile as well as other low cost airline it already has, i.e. Nok Air. And, in the final analysis, the Company's flights will, indeed, be conducted at the premium level.

Moreover, he added that in the past the Company's A380-800 were very good aircraft which are not only well-accepted but also successful and can provide good service and can generate high profit. In this regard, the Company was one of not many companies which had been using A380-800 aircraft with great profitability. The Company's final objective is to become a premium airline and if there should be any point in which there are defects or shortfalls, or that in any part of its domestic flights, there will always be Thai Smile to fill in the gap. On the other hand, another low cost airline or Nok Air in which the Company holds 39% of shares serves as another strategy which the Company has to compete with other low cost airlines. All of this, therefore, constitutes the Company's network. The fact that the Company holds 100% of shares in Thai Smile results in all of Thai Smile's profits constituting the profits to be incorporated as those of the Company's in the entirety.

Mr. Pandit Chanapai, Executive Vice President, Aviation Business Unit commented further on what was suggested by Mr. Uthit Hemwathakit, shareholder, concerning services provided by the Company's employee in Guangzhou that he would specifically make clear to Company employees, at Guangzhou Airport as well as those at other airports, that they must be able to, indeed, keep up the standards of their service with the spirit of Thai-ness. In fact, the Company already has plans to train its foreign employees to understand and provide their services with manner like Thai citizens such as greeting people with the Thai gesture of respect (wai).

Mr. Uthit Hemwathakit, shareholder, reminded that the Board of Directors has not yet given the answer on the subject of the manager at that airport and the issue of purchase of passenger tickets by Chinese travelers for their trip to Thailand

The Chairman acknowledged the said issue and asked Flg.Off. Suraphon Israngura Na Ayuthya, Managing Director, Catering Department to clarify.

Flg.Off. Suraphon Israngura Na Ayuthya, Managing Director, Catering Department explained on the subject of food by separating the issue as follows: the food which go out from Bangkok are all from the Company's kitchen and another part i.e. those on the return flights from overseas where on some routes, food are also packaged from Bangkok and provided for these return flights for short-haul flights only. And, the other part is food from flight-kitchens contracted by the Company to prepare meals from overseas. On the issue concerning Guangzhou, he agreed to go back and check on the complaint and would be willing to make pertinent improvement. In this regard, he asked Mr. Uthit Hemwathakit, shareholder, to give further clarifications such as the flight number so that action could be proceeded accordingly.

Mr. Uthit Hemwathakit, shareholder, answered that the problem took place during the return night flight from Guangzhou and that this kind of situation has happened before. He also asked the Company to take up the issue concerning its food boxes and then left a comment that no matter if it is a foreign kitchen contracted by the Company or the Company's own Thai kitchen, there must be an exertion of control by Thai people and the person in charge must take the responsibility if there are problems to prevent any recurrences.

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The Chairman invited the next shareholder to express opinion.

Mr. Somkuan Tearasranon, shareholder, said that no clear answer has been given by the management on the subject of impairment as such issue had arisen as the result of a wrong decision making on the part of the Company which failed to solve the problem, which has given rise to damages to the extent of over Baht 10,000 million, he would, therefore, like to ask (1) if the value of all aircraft to be sold by the Company has dropped to the point nearing the market price or not, or how much lower would it have to go down to be close to the market price. (2) He would like to have an assurance from the Chairman that the new Company President would be a person with knowledge and capability and is acceptable who could work as a team as well and (3) as explained by Mr. Kanit Sangsubhan about Thai Smile position being a supplementary between the Company and low cost airline for which it was explained that such support would be made for some phases for a short-term period. He would, however, like to say here that, be it a short or long term, when one considers that the Company has as much as Baht 250,000 millions of debts, if such are not effectively remedied, the Company is, indeed, at risk of facing serious problems. And, he was in doubt if such debt would be transferred to Thai Smile or not. He would like to cite an example from the case of TT & T Public Company Limited which is about to enter into a rehabilitation process. TT & T's best venture with the brightest prospects is BBB Broadband. It transpired that the second biggest shareholder seized the moment when TT & T was having problems by injecting a large sum of capital into BBB Broadband operation which have been run with profitability throughout. He, therefore, felt that either for the short or long term, if there is an increase in capital, flight routes, aircraft and cost management by transferring them to Thai Smile while the Company still cannot solve its problems, there is this high likelihood for the Company to enter into the rehabilitation process and have its good assets or operations duly transferred to Thai Smile.

Mr. Sooksun Popun-gnarm, proxy, asked the Chairman to proceed to the next Agenda.

Mrs. Nilubol Boanoi, shareholder, said that (1) mismanagement stems from the Company's policy which had not been prepared with adequate concision. An issue which gives rise for concern is its selection of the Board of Directors and she would like the Board of Directors to be aware that they must have enough time to administer work and effectively set up policies. For example, Mr. Ampon Kittiampon, the former President now holds the position as advisor to the Prime Minister besides holding several other positions. She would, therefore, like to leave this matter for the Chairman and every member of the Board of Directors present at this Meeting to consider if each individual who is nominated to the Board of Directors would have enough time to work for the Company or not. If not, she would ask the Chairman and the Board of Directors to fight for its shareholders by suggesting to the Ministry of Finance to specifically assign a person who has time and determination to work for the Company particularly at this time of economic recession when the Company is suffering a loss and facing problems on the Baht currency and various other problems. She asked Mr. Ampon Kittiampon to consider his position as to whether he would have time to work for the Company or not. If he will not have enough time, then she would ask that he resign to rehabilitate the Company and to bring confidence back to the Company and (2) on the issue of currencies, she would not ask if the Company should fix the problem concerning the money value with what currency but would leave it to the 15 members of the Board of Directors to look with sympathy on the Company and its shareholders. And even without any payment of dividend at all, she would still be happy as

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she would only like to see that the Board of Directors is, indeed, working for the good of the Company and its shareholders.

Mr. Surasit Sriprapha, shareholder, commented on the issue already raised with the management and Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance for which a reply has been given that an investigation committee has not yet been set up. In this regard, he was one member of the committee who went down to Phuket for the inspection and had already explained that the people who became witnesses consist of the station master and the deputy station master. Almost 10 witnesses have given their statement on facts be they on the subject of sending passenger luggage on wrong flights for which damages had been demanded in the amount of several hundreds of million Baht each year and cases of drugs for which the police also succeeded in arresting the offence. He would, therefore, like to ask for the reason as to why the Company is not taking action on this problem and would like to say there that information received by the management are false report. Moreover, on another issue which he has queried and has yet to receive an answer concerning a retired employee who is now driving heavy high loaders into aircraft, he would like to ask if there is an accident when he hits the aircraft and the Company's insurer refuse to make compensation, would this case be in contradictory to the Cabinet's resolution or not and who would be accountable for such case.

Mr. Tanapol Hannoraseth, proxy, moved that the Chairman proceed to Agenda 4.

The Chairman thanked shareholders and asked to conduct the Meeting pursuant to its next Agenda.

The Meeting acknowledged the 2013 performance report as detailed in the 2013 Annual Report which have already been sent to shareholders together with the Meeting Invitation Notice.

#### **Agenda 4: Consideration and approval of balance sheets and income statements for the year 2013**

The Chairman assigned the Vice President, Financial Accounting Department and Acting Executive Vice President, Finance and Accounting to give an explanation to the Meeting on this Agenda.

Mr. Thongchai Singhakul, Vice President, Financial Accounting Department, and Acting Executive Vice President, Finance and Accounting informed the Meeting that the Company's 2013 consolidated financial statement does not include those of Nok Airlines Public Company Limited in view of the fact that Nok Airlines Public Company Limited has been converted from the Company's subsidiary in 2012 to that of its associate in 2013.

For the 2013 profit and loss statement of the Company and its subsidiaries, there is loss before exchange rates on income tax and loss from impairment for an aggregate total of Baht 3,608 million vis-à-vis Baht 4,662 million of profit generated in 2012. This is the result of impact from a variety of adverse external factors such as strengthening of the Baht currency and China's enforcement of its tourism law in the 4<sup>th</sup> quarter in conjunction with domestic political problems which could not as yet be settled as already informed by the Acting President to the Meeting.

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Moreover, there were expenses incurred by the Company which are not related to its operation such as loss from the impairment of its aircraft and assets of Baht 5,426 million and an exchange rate loss of Baht 3,895 million vis-à-vis exchange profit of Baht 3,223 million in 2012 while in 2013 there is a net loss for the Company and its subsidiary of Baht 12,000 million vis-à-vis their net profit of Baht 6,510 million in 2012. Its net loss amounts to a total of Baht 12,047 million or Baht 5.52 per share vis-à-vis last year's profit of Baht 2.85 per share. The profit before financial cost, tax, depreciation and write-off items or EBITDA amounts to Baht 22,474 million which is Baht 8,548 million lower than last year.

Financial statement as at December 31, 2013 state that the Company has assets of Baht 307,085 million in total, out of which an increase of Baht 2,989 million or 1.0% was primarily due to its acceptance of new aircraft which caused the Company to have an increase of aircraft and those under lease agreements which amount to a sum of Baht 13,814 million. The reduction of cash and cash equivalent amounts to Baht 8,290 million. As for debt, the Company incurred overall debt of Baht 250,166 million, which is Baht 15,888 million or 6.8% more, with Baht 16,808 million of increase on long-term debt primarily due to the loan for the acceptance of delivery of new aircraft. Shareholders equity amounts to Baht 56,919 million, out of which a drop of Baht 12,899 million or 18.5% was as the result of operating loss.

Details of the above-referenced financial statement appear in the 2013 Annual Report which had been sent in advance to shareholders. The said financial statement has been duly considered by the Company's Board of Directors which is of the opinion that the Shareholders Meeting should approve the balance sheet, financial statement and statement of comprehensive income that have been considered by the Audit Committee and duly audited by the Auditor or the Office of the Auditor General.

Pol. Col. Sermkiat Bamrungphruok, shareholder, commented that the issue of fixed cost is considered very significant as it is a cost of the purchase and lease of aircraft as well as being the cost of aircraft that have been used not cost-effectively on unsuitable routes. Another matter is variable cost which varies significantly particularly the cost of fuel. As risk management in both of these areas will have to depend on professionals, he would, therefore, like to propose that the entire management executives be replaced or advisors in each area should be procured to help the Company in its management. Also, he would like to make this proposal to the management executives who are permanent government official and holding high level positions to show their spirit by refraining from accepting payment of wages and meeting allowance to set an example for others and particularly, the Chairman who holds the highest position in the Royal Thai Air Force. He would emphasize that unity must be built up in the organization which is going through disharmony at present. In particular consideration to the subject of employee benefit, action must be taken to comply with what is provided by the law. Furthermore, he would like to have an answer from the Company concerning this cost of depreciation of aircraft left grounded as to what it would decide to do on this matter and whether the Company would have them written off as loss or not. Also, he would like to know about the Company's ratio of income per employee because the Company has never mentioned anything about this in its performance report. He felt that the Company's plan to reduce the number of employee on a voluntary basis prior to the termination of their term, or early retirement, will have an impact on the spirit and morale of employees. From the number of Company employees shown in page 70 of the financial statement with a total of 25,223, the number has dropped from that of last year. And, he

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does not know if the number of employees shown in the said balance sheet includes Company employees overseas as well or not. Moreover, another cause for concern is the number of the Company's pilots with an issue about violation of international laws. And, the number of other employees including 6,187 of in-flight personnel, 2,644 of ground personnel, 2,132 of service personnel at parking areas and 2,132 for ground equipment and 3,268 for other divisions which he does not know as to what they are. There is an increase when these figures are compared with those for 2012. Employee figures are, indeed, considered as figures of significance and have an impact on the Company's expenses over and above fixed and variable cost for which risk management must also be considered such as natural hedge. Moreover, there is this issue of fuel cost which concerns economies of scale. Finally, he would leave it with every side to be aware of his/her duty. On his part, he is willing to help the Company at every opportunity.

The Chairman expressed his thanks and accepted the shareholder's topics for consideration after which he invited the next shareholder to express opinion.

FS-1Dumrong Waikhani, proxy, asked the Ministry of Finance's representative, as a government official, to help protect the national treasure as well as requested him to exercise good judgment in voting on each Agenda. Next item concerns the Company's good governance which, when sub-clause 5.17 of the Company's financial statement is taken into account, i.e. expenses on litigation cases, he felt that the Company's budget of approximately Baht 1,300 million for expenses pertaining to labour lawsuits for 2013 shows that the Company falls short of good governance as its Human Resources Department, Legal Department and Procurement Department are all placed under the authority of one single person. Moreover, it can be seen that in the past, even disciplinary issues or disciplinary investigations are sent to the Good Governance Department despite the fact that there are no rules requiring such to be done. This has led to a doubt as to whether the Company's Good Governance and Disciplinary Committee is the same matter or not. The next issue concerns cost paid to advisors in an aggregate total of approximately Baht 681 million in 2013. This led to the question as to how much benefit would the Company receive from having to hire those advisors as it has suffered a loss of as much as Baht 12,000 million this year despite the fact that the Company itself already has personnel with such capabilities. He wondered as to the necessity for the Company to hire advisors which create superfluous expenses. On the issue about this sum of Baht 632 million of money, he has learnt from the Company's representative during the process of litigation in the case between the Company and Mr. Piyasvasti Amranand that the sum of Baht 632 million were landing and navigation fees for Southern Air leased by the Company and which had already been advanced by the Company such that Mr. Piyasvasti Amranand had to enter this item in the account of income. But the Office of the Auditor General, on the other hand, felt that such item should be taken out of the account as it is an income that has not as yet been realized and finally, Mr. Piyasvasti Amranand agreed to cut this item out of the account of income. About this subject, Mrs. Wasukarn Visansawatdi, Executive Vice President, Finance and Account (DE) at that time and Mr. Thongchai Singhakul were also present during the course of the proceedings. However, the item for the said sum was not found in the Company's 2013 balance sheet. He would, therefore, like to ask the Company's financial representative to explain to the Meeting as to which part has this item of money been put in.

(Translation)

The Chairman expressed his thanks and asked shareholders to cast their votes on Agenda 4 and invited the Acting Executive Vice President, Finance and Accounting to give an explanation on the issues raised by shareholders.

Mr. Somkuan Tearasranon, shareholder, asked the Company to explain whether the sum for impairment of Baht 5,400 million is the full amount, and whether the price of aircraft to be sold is close to that of market price. If not, how much is the difference from the market price which is considered as impairment.

The Chairman invited the Acting Executive Vice President, Finance and Accounting to give an explanation on issues being queried by the shareholder.

Mr. Thongchai Singhakul, Vice President, Financial Accounting Department and Acting Executive Vice President, Finance and Accounting explained to the Meeting that the sum of Baht 632 million is an issue of problems arising during the 1<sup>st</sup> quarter of 2012 as it was still not clear in the agreement between the Company and Southern Air as to which party would be liable to take responsibility for this sum of Baht 632 million. Thus, when the fact has not yet settled as conclusive whether Southern Air would pay this sum to the Company or not, the Company therefore consulted with the Office of the Auditor General which gave the opinion that the Baht 632 million should be cut out for the time being until it is clear whether Southern Air would agree to accept the indebtedness for this sum or not. At the end, Southern Air refused to accept such liability. The Company still has, therefore, not yet acknowledged the item of Baht 632 million as its income.

Mr. Uthit Hemwatthakit, shareholder, asked whether the Company could enter action in court against Southern Air for its refusal to admit its indebtedness on this item or not.

Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance, explained to the Meeting that currently the Company is in the process of taking action in court against Southern Air.

The Chairman invited the Acting President to give additional explanation to the shareholders.

Mr. Chokchai Panyayong, Senior Executive Vice President, Corporate Strategy and Sustainable Development and Acting President explained to the Meeting about aircraft impairment that every year, examination would be done by the Office of the Auditor General on the value of the Company's property and property impairment which does not pertain only to the value of aircraft but include an audit of every item of property that has been used and with an impairment in their value. And, each year, the value of its property would be adjusted by the Company and the Company is in the process of having figures compiled this year to further inform the Office of the Auditor General. Determination of aircraft impairment, however, must be made pursuant to Avitas' References. In other words, the index for the world market consists of each model of aircraft and their age. Mostly, the value stated would be in the Half Time – Half Life position. During the process of discharging an aircraft, the Company would come back to evaluate it again based on references to Avitas Index according to the aircraft's true conditions before informing the Office of the Auditor General. After this, examination would be run by the Office of the Auditor General to ascertain if the price is creditable or not. In the case of A340-500 aircraft last year, because the Index on the model of such aircraft is still at quite a high

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price range while it cannot be transacted at its true price in the market due to the fact that they were pacific aircraft. The Office of the Auditor General, therefore, made an allowance for the bid to be made as indicative of the true value of the aircraft such that this figure for aircraft impairment on 4 A340-500 aircraft was appeared to be Baht 5,000 million.

On the issue of ratio of personnel expenses to the Company's sales or service income, normally the ratio would be at approximately 15 -16%. For example:

|       |         |
|-------|---------|
| 16.2% | in 2009 |
| 19%   | in 2010 |
| 16%   | in 2011 |
| 15.7% | in 2012 |
| 16.1% | in 2013 |

For details concerning the quantity of pilots and cabin crews, an index or benchmark will always be prepared by the Company on its expenditures for comparison with its competitors.

Mr. Thanawut Saengkassanee, proxy, asked the Company and Office of the Auditor General, as the auditor, to explain about the following details: (1) loss from aircraft impairment for an aggregate total of Baht 5,000 million as shown in remarks on the financial statements under item 5.26. He would like to have details on each aircraft impairment as in 2012, the aircraft impairment amounted to an aggregate total of only Baht 181 million; (2) expenses pertaining to sale and advertisement which have increased by about Baht 3,000 million over 2012. He asked for details of these expenses as well as commenting that details of remarks in support of financial statement under item 5.23 which state in the statement of comprehensive income that they are remarks on expenses pertaining to sales and advertisement which are not related to expenses pertaining to sale and advertisement in any way; and (3) he asked for details on financial commitments which may arise in the future and contingent claims other than those of swap. Furthermore, he asked for additional explanation from the Board of Directors on the following issues, i.e. (1) reasons for taking out transactions to prevent financial risk with the Yen currency and the reasons why the Company did not select other currencies which are substantially more important as well as commenting that it might be because most of the Company's transactions are made in the Yen currency; (2) with regard to the Company's liquidity position, he would like to ask whether or not it is correct that an industrial average would normally be a low value of 0.71 or 0.7; and (3) reasons for the reduced freight charges which caused reduced earnings of approximately Baht 3,000 million from that of 2012. At the same time, he asked for the meaning of the term "freight charges". He then referred to the Company's cash flow that even though the Company may have suffered a loss of Baht 12,000 million, it appears that there is as much as Baht 25,000 million of cash flow received from its operations and the Company would have to find approximately Baht 7,000 million more which may be involved with the plan to sell Baht 40,000 million debentures under the next Agenda. Currently, the Company has a ratio of debts vis-à-vis its assets of as much as 81% such that he felt that if there is going to be a sale of debentures for another Baht 40,000 million, the Company may be subject to financial risks. He remarked at the same time on utilization of assets to generate benefit that on the part of fixed asset turnover, the Company has numerous assets which create a low income of only 0.82 times.

(Translation)

The Chairman announced that voting on Agenda 4 would be closed now and that the Company would try to answer as many questions as possible and promptly provide information to the relevant shareholders.

Mr. Somsak Manop, shareholder, asked about the results of investigation on this Baht 632 million that has already been entered into the account and ordered to be taken out by the Office of the Auditor General as well as asked for the name of the law firm contracted by the Company to file a lawsuit in court for the recovery of that sum of money.

The Chairman expressed his thanks and assigned the Acting President to explain about such matter later on.

The Meeting by majority votes of shareholders attending and holding the right to vote, approved the Company's 2013 balance sheet and profits and loss account that had been duly audited and certified by the Office of the Auditor General which is the Company's auditor.

Votes cast by shareholders were as follows:

|                    |               |              |          |
|--------------------|---------------|--------------|----------|
| Affirmative votes: | 1,627,374,707 | representing | 99.9617% |
| Negative Votes:    | 317,550       | representing | 0.0195%  |
| Abstention:        | 305,407       | representing | 0.0188%  |

**Agenda 5: Consideration and approval of the suspension of the payment of dividend in accordance with the Company's performance for the year 2013**

The Chairman assigned the Acting Executive Vice President, Finance and Accounting to submit the matter under this Agenda to the Meeting.

Mr. Thongchai Singhakul, Vice President, Financial Accounting Department and Acting Executive Vice President, Finance and Accounting explained to the Meeting that it is the Company's policy to make payment of dividend of not less than 25% of net profit before gain or loss on exchange rate of the consolidated financial statement subject to investment plans, necessity and other suitable factors. For the 2013 fiscal year ending on December 31, 2013, however, the Company and its subsidiaries suffered a net loss of Baht 12,047 million. And, with deduction of exchange rate loss, there is a net loss before exchange rate loss of Baht 8,153 million such that it could not make payment of dividend for 2013 pursuant to the Company's policy governing payment of dividend.

The Meeting by majority votes of shareholders present and holding the right to vote, approved the suspension of payment of dividend for the Company's 2013 performance.

Votes cast by shareholders were as follows:

|                    |               |              |          |
|--------------------|---------------|--------------|----------|
| Affirmative votes: | 1,627,345,573 | representing | 99.9599% |
| Negative Votes:    | 343,017       | representing | 0.0211%  |
| Abstention:        | 309,074       | representing | 0.0190%  |

**Agenda 6: Consideration of Directors' remunerations**

The Chairman informed the Meeting that for this Agenda 6 to determine directors remuneration, as Mr. Areepong Bhoocha-oom, Chairman of the Nomination, Remuneration and Personnel Development Committee is engaged with other matters and could not attend this Meeting, he has assigned Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Board to make an explanation on this Agenda to the Meeting in lieu.

Mr. Uthit Hemwathakit, shareholder, asked the Chairman about annual bonus for directors as to whether or not they should receive them.

The Chairman answered the question from the shareholder about directors' annual bonus that verification should be made by the year appearing in the table of Directors Annual Bonus.

Mr. Uthit Hemwathakit, shareholder, repeated the question again and asked the Chairman to give a clear explanation to the shareholders.

The Chairman said to the shareholders that he would ask to get the information to be checked on duly prepared and assigned Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Board to give a report on criteria governing determination of directors remuneration in this agenda in lieu of Mr. Areepong Bhoocha-oom, the Chairman of the Nomination, Remuneration and Personnel Development Committee who is engaged with other matters and was not present at this Meeting.

Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Board reported to the Meeting that the criteria governing determination of directors remuneration, meeting allowance and air-ticket privilege for the period from May 1, 2014 through to April 30, 2015 pursuant to the resolution adopted by the Company's Board of Directors Meeting on February 21, 2014 and to have them submitted to the Shareholders Meeting for consideration and approval. The criteria consist of the followings:

- remuneration and meeting allowance for the Company's directors
- privilege on air tickets for directors
- annual bonus

These 3 issues are subject to the same rules as those submitted to the 2013 Annual General Meeting of Shareholder which were already approved by the shareholders as detailed below:

**Remuneration and Meeting Allowances for Company's directors**

- Directors will receive payment of remuneration of Baht 50,000 per month each on a regular monthly basis and a meeting allowance of Baht 30,000 per meeting. If there should be more than one meeting in a month, they will receive a meeting allowance of Baht 30,000 each only. Meeting allowance for the Chairman of the Board of Directors will be 25% more than that of directors while that for the Vice Chairman will be 12.5% more. Directors shall be personally responsible for payment of their own income tax.
- Where a Company Director is appointed by the Board of Directors or Chairman of the Board of Directors as a director, member of a sub-committee

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and of the other working group in the Company, the directors so appointed shall be additionally remunerated with a meeting allowance of another Baht 10,000 each per meeting. If there should be more than one meeting in any month for any of such committee, they will receive a meeting allowance of Baht 10,000 each only.

- The Audit Committee will be remunerated on a monthly basis for a sum equivalent to meeting allowance for members of the Board of Directors. The Chairman of the Audit Committee, however, will be remunerated at a rate of 25% higher than that of director and will receive such remuneration even if there is no meeting in any month as provided by the Ministry of Finance's Regulations governing Audit Committee and Internal Auditing Units of State Enterprises, B.E. 2555 as published in the Government Gazette which came into force from September 8, 2012 onwards. The rates of remuneration which were approved by Shareholders Meeting in 2013 is that the Chairman and members of the Audit Committee shall be remunerated on a monthly basis for a sum equivalent to meeting allowance for Board of Directors and they shall be remunerated as well in any month that no meeting is held.

Details of sub-committees and their scope of authority are mentioned in pages 81 – 89 of the Company's 2013 Annual Report.

#### Air-ticket privilege for directors

Company directors shall receive privilege of 10 round trip tickets per annum in business class on a gratis basis for international routes and for 10 domestic routes per annum which may be upgraded to the highest class if there are vacancies. These privileges are given during their tenure as the Company's directors only and may be used by the Company's directors as appropriate. In this respect, privileges in the area of air tickets are provided for the same number as approved by the Shareholders Meeting in 2013.

#### Annual Bonus

Company's directors shall receive annual bonus calculated at the rate of 0.2% of net profit before gain or loss on exchange rate of the consolidated financial statements within Baht 30 million. This rate is the same as that of last year and the said rate shall be used to calculate the annual bonus for subsequent years as well.

Mr. Prasert Lertyaso, shareholder, noted that Agenda 4, 5 and 6 are inter-related. In other words, Agenda 4 pertains to Company's loss, Agenda 5, to suspension of dividend payment as the Company has suffered a loss, and Agenda 6 to remuneration of directors, meeting allowances for the Board of Directors and Company's directors who have been appointed as members of the Board of Directors, or Chairman of the Board of Directors or members of sub-committees. It can be seen that there is duplication in these positions. Next is the issue of remuneration of Audit Committee, privileges in areas of air-tickets for Company's directors and annual bonus. It can be seen in page 125 of the Annual Report that there are directors in the Company who have received payment of annual bonus in sums of up to the million Baht such as the case of Pol. Gen. Pongsapat Pongcharoen who, despite the fact that his position was periodical, he still received annual bonus in the amount of hundred thousands Baht. He, therefore, asked the Chairman to refrain from accepting his annual bonus to set a good example on anti-corruption activities for other state enterprises.

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The Chairman invited the next shareholder to express opinion.

Mr. Thanawut Saengkassanee, proxy, said that he was not concerned with this issue of meeting allowance and directors remuneration as the rates were still fixed at the same as those approved for the 2013 fiscal year but he has an issue to raise and objected against giving Company directors the 2013 annual bonus because he felt that the Company has suffered a loss of Baht 12,000 million. He also commented on the meeting invitation notice which provides that “the Company’s directors shall be granted with annual bonus calculated at the rate of 0.2% of net profit before exchange rate gain/loss of the consolidated financial statement”. As the Company’s performance had resulted in such a loss, he wondered if the Company’s directors would still be entitled to receive their annual bonus.

The Chairman invited the next shareholder to express opinion.

Mr. Uthit Hemawatthakit, shareholder, proposed that air ticket privilege and annual bonus for directors should be cancelled and to retain only directors remuneration and meeting allowance.

The Chairman invited Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Board to give an explanation on the issue raised by the shareholder.

Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Board explained that annual bonus paid to Company’s directors which appear in the Company’s financial statements are not the 2013 item but is payment of bonus out of 2012’s performance which is the year in which the Company was profitable. The reason why bonus payment out of 2012 performance appeared in 2013 financial statements is because the Company uses funds in its 2013 budget to pay out such bonus to the directors for the 2012 performance such that it is necessary to enter the items in the 2013 financial statement. Thus, when consideration is made on the same criteria, the Company which is not profitable in 2013 could not pay 2013 annual bonus to its directors. Consideration for approval of Agenda 6 is merely to determine remuneration for the Company’s Directors for next year, i.e. 2014 in which it has been set for Company directors to receive remuneration at the rate they have previously received.

Mr. Uthit Hemawatthakit, shareholder, commented that the Meeting should consider suspend payment of annual bonus to the Company’s directors.

Mr. Dheerasak Suwannayos, director, explained that criteria governing payment of annual bonus to Company directors are the same as those used in its calculation for payment of dividend to shareholders. In other words, payment will be made only when the Company has generated profit from its operation. As for criteria for which approval is being sought by the Company from its shareholders, it is characteristically an application for advance approval in case the Company is profitable such that when dividends are paid to shareholders, annual payment would, likewise have to be made to its directors as well. And, if the Company is not profitable, then annual bonus will not be made to Company directors pursuant to criteria approved by the Shareholders Meeting.

Mr. Uthit Hemawatthakit, shareholder, commented that at next year’s Shareholders Meeting, Company’s directors would be making the same excuse again.

(Translation)

Mr. Dheerasak Suwannayos, director, explained to the Meeting by confirming that annual bonus would be paid to directors only in the year for which it has generated profits out of its performance. And, where no profit had been generated, no annual bonus would be paid to Company's directors.

Mr. Uthit Hemwattakit, shareholder, proposed that the grant of privilege in the area of air ticket and annual bonus to the Company's directors be suspended and that only remuneration of directors and their meeting allowance be retained.

The Chairman thanked the shareholder and asked the next shareholder to express opinion.

Mr. Thanawut Saengkassanee, proxy, commented that contents in the Meeting Invitation Notice that "Company directors all receive annual bonus which will be calculated at the rate of 0.2% of net profit before exchange rate gain/loss of the consolidated financial statement" could mislead shareholders into understanding that even if the Company suffers a loss, Company directors would still receive their annual bonus. He would, therefore, ask that the said contents be revised as "... calculated at the rate of 0.2% of net profit before exchange rate profit out of the consolidated financial statement" by deleting the word "loss".

The Chairman accepted the shareholder's proposal for further consideration and asked the Meeting to vote on Agenda 6.

Mr. Uthit Hemwattakit, shareholder, raised an objection against the method of voting on Agenda 6 as that ballot card distributed to shareholders to vote on this item are not in line with what he has proposed to have privilege on air ticket and annual bonus for directors cancelled.

The Chairman invited the next shareholder to express opinion.

Mr. Somsak Manop, shareholder, raised a question over the conduct of the Company's Legal Board as the result of their giving an opinion concerning appointment of the Relation Affair Committee despite the fact that there are already legal rules in place. Or, even with rules in existence on any pertinent matter, the issue would be submitted for the consideration of the Legal Board regardless. As a result, there would be an additional meeting allowance of Baht 10,000 each to be paid by the Company. This has become a channel for the management to try and protect their performance through submission of these issues for the Legal Board's consideration which caused the Company to waste another 2-3 months of time before action could be taken on that particular issue. In particular, on the appointment of the Labor Relations Committee, since the Labour Relations Act, B.E. 2543 came into force in the past, the power has been vested in the President to appoint the Labor Relations Committee. However, the Company's Legal Board took the view that it would not be necessary to have the said committee appointed by the President which, indeed, is contradictory to the principles of truth because the person who would chair the said Labor Relations Committee would also be one member of the Board of Directors while the party appointing him/her was not the President. He would like to propose, therefore, that action by the Company's Legal Board be carried out appropriately only within the scope of authority for which its function had been duly defined.

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The Chairman stated that the Company would be holding a seminar for the Legal Board, Labor Relations Committee, Good Governance Committee and Audit Committee to discuss problem solving method and to ensure that the operation of each of the Company's working unit be carried out with flexibility. However, no meeting allowance will be paid to the participants of this meeting.

The Meeting resolved with votes of not less than two-thirds of the total number of shares held by shareholders present at the Meeting to approve criteria governing determination of directors' remuneration as explained by Mr. Kanit Sangsubhan, representative of the Chairman of the Nomination, Remuneration and Personnel Development Committee.

Votes cast by shareholders were as follows:

|                    |               |              |          |
|--------------------|---------------|--------------|----------|
| Affirmative votes: | 1,616,494,679 | representing | 99.2931% |
| Negative Votes:    | 10,893,511    | representing | 0.6694%  |
| Abstention:        | 609,474       | representing | 0.0375%  |

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

The Chairman assigned Mr. Athapol Yaisawang, Independent Director and Chairman of the Audit Committee to give a report on this Agenda

Mr. Athapol Yaisawang, Independent Director and Chairman of the Audit Committee, gave a report on the Company's information to the Shareholders Meeting that the Company is a state enterprise with the Office of the Auditor-General as its auditor pursuant to the Organic Act on Audit of Government Expenditures, B.E. 2542. The Office of the Auditor General does not have any relationship or vested interest with the operation of either the Company or those of its subsidiaries, management, major shareholders or any person inter-related to such entities. Moreover, the Office of the Auditor General is also the auditor for Thai Amadeus South East Asia Co., Ltd. and Thai Smile Airway Co., Ltd. which are the Company's subsidiaries as well as being a state enterprise. However, the Office of the Auditor-General has never acted in any way as an auditor for any other of the Company's subsidiary or associated company(ies) because other companies do not hold the status of state enterprises.

In 2013, the Office of the Auditor-General was the Company's auditor and was paid an annual auditing fee of Baht 2,500,000 and a fee of Baht 350,000 per quarter for its review of a total of three of the Company's quarterly financial statements. And now that the Office of the Auditor-General has come to the end of its term, it would be necessary now to appoint the auditor and determine the auditing fee for 2014. Notice has been given by the Office of the Auditor General on its annual auditing fee in 2014 of Baht 2,500,000 and Baht 350,000 per quarter for its review of three quarterly financial statements which are the same as those charged for last year.

The Audit Committee, at its Meeting No. 2/2557 on February 20, 2014, considered proposals from the Office of the Auditor-General which had been duly approved by the Company's Board of Directors to have them submitted to the Meeting of Shareholders for their consideration, as follows:

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1. Approval to appoint the Office of the Auditor-General as the Company's auditor for 2014.
2. Approval to set the Company's auditing fee for 2014 and the fee for quarterly review of its financial statements, i.e. annual auditing fee of Baht 2,500,000 and fee for review of three of its quarterly financial statements of Baht 350,000 per quarter.

Mr. Uthit Hemwatthakit, shareholder, informed the Chairman about voting in Agenda 6 re: Consideration of Directors Remuneration that he concurred with the Board only on Item 1 but disagreed with it in Items 2 and 3. Thus, he would make this proposal on the form of voting that the vote shall be casted in two ways, i.e. (1) concurring with the Board in the entirety, or (2) concurring only with Item 1.

The Chairman thanked the shareholder for his suggestion and asked to be allowed to proceed with what has already been prepared by the officers.

Mr. Uthit Hemwatthakit, shareholder, explained to the Chairman once again and asked the Chairman to accept and acknowledge proposals made by shareholders.

The Chairman thanked the shareholder and let other shareholders present their queries.

FS-1 Dumrong Waikhani, proxy, made additional suggestion concerning the Office of the Auditor-General's auditing work that other than auditing its books of accounts, he would also like it to carry out an audit on the Company's expending of its funds in another way as well.

The Chairman expressed his thanks for the shareholder's suggestion.

Mr. Prasert Lertyaso, shareholder, asked if it is the Office of the Auditor-General's direct duty to audit government funds and corruption in State entities even though it will be the certifier of the Company's accounts. Thus, if there was a case of dishonesty/malfeasance in the Company, who would be making a check on such activities like in the case of more than Baht 600 million, for example. He went on to say that in certifying such statements, it may be linked-up with the issue of fabricated accounts which had already been sent to the Stock Exchange for consideration and the auditor who had certified the Company's accounts may be held jointly liable with the Company's directors as well. Moreover, he made an additional suggestion that the Company should acquire an auditor from other sources duly authorized by the authorities to audit its account in lieu of the Office of the Auditor-General.

The Chairman assigned Mr. Athapol Yaisawang, Independent Director and Chairman of the Audit Committee to clarify this matter.

Mr. Athapol Yaisawang, Independent Director and Chairman of the Audit Committee, presented this explanation to the shareholders that under Laws in conjunction with the Constitution Governing Audit of Government Funds, B.E. 2542, it is the Office of the Auditor-General's duty to audit accounts of the state enterprises. In the Company's case, however, it holds two statuses at the same time. In other words, (1) it holds the status of a state enterprise and (2) a public company as well. Thus, as a state enterprise, its auditor must be the Office of the Auditor-General while, as a public company, its auditor may be

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selected by the Shareholders Meeting other than the Office of the Auditor-General. Normally, however, state enterprises would have the Office of the Auditor-General act as its auditor. It could contract another auditing firm to conduct the audit, albeit that it would have to incur increased expenses. Besides, the Office of the Auditor-General has the authority to carry out an audit at every stage. If facts transpire that an act of corruption has taken place, the Office of the Auditor-General could, likewise, take legal action on that too.

The Chairman thanked Mr. Athapol Yaisawang, Independent Director and Chairman of the Audit Committee, for his clarification.

Mr. Uthit Hemwatthakit, shareholder, stated to the Chairman that he would ask to have it duly recorded that there is one person who disagreed with the voting process.

The Chairman gave his permission for such to be recorded and further explained that a Committee has been appointed as the Personnel Development Committee with consideration to be given to Level 3 and Level 4 executives who are not currently Executive Vice Presidents (EVP) to be on the Committee. This is to give the Company's new generation a chance to present their lines of thought, opinion and build the Company's new corporate structure themselves. Qualified individuals both in the country and from overseas or highly-experienced people would be invited to give their advice with their academic experiences. He would personally contribute Baht 200,000 to open up a fund for this purpose so as to achieve the reorganization of the Company within six months as planned.

The Meeting resolved by majority votes of shareholders who were present and holding the right to vote to approve appointment of the Auditor as well as authorizing the auditing fee for 2014 as proposed by the Audit Committee.

Votes cast by shareholders were as follows:

|                    |               |              |          |
|--------------------|---------------|--------------|----------|
| Affirmative votes: | 1,627,399,419 | representing | 99.9633% |
| Negative Votes:    | 236,839       | representing | 0.0145%  |
| Abstention:        | 361,406       | representing | 0.0222%  |

**Agenda 8: Consideration of the cancellation of the outstanding amount for issuing and offering debentures under the existing scheme and to approve the new scheme for issuing and offering debentures in the amount not exceeding Baht 40,000 million within 5 years**

The Chairman made an opening statement on Agenda 8 re: consideration to cancel the remaining line to issue and offer for sale of existing debentures, and authorization for the Company to issue and offer debentures for sale within an aggregate line of not more than Baht 40,000 million within a period of five years by assigning the Vice President, Financial Accounting Department and acting Executive Vice President, Finance and Account to give a report on this Agenda.

Mr. Thongchai Singhakul, Vice President, Financial Accounting Department and acting Executive Vice President, Finance and Accounting, reported on the issue of debentures pursuant to the line authorized by shareholders in 2010 on April 28, 2010 with the resolution adopted by the 2010 General Meeting of Shareholders to issue the Company's debt instruments in the category of debentures within an aggregate line not exceeding Baht 40,000 million within a period of five years, i.e. 2010 through to 2015.

(Translation)

Action had been taken by the Company on eight occasions to make such issue and offer of the debentures for sale within the said period in the respective order, as follows:

|                 |                      |  |
|-----------------|----------------------|--|
| 1 <sup>st</sup> | on May 13, 2011      | within a line of Baht 8,000 million;     |
| 2 <sup>nd</sup> | on December 28, 2011 | within a line of Baht 2,000 million;     |
| 3 <sup>rd</sup> | on February 16, 2012 | within a line of Baht 3,000 million;     |
| 4 <sup>th</sup> | on March 23, 2012    | within a line of Baht 1,500 million;     |
| 5 <sup>th</sup> | on October 11, 2012  | within a line of Baht 7,000 million;     |
| 6 <sup>th</sup> | on May 16, 2013      | within a line of Baht 5,000 million;     |
| 7 <sup>th</sup> | on August 30, 2013   | within a line of Baht 4,000 million; and |
| 8 <sup>th</sup> | on February 7, 2014  | within a line of Baht 3,200 million.     |

Terms for these eight items of debentures are between five to ten years except for the 4<sup>th</sup> item which has a term of twelve years. The Company has now issued debentures for an aggregate line of Baht 33,700 million with a line of Baht 6,300 million left to-date to be issued up to April 27, 2015.

During the next five years, the Company will be requiring another lot of capital funds to repay debentures which are due for redemption and/or to be used to redeem the Company's debentures and/or invest in other assets and/or use as working capital in its operations.

It is necessary, therefore, for the Company to seek authorization for an increased line for the issue and offer for sale of debentures and/or debentures similar in characteristics to capital (debt instruments) within an aggregate line not exceeding Baht 40,000 million as a back-up line for the above purposes. In this respect, the remaining line of Baht 6,300 million authorized by the 2010 General Meeting of Shareholders shall be cancelled and to have the new line being effective as from the date approval is made by the 2014 General Meeting of Shareholders on this occasion.

After due consideration, it is the Board's opinion that action should be taken by the Shareholders Meeting as follows:

1. Authorization given to the Company to issue and offer debt instruments under the category of debentures and/or debentures with similar characteristics to capital to repay debentures which are due for redemption and/or to repay the Company's loans with higher financial costs and/or to invest in assets and used as working capital in its operations within a line not exceeding Baht 40,000 million within a period of five years from the date it receives authorization from the 2014 through to 2019 Annual General Meetings of Shareholders. Such debentures may be issued and offered for sale both in domestic and offshore markets and may be issued in the Baht currency and/or other equivalent currencies by using such exchange rates prevailing when such debentures are issued and offered for sale each time to ensure maximum interests for the Company and flexibility in its sourcing of funds as necessary and appropriate when conditions in the capital market are conducive. In this respect, the remaining line which has been approved by the General Meeting of Shareholders on April 28, 2013 shall be cancelled with effect from the date the 2014 General Meeting of Shareholders resolves to authorize a new line on this occasion.

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2. The Company's Board of Directors or the President in conjunction with the President, Finance and Accounting or person(s) assigned by the Company's Board of Directors or the President in conjunction with the President, Finance and Accounting, are duly authorized to carry out actions, as follows:
  - 2.1 Consider the determination of type, name and number to be offered for sale on each occasion, par value, selling price offered per unit, duration for such issue and offer for sale, method of allocation, method of offer, interest rates, age and other details in relation to the issue and offer for sale or redemption of the said debt instruments.
  - 2.2 Appoint Financial Advisor(s) and/or Advisor(s) and/or Securities Broker(s) for the purpose of issue and offer of the Company's debt instruments for sale, and/or domestic and overseas credit-rating institution(s) on the Company and/of the Company's securities, and/or financial institution(s) and/or other entities for the purpose of issuing and offering such debt instruments for sale.
  - 2.3 Contact, negotiate, sign, revise various agreements and/or documents including to contact, apply for, provide data, submit evidences and documents with the Office of the Stock and Exchange Commission and/or any other work units involving the issue and offer for sale of debt instruments as well as taking any other action in connection with or which are necessary for such issue and offer of debt instruments for sale.

The Chairman announced that voting has commenced on Agenda 8, and then asked Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance to provide information/name of the law firms and assigned Mr. Pandit Chanapai, Executive Vice President, Aviation Business Unit, to explain about rules governing those who work with ground vehicles which were questioned by shareholders in the preceding agenda.

Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance, explained about the dispute concerning interpretation of agreement on Southern Air's Navigation Fee of Baht 636 million as to which party would have to make this payment that this dispute has arisen in the United States and the law firm in charge of this case is Skadden, Arps, Slate, Meagher & Flom; law firm of the United States.

The Chairman invited Mr. Pandit Chanapai, Executive Vice President, Aviation Business Unit, to make an explanation on rules governing those who work with ground vehicles.

Mr. Pandit Chanapai, Executive Vice President, Aviation Business Unit, answered question raised by Mr. Surasit Sriprapha, shareholder by explaining that D2 Section, indeed, has employees who have reached their retirement age working there. But the reason they employed these people to work was because there was problem of staff shortage and it is felt that these people still have the capability to carry out work. At the moment, there are about eighteen of such employees and the Company is their direct employer. The good point to employ such employees is cost saving. Besides, they have received good training and their performance evaluation, while they were still our employees, were good with is no record of serious accidents, they are well qualified and must be of good health as well as

(Translation)

they have to go through medical check-ups in order to have the Airports Authority of Thailand's access cards issued.

Mr. Uthit Hemwattakit, shareholder, asked Mr. Pandit Chanapai, Executive Vice President, Aviation Business Unit, to answer the shareholder's doubt with clarity.

Mr. Surasit Sriprapha, shareholder, asked, for further clarification in the case of ground operations that there were great risks and dangers. Employees could die if an accident occurs. He then added that retired personnel employed for work by the Company are former supervisors of the current supervisors such that they would receive deferential treatment when it comes to ordering these retired personnel to work. In addition, he suggested that to reduce expenses in hiring personnel, young generations, who had graduated in the specific technical, equipment, electricity or mechanical areas, and those from Wing Span Services Ltd., which is the Company's subsidiary should be given promotion as these employees are young, with capabilities for work and their rates of remuneration are lower than those retired personnel contracted to work by the Company.

Miss Pornpilai Kosolprapha, proxy, asked the Chairman to tighten up the Meeting's time as it has taken quite a long time already and we still have not been through all Agenda listed in the Meeting Invitation Notice.

The Chairman announced that voting were to commence on Agenda 8.

Mr. Somsak Manop, shareholder, gave an additional explanation to the Company's Board that the line of thought to hire retired personnel back to work is a good thing for the Company albeit in actuality, the Company hired these retired employees at the rate of Baht 1,500 each who work only on three flights a day while Wingspan's staff are hired at the rate of not more than Baht 500 for each person and could carry out work all day. The Labour Union had already commented about this matter to the Company several times about hiring special labour which was alleged to have arisen as the result of not being able to procure labour, so that the Company applied Article 13 as an exception. And, once special hiring is made with outside sources, the contractor failed to procure the complete number of employees as required. Besides, when the Company knew that its contract with the external labour company would expire, D2 executives did not renew the contract but instead resorted to using the method of special recruitment once again. Furthermore, shareholders had already explained about labour problems on the current aircraft parking areas that soldiers from the Royal Thai Air Force are employed to work; there – they are using enlisted soldiers to work in the D2 Section aircraft parking area. He commented, therefore, as to why outsource labour were not employed, i.e. Wingspan's employees, so that they could gain work experience in work, and these are skilled labour which could lead to efficiency and effectiveness for the Company.

The Chairman accepted the shareholder's suggestion mentioned above and assigned the acting President to further explain on such issue. He then stated that he would make additional comments on some issues.

Mr. Thanawut Saengkassanee, proxy, asked about the Company's internal control system if there are any problems or not. He suggested that the Whistle-blower system be introduced for use in the Company. And, in the case of a shareholder asking the Board about the process of its application for shareholders' approval to offer the debentures for sale within an aggregate line of not more than Baht 40,000 million within five years– why

(Translation)

should the Company need to borrow this Baht 40,000 million as the ratio of the Company's liabilities to its assets is 80% while there is still this sum of Baht 6,300 million to repay. Besides, from the line of the previous loan approved in 2010, if the Company continues to borrow money for the line as stated in the Meeting Invitation Notice to repay its debentures which are due for redemption and/or to pay or its debentures with higher financial costs, the issue is this: what is the term of the Company's current debentures. The 2010 Shareholders Meeting approved a loan of Baht 40,000 million to have debentures issued within a period of five years by explaining that the minimum term of these debentures is twelve years. Thus, about this Baht 40,000 million sought by the Company under this application, repayment is not yet due for these debentures as yet. This has given rise to doubts as to why the Company would have to borrow another Baht 40,000 million

Mr. Sittichok Boonvanit, shareholder, queried that as the Company's debts are quite high, what must the Company's rating be for such issue of debentures because the Company's debt ratio is approximately 5 to 1. With an increase of its various debt burden, third parties may lose interest in the Company's shares. On this query by the preceding shareholder with the Financial Department that to have new debentures issued while the current ones are not yet due for redemption, the Company would not be able to repay them anyway. So, what approach does the Company have to handle its existing debentures and the issue of new ones?

Mr. Samart Pantang, proxy, explained to the Meeting that a part of the Company's profits came from the Catering Department and Ground Handling. As a Wingspan's employee, he personally felt that most of Wingspan employees are still working without stability in their career. It is his opinion that these people are the main force to generate profits and build up the quality for the Company, thus, he would like to ask the Company to look after the quality of subsistence for these employees as well.

Mr. Thongchai Singhakul, Vice President, Financial Accounting Department and acting Executive Vice President, Finance and Accounting, answered in response to shareholders' queries that a debenture would have an average term of approximately five to ten years except for one item, i.e. item 4 which is only for a mere sum of Baht 1,500 million which will be for a term of twelve years. Thus, if they are averaged out, they would be around five years. In addition, there would be:

Baht 3,720 million of debentures due for redemption in 2014;  
Baht 3,000 million of debentures due for redemption in 2015;  
Baht 4,300 million of debentures due for redemption in 2016;  
Baht 4,000 million of debentures due for redemption in 2017;  
Baht 9,250 million of debentures due for redemption in 2018; and  
Baht 4,600 million of debentures due for redemption in 2019.

Thus, the aggregate sum of debentures due for redemption between 2014 through to April 2019 amounts to the total of Baht 28,870 million while the Company has another sum of approximately Baht 10,000 million of loan in the Baht currency due for re-finance thereby making an aggregate total of Baht 38,870 million.

The Chairman assigned the Acting President to provide information concerning ground handling work force.

(Translation)

Mr. Thanawut Saengkassanee, proxy, commented on this Baht 40,000 million loan which could be obtained from domestic as well as offshore sources. Because of the country's economic conditions, interest rates, policy-wise, have not been adjusted for two to three times on the belief that interest rates according to Thailand's trends could be kept steady up to today. However, with expansion in the world's economic conditions, whether the Hamburger Crisis had improved or not, Europe's finances seemed to relax as well such that there is a chance for offshore interest rates to be higher than domestic rates too. He, therefore, requested the Board to have these facts for its further consideration.

The Chairman stated that he was now about to get into Agenda 9 and announce the results of votes on Agenda 8 re: Consideration to cancel the remaining line for the issue and offer for sale of existing debentures, and authorization for the Company to issue and offer debentures for sale within an aggregate line of not more than Baht 40,000 million within a period of five years.

The Meeting resolved by majority votes of not less than three-fourths of votes from shareholders who were present and holding the right to vote to approve cancellation of the remaining line for the issue and offer for sale of existing debentures, and authorization for the Company to issue and offer debentures for sale within an aggregate line of not more than Baht 40,000 million within a period of five years.

Votes cast by shareholders were as follows:

|                    |               |              |          |
|--------------------|---------------|--------------|----------|
| Affirmative votes: | 1,623,421,929 | representing | 99.7188% |
| Negative Votes:    | 3,938,610     | representing | 0.2420%  |
| Abstention:        | 637,125       | representing | 0.0392%  |

#### **Agenda 9: Consideration of election of Directors**

The Chairman asked Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Committee to submit the matter to the Meeting under Agenda 9 after which shareholders would be given the opportunity to raise their questions.

Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Committee explained that as Mr. Areepong Bhoocha-oom, Chairman of the Personnel Recruitment, Remuneration and Development Committee could not attend this Meeting, he would, therefore, proposed this item in lieu. He then mentioned Article 17 of the Company's Articles of Association, which states that one-third of the directors in the Board shall, at each annual general Meeting, retire from their posts or, if their number is not a multiple of three, then the number nearest to one-third shall retire from their posts. Directors to retire after the first and second years following the registration of the company shall be drawn by lots. For subsequent years, however, directors who have been longest in the office shall retire. Directors retiring at the end of their term may be selected back to their position again. This year, directors to retire at the end of their term are as follows:

1. Mr. Ampon Kittiampon
2. Mr. Chutinant Bhirom Bhakdi (resigned before the end of his term on March 1, 2014)
3. Mr. Dheerasak Suwannayos
4. Mr. Sutham Siritipsakorn

(Translation)

5. Mr. Sorajak Kasemsuvan (resigned before the end of his term on January 2, 2014)

Opportunities were given by the Company for shareholders to nominate individuals they considered appropriately qualified to be elected as members of the Board pursuant to criteria that have already been disclosed in the Company's website from September 27, 2013 to December 31, 2013 albeit the shareholders had made no such nomination to the Company. Thus, the Personnel Recruitment, Remuneration and Development Committee selected individuals who would appropriately be nominated as members of the Company's Board by their qualifications and suitability pursuant to the recruitment process by making their selection from individuals they consider to be qualified, with expertise in a variety of areas, with clean work records, far-sighted vision, endowed with Moral and Ethics, who enable to express their opinion independently, have discharged their duties well as directors in the past and holding appropriate qualifications. At the Meeting on February 21, 2014, the Personnel Recruitment, Remuneration and Development Committee, excluding directors with vested interests, have resolved to propose to the Company's Board of Directors and the 2014 General Annual Meeting of Shareholders to appoint five directors, as follows:

1. Mr. Ampon Kittiampon as director for another term.
2. Mr. Dheerasak Suwannayos as director for another term.
3. Mr. Sutham Siritipsakorn as director for another term.
4. Mr. Rungson Sriworasat as director to replace –  
Mr. Chutinant Bhirom Bhakdi
5. ACM Siwakiat Jayema as director to replace -  
Mr. Sorajak Kasemsuvan

Mr. Prasert Lertyaso, shareholder, asked about qualifications of the Recruitment Committee and commented that, at least, one shareholder should be appointed as the Committee to protect against malfeasance, problems about loss and personal connections and strings inside the organization. He was also concerned about the situation of the Ministry of Finance being its major shareholder as it could enable various resolutions to be adopted with ease at the Meeting. After this, he asked to nominate Sqn.Ldr. Thanit Promsatit for this selection to the Board as he is fully qualified under Article 7.3 of the Company's Articles of Association whereby the Company director must be a person who is well-versed in the areas of aviation. Furthermore, Sqn.Ldr. Thanit Promsatit did not have any conflicts of interest either as he did not hold the position of director in other organizations. In addition, he asked that the name of the Ministry of Finance's representative, who was attending this Meeting, is to be duly recorded as well.

Mrs. Chamsri Sukchotrat, shareholder, offered her suggestion on the Ministry of Finance's consideration to appoint Mr. Ampon Kittiampon for another term of office, as she was of the opinion that (1) severe objections had been raised against Mr. Ampon Kittiampon by the society as well as criticisms and comments from the mass media and employees, and (2) under the Securities and Exchange Act, the Company's Board must carry out its duty with responsibility, care and honesty, although Mr. Ampon Kittiampon, former Chairman, had discharged his duties with lack of care and responsibility by terminating Mr. Piyasvasti Amranand and the judgment had already been rendered by the Central Labour Court that such constitutes unfair termination. She also noted that, in the minutes of that Board Meeting concerning Mr. Piyasvasti Amranand's termination, nothing which indicate the opinion of the Board present at the Meeting appear in the minutes and an explanation was given to the Court as well that the tape which recorded the said Meeting

(Translation)

has been lost or destroyed. This, indeed, shows up the Company's lack of transparency and good governance as well as its ill-intention in terminating Mr. Piyasvasti Amranand's employment. Moreover, such termination has damaged the Company's reputation as shown in the case of Skytrax which refused to give any rating to the Company as the result of the good governance problem in case of termination of Mr. Piyasvasti Amranand's employment. She, therefore, felt that Mr. Ampon Kittiampon, as Chairman of the Company's Board of Directors as well as the Board at that time must be held accountable to enable the Company to proceed further its operations with the confidence of its investors, shareholders and the public which are the Company's owners. Moreover, she asked Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance for the reasons why there were no records of the Board's opinion on this subject of termination of Mr. Piyasvasti Amranand's employment and further commented that action should be taken by the Company to file an appeal to the court in every case to prevent the Company from suffering damages as well as problems of being accused of being in connivance with the litigating parties.

Furthermore, she commented on this matter of Thai Smiles that it should be made into the Company's subsidiary on a 100% basis and should not be listed in the Stock Exchange. She also asked the Company to consider the matter of using Don Muang Airport so as to have a market-share with its competitors which are low-cost airlines and, most particularly, vis-à-vis Thai Air Asia Airlines.

As for the issue concerning the Company's various cases of litigation, she suggested that the Company should use lawyers from its own Legal Department instead of contracting external legal advisors. She then raised this question concerning lawsuits against employees who have assembled together to make their demands on remuneration as to why this group of employees should be sued despite the fact that a committee has already been set up to investigate the fact that the Company has not suffered any damage whatsoever as the result of such activities. She then commented that the Company could, indeed, sue her alone before going on to the next subject of the use of this Whistle Blower concept for employees to file their grievances against unfair practices inside the Company, that this Whistle Blower concept has been used improperly by the Company.

The Chairman thanked everyone and invited the next shareholder to express opinion.

FS-1 Dumrong Waikhani, proxy, expressed his dissent and asked the Ministry of Finance's representative to exercise his judgment in selecting Mr. Ampon Kittiampon as a director for another term as the result of the exercise of his power to unduly terminate Mr. Piyasvasti Amranand. He then called for responsibility from the Board, save for the Chairman who has just assumed his post, on the case of Mr. Piyasvasti Amranand's termination, as he felt the Board should be responsible for the expenses incurred by the Company, at least Baht 1,800,000 for the lawyer's fee and another Baht 1 million of damages. He then compared the case with those of employees fired as the result of their taking old newspapers from aircraft that such action by the Board with the result of the Company having to make such payment of damages constitute acts that have, likewise, caused the Company to suffer damages in the same way. He, therefore, suggested that Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance, must take legal action against members in the Company's Board of Directors at that time. This demand is made from shareholders pursuant to what Mr. Niruj Maneepun has alleged that he has taken action against him based on a complaint from shareholders so that the same standards must

(Translation)

be adhered to. After that, he commented that the Company and its Management lack good governance.

Mr. Nikom Pakabunto, shareholder, asked if the Company would be appointing the President within this year or not, and if the President is appointed after the full Board of fifteen has been appointed, would directors in their positions at that time have to retire by means of lots or by what means. He suggested at the same time that only four directors should be appointed as of now to wait for the appointment of the President later on.

The Chairman expressed his thanks and permitted Mrs. Chamsri Sukchotrat, shareholder, to discuss further.

Mrs. Chamsri Sukchotrat, shareholder, supported Mr. Nikom Pakabunto's talk for only four directors to be appointed pending appointment of the President who would have to be a director later on. At the same time, she asked that the Ministry of Finance, as the major shareholder, exercises its discretion by not appointing Mr. Ampon Kittiampon back as a director, as well as asking any executive who is dissatisfied with her to sue her in a court by using his/her own money. She said that on March 26, 2014, the Management used the Meeting's resolution to file complaints with the Suthisarn Metropolitan Police Station to take action against her for bringing in loud speakers into the Company's compounds to chase off Mr. Ampon Kittiampon. She would like to compare this case of her bringing in loudspeakers into the Company with that of the People's Democratic Reform Committee (PDRC) bringing in their loud speakers for use in the same way. She asked that action be taken against PDRC in the same way as that taken against her. If the Company would not file a complaint with the police to take action against the PDRC then it should also withdraw its complaints already filed against her to show that it does not, indeed, have double standards.

The Chairman thanked her and invited the next shareholder to express opinion.

Mr. Thanawut Saengkassanee, proxy, commented about transparency in the recruitment process and discretionary power of the Recruitment Committee by expressing this opinion as follows: (1) Mr. Ampon Kittiampon does not have adequate capabilities as can be seen from the Company's performance last year, (2) Mr. Dheerasak Suwannayos is well-versed in the area of finance as he is Manager of the Islamic Bank of Thailand albeit that Mr. Areepong Bhoocha-oom is well-versed in this area of finance as well as he has received his doctorate degree in Finance from the University of Mississippi and was the former Permanent Secretary of Finance, (3) Mr. Sutham Siritipsakorn who is a director in the National Housing Board may not be useful to the Company, (4) Mr. Rangson Sriworasat is the Deputy Permanent Secretary of Finance and is a representative of the Company's major shareholder—and there may be problems of conflicts of interests while Mr. Areepong Bhoocha-oom is also a former Permanent Secretary of Finance such that there may be the issue of transparency, (5) ACM Siwakiat Jayema has work experience in the Royal Thai Air Force and should be able to use his knowledge and skills in the area of aviation and various aircraft for the benefit of the Company such that he felt that the number of four directors should not be conducive towards the Company's interests. Furthermore, he asked if it would be necessary for shareholders to select all five directors at the same time and asked for explanation about directors who were not present at the Shareholders Meeting today as well.

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Mr. Uthit Hemwatthakit, shareholder, asked the Chairman to check the quorum and to close the Meeting if there is none.

The Chairman invited the next shareholder to express opinion.

Mr. Nuttapon Taweewiboonsup, shareholder, proposed that the Company's major shareholder shall make a sacrifice by refraining from voting in the Company's general Meetings of shareholders in subsequent years for the sake of corporate transparency and to build up confidence among its investors.

The Chairman invited the next shareholder to express opinion.

Mr. Somsak Manop, shareholder, said that the Ministry of Finance's representative should already be aware of incidents, which have arisen inside the Company, in relations to Mr. Ampon Kittiampon and should already know that Thai Airways Labour Union and employees have filed their objection in writing to the Ministry of Finance to against Mr. Ampon Kittiampon being appointed to resume his post as the Company's director once again. In addition, Company employees had tried to drive him off on several occasions. He suggested that Mr. Ampon Kittiampon should follow the example of the Prime Minister of the Republic of Korea, who resigned to show her sense of responsibility over the tragedy of the capsized ferry. He added that on March 21<sup>st</sup> past, Company's employees were very delighted to hear his announcement to resign as the Company's Chairman but this delight turned to disappointment when Mr. Ampon Kittiampon announced that even though he has resigned as the Company's Chairman, he would still remain a director in the Company. During the morning session, other shareholders had already talked about this issue by saying that Mr. Ampon Kittiampon's resignation as the Chairman is made merely to evade criticisms against his performance which made the Company suffered a loss. He commented that Mr. Chairman, who is the new Company Chairman, should not have to take this task of giving explanation to shareholders in the Meeting because it should be Mr. Ampon Kittiampon's duty. Furthermore, he remarked as to why it was necessary for Mr. Ampon Kittiampon to resign as the Company's Chairman before this Annual General Meeting of Shareholders and that, besides being the Company's Chairman, Mr. Ampon Kittiampon held the position of Chairman of Thai Smiles' Board as well. He considered the action that appointing the Chairman of the Company, who is the founder of Thai Smiles as Thai Smiles' Chairman, was the inappropriate action. He continued that in 2008 when he was a member of the Labour Union, Mr. Ampon Kittiampon stepped in to become the Company's Chairman while the Executive Vice President, Personnel and Compliance (DB) has just become the Company's employee. He started working for the Company in 1990 by resigning from the Royal Thai Air Force to work here and this is the 23<sup>rd</sup> year of his employment here. He would like to refer to what was said by a shareholder during the morning session today that there is no one who loves Thai Airways more than employees who have been working in Thai Airways for twenty or thirty years and that a person who has been in Thai Airways for only five or six years like Mr. Ampon Kittiampon who held the position as the Company's Chairman in 2009 did not have Thai Airways blood yet, such that what follows is disturbances which arise as the result of disunity among employees and the Board separating into factions. At this Meeting, shareholders hope that the Chairman who is taking up this new position here would improve the Company for the better. As for this arrangement for a seminar to be held on "Getting through Thai Airways crisis, who sets its path for survival", hopes are set that to get through the crisis and make the Company survive would depend on the love and unity of Thai Airways employees. He then continued that, Thai Airways rose up to drive out Mr. Ampon Kittiampon because its

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employees felt that his being there as the Company's Chairman had caused the Company to suffer a loss of as much as over Baht 12,000 million and that if this is another company, there would have already been a show of more sense of responsibility than this. He felt, therefore, that Mr. Ampon Kittiampon should personally show a sense of responsibility for such events and reminded that Mr. Ampon Kittiampon had said in an interview that he has been driven off by employees several times but confirmed that he would not resign from his post. On this subject, it is his understanding that the reason why Mr. Ampon Kittiampon could not be driven off from his post is because he currently holds the position of Advisor to the Prime Minister. Thus, he would like to leave this message with the Ministry of Finance that if, in Agenda 9, Mr. Ampon Kittiampon is elected back as the Company's director, Company employees would rise up to drive Mr. Ampon Kittiampon off again. He would, therefore, urge the Ministry of Finance's representative to walk out of the Meeting without casting a vote on this Agenda and let minority shareholders cast their votes to select the five directors themselves.

The Chairman summarized that he would allow discussions to go on for another period before going back to Agenda 9 and 10.

Mr. Suvit Bopanich, proxy, commented that since Thai Airways Plc's incorporation in August 1959 and its forthcoming 55<sup>th</sup> anniversary this May, there did not appear to be any other Meeting with such an ominous atmosphere inside the Company like this one. He continued that to elect Company's directors under this Agenda 9, votes from minority shareholders are not likely to win against those of one single person who comes from the Ministry of Finance in view of the fact that the Ministry of Finance holds more than 51% of shares in the Company's entire shares. He would, therefore, like to talk about his feeling of attending this Meeting that there is no good governance in the Company which leads to a drop in its revenue to the point that he is not sure that, besides this celebration of the Company's 55<sup>th</sup> Anniversary of its failure in the next four months, there would be another 56<sup>th</sup> or 57<sup>th</sup> Anniversary celebrations again or not. And, from what he has observed during these seven hours today, he learned that voting on a variety of issues in the Agenda had never been along the line of true votes by shareholders actually present at the Meeting. One thing which we can see is attempts of shareholders to suggest that bonus for directors should not be approved albeit it was explained by the Chairman that action has already been taken on the matter. Furthermore, if he has to attend the Meeting as a proxy in any subsequent years, he would have to study the Meeting's minutes much more than this to express an opinion in order to see what of its strong points and weak points are presented by the Company to the public. Throughout discussions which had taken place during the last seven hours, there was no mention even of the reason for the loss suffered by the Company if they were caused by employees, service users, namely the general public, Company shareholders or its directors. And, there was no explicit explanation for this loss of Baht 12,000 million whether such has been caused by a mistake of the implementation of the policy. Moreover, he suggested that comments made by shareholders be recorded clearly in minutes of the Meeting such that shareholders would, in subsequent years, be informed as to what opinion was made on comments they had made to the fifteen Board members and he believed that opinion expressed today on major issues would be raised for consideration at the next Board Meeting in the interest of the Company. And, even though the Chairman has just assumed his post, directors on the Board are nevertheless the same set such that he hoped to see action taken further by the Company in the interest of the Nation and not in the interest of any particular family or groups of individuals only.

(Translation)

The Chairman invited the next shareholder to express opinion.

Miss Pasita Nananukool, proxy, asked the Chairman on the request to have the quorum verified if such is in good order or not and, if so, she would propose that the votes on Agenda 9 shall be casted, while other issues be taken up for discussion under the next agenda.

Mr. Norranit Silaket, proxy, concurred with Miss Pasita Nananukool and suggested that the duration for voting should be clearly determined.

The Chairman stated that voting on Agenda 9 would commence after two more shareholders have had their say.

Mr. Uthit Hemwatthakit, shareholder, said that voting would be a waste of time if there were no quorum for the Meeting.

The Chairman invited two more shareholders to express opinion.

Sqn. Ldr. Thanit Promsatit, shareholder, stated that he currently holds 1,550 shares in the Company which the Company gave him while he was under its employ and that he has been exercising his rights as a shareholder throughout. In this Meeting, he reiterated that Thai Airways is a company without good governance and is deceiving the Stock Exchange 100%. The reason why the Company does not have good governance is because its high-level executives have been subjecting their subordinates to harassments throughout. He raised an example that even himself, as a captain, had been under inappropriate attacks by people in the positions of Vice President and Executive Vice Presidents. If bosses treat their subordinates with malice like this, he asked that how can the Company remain safe. And, it is still found even today that, a head of pilot in a higher position does not treat pilots with fairness as can be seen from numerous lawsuits between the Company and pilots which have caused damages. He would, therefore, make this emphasis that if such malicious/unfair acts continue, whether in the case of the Executive Vice President, or in the case of Captain Montree Jumriang which everyone knows the story and know its subsequence. But now, that the Company has a pilot as its Chairman, he himself, with the spirits of a pilot would know full well the extent of a pilot's responsibility. He would, therefore, like to suggest that the Company have a department in which complaints could be filed against employees in the positions of Vice Presidents and Executive Vice Presidents as none of such department was found in the Company and is something he had always been fighting for. He then reiterated that the Company lacks good governance; there were employees who came to ask for his help when they were treated maliciously and he considered such activities were not right when compares employees who have been working for the good of the Company throughout and executives who have just stepped in for a few days but instead used the authority of their positions to treat employees maliciously. He would like it to be known that every employee has the knowledge and capability to fight against these issues but it will be the Company which suffers damages and the Company's shares will not increased in value. The Company will soon suffered damages if he just takes this issue up to complain with the International Civil Aviation Organization (ICAO).

Mr. Norranit Silaket, proxy, challenged that such issue is an issue which should be taken up for discussion under Agenda 10 and suggested that consideration be made first on Agenda 9 so as not to waste time.

(Translation)

Sqn.Ldr. Thanit Promsatit, shareholder, stated that the issue he was discussing now is, indeed, under Agenda 9 and then explained further about election of members to be the Company's Board of Directors that good people without any problems should be selected and not just to elect anyone whatsoever. Moreover, on the issue that the Ministry of Finance was a shareholder, but the Ministry of Transport conducted as the Governor of the Company's employees, he could not understand which department was the Company's real Manager, whether it is the Royal Thai Air Force, the Ministry of Finance or the Ministry of Transport. He finally commented that work units which came from the political sector have always been cheating and corrupting throughout and if problems like this happen in the Company vis-à-vis its employees, he would, indeed, join with Company employees to fight against the Company Board of Directors' evil.

The Chairman stated that after the next shareholder has expressed opinion, as another shareholder had been nominated by shareholders as a director, he would ask the legal advisor to give an explanation regarding such issue.

Mr. Sangtawan Rojvongpaisarn, proxy, stated that he did not want to have news presenting the negative aspect of the Company more than this, whether such is in the case of loss or other negative news because such presentation would have an impact on its corporate image. He, therefore, proposed that consideration of this Agenda 9 be postponed for the time being before electing new directors, since he felt that problems would definitely crop up if directors nominated today are elected to carry out their duties.

The Chairman invited the legal advisor to give an explanation to shareholders on the case that one shareholder being nominated by shareholders for the selection of directors.

Mrs. Kulakanist Khamsirivatchara, Legal Advisor, Siam Premier International Co., Ltd., clarified that whether the person holding the post of a Company director shall be qualified and eligible as prescribed by the law and the Company's Articles of Association. Advance opportunities had been given by the Company for shareholders to nominate individual(s) of their choice, in order that the Company could monitor their qualifications and relevant documentations which would be presented to this Meeting. However, as an individual has just been nominated by shareholders today to be selected as a new director without submitting pertinent documents required for verification of his qualifications, the appointment of such a person, therefore, will be subject to this condition that there will be a subsequent check on his various qualifications and if the Company found that the aforementioned selected person did not hold proper qualifications, he may not assume the post of a Company director. And, appointment of directors shall, by virtue of Article 16 of the Company's Articles of Association, be based on majority votes with individuals receiving the highest votes counted respectively downwards to be elected as Company directors in the number to be elected on this occasion, which are five. In conclusion, six individuals will be subject to this election process, but only five of them will be elected to Board as Directors.

Mr. Uthit Hemwattakit, shareholder, asked the Chairman to clarify his proposal about counting the current quorum, if that there was a quorum for this Meeting or not.

The Chairman explained that the quorum has already been counted by Company officers and the aggregate number of shares represent more than one-third of the shares that have been distributed thereby forming the quorum, pursuant to the Company's Articles of Association. He then invited the next shareholder to express opinion.

(Translation)

Mr. Uthit Hemwattakit, shareholder, asked the Chairman for an additional explanation as to how many shareholders represent this number of more than one-third shares and said that he would personally be walking around to count the number of shareholders himself.

The Chairman invited Mr. Uthit Hemwattakit, shareholder, to walk around to count the number of shareholders as requested and then invited the next shareholder to express opinion.

Mr. Somsak Manop, shareholder, said that the structure of the Company's Board of Directors must also include the President. It can be seen that the Company is currently in the process of recruiting the President, such that if five directors are selected at this Meeting, when this number is added to the current Board of ten, the total would be fifteen which shows that the President who is the employees' director will not have a seat in the Company's Board which, indeed, is not correct. This problem had arisen during Mr. Pisit Kusalasaiyanond's era when he was forced out of his Director position under political impact, in order that the Government could appoint an individual on its side to be the Company's director without having the President as one member of the Board. He then added that to have the President who is a high-level and direct supervisor not sitting on the Board would, indeed, cause problems pertaining to communications between employees and their supervisors because every problem will be brought up for discussion and for solution by the Company's Board of Directors. When the President who is the employees' direct employer and supervisor did not sit in the Company's Board of Directors, how the problems could be solved. He asked, therefore, that this issue shall be duly considered by the Chairman. And, in view of the fact that there are shareholders present in this Meeting to form the quorum, if shareholders would like to see their Company as an entity with any prosperity, he suggested all minority shareholders to walk out of this Meeting to leave only the Ministry of Finance here, and let them go ahead with whatever action they wish if they do not want to listen to the opinion concerning things which could happen to the Company.

Mr. Tanapol Hannoraseth, proxy, asked the Chairman to proceed to the stage of voting on the Agenda 9 in view of the fact that ample opportunities had been given for discussions on this topic.

The Chairman invited the next shareholder to express opinion concisely.

Mrs. Chamsri Sukchotrat, shareholder, asked that who was the Ministry of Finance's representative in this Meeting.

The Chairman explained that Mr. Pitaya Uthaisang is the Ministry of Finance's representative, who has the right to either identify himself or not to the Meeting.

Mrs. Chamsri Sukchotrat, raised query to Mr. Pitaya Uthaisang as to why Mr. Ampon Kittiampon was chosen to be the Company's Director and added that, currently, other shareholders had already discussed this issue that the four individuals on the nominated list are all fully qualified and are not in conflict with the Company, albeit that objections were raised by shareholders against having Mr. Ampon Kittiampon as a director so that the Ministry of Finance, as the major shareholder which had nominated him must, for the sake of transparency, be able to explain the reasons. She would ask only for one seat for the Company's DD in the future, whether that would be at all possible. And she made this emphasis by sending this question to the Ministry of Finance's representative once again as to why, the Ministry of Finance, as the major shareholder, could not explain its

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reasons to the Meeting. If so, she asked that how the Meeting could record such reasons in its minutes. She felt that there must be reasons for every decision because every vote from shareholders should be meaningful at Shareholders Meetings; otherwise, why shareholders should be making their investment at all.

The Chairman apologized to the shareholder and explained that he was not entitled to force the Ministry of Finance's representative to give any reason as it is not set out to be within the Chairman's duty and power. He then asked for votes to be cast on this Agenda 9.

Mrs. Chamsri Sukchotrat, shareholder, asked the Chairman again as to how this issue would be recorded in the minutes. Or, would it be recorded that this was asked by a shareholder but no answer was given by the Ministry of Finance.

The Chairman explained to the Meeting that minutes of the Meeting would be recorded pursuant to facts.

Mrs. Chamsri Sukchotrat, shareholder, suggested to have it recorded in the minutes that the Ministry of Finance did not give an answer on this issue.

The Chairman announced that it is now opened for ballots to be submitted on Agenda 9 and that in the meantime, he would give a chance for shareholders in the next order to make additional discussions as appropriate.

Mr. Prasert Lertyaso, shareholder, raised his objection that it should not be opened as yet for ballots to be submitted by citing reasons concerning the number of shareholders in the Meeting and the Ministry of Finance's action which was not transparent and if the Chairman did not agree with his opinion and did not disclose facts, he would consider that the Chairman has a part to make this concealment of facts as well. He then gave a warning that such act would constitute an offence under Section 157 because the Chairman was still a government official. Thus, he suggested that the Agenda 9 be postponed and be taken up for consideration in another one to three months time. He agreed with the Labour Union's opinion that Mr. Ampon Kittiampon was, indeed, a person with problems which could be noticed from the time he was the Bank of Thailand's Chairman and the Cabinet Secretary. And, currently, when the Cabinet Meeting was held, there were disturbances in the country. He asked, therefore, that consideration of Agenda 9 be postponed for the time being and that discussions proceed to Agenda 10 before ending off the Meeting today.

The Chairman explained that he has already opened for votes to be cast on Agenda 9 and then announced that the latest information obtained from checks made indicate that we could, indeed, proceed further with the Meeting as there were shares in excess of one-third of the total number of shares already distributed and more than twenty-five shareholders present in the Meeting, such that he would ask shareholders to please proceed with their voting.

Mr. Somsak Manop, shareholder, compared this Meeting to the Meeting of the Parliament where minority MPs were meaningless, nevertheless, there were many reasons. Currently, the Ministry of Finance, as the Company's major shareholder, could take any action without having to listen to the voice of dissent. However, when problems arose, it would have an impact on the Company and he did not want to see this Company become the same as Thailand in which one person could cause damages to the country. He added that he has been a Thai Airways employee for more than 20 years and definitely loves Thai

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Airways more than Mr. Ampon Kittiampon who has just stepped into the Company four or five years ago and that he was ready to make a sacrifice and protect the Company's interests which are the nation's treasure. He had resigned from the Forces in order to work with the Company and has been a part in building it up to its prosperity and has been observing damages which have arisen. He concluded that Mr. Ampon Kittiampon becoming the Company's Chairman was the reason for the Company's loss. That was why he stood up to put forth a real protest as he did not want to see the Company suffer damages because the Company is, indeed, the Nation's treasure. It is a national airline and the pride of Thai citizens. However, as employees had made their requests which were not heeded, all that one could do was to let the Company and employees go on suffering from damages. He, however, admired Mr. Ampon Kittiampon for his management of the Company to the point of suffering a loss and yet able to return to be its director again. He then expressed his admiration on the spirits of minority shareholders who have made their feelings about the major shareholder known in the like manner as that minority in the House of Parliament which must make a stand vis-à-vis majority votes.

The Chairman confirmed to the Meeting that every issue here would be recorded and action taken in every way to ensure that the Company, under the co-operation of employees and executives, could step forward and be the national airline which could stand its ground firmly. He then gave the opportunity for the next shareholder to express opinion.

Mr. Thanawut Saengkassanee, proxy, asked about election of directors that, under this Agenda, the Recruitment Committee had nominated five individuals for such appointment as listed. However, one shareholder had nominated another shareholder during the course of the meeting and it was clarified by the Legal Counsel that the Company would have to first check on that individual's qualifications and if it transpired later that he was not duly qualified, he would be ineligible to become a director. He would, therefore, like to know if shareholders would have to vote for the new nominee or not. If so, he asked that which method should be used and whether they have to vote in the ballot for director reserved 1, 2 and 3.

The Chairman explained that this issue has already been explained by the Legal Counsel and then assigned the Meeting Secretary to explain about details at the next step before giving an opportunity to the next shareholder to express opinion.

Mr. Sikarin Anilbol, proxy, asked the Personnel Recruitment, Remuneration and Development Committee concerning the process of recruitment of members to the Company's Board of Directors in view of the fact that many objections had been raised against Mr. Ampon Kittiampon. He was confident that every director in the Company, including the Chairman, would have been in the Meeting which had adopted the resolution and approved the nomination of Mr. Ampon Kittiampon as the Company's director in the preceding meeting taken place in February 21, 2014.

The Chairman explained that after the process of election is explained by the Meeting Secretary, he would ask Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Committee, to further explain about the issue raised by the shareholder concerning the recruitment of Company's directors.

Mrs. Suvimol Bualerd, Vice President, Corporate Secretariat Department and the Meeting secretary explained to the Meeting that, for voting on the five directors, votes shall be made in the ballots according to the name listed on each. For voting on the other

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individual nominated by shareholders in the 6<sup>th</sup> item, i.e. Sqn. Ldr. Thanit Promsatit, shareholders are to vote in the ballot prepared by the Company and to specify the name of Sqn. Ldr. Thanit Promsatit in the ballot for director reserved one which was given to every shareholder on the Meeting's registration

The Chairman invited Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Committee, to give an additional explanation to the Meeting.

Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Committee, explained that on the issue concerning recruitment of Company Directors, in principle, when there is a vacancy in the Board, a list of individuals suitable to take on the post would be selected based on their knowledge, experience and expertise to ensure that the Board consists of appropriate components. The rules are, one: at least one-third of the total number of the Board, or at least three, shall be Independent Directors, and the second one, it must be verified that at least one third of individuals appointed are listed in the List of Board of Directors for State Enterprises prepared by the Ministry of Finance. Moreover, the Board shall, in line with the Ministry of Finance's rules, consist of at least one director who is well-versed in finance and accounting as well. Further, consideration will then be made by the Board, after the list of nominations had been submitted by the Company.

On the issue concerning each director's qualifications, he would like to give these examples. Mr. Dheerasak Suwannayos is a financial expert. Mr. Areepong Bhoocha-oom is, indeed, well-versed in the preparation of budgets, plans and particularly corporate structure and currently holds a post in the Office of the Civil Service Development Committee (Gor Por Ror) as well. Mr. Sutham Siritipsakorn, on the other hand, was an architect and has been helping in the supervision of work of design and is experienced in designing premises in relations to airlines as well. As for Mr. Rungson Sriworasat, his current position was that of the Permanent Secretary of Finance. Mr. Ampon Kittiampon, on the other hand, used to hold the position of the Board Chairman while the last person, ACM Siwakiat Jayema was an Air Force officer who was, indeed, well-versed in areas of aircraft and maintenance and during this period, he has been assisting and stepping into supervise and monitor the efficiency of the Technical Department (DT) as well.

Mr. Surasit Sriprapha, shareholder, asked the Chairman to explain about the list of the Personnel Recruitment, Remuneration and Development Committee.

The Chairman gradually closed off voting on Agenda 9 and then asked the Meeting to proceed with the next agenda.

The Meeting resolved by majority votes of shareholders, attending the Meeting and eligible to cast the vote, to approve the appointment of five directors in lieu of Company Directors who have either retired at the end of their term or resigned, as follows:

1. Mr. Ampon Kittiampon

|                             |               |              |          |
|-----------------------------|---------------|--------------|----------|
| Affirmative votes:          | 1,593,360,988 | representing | 97.8724% |
| Negative Votes:             | 13,365,270    | representing | 0.8210%  |
| Abstention:                 | 5,579,901     | representing | 0.3427%  |
| Non-exercised voting right: | 15,691,505    | representing | 0.9639%  |

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|----|-----------------------------|---------------|--------------|----------|
| 2. | Mr. Dheerasak Suwannayos    |               |              |          |
|    | Affirmative votes:          | 1,599,373,602 | representing | 98.2418% |
|    | Negative Votes:             | 11,304,673    | representing | 0.6944%  |
|    | Abstention:                 | 1,167,134     | representing | 0.0717%  |
|    | Non-exercised voting right: | 16,152,255    | representing | 0.9922%  |
| 3. | Mr. Sutham Siritipsakorn    |               |              |          |
|    | Affirmative votes:          | 1,589,301,054 | representing | 97.6231% |
|    | Negative Votes:             | 16,345,856    | representing | 1.0040%  |
|    | Abstention:                 | 6,181,266     | representing | 0.3797%  |
|    | Non-exercised voting right: | 16,169,488    | representing | 0.9932%  |
| 4. | Mr. Rungson Sriworasat      |               |              |          |
|    | Affirmative votes:          | 1,600,629,480 | representing | 98.3189% |
|    | Negative Votes:             | 503,505       | representing | 0.0309%  |
|    | Abstention:                 | 6,185,033     | representing | 0.3799%  |
|    | Non-exercised voting right: | 20,679,646    | representing | 1.2703%  |
| 5. | ACM Siwakiat Jayema         |               |              |          |
|    | Affirmative votes:          | 1,600,667,621 | representing | 98.3212% |
|    | Negative Votes:             | 453,105       | representing | 0.0278%  |
|    | Abstention:                 | 6,171,434     | representing | 0.3791%  |
|    | Non-exercised voting right: | 20,705,504    | representing | 1.2718%  |
| 6. | Sqn. Ldr. Thanit Promsatit  |               |              |          |
|    | Affirmative votes:          | 1,290,661     | representing | 0.0793%  |
|    | Negative Votes:             | 1,114,200,704 | representing | 68.4399% |
|    | Abstention:                 | 46,630,559    | representing | 2.8643%  |
|    | Non-exercised voting right: | 465,875,740   | representing | 28.6165% |

Therefore, the Board of Directors consists of fifteen members as follow:

|     |                             |               |
|-----|-----------------------------|---------------|
| 1.  | ACM Prajin Juntong          | Chairman      |
| 2.  | Mr. Areepong Bhoocha-oom    | Vice Chairman |
| 3.  | Mr. Kanit Sangsubhan        | Director      |
| 4.  | Mr. Pongpanu Svetarundra    | Director      |
| 5.  | Mr. Weerawong Chittmitrapap | Director      |
| 6.  | ACM Satitpong Sukvimol      | Director      |
| 7.  | Mr. Somchai Siriwatanachoke | Director      |
| 8.  | ACM M.L. Suprija Kamalasana | Director      |
| 9.  | Pol. Gen. Adul Sangsingkeo  | Director      |
| 10. | Mr. Athapol Yaisawang       | Director      |
| 11. | Mr. Ampon Kittiampon        | Director      |

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- |     |                          |          |
|-----|--------------------------|----------|
| 12. | Mr. Dheerasak Suwannayos | Director |
| 13. | Mr. Sutham Siritipsakorn | Director |
| 14. | Mr. Rungson Sriworasat   | Director |
| 15. | ACM Siwakiat Jayema      | Director |

**Agenda 10: Other Business**

The Chairman permitted shareholders to commence with their explanation or queries on Agenda 10.

Mr. Surasit Sriprapha, shareholder, stated that he has not as yet received a response from the Company's Management or the Legal Department on this issue as to who would take the responsibility for any case of accident ensuing from work performed by retired employees hired by the Company including soldiers who are not the Company's employees.

Mr. Nikom Pakabunto, shareholder, stated that under Agenda 9, he has asked and has not as yet received an answer concerning this issue that if the Meeting have selected the five directors to the Board and two months later the Company has a new President stepping in, would a director then retire by lots or what would be the next course of action. Or, would the President not have to hold the position of a Company director. He would, therefore, like to raise the issue under this Agenda 10 and to ask further that, according to details in the 2013 Annual Report, in the Financial Statement in item 5.12 on page 131 re: non-current assets held pending sale that, their value in 2012 was Baht 7,430 million consisting of 18 aircraft. Subsequently, in 2013, this value dropped to Baht 7,196 million which he well understood that it would depreciate once again at the end of 2014. The issue he would like to ask, however, is about the price of Baht 7,196 million which constitute assets of these 18 aircraft pending sale. In the beginning of discussions, it was stated that the results of loss from impairment of 11 aircraft amount to Baht 5,912 million albeit these 18 aircraft instead have the value of Baht 7,196 million when they are evaluated. He would, therefore, like to ask that for how much the Company would be selling these aircraft if there are buyers for them this year. The next issue concerns Remark 2 in page 140 which explained that the Company has not as yet used the new accounting standards despite the fact that almost all of several listed companies have already brought these new standards for use. In practice, these companies would have to turn back to adjust the 2012 figures for comparisons between 2012 and 2013. If the Company started to use the new accounting standards next year, it would have to adjust this year's figures for comparison at the end of the year Thus, the method of assets evaluation could be an issue to arise as to which method would be used for market analysis as this is an issue in the new accounting standards. There is, therefore, this point to ponder that at the end of the year if the Company can sell off the aircraft, would its shareholders receive payment of dividends or not. This is raised now to get an answer on the said matter as well.

Mr. Sittichok Boonvanit, shareholder, thanked the Chairman and shareholders present in today's Meeting and sought to ask and comment on the following matters. Namely (1), can the nominated directors or every director hold shares in the Company or not. If not, why. But, if they could hold shares, he would suggest that they do so such that if the Company is not profitable in any year and cannot make dividend payments, the directors would come to realize as to why the Company has not managed its affairs well. Because as shareholders, they would be like the Company's owners as well and, as

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directors, they would be its Management too. Thus, they should run the Company to be profitable such that he would propose that Company Directors hold shares in the Company too. Or, it could be switched to holding shares in N-Park by swapping the Company's shares with those of N-Park on the one-to-one basis. (2) On this subject of tender for the Company's garbage bags in which there will be cutleries, plates, steak knives in them too, all of these are valuable property and the Company's property just like the case of government property in which anyone found to have them under his/her possession, or to buy or sell them, would be considered to have committed a crime. Thus, to prevent the Company's assets from leaking outside and is detrimental to the corporate image, he would ask as to who was the party that initiated the issue of tender for garbage bags, and (3) this concern the issue already raised above which is the case of people taking the Company's life saving jackets which are considered the Company's property back with them and this has become a subsequent social issue as to why they must be taken out. He learned that the Company has given an answer that this is a minor issue. However, he knows about aviation rules that if an aircraft plunges into the water, there must be life-saving jacket attached to every passenger seat. Thus, in the case where there are no such life-saving jackets, the Company may be subjected to a fine or remand by the Federal Aviation Administration (FAA) and government authorities. And, in the case of the Company's property being lost tremendously each year albeit the Company considers that a trivial matter, if the Company's aircraft falls into the water and it is necessary to use these apparatus, what action would be taken by the Company to solve this problem.

The Chairman assigned the acting President to answer the above issue after which he asked Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Committee to answer next.

Mr. Chokchai Panyayong, Senior Executive Vice President, Corporate Strategy and Sustainable Development and acting President, gave an explanation on each issue, as follows:

1. It is Wingspan Services Limited's target to build up confidence for the Company with regards to personnel to carry out work in the airport area whether such is an Outsource or Out Job company. Besides, there is still shortage of workers particularly in the Suvannabhumi Airport as there are several qualifications required for personnel who could work there the first of which is that they must be of Thai nationality and secondly, have passed through criminal records clearance checks. This, in conjunction with travel-limitations all of which have an impact on the operations of every company in that area such that one can notice announcements to recruit a large number of workers at the Suvannabhumi Airport. On this issue about taking the Royal Air Force's soldiers for work here, he would like to explain that the Company has made an agreement of co-operation with the Royal Thai Air Force for a long time and for periods in which it faced a variety of problems particularly during the shut-down or opening of airports when the Company always received good co-operation from the Royal Thai Air Force.
2. On the issue of Company good governance raised by Captain Thanit Promsatit, he would like to explain that anyone receiving unfair treatment could, indeed, file his/her complaints with the Management and that he has been conducting these throughout in the past. For example, when a complaint is sent in against an executive, he would always put it through the

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process of consideration and facts initially investigated during this course. If any prima facie ground is discovered on the case, it would go through the next step of setting up an Investigation Committee. It is the Company's target to ensure that all employees at every level in its organization receive the same treatment as far as this issue of good governance is concerned.

3. On this question of debt structure raised by shareholders, he would explain that, in the course of management of the Company's entire liabilities of approximately Baht 170,000 – 180,000 million for the period stretching from last year to this year, half of all of these debts have arisen from the Company's procurement of air transportation vehicles or aircraft which comprise approximately 25 – 30% of debentures on all of such liabilities. There is an average loan life for debentures of about five, seven or ten years most of which would be around five years because of the rather low interest rate as rates of returns are high for debentures with very long term.

Next issue is exchange rates for currencies obtained by the Company under a loan. Consideration is made by the Company based on the currency in which it will have to make payment for aircraft as agreed upon in the U.S. currency. However, as far as the swap rate is concerned, consideration will be made by the Company as follows: first, management of revenue consisting of a variety of currencies: the first action to be taken by the Company is by the method of Natural Hedging, that is trying to ensure that whatever expenses incurred which are necessary for the Company are made in the same currency as that which it will earn in its revenue so as not to incur costs from exchanging the currencies to and fro. For instance, if the Company buys products from Europe, it will try to negotiate the contract in the Euro Dollar exchange rate. Thus, if the Company sells passenger tickets in the Euro dollars, it can make further payments without having to exchange the currency or be at risks with exchange rates which may arise in the future. This is the method used by the Company in its operation whether such is in the Yen, Euro, Australian or other currencies for which the Company takes in its revenue from about 50 currencies. Secondly, consideration made pursuant to interest rates in each country and for each currency, i.e. there may low interest rates for loans in the Yen currency albeit there may be risks on exchange fluctuations which are quite sensitive. However, the Company is willing to accept any advice on this subject of debts structure from shareholders to support its further consideration.

4. On this question raised by Mr. Surasit Sriprapha, shareholder, he would like to explain that for every Company employee, either on the current payroll or those who have retired, assistance is provided by the Company in case of accidents under two sections. The first is insurance coverage taken out with insurance company(s) to alleviate the Company's expenses within the insured parameters and the second part is, even if it is not contained within the insured parameters like an accident last year when an employee in the Technical Department lost his life, discussions were made by the Company and payment of indemnification made to his family members. Thus, he would like to state that if any incident should materialize, the Company has always shown its responsibility throughout.

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5. On the issue raised by shareholders about the Company's revenue which is lower this year than the preceding year, he would like to explain that as Nok Airlines Plc's revenue were incorporated into last year's accounts as well, there would be approximately Baht 201,000 million left in the 2012 revenue if Nok Air's revenue were lifted out. This year, however, the Company's revenue is Baht 206,336 million. If one looks at page 184, one can see that the Company has separated the items specifically into the Company's income and that which has arisen as the result of consolidation with Nok Air's revenue. This year, Nok Air's revenue is not included such that the revenue shown pertains specifically to the Company's only. When this is compared with the operating results in the specific portion for the Company, one can see that its revenue this year has grown by about Baht 4,952 million over the preceding year.

As for requests by shareholders for an analysis of business factors to ascertain the reason why the Company has suffered a loss and by what means it would compete with third parties in 2014, he would be giving an explanation on this at the next stage.

The Chairman made an additional explanation on Agenda 9 that during the time ACM Siwakiat Jayema was nominated as a director; he was holding the rank of an Air Marshal and has just received the Royal Command to be an Air Chief Marshal on April 1, 2014.

Mr. Surasit Sriprapha, shareholder, asked to be allowed to ask a question via the Chairman to Mr. Chokchai Panyayong, Senior Executive Vice President, Corporate Strategy & Sustainable Development and acting President who has already explained that, in any case of accident which happened involving retired employees, the Company has shown its responsibility by citing the case of an employee in the Technical Department who was crushed to death last year by an air-craft pushing vehicle for which negotiations had to be made for assistance. However, the acting President did not explain that the cause for that employee to be crushed to death by that aircraft-pushing vehicle comes from the Management's negligence/carelessness in view of the fact that to drive an aircraft-pushing vehicle, there must be an assistant to help looking at a variety of scenes albeit in that accident there did not appear to be any assistant. Subsequently, when errors arose, driver of the said aircraft-pushing vehicle was sued without the Company providing any assistance for lawyer's fees in any way. At the same, a lawsuit was entered in Hat Yai where an executive revised an employee's appraisal form which is considered a forgery of documents in that an employee's performance is appraised in his/her presence with the said employee required to sign personally in his/her presence. However, once that employee left, the executive changed the said document which was subsequently discovered by the employee such that a complaint was filed with the police for legal action to be taken accordingly and lawsuit entered in court. During the course of such litigation, the said employee submitted a request for the Company to help him/her with the lawyer's fee but the Company turned to help the executive who forged the documents in lieu. He, therefore, does not feel that the Company has taken action under the rule of good governance in any way. Besides, when the said employee retires, s/he would have only a certain sum of money left without any other income. The Company has no security whatsoever for its employees. He then alleged that the insurance company refused to make payment despite the fact that the Company could, indeed, have solved the problem in a variety of ways for

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example, set up a fund, etc. This is another matter on which the acting President has given incorrect information to the Meeting.

The next issue concerns what the acting President has said that an investigation committee would be set up pursuant to the Company's procedure in a case of complaint filed against an executive and that if facts show that there is prima facie ground, it would proceed to the disciplinary procedure pursuant to the Company's rules on disciplinary process, Part 2. But, in this case of Mrs. Chuda Dhanabhumi, Vice President, Human Resources Department (DI) being accused of malpractice by using the remaining funds from salary increments in the DI Department to give to only two of her close colleagues while the said remaining funds would normally have to be shared out among everyone such that the salaries of these two employees exceeded the limit set by the Company. Subsequently, when complaints were filed, a committee was set up to investigate facts and indicated that there is, indeed, ground for it. How come then that a disciplinary committee has not been set up for investigation up to now as the matter was sent instead to the Legal Department when there is no provision/rule for such action to be done that when facts turn out that a prima facie ground does, indeed, exist the matter must be sent to the Legal Committee. He would, therefore, ask that the acting President take this matter back for re-consideration and to issue his order to set up a disciplinary committee to further deliberate on Mrs. Chuda Dhanabhumi's offence.

On to the next issue according to the Company's rules, when an employee is discharged from work, s/he will receive a certain sum of money and if s/he resumes work again, that sum must be first refunded. Other employees who have resumed work must all comply with this rule albeit he has learned that there were five employees who had been discharged from work who are very close to the acting President and that when they came back to work, they did not make any refund to the Company in any way for an aggregate sum to the tune of ten millions of Baht albeit they were allowed to have money deducted out of their salaries every month. He would, therefore, like to ask as to what privileges these five employees held and where the rules in the Company which provides for such exemption are.

Next, one employee was fired from the Company because s/he was caught to have used Code 41 assigned for use in the Company's interests albeit s/he used that Code 41 instead at Poipet for over 40 times such that the issue was sent by the Customs Department to the Company's Management when Mr. Piyasvasti Amranand was its President (DD) who run the Company in a straightforward manner. That employee was investigated both on facts and disciplines. After that process, the Appellate Committee sets up this condition that (1) s/he shall be demoted by one level, (2) Baht 1,700,000 s/he has received from the Provident Fund must be refunded to the Company first before s/he would get an ID Card to resume work. It transpired that on the last date, i.e. September 24, 2012, that employee refunded the money in the morning with a cashier taking that money in good order. However, on the same day, an executive in the position of a Vice President called a Meeting of employees in the Financial Unit by asking for help for that employee as s/he has no money and to make a call on the Co-operative because the said employee owes Baht 4 million to the Company's Co-operative with an agreement that if any employee is in debt but subsequently acquires funds from the Provident Fund, s/he must use that payment to repay the debts at the Co-operative of Baht 1,700,000 first and having the remaining Baht 2,300,000 under his/her further responsibility. When it is provided in the agreement that before coming back to work, this Baht 1,700,000 must be first refunded, it transpired that in

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the morning of September 24, 2012, refunded the Provident Fund in good order albeit in the afternoon of the same day, s/he returned to make a call in writing on the Company's Co-operative to seek a refund of Baht 1,700,000. He learned of this matter as he was Chairman of the Debts Monitoring Committee in the Company's Co-operative and in the past, the Company's Co-operative had never made a refund on that ground to any employee. If an employee wishes to get a refund, s/he would have to proceed to obtain another loan. What ensued was that on September 27, 2012, the Company deducted this sum of Baht 1,700,000 which is to be submitted to the Co-operative and then have it credited back into the bank account of that employee on October 5, 2012. This matter shows up, indeed, that there is no sense of justice and good governance in the Company because its Management is biased (works with double standards) and that, at this juncture, this case is still in the court's proceedings. It is not the Co-operative's intention to take any legal action against any one but just to reach a compromise through the Court to get back only the principal and interests because this sum of Baht 1,700,000 deducted by the Company belongs to a total of 25,000 employees at the rate of Baht 26 each. This matter is submitted in order to obtain an answer for that issue as well.

The Chairman explained additionally on this subject concerning the agreement reached between the Royal Thai Air Force that it is a co-operation in a variety of areas, be they in aviation support, flight safety, scientific institution and various training including support in any case of work force shortages. However, for the RTAF's personnel to be used by the Company as help in their ground work sector, action will be taken by the Company to have them trained by expert trainers. Preliminarily, however, every one must hold the driving license and must go through a training course for drivers of that particular type of vehicles again. This agreement is made under an MOU which will be made regularly every year.

Sqn. Ldr. Thanit Promsatit, shareholder, stated that if the Management is, indeed, sincere in its determination to make a check among member of the Management itself, any order or rules issued should be clear. When he was working here he remember that Flt.Lt. Kanok Thongpurk (Vice President, Personnel Development and Training Department) had issued several orders which are just like scraps of paper; they are valueless as far as work is concerned because they are only orders issued on an ad hoc basis and not orders issued with any materiality as they should be. He would like, therefore, to leave this message that, up to now for as long as five years, he has not seen any work unit in the Company which carried out any work to monitor and check on executives who have committed malfeasances. On the contrary, if it is an employee or captain who is not in the executive level who has made a mistake, however minor, there would be problems. He would leave this matter for the Executive Vice President, Operations' consideration because, in points of fact, when a dispute arises between a supervisor and his subordinate and a committee is set up for investigation, it turned out instead that the complainant's own work unit is brought in as a member of the investigative committee as well like in the case of a captain having an issue with the Head Captain, when that Head Captain was appointed as a member of the investigative committee as well which has created unfairness. If there is a work unit for these issues which truly understands the matter of good governance, the investigative committee be set up to pinpoint fault on the supervisor who has committed an offence must be a special work unit which could keep a monitor on a variety of affairs. He would like to refer only to aviation units as he has throughout known of their problems. He suggested that the Management have a work unit in place to look after this matter objectively and with good governance. In particular, Mr. Chairman who is himself a pilot should

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understand fellow-pilots better than people from other work sectors and it would be even better if arrangements on this could be prepared by the Company in a documentary form or in a clear-cut format.

The Chairman assigned Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Committee to give further explanation.

Mr. Kanit Sangsubhan, Independent Director and Chairman of the Executive Committee gave an additional explanation on two issues. The first concerns the Personnel Recruitment, Remuneration and Development Committee. He would like to say here that this Committee consists of Mr. Areepong Bhoocha-oom as its Chairman, ACM Satitpong Sukvimol as the Vice Chairman with directors consisting of Mr. Sutham Siritipsakorn, Mr. Chokchai Panyayong, acting President and he himself (Mr. Kanit Sangsubhan) and Mr. Niruj Maneepun, Executive Vice President, Human Resources and Compliance as secretary. The second issue concerns the holding of shares. According to legal principles and relevant rules pertaining to state enterprises, there is a ban against directors holding shares in the Company and after the Company has made a check on this, it does not appear that there is any Company director who is the Company's shareholders in any way.

The Chairman stated that questions on some issues are rather detailed and entails a search for additional information such that it might not be possible to answer all of the shareholders' questions. He thanked the shareholders. However, the secretariat personnel had already recorded these data in good order and action would be taken by the Company to send its explanation to shareholders in due course.

The issue of good governance, he would like to say that this matter has already been studied for better understanding of the subject. And, by listening to information from the Labour Union's representatives, from Wingspan as well as from employees from the various sectors, he would like to say here that the Company would try its best to ensure that management of the Company be made pursuant to the rules of good governance as much as possible particularly on this subject of adhering to rules and regulations, transparency, corruption-free or to eliminate as much corruption as possible including the principles of participation from every parties particularly its employees and executives at every level who must play an effective role over management of the Company's affairs.

The issue left by a shareholder that the results of the Meeting of Shareholders today are of significance. He would accept this proposal and bring all data/information for analysis to bring them into the process of consideration by the Board, both large and small committees, to have them further synthesized into direction and trends towards problem solutions. Action will be taken to correspond with the timeframe scheduling that has been planned on the subject of setting out strategies and organizational re-structure.

As for suggestion made by Mr. Nuttapon Taweewiboonsup, shareholder, the Board has already accepted his suggestion and would implement it accordingly. He would like to say here that he would let time prove out himself to show shareholders the results of further management.

The Chairman then questioned if there should be any further queries on Agenda 10 or not. There being none, the Chairman reiterated again that he would discharge his duty to the best of his ability to rehabilitate the Company along the direction submitted under Agenda 1 with the Management and employees from every sector playing a part in driving

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the Company forward as much as possible. He would accept proposals made by every shareholder for implementation with the quickest possible speed and to every one's utmost satisfaction.

There being no other matter to be considered or acknowledged by the Meeting, the Chairman declared the Meeting ended and thanked personnel from every sector who had made arrangements for the Meeting and thanked every shareholder and executive who attended the Meeting and participated in the discussions today.

**The Meeting was adjourned at 22.45 hrs.**

(signed) *Pitak Nakabhat*  
(Sub Lt. Pitak Nakabhat)  
Director, Corporate Secretariat Office Department  
Minutes keeper

(signed) *Suvimol Bualerd*  
(Mrs. Suvimol Bualerd)  
Vice President, Corporate Secretariat Department  
The Meeting's Secretary

(signed) *Chokchai Panyayong*  
(Mr. Chokchai Panyayong)  
Senior Executive Vice President, Corporate Strategy & Sustainable  
Development and Acting President

(signed) *ACM Prajin Juntong*  
(Prajin Juntong)  
Chairman of the Board of Directors  
The Meeting's Chairman