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**Minutes of the 2017 Annual General Shareholders' Meeting  
of Thai Airways International Public Company Limited  
on Friday, 21 April 2017  
at Chaiyaphruek Room, Air Force Convention Hall (Thongyai Building)  
Paholyothin Road, Saimai District, Bangkok**

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Shareholders Present:

- |   |  |
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| 1. The Ministry of Finance<br>(Represented by Mrs. Nutteewan Siemangern, proxy) | holding 1,113,931,061 shares           |
| 2. Other 1,023 shareholders   | holding 503,596,394 shares             |
| Totaling 1,024 shareholders present   | holding 1,617,527,455 shares in total. |

**The Meeting commenced at 13.45 hrs.**

Mr. Areepong Bhoocha-oom, Chairman of the Board of Directors and Independent Director presiding over the Meeting as the chairman of the meeting (the “**Chairman**”) with other members of the Board of Directors, various committees and the Management Executives being present at the Meeting, as follows:

Board of Directors and Committees:

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|------------------------------------|---|
| 1. Mr. Areepong Bhoocha-oom        | Chairman and Independent Director   |
| 2. ACM Treetod Sonjance            | Vice Chairman, Independent Director, and<br>Chairman of Corporate Governance and Social<br>Responsibility Committee |
| 3. Mr. Rathapol Bhakdibhumi        | Independent Director and Member of Audit<br>Committee   |
| 4. Mrs. Pratana Mongkolkul         | Director  |
| 5. Pol. Gen. Chakthip Chaijinda    | Independent Director  |
| 6. Mr. Weerawong Chittmitrapap     | Independent Director and Chairman of Audit<br>Committee   |
| 7. Mr. Kanit Sangsubhan            | Independent Director and Chairman of the<br>Executive Board   |
| 8. Mr. Somchai Sujjapongse         | Chairman of Nomination and Remuneration<br>Committee  |
| 9. Mr. Peraphon Thawornsupacharoen | Director  |
| 10. Mr. Somkiat Sirichatchai       | Independent Director and Member of Audit<br>Committee   |

Management Executives:

- |                                 |   |
|---------------------------------|---|
| 1. Mrs. Usanee Sangsingkeo      | Executive Vice President of Aviation Business<br>Unit and Acting President  |
| 2. Flt. Lt. Montree Jumrieng    | Executive Vice President, Corporate Strategy<br>and Sustainable Development |
| 3. Mr. Teerapol Chotichanapibal | Executive Vice President, Commercial  |
| 4. Mr. Danuj Bunnag             | Advisor to the President  |
| 5. Mr. Niruj Maneepun           | Advisor to the President  |
| 6. Flt. Lt. Kanok Thongpurk     | Executive Vice President, Human Resources<br>and Compliance                 |

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|------------------------------------|--|
| 7. Mr. Narongchai Wongthanavimok   | Executive Vice President, Finance and Accounting                                     |
| 8. Flt. Lt. Werasak Wiroonpetch    | Executive Vice President, Operations   |
| 9. Flg. Off. Somboon Limwathnapong | Executive Vice President, Technical Department                                       |
| 10. Mrs. Suvimol Bualerd           | Senior Vice President, Corporate Secretariat Department                              |
| 11. Mr. Pichait Riengvattanasuk    | Vice President, Risk Management Department   |
| 12. Mr. Woranate Laprabang         | Vice President, Office of the President  |
| 13. Mr. Krittaphon Chantalitanon   | Vice President, Alliances and Commercial Strategy Department                         |
| 14. Mr. Wiwat Piyawiroj            | Assistant Executive Vice President, Commercial                                       |
| 15. Mr. Viroj Sirihorachai         | Acting Vice President, Revenue Management and Commercial Services Department         |
| 16. Mr. Chutintorn Srisittikum     | Assistant Executive Vice President, Commercial                                       |
| 17. Mr. Chai Eamsiri               | Vice President, Petroleum, Corporate Insurance and Aviation Environmental Department |
| 18. Flt. Lt. Pratana Patanasiri    | Vice President, Aviation Safety, Security and Standards Department                   |
| 19. Mr. Somnerk Thumrongthammavong | Vice President, Office of the Internal Audit   |
| 20. Mrs. Varangkana Luerojvong     | Managing Director, Catering Department   |
| 21. Plt. Off. Panom Chotichong     | Vice President, Technical Support Department   |
| 22. Sqn. Ldr. Pongtorn Thepkanjana | Vice President, Flight Operations Department   |
| 23. Mr. Griangsak Sakruangngam     | Managing Director, Ground Equipment Services Department                              |
| 24. Mrs. Narinee Padungrat         | Vice President, Information Technology Services Department                           |
| 25. Mr. Dumrongchai Sawangchareon  | Managing Director, Cargo and Mail Commercial Department                              |
| 26. Mr. Chaiyong Ratanapaisalsuk   | Vice President, Network and Fleet Management Department                              |
| 27. Mrs. Pranee Chandracherd       | Vice President, Business Development and Corporate Strategy Department               |
| 28. Mr. Arichai Numlamun           | Vice President, Comptroller Department   |
| 29. Ms. Piyanee Sungtong           | Vice President, Management Accounting and MIS Department                             |
| 30. Mr. Bryan Ernest Banton        | Vice President, Sales Department   |

Representatives from the Office of the Auditor General of Thailand as the Company's auditor to observe the voting process:

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|-----------------------------|--|
| 1. Mrs. Nipaporn Punyanon   | Director of Financial Audit Office No. 4 |
| 2. Miss Sunita Charoensilp  | State Audit Senior Expert                |
| 3. Miss Nittaya Daengsamran | State Audit Expert                       |

Volunteer shareholders as members of the vote-counting committee:

1. Mr. Phuthai Klinjan
2. Mr. Dumrongsak Puangsri
3. Mr. Thongchai Phongsavaleeratana

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The Chairman welcomed all shareholders to the 2017 Annual General Meeting of Shareholders of the Company and thanked them for their time to attend the Meeting today. Then, the Chairman asked Mrs. Suvimol Bualerd, Senior Vice President, Corporate Secretariat Department to act as the Secretary of the Meeting and to inform the Meeting on the quorum, information of shares number and the shareholders of the Company.

Mrs. Suvimol Bualerd, Senior Vice President, Corporate Secretariat Department, reported the information on the holding of the 2017 Annual General Meeting of Shareholders. According to Article 34 of the Company's Articles of Association, at least 25 shareholders and their proxies, or at least one-half of the total shareholders holding an aggregate of at least one-third of the total shares issued shall form a quorum of a meeting of shareholders. As at 23 March 2017, the Company's registered capital comprised 2,698,900,950 shares of Baht 10 each, the total value was Baht 26,989,009,500, the paid-up capital was 2,182,771,917 shares of Baht 10 each, the total value was Baht 21,827,719,170. Currently, 1,024 shareholders and their proxies, attended the Meeting, representing total 1,617,527,455 shares or 74.10% of the total shareholders. At present, there were 110,715 total shareholders of the Company, holding total 2,182,771,917 shares, thus forming a quorum in accordance with the Company's Articles of Association.

The Chairman declared the Meeting open and introduced the directors, chairman of committees and the management executives present at the Meeting to the Meeting.

Mrs. Usanee Sangsingkeo, Executive Vice President, Aviation Business Unit and Acting President, introduced the management executives, then, she asked the Chairman to state about the rules governing the Meeting.

The Chairman explained, before the Meeting was proceeded according to the meeting agenda, about the rules governing the Meeting that, in the Meeting, there were the rules governing the Meeting that the Meeting must be in accordance with the prescribed meeting agenda. In order to comply with good practice, any action must be taken according to the agendas in case any agenda required the voting. In addition, in order that the shareholders would acknowledge the voting process and the counting of votes of various agendas, the Chairman asked Mrs. Suvimol Bualerd, Senior Vice President, Corporate Secretariat Department acting as the Secretary of the Meeting to further inform the shareholders.

Mrs. Suvimol Bualerd, Senior Vice President, Corporate Secretariat Department informed the Meeting that, in the 2017 Annual General Meeting of Shareholders, in order to promote the corporate governance regarding the protection of the shareholders' rights and equality, the Company had given the shareholders an opportunity to propose any issue to be put on the meeting agenda as well as to nominate any qualified persons as the Company's directors at the 2017 Annual General Meeting of Shareholders beforehand, with the rules, criteria and procedures as shown on the Company's website ([www.thaiairways.com](http://www.thaiairways.com)) from 21 October 2016 to 31 December 2016 and in Kaohoon Daily Newspaper during 25-27 October 2016 and in Prachachat Business Newspaper dated 27 October 2016. As no shareholder had nominated any person for nomination or any issue to be put on the meeting agenda beforehand, therefore, there would be 8 issues on the meeting agenda at this 2017 Annual General Meeting of Shareholders, as detailed in the Invitation to the Meeting already sent to all shareholders. Before considering each issue on the meeting agenda, the shareholders were to familiarize themselves with the rules for Meeting, as follows:

Rules governing the Meeting:

Article 36 of the Company's Articles of Association stated that "the chairman of a shareholders' meeting has the duties to ensure that the meeting is carried out in accordance with the Company's Articles of Association on the meetings. In this regard, the chairman of a shareholders' meeting shall conduct the meeting in compliance with the order of business given in the notice of the meeting, except the Meeting resolves to change the order of business upon an affirmative vote of not less than two-thirds of the number of shareholders present at the meeting." Besides, in order for the Meeting to be smooth and uninterrupted, all shareholders present were asked to refrain from using cell phones and communications devices of all kinds as well as from making any audio/visual recording of the Meeting.

Discussion:

Any person wishing to voice his/her opinion at the Meeting was to wait behind the microphone stand provided by the Company. When permitted by the chairman of the meeting, that person was to:

- state his/her name;
- state his/her status (either as shareholder or proxy).

Then, that person was to discuss the relevant issue on the agenda. If more than one shareholder wanted to have a voice in any issue, other shareholders wishing to have a voice were to wait for the chairman of the meeting's permission behind the provided microphone stand. After the preceding shareholder finished his/her discussion, the shareholders who had not yet asked questions or express opinions would be given priority. The discussion had to be on the issue or relevant to the issue at hand and not be redundant or repetitive with other shareholders' content. The shareholders should discuss in a polite manner and avoid words that might give rise to criminal offences or infringements of the civil rights of others. In order to control the Meeting time, each shareholder was to discuss not over 5 minutes and the chairman may limit the number of questions asked by the shareholders for each issue on the agenda as necessary.

Voting:

In order for the Meeting to be precise and not taking too much of the shareholders' time, the Company set out the voting procedures as follows:

1. Each share shall be counted as one vote, and the resolution of the Meeting required majority votes of shareholders present at the Meeting and had the right of voting. In case of tie of vote, the chairman of the meeting shall have an additional vote to cast the vote. With regard to the count of votes in general agenda, the vote shall be recorded from the ballots of negative votes and abstention, the remaining ballots shall be deemed the affirmative votes. Accordingly, any shareholder who did not send the ballot, the Company would deem that such shareholder approves or agrees in such agenda, except for the case of Agenda 7 where all ballots would be collected. The votes shall be divided as affirmative votes, negative votes, abstention and the remaining ballots shall be deemed as the shareholder did not send his/her ballots.
2. The voting in case of proxy, the proxy shall cast the vote as specified by the principal in the proxy instrument only.
3. In case where any shareholder has any special interest in any matter, such shareholder is prohibited to cast the vote on such matter. Moreover, the chairman

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of the meeting may ask such shareholder or proxy to temporarily leave the Meeting room.

4. In case such shareholder or proxy intends to leave before the Meeting is adjourned, he/she must return all ballots to the Company's officer or the provided ballot box.

After the Chairman declares the closing of ballot collection and during the wait for the vote count, the Chairman would, to save time, immediately proceed to the next agenda. Once the vote count was completed, the Chairman would announce the results of the vote to the Meeting.

Counting of Votes and Announcement of the Results of the Vote:

In the case of Agenda 3, 4, 6 and 7

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

In the case of Agenda 5: To consider the Directors' Remuneration

A resolution would be adopted by an affirmative vote of at least two-thirds of the shareholders present at the Meeting.

In the case of Agenda 7: To consider the election of Directors

Every shareholder and proxy present who voted for or against or abstained from voting would hand in his/her ballot to the Company's officer. The Chairman would have the ballots collected according to each nominated person. A resolution for Agenda 7 would be adopted by a majority vote of the shareholders present at the Meeting and have the right to vote.

Invalidity of Votes:

A vote would be invalid if:

- it was cast in the ballot inconsistent with the agenda on which that vote was cast.
- the relevant ballot handed in to the Company's officer for the vote count was left blank.
- the relevant ballot was so damaged that the voter's intention was not clear.

At this Meeting, the Office of the Auditor General of Thailand, which was the Company's auditor, sent its representatives to attend the Meeting and observe the voting process, namely:

1. Mrs. Nipaporn Punyanon Director of Financial Audit Office No. 4
2. Ms. Sunita Charoensilp State Audit Senior Expert
3. Ms. Nittaya Daengsamran State Audit Expert

Then, the Chairman was invited to proceed the Meeting in accordance with the meeting agenda.

Mr. Wisut Sahachatmanop, shareholder, stated that the Company's Secretary explained on Clause 2 regarding the voting that, if any shareholder did not cast the vote, it shall be deemed that such shareholder cast the affirmative vote on such agenda. He had an opinion that it was unlawful.

The Chairman stated that he acknowledged the issue and he would further ask the legal advisor to give explanation to the shareholders.

Mr. Wisut Sahachatmanop, shareholder, stated that, according to Article 37 of the Company's Articles of Association, it clearly stipulated that, in case where any shareholder proposed to postpone the agenda, the Chairman must consider and ask the annual general meeting of shareholders whether to postpone the agenda or not.

Sqn. Ldr. Jessada Niyompatthama, shareholder, stated that in the previous year's annual general meeting of shareholders, he filed the legal case asking the court to pass the judgement to revoke the resolution of annual general meeting of shareholders. Because, in the previous year's annual general meeting of shareholders, there was unlawful action of the meeting.

The Chairman stated that there would be an explanation on such issue later.

Mr. Monchai Rabruentaweasuk, shareholder, stated that among 8 agendas, there was no agenda to approve the minutes of the 2016 Annual General Meeting of Shareholders. In addition, there were no minutes of annual general meeting of shareholders in the meeting agendas. He further stated that, he received the letter from the Company's Secretary in previous year where the Chairman sent his statements in the minutes of 2016 Annual General Meeting of Shareholders in order for him to revise. In such letter, it was evident at the end of the letter that, the minutes of the meeting sent to the discussant for the revision would not be approved by the annual general meeting of shareholders. He objected that such principle was wrong as when the minutes of meeting was sent to shareholders for revision, the Company should report it to the Company's shareholders. He would like the Chairman to explain on this issue as it is an important issue. As in the previous year, he clearly explained on the efficiency of Rolls-Royces engines, incomplete cycles, and higher maintenance costs.

The Chairman acknowledged such issue and appointed the Company's legal advisor to explain further.

Mr. Kraisa Kadkum, legal advisor, explained that the Invitation Letter to the annual general meeting of shareholders of this year did not stipulate an agenda on approval of the Minutes of the 2016 Annual General Meeting of Shareholders, because the Company would like to run the Meeting in order to save time for the shareholders to take advantage of asking questions according to the determined agendas. In addition, according to the Company's Articles of Association, Article 39, it is not specified that in the annual general meeting of shareholders, the agenda of approval of the minutes of annual general meeting of shareholders in the previous year is required. Moreover, the related laws, including the Public Limited Company Act B.E. 2535 (1992), Securities and Exchange Act B.E. 2535 (1992) and other laws do not specify that in the shareholders' meeting or in the annual general meeting of shareholders require an agenda on approval of the minutes of annual general meeting of shareholders of the previous year. However, in order to give opportunities to shareholders to review the operation of the annual general meeting of shareholders and resolutions of the previous meeting, the Company already conducted the minutes of the 2016 Annual General Meeting of Shareholders, and published it on the Company's website. There were the shareholders making suggestions and recommendations on the record of the minutes of

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meeting to the Company, and the Company already made relevant revisions in accordance with the shareholders' suggestions and recommendations.

Sqn. Ldr. Jessada Niyompatthama, shareholder, stated that he has constantly pursued the annual general meetings of shareholders. In the 2015 Annual General Meeting of Shareholders, there were a total of 47 questions from shareholders of which the Company could answer 7 questions, gave 17 evasive answers, and did not answer 29 questions. In the 2016 Annual General Meeting of Shareholders, there were a total of 68 questions from shareholders of which the Company could answer 17 questions, did not answer 39 questions, and gave evasive answers to 12 questions. In addition, prior to the 2016 Annual General Meeting of Shareholders, he submitted 5 letters to the Company with a total of 17 questions in order to ask such questions at such meeting. Nevertheless, it was evident that the Chairman explained that the Chairman had already read all questions and he did not need to provide additional explanation. But it was evident that the Company answered only half of questions by giving evasive and untrue answers. After the 2016 Annual General Meeting of Shareholders was finished, the Company sent him a copy of the minutes of the 2016 Annual General Meeting of Shareholders for revision. He made revisions and sent 5 revisions to the Company by email. However, it was evident that the Company did not answer him at all. Until the Meeting today, the Chairman otherwise stated that he acknowledged such matters and there is no necessity to approve the minutes of the 2016 Annual General Meeting of Shareholders at all. He asked the Company's legal advisor to answer the question on the issue that if the annual general meeting of shareholders has no approval of minutes of annual general meeting of shareholders, the shareholders would not know how the Company's executives were criticized on the preparation of the minutes of meeting. In addition, the shareholders who did not attend the meeting also have the right to know the Company's operations as well. Therefore, if there is no approval of the minutes of previous annual general meeting of shareholders, how could the Company's shareholders know that the minutes of meeting recorded by the Company is truthfully correct in all aspects?

The Chairman acknowledged and stated that there will be further explanation on such issue.

Mr. Monchai Rabruentaveesuk, shareholder, stated that, according to the explanation of the Company's legal advisor that there is no regulation specifying that the Company shall conduct a minutes of annual general meeting of shareholders in order to present it at the annual general meeting of shareholders for the approval, he would like to ask the Company's legal advisor whether he knows the customary laws, as every year, the Company's annual general meeting of shareholders has an agenda to approve the minutes of the previous annual general meeting of shareholders. But in the last year's annual general meeting of shareholders, he had discussed on Rolls-Royce's engines where the Company has a corruption and the Airbus aircraft sales price, resulting in the Company not recording such issues in the minutes of the annual general meeting of shareholders. Such action is not a transparent method and does not comply with the good corporate governance.

The Chairman explained that the questions asked by each shareholder will be further answered. However, as in the previous annual general meeting of shareholder, there were many shareholders who stated that they would like to spend time in the meeting to express their opinions on the activities in the previous year and those that would be carried on in the future. He then proposed this approach to the annual general meeting of shareholders. This is the cause of determination of the meeting agenda today. On account of the minutes of annual

general meeting of shareholders, he appointed Mr. Weerawong Chittmittrapap, Chairman of Audit Committee, to explain to the Meeting.

Mr. Weerawong Chittmittrapap, Chairman of Audit Committee, explained that, at present, the Company is not the only one that does not have approval of the minutes of annual general meeting of shareholders of the previous year. He would like to express the same opinion as the Company's Legal Department explained that on the issue of approval of the minutes of annual general meeting of shareholders should not be in the annual general meeting of shareholders' meeting agenda. As the annual general meeting of shareholders should merely have expression of opinions on the activities already conducted by the Company. Therefore, the law does not require an approval of the minutes of annual general meeting of shareholders, nor requirement on any form of record of the minutes of annual general meeting of shareholders. As the purpose of the minutes of annual general meeting of shareholders is to record the essence of the meeting. So, there is no necessity to record all issues. Therefore, the content shown in the minutes of annual general meeting of shareholders is the details that the Company's Secretary considers that it is an essence of the meeting to be recorded. He then asked the Chairman to enter into the meeting agenda as the Meeting has other important agendas that the shareholders should know and take into consideration.

Mr. Wisut Sahachatmanop, shareholder, stated that the minutes of the 2016 Annual General Meeting of Shareholders will be invalid and legally unenforceable unless approved by the annual general meeting of shareholders. The content that he revised in writing in accordance with what he discussed in the annual general meeting of shareholders must be approved.

The Chairman stated that the Company's legal advisor already explained such matter, and the Chairman would like to proceed with the meeting agenda.

Mr. Thongchai Phongsavaleeratana, proxy, stated that no approval of the annual general meeting of shareholders is assimilated to no approval on the Cabinet's resolutions by the Cabinet. Such Cabinet's resolutions are unenforceable. Therefore, the Annual General Meeting of Shareholders today is void. He also expressed his wish to volunteer be a witness of the vote counting.

Mrs. Niruebon Buanoi, shareholder, stated that, in compliance with the meeting agenda, if the Chairman arrives at the Meeting in delay, it should be another person acting as the Chairman. But she knew that the Meeting cannot commence due to the quorum was incomplete. Secondly, with regard to the approval of annual general meeting of shareholders, she was the one who proposed to the previous meeting that the Company should deliver the minutes of annual general meeting of shareholders to each shareholder at his/her address. If any shareholder wishes to revise any content in such minutes, revision must be made and it must be deemed that the revised minutes is the correct minutes. She expressed her opinion that to have the agenda on approval of revised minutes of annual general meeting of shareholders does not cause any damage. Otherwise, she proposed that the agenda on approval of such minutes requires an agreement between the Company and the shareholders that there shall not be any additional discussion as the shareholders formerly exercised their right to revise such minutes. Therefore, there should be an agenda for the approval only. In addition, she was of opinion that after the minutes of the meeting is approved, the minutes should be sent to shareholders, as uploading the minutes of annual general meeting of shareholders on the website causes many inconveniences such as the font on the website is

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very small and inconvenient for view. Moreover, some shareholders, who have no computer, cannot know about the minutes of annual general meeting of shareholders.

The Chairman acknowledged the matters and stated that the shareholders' recommendations will be taken into consideration for further improvement, and stated that before commencing the considerations in accordance with the meeting agenda, the Chairman required 3 volunteer shareholders to act as witnesses of the vote counting and explained that if any shareholder would like to be the representative of the Meeting, they were to raise their hand. After 3 volunteers clearly expressed their intentions, the Chairman asked the volunteers to introduce themselves. Then, the Chairman declared the open of the Meeting in accordance with the meeting agenda.

**Agenda 1**      **Report from the Chairman**

The Chairman had no issue to report to the Meeting.

**Agenda 2**      **To acknowledge report on the results of operations for the year 2016**

The Chairman informed the Meeting that the Agenda 2 concerned acknowledgement of report on the Company's results of operations for the year 2016, which would be presented by the VIDEO, with the contents as follow;

Thai Airways International Public Company Limited is the Thailand's national airway. It is a state enterprise subordinated to the Ministry of Transport, and a listed company in the Stock Exchange of Thailand. The Company operates the air transport business both domestic and international and has the flight base at Suvarnabhumi Airport as the main hub of route network. The main business is air transportation i.e. passengers service, carriage of goods and parcel post. Moreover, the Company also operates other related businesses i.e. warehouse, ground customer service, ground equipment service, catering, and aircraft maintenance service.

In 2016, the Company carried over 20 million passengers and over 500,000 tons of goods. The catering produced over 70,000 sets of meal per day or over 26 million sets per year to serve on board. Moreover, the Company has 16 affiliated companies whereas 2 of them are in the airline business namely Thai Smile Airways Company Limited, its 100% of shares held by the Company, operating at Suvarnabhumi Airport, and Nok Airlines Public Company Limited, its 39.2% of shares held by the Company, operating at Don Mueang Airport.

According to industry environment in 2016, Thailand had 151 airlines operating international flights, carrying 102.4 million passengers in total, increased by 10.8% compared to the past year. 21.6 million passengers were passengers of the Company and Thai Smile, which were 21.1% of the market share. For domestic airline industry, there were 9 airlines and 53.3 million passengers, increased by 12.6% compared to the past year. 6.2 million passengers were passengers of the Company and Thai Smile, which were 19.5% of the market share. The International Air Transport Association (IATA) summarized that the overall image of volume of passenger traffic in 2016 expanded 6.3%. Whereas, the Middle East airlines' growth rate was the highest at 11.8%. The second-highest growth rate was Asia Pacific airlines at 8.3%.

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The terrorism continuously, occurred all over the world especially in the first half year, affected the demand for air travel of passengers. Although there was a supporting factor on fuel price which had been low and started to be increased at the end of the year, resulting in a higher competition on price. The overall image of Thailand's tourism was better due to the relief of political situation. The measure on tourism promotion continuously supported by the government sector caused the volume of passengers travelling to Thailand increased by 8.9% or 32.6 million people. The Company's cabin factor was 73.4% on average which was higher than the past year's cabin factor which was 72.9% but lower than the industry's average which was 80.5%.

In 2016, the Company had implemented reformation plan phase II, which was to establish the strength of operation by 4 key strategies i.e. (1) proactive earning, (2) expense reduction and efficiency increase, (3) capacity development for sustainability, and (4) customer service excellence building. The important actions were applying up-to-date system for sustainable growth such as route network management system, price management system, interaction system for customer service excellence, and cloud platform system, restructuring flights at Suvarnabhumi Airport to be the Hub of Asian, and enhancing capacity of fleet by accepting 2 aircrafts-Airbus A350-900 Extra Wide Body which would be mainly use for intercontinental routes. Moreover, the Company approved the acquisition of modern equipped aircraft to be 81% in 2018 from only 41% in 2014, and the acquisition of flexible capacity aircraft to support the flexible mission to be 20% from no flexible capacity aircraft in the past. The utilization rate of the Company's aircraft was 13 hours/day on average, which was the highest rate in history. The Company also expanded the route network by opening new routes to Tehran of Iran, direct flight from Phuket to Frankfurt, and increasing the frequency of flight to London, Brussels, and Oslo, re-opening the flight from Bangkok – Moscow, and expanding the route to cover Asian, China, and India by using Thai Smile as an important tool to support the transfer of passengers of the Company from the main flight base at Suvarnabhumi Airport. In addition, the Company's structure was restructured to be flat structure by removing 162 divisions from 907 divisions or 18%. The Company also improved efficiency of procurement by conducting 3 pilot projects with the total value of Baht 1,060 million, managed the risk on fuel price to be flexible and consistent with fuel price situation in the global market, and wholly managed finance by controlling the cash balance to be at suitable level by taking short term credit limit received from financial institutions into account; therefore, the Company's average cash was decreased from Baht 19,000 million to Baht 12,000 Million. The cash was paid for the short term debts, and the reduction the Company's interest expense. The Company adjusted the loan structure to be consistent with income and expenses in over 50 currencies, and managed the risks on fluctuation of exchange rate by managing expense or debt payment to be the same currency as income; therefore, the Company's interest expense was decreased by 10% from Baht 5,900 million in 2015 to Baht 5,300 million in 2016, and the average loan was decreased by 4% from Baht 190,000 million to Baht 182,000 million, and the Company's finance cost was decreased by 0.4%. Furthermore, the Company sold domestic real estates located at Surat Thani, Phuket, Trang, Nan, and Hatyai, which had no necessity to be utilized by the Company. The Company improved the procedures of goods and parcel post division, leading to the continuous decrease of operating expenses. The Company would further improve the Ground Customer Services Department, Ground Equipment Services Department, and other departments. The Company improved business class services in aspects of personnel, meal, and beverage by emphasizing the different services with reasonable cost and fulfilling passenger's requirements to ensure competitive competency. The Company recruited new flight

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attendance for new aircraft and held the training to develop service mind focusing on roles and duties for safe and qualified services.

According to the results of operations as mentioned above, in 2016, the Company's profits from operation were Baht 4,071 million, better than the past year which the Company suffered a loss of Baht 1,034 million. Moreover, the Codeshare routes with current alliances were increased from 208 routes to 524 routes. The income rose to Baht 2,120 million. The overall operation of Europe route, caused a loss of Baht 3,743 million in 2015, made the profit of Baht 2,074 million in 2016. The Company's share price was increased by 146.7% from Baht 9.20/share at the end of the year 2015 to Baht 22.70/share at the end of the year 2016, and in January 2017, the Company's share returned to be listed in top 50 shares of the Stock Exchange of Thailand. According to the 2016 overall operation, the Company's net profit was Baht 47 million compared to loss of Baht 13,047 million in the past year. Moreover, the improvement of operations led the Company to the success, which was reflected by many awards, that the Company received in the year 2016 such as two awards of the world's best airline from Skytrax, i.e. the best improved airline and the best spa lounge service airline, and other awards. Besides, the Company was ranked sixth in satisfaction of service ranking, surveyed by the International Air Transport Association (IATA) in the 3<sup>rd</sup> quarter of 2016, which is the highest rank within 2 years. The Company has aimed to create the organization with good corporate governance, arranged efficient, transparent and accountable management and recognized all stakeholders and prevention and suppression against corruption and misbehaviors inside the organization.

When Rolls-Royce plc. admitted to the Office of Anti-Corruption of the United Kingdom that there was bribery in many countries, having buy and sell of Rolls-Royces' engines, including Thailand during 1991-2005. As the Company's employees were accused of receiving money for procuring such engines, the Company has closely cooperated with the National Anti-Corruption Commission (NACC) in order to examine the engine procurement and maintenance at that time. In addition, the Company set up the Engine Procurement and Maintenance Investigation Committee for the past and at present to ensure that the Company has succinct procedure and has no loophole left. According to the result of the investigation, there was an improvement of the engine procurement procedure in accordance with the Company's regulation on inventories since 2012, with the main points as follows:

1. The procurement shall not be carried out through an intermediary.
2. A number of engine procurement committees from a number of entities shall be appointed for balancing power.
3. The procurement procedure shall be in accordance with the government's procurement and hiring standards for the purpose of fairness, transparency and accountability.

In addition, the Company is preparing an application for attending the Private Sector Collective Action Coalition Against Corruption Council (CAC) by the Thai Institute of Directors (IOD) acting a duty to promote the running of the project and the Company is making the Integrity Pact to ensure and declare that the Company's business partners will not give any bribe to the Company's officers. Moreover, an employee of the Company was selected to be "the Transportation Role-Model of 2016" by the Ministry of Transport.

In 2017, the Company has started to operate the reformation plan phase III, which is Sustainable Growth that has a main objective to make the Company grow and have

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sustainable profits by improving 6 strategies pursuant to the reformation plan, that is integral to the 5-year strategic plan, to be appropriate as follows:

Strategy 1: Development of competitive and profitable airline networks, reduction of complexity of fleet by an emphasis on creation of codeshare networks with alliance airlines and making clear classification of aircrafts providing service on routes by restricting one type of aircraft per one route on service.

Strategy 2: Enhancement of competitiveness and revenue-earning capacity by pricing air tickets at reasonable range as well as enhancement of online selling and distribution capacity through the Company's website.

Strategy 3: Creation of Service Ring with an aim to shifting all levels of service to meet the international standards.

Strategy 4: Competitive costs, efficient operations by enhancement of procurement efficiency, enhancement of efficiency of, and management of the cost of services of the Ground Equipment Services Department and Ground Customer Services Departments and Technical Department.

Strategy 5: Creation of organization's culture in support of sustainability and development of personnel to be excellent quality.

Strategy 6: Management of affiliated companies and business group, and development of new business strategies for sustainability.

In addition, the Company has a project to develop the aircraft repair centre and airfreight and logistics centre at U-Tapao International Airport. The Company is entrusted by the government to carry out this project in accordance with the government's Eastern seaboard development and this is part of the drive of Thailand 4.0's strategy.

The Company is confident that the operations in accordance with the reformation plan will make the Company grow sustainably, earn profits in long-term, and strengthen in all aspects. The Company thanks all shareholders and investors for their persistent trust and support for the Company. The Company will strive to develop the products, services and operations in accordance with the reformation plan phase III in order to pave the path towards the future for the Company as it is the national airline of Thailand.

(The video presentation ended.)

The Chairman further informed the Meeting that this video was the summary of the results of the Company's operations in the previous year. It is evident that the Company operated in all aspects, which made the results of the Company's operations return to gain profits from a loss suffered last year. The Company has a goal to further increase such profit in the future. In the last 2 years, the Company had a necessity to reduce flight routes. However, in 2016, the Company returned to increase flight routes. In addition, the Company restructured the organization to make it more flexible and to improve the selling system to make it more modern where the Company will implement such technology to further increase the Company's sales volume. Moreover, in 2016, the Company was granted many awards including the most improved airline award. In conclusion, the Company made a better progress in the previous year. Then, the Chairman invited the shareholders to ask and discuss

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further by asking the shareholders to ask and discuss only on the matters relating to the agenda being considered by the Meeting.

Pol. Col. Sermkiat Bamrungpreuk, shareholder, stated that, in Agenda 1 on Report from the Chairman, the Chairman should report to the Meeting the causes why the Company has been unable to nominate person in replacement of the Company's President who was retired from his tenure as this is an important issue and made a number of shareholders doubt about it. In regard to the results of the Company's operations presented to the Meeting, he understood that the Company has tried to solve its financial situation, especially on account of the debts in the amount of more than Baht 250,000 million. Nonetheless, if the Company is not supported by the Ministry of Finance of the Thai government, will the Company have liquidity to pay the interest of such debt in both domestic and overseas or not? How much interest coverage ratio and current ratio will the Company have an ability to pay? The Company presented that the operations in accordance with the restructure plan resulted in the Company's profit of approximate Baht 40 million in return and the earning per share at Baht 0.01 per share. However, he thinks that the Company can have better business turnover if the Company takes shareholders' opinions into action, especially in the previous meeting, which he had proposed that the Company should place an importance on cost management in main services such as fuel cost, which its price was approximately USD 30 per barrel at that time. According to the results of operations in year 2016, the Company should have stock gain not stock loss. However, as the Company's fuel risk management executive did not choose suitable hedging to solve the problem, currently, there was a tendency that the war would be occurred and the fuel price would be higher. Anyway, he expressed his admiration that the Company was successful on solving foreign exchange rate problem, resulting in the Company's profit in the past year, as he had raised the point regarding this matter that the Company's revenues were in form of various currencies, and the Company had to cope with foreign exchange rate management by execution of suitable insurance whether by means of Forward or Swap or any other means. Thereby, the Company may eliminate all exchange rate risks or change the currency used in the Company's financial statements into other currencies. Regarding other expenses, he had noticed Page 184 of the 2016 Annual Report that the Company had the expense on advisor fee during past consecutive 2-3 years approximately Baht 500 million per annum, or averagely over Baht 1 million per day. He required the Company to explain that for whom those advisor fees had been paid, how many advisors, and whether the engagement was still effective. Such fact was contrary to those presented by the Company that the Company had controlled the expenses of sales and management. The executive who had knowledge on economics value management always knew the principle for calculation of economic value added and net profit after tax expense, which was the important factor affecting the Company's higher profits by explicit consideration process. The Company had a number of employees who were knowledgeable and experienced in such matter, but failed to adopt such knowledge thereto, which was deemed as mismanagement, and it caused severe damage. Although the Board of Directors was able to make the profit of Baht 47 million to the Company or Baht 0.01 per share, he deemed that it was not enough satisfactory. The Board of Directors should evaluate the Company's executives for their levels of KPIs and whether they were at satisfactory level or not. He was of the opinion that the executives shall conduct self-assessment, and he asked the Board of Directors to sacrifice for the Company's benefits.

The Chairman thanked the shareholder for his suggestion, and explained that, to nominate a person to be the Company's President whose office term was expired, as the qualifications thereof were prescribed by Standard Qualifications of State Enterprise

Directors and Officials Act B.E. 2518 (1975), and the consideration on conflict of interest was sensitive matter which shall be discussed with the Ministry of Finance as the supervisor and controller of such law, and times shall be needed for consideration on each candidate's conflict of interest. For this time, there were 9 candidates in total, and upon a withdrawal of 1 candidate, the remaining was 8 candidates, whereas 4 candidates were qualified persons. All of them shall be interviewed by the Nomination and Remuneration Committee by the beginning of May 2017, and the result would be further informed. During nomination duration, Mrs. Usanee Sangsingkeo shall act as the Company's President, and shall be fully responsible for the Company's operations. In this regard, Mrs. Usanee Sangsingkeo was full of knowledge in the Company's internal business. Regarding the operations under the Reformation Plan, the Working Group was responsible therefor, and the appointment of the Acting President would not affect the operations under the Reformation Plan, and all executives and employees of the Company always realized the direction of operations under the Reformation Plan. The Chairman apologized for the failure to report the status update of such matter to the Meeting in the first agenda. Then the Chairman assigned the Executive Vice President, Finance and Accounting to respond to a shareholder's enquiry regarding foreign exchange rate, economic value added calculation, advisor fee, and restructured debt.

Mr. Narongchai Wongthanavimok, Executive Vice President, Finance and Accounting, explained that, regarding foreign currency management, the principle of Natural Hedge was applied therewith. In other words, the Company's revenues received in different currencies were paid for the Company's debts in the same currencies with the revenues. Formerly, the Company's loan was in the different currency with the revenues; for example, the loan was in USD currency while the Company had not enough USD funds to pay the debts because most of USD funds shall be paid for fuel. In the past year, the Company had exchanged the loan from USD currency into other currencies. The last action of 2016 was the exchange of loan currency from USD to CHF as the Company gained the revenue in CHF from flights to Switzerland. These were general principles applied to the Company's financial structure management. For the advisor fee as appeared in Page 184 of the 2016 Annual Report, it was the expense to engage the advisors who were companies or working groups, not individuals; for example, in case of IT system improvement, many divisions or working groups shall be required for system development such as development of SAP program. Therefore, the advisor fee was not only limited to individual but also included companies or working groups for development of the Company's systems.

The Chairman further explained to the Meeting that, in the past year, the Company invested in developing the Price Management System and other systems as necessary tools for the Company to compete with other worldwide airlines. The Company had a policy to develop and utilize the Company's personnel before engaging any third party. However, there were some tasks which the Company's personnel lack of specific technology or knowledge; as a result, the third party shall be temporarily engaged therefore.

Mr. Uthit Hemwattakit, shareholder, stated that, according to the Chairman's explanation that the conflict of interest of the candidates for the Company's President was considered by the Ministry of Finance, he was of the opinion that it was incorrect, as such matter was a legal problem which shall be considered by the Council of State. Regarding the results of the Company's operations reported to the Meeting, some points were satisfactory. However, he noticed that the drinking water served on the Company's aircraft was changed from the Company's own brand to Aura, and he wondered whether its cost was higher than those produced by the Company, and any advertisement fee had been paid to any party. As

this issue just recently occurred, an investigation had not been conducted therefor. Moreover, he experienced with the case that the Company's aircraft was parked at the passenger boarding bridge but the passengers had to take minibus to the passenger boarding bridge. He was of the opinion that this was contrary to the Company's explanation on the attempt to reduce expenses. Furthermore, he wished to blame the Acting President for her performance, which he had already reported thereof to the officer on the omission to perform her duties. As in the past, he had tried to contact the Company by phone to inform the service problems such as flight rescheduling problems which frequently occurred. However, the Acting President did not acknowledge such problems and let annoying sound disturbs the signal of the Company's customer service lines. Furthermore, he was of the opinion that the Acting President did not deserve her remuneration due to her performance. The Acting President must know her authority and duty under the law. Anyway, he will further take legal action on this matter in accordance with the legal procedure. In addition, he noticed about the lower quality of the Company's food provided to shareholders attending the Meeting today, which may result from corruption by reduction of ingredients cost i.e. coconut milk in the cooking.

Mr. Monchai Rabruentaveesuk, shareholder, stated that in regard to the result of the Company's operation, he was of the opinion that an important fundamental principle to make the profit is that the Company shall use its best effort to maximize sales revenue and reduce expenses. Based on the explanation of the Company that more than 100 departments of the Company were reduced from more than 600 departments, he wondered how much this reduction would help the Company to reduce expenses. The Company has approximately 40-50 positions as Directors, which are more than other airlines that have more fleets and flights than the Company, but the Company has never considered reducing the number of employees in such positions. In the past, Mr. Charumporn Jotikasthira, former President of the Company, tried to sell the Company's unnecessary assets including the aircrafts which parked at Wing 6 RTAF for a long time. However, the Company also has many other aircrafts. If the Company decides to sell, and then the world economy be recovered, this sale would cause the Company to become an airline having a fleet of 80-90 aircrafts instead of more than 100 aircrafts. He had made comment, since Mr. Charumporn Jotikasthira was the President of the Company that the Company should not cancel flight routes to Russian Federation, later on the Company had to reopen such routes. More disappointingly, the Company has a necessity to hire many foreigners with higher remunerations than the Company's President. If Thai people have insufficient competence, the Company should consider hiring foreign consultants as the Company's President instead. However, he was of the opinion that Thai people had sufficient competence, but because the Company considered appointing incompetent executives according to the politics' order, who are incompetent to work. This is a reason why the Company had to hire foreigners with higher remunerations than the Company's President. According to the 2016 Annual Report, page 125, it is discovered that the Company had revenue of approximate Baht 200,000 million for over 5-7 years, and there was no revenue growth. The Company's expenditure remained the same and did not significantly reduce. The Company sold its assets to get a better figure for the results of operations in the financial statements. This solution did not utilize any knowledge or competence, and it was not worth the time the Company spent to recruit the Company's President. Due to the problem in nomination process of the Company, even a new competent person was recruited, if the nomination of executives was still inefficient, problem of the Company would be unable to solve. In the past, he was of the opinion that the executives aimed to create the profit figures by selling the assets, which did not show any managerial skills, thus, it was not worth the time spent on the recruitment of the executives. In addition, there were a little number of competent executives, but the Company still recruited more

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incompetent persons. Moreover, the Company selected staffs to work in its departments without consideration on related educational qualification, and promoted without consideration on their performances. All of these did not encourage staffs to work for the Company.

The Chairman asked the President to answer the questions of the shareholder.

Mrs. Usanee Sangsingkeo, Executive Vice President, Financial Institution, the Acting President, answered Mr. Uthit Hemwattakij's question on using Aura brand mineral water served to the onboard passengers of the Company's aircrafts by stating that the Company received co-brand fee from Aura brand service to the Company's onboard passengers in the aircrafts, resulting in the fact that the Company managed to purchase mineral water to provide to passengers at lower costs than at the prices sold in the market.

Mr. Uthit Hemwattakij, shareholder, stated that for the sake of Aura brand mineral water served in the Company's aircrafts, he asked the Company to explain why the Company's trademark is not designed more distinctively than that of Aura, and the matter related to advertising fee.

The Chairman took the shareholder's remark for further review and explained that for the sake of Aura brand mineral water served to the Company's onboard passengers in the aircrafts, this is a cost reduction measure of the Company. Then, the Chairman assigned Executive Vice President, Human Resources and Corporate Activities Management, to explain the organization structure, and assigned Executive Vice President, Commercial, to clarify the Company's revenue.

Flt. Lt. Kanok Thongpurk, Executive Vice President, Human Resources and Compliance, explained that, on account of the improvement of the organization structure, the Company has improved the organization structures in all departments of the Company for fluidity and appropriateness with workforce where the Company has combined similar and related positions and reduced chains of command in order that the management becomes more fluid and efficient. In addition, this is the Company's cost reduction, but it is not a reduction of the number of employees. However, they are transferred to hold the office to comply with the new organizational structure and fit in their suitable positions.

The Chairman stated that the Company formerly has a large-sized organizational structure that needed to be improved for the purpose of managerial fluidity by downsizing the organization.

Mr. Teerapol Chotichanapibal, Executive Vice President, Commercial, explained that a factor impeding the Company's service revenue growth despite development of many modern systems that are implemented is because the Company's aviation business is a service in the world market. Based on information of the International Air Transport Association (IATA), it is discovered that, in the previous year, the air ticket yield was reduced by approximately 10% i.e. for the sake of service provided to a passenger, the Company will gain revenue reduced by 10%. To this regard, in the previous year, the aviation industry was very competitive in addition to reduced fuel prices. Secondly, in the previous year, the Company provided its service in cooperation with Thai Smile Airline i.e. the Company gave some of its flight routes to Thai Smile Airline; for example, some routes to Hat Yai and Krabi, which caused reduction in revenue portion of the Company that belonged

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to Thai Smile Airline. However, the Company has closely pursued its revenue issue in considering the Company's revenue proportion compared to other worlds' airlines e.g. Cathay Pacific Airline, Singapore Airline, or Lufthansa Airline. Based on comparison of the production change against the revenue change, it was discovered that the Company had better income operations than such mentioned airlines.

The Chairman explained that, at present, the Company fully implements the complete air ticket vending system and the revenue management system. The sales department will optimize such systems further. In the beginning of 2017, the Company has a high cabin factor. However, the Company has to manage the average prices of tickets more seriously. Also, the Company aims to increase the Company's revenue at more than Baht 200,000 million.

Mr. Tongind Sangngarm, shareholder and proxy, stated that, in the previous year, the Company only had profit at Baht 47 million. It is therefore expected that it will take a long time for the Company to be able to declare dividend payment. He thanked the Executive Team for being capable of leading the Company to have profit this year. On account of nomination of persons to be entitled the President, he used to express an opinion that a third person should not be appointed. Appointing a person having experiences and performance within the organization as the President will more facilitate the Company's management than appointing a third person. The fact that the Company had profit last year is pleasant. Nonetheless, there are many disappointing issues. So, he passed them to the Executive Team to take them under their consideration.

Mr. Dumrong Waikhani, shareholder, stated that based on the video presented by the Company, the Company had profit of Baht 47 million last year. Otherwise, in consideration of the information in the financial statements prepared by the Company and certified by the directors, shown in the 2016 Annual Report, page 150, it is evident that this is not true. He used to be informed that the Company's senior executives threatened to carry out an investigation and impose a disciplinary punishment if he would explain this issue. However, when considering the profit and loss statements before revenue tax shown in the financial statements, it is discovered that the Company made a loss of Baht 1,417 million. But the Company received a tax return of Baht 1,464 million. This resulted in the Company's receipt of a profit of Baht 47 million. Such profit cannot be deemed a profit from the Company's business operations, but it is a profit from the tax return. Moreover, when considering the details of the profit from the foreign currency exchange shown in the 2016 Annual Report, page 136, it is evident that the profit from the foreign currency exchange of approximately Baht 685 million, the actual profit accounted for Baht 72 million. The balance of Baht 613 million was the unrealized profit from foreign currency exchange that was the forecast item of the Company. If such non-existing product is deducted, the Company will make a loss of Baht 566 million in operations. Therefore, he asked the Company to explain if it was as such explained by him. Whether or not the operational profit of Baht 47 million presented by the Company is actually the profit from the tax return. For the second point, based on the video presented by the Company on the anti-corruption, he knew that on 16 March 2017, the Company's employees held an activity to gather up to support the Announcement No. 77/2557 of the National Council for Peace and Order (NCPO) regarding anti-corruption, it is apparent that the Company set up a committee for disciplinary investigation on the employees who joined this activity. He wonders whether or not the Company truly intends to be the anti-corruption leader. Such action is deemed an obstruction against the employees'

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expression of their opinion. He agrees with the Company's employees who will gather up for the anti-corruption, but the Company's action does not support this matter.

Sqn. Ldr. Jessada Niyompatthama, shareholder, stated that when considering the results of operations in 2015, it was found that the Company made a loss of Baht 13,000 million. In 2016, the Company made a loss of Baht 1,400 million in its operation. However, when considering the details of the results of operations in 2016, it was discovered that the fuel expenditure was reduced by Baht 18,000 million, and the asset depreciation cost reduced by Baht 8,500 million from the previous year. In 2016, the Company then had an expenditure reduction approximately Baht 26,500 million. When reconsidering the results of operations, it was evident that if the results of the Company's operations are good as presented or equal to the previous year, the Company is supposed to have profit of not less than Baht 13,000 million. But it is apparent that the Company made a loss of Baht 1,400 million. Therefore, in his opinion, the results of the Company's operation in 2016 was worse than any previous year. On account of nomination of the Company's President, the Company realizes that Mr. Charumporn Jotikasthira will be retired from his tenure on 9 February 2017. Therefore, if the Company has a good plan, the Company should proceed on the nomination of the Company's President before Mr. Charumporn Jotikasthira's retirement for the sake of the Company's business continuation and for the new President of the Company to be able to acknowledge the Company's business and to manage continuously. On account of Rolls-Royce's bribery, it is recently evident that Rolls-Royce admitted to the British court that it gave a bribe to the Company's employee and the Thai government's senior officials in the engine procurement. When the Company appointed a committee of such engine procurement after the Company had an approval from the Cabinet to purchase more aircrafts, this should be able to scope the investigation. An issue drawing an attention is the purchase of engines for the aviation during 2003-2004, which is the purchase of A340 aircraft, where the Company may be able to identify the persons in the committee of the procurement of such engine in 2003-2004 and carry out an investigation. In his opinion, if this approach was adopted by the Company, the investigation may be completed within 1-2 months.

The Chairman asked Executive Vice President, Financial and Accounting, to answer this shareholder's question on the results of the Company's operations.

Mr. Narongchai Wongthnavimok, Executive Vice President, Financial and Accounting, explained that on account of the results of the Company's operations in 2016, when considering the profit item before income tax based on the consolidated financial statements in 2016, the Company made a loss of approximately Baht 1,417 million, but when considering the separate financial statements in 2016, the Company had a profit before income tax of approximately 1,390 million. In other words, the Company made an operational profit in 2016 but the affiliated companies including Nok Air and Thai Smile made a loss in their business revenues in 2016. Therefore, the Company's consolidated financial statements show a loss. On the issue that the Company made a loss of approximately Baht 14,000 million according to the 2015 consolidated financial statements, and a loss of approximately Baht 1,400 million in 2016 which was better than the previous year at only Baht 13,000 million although the Company significantly had a reduction of Baht 26,000 million in expenditure from asset depreciation and fuel costs due to the Company's other incomes in 2015 and special items which did not occur in 2016 comprised of 1. the income from penalty from a chair manufacturing company named Koito Co., Ltd. in the amount of approximately Baht 4,000 million from a legal action in the court from the past where the Company received such penalty in 2015; 2. the revision in the record of expenses

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relating to the payment of engine maintenance reserve that was a reserve guarantee for aviation lessees, which was an item in the financial statements that was not a profit or a loss. Such revision was based on a deletion of such item at Baht 3,300 million; 3. the profit from foreign currency exchange in 2015 when Thai Baht was strong compared with Euro and Yen, resulting in the Company's profit of approximately Baht 3,500 million in 2015. However, such item was not present in 2016; and 4. the revision of aviation maintenance reserve forecast that required grand shop visits according to the schedules in 2019, 2020 and 2021 to reflect the maintenance expenditure in consistency with the conditions of flights and utilization so that the Company's financial statements reflect the results of operations in accordance with the true economic value. In consequence, although the Company had a reduction of Baht 26,000 million in fuel expenses and asset depreciation expenses, the Company had better results of operations of only Baht 13,000 million due to such special items accounting for a total of Baht 15,000 million.

The Chairman asked the Chairman of Nomination and Remuneration Committee to explain the nomination of a person for the Company's President entitlement.

Mr. Somchai Sujjapongse, the Chairman of Nomination and Remuneration Directors, explained that the Company had realized and recruited a person for the Company's President entitlement in advance before the Company's President would be retired in February 2017. The Company started this nomination process since October 2016 and complied with the nomination process regulated by the Company that expected to manage to recruit a new President of the Company within February 2017. However, based on the results of investigation into the fundamental qualifications of candidates in the first round, the Nomination and Remuneration Committee found that there were former candidates who applied for this position many times in the past but were unsuccessful. Moreover, there were only few new candidates that were inadequate for the selection and may not bring the best interest to the Company. Therefore, upon the discussion at the meeting of Nomination and Remuneration Committee and a proposal to the Board of Directors, the application period was then extended to give opportunities to more new, knowledgeable and competent candidates for the selection. Therefore, the application period was extended to December 2016. It was evident that there were more candidates. The Company then considered the qualifications of each candidate in details where the disqualification based on the lack of a qualification deliberately demanded the discussion with many departments as well as investigation into criminal records, political party status, history on illegal offence relating to state enterprises, which required time to proceed. The Company constantly endeavoured to expedite the procedure. Otherwise, he needed to fully consider many aspects in details for the best interest of the Company. He then took time in this procedure. At present, the result is there are 4 persons qualified for the nomination. The Company will conduct the candidate interviews on 3 May 2017. The whole nomination procedure is in accordance with the imposed procedure in all aspects.

The Chairman asked Mr. Nirut Maneepun, Advisor to the President, to explain the investigation on the Rolls-Royce procurement corruption case.

Mr. Nirut Maneepun, Advisor to the President, explained that the Company set up a fact-finding investigation committee in the Rolls-Royce procurement corruption case by giving priority to the statement of the Serious Fraud Office (SFO) of the UK, mentioning the bribery and commission payment in procurement of Rolls-Royce Trent 800 in 3 phases including during the years 1991-1992, 1995-1997, and 2004-2005. For the sake of the fact-

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finding investigation, the Company must investigate into 3 time phases, exclusively in the procurement of Rolls-Royce Trent 800 mentioned in the statement of fact of the SFO. At present, this case is under the consideration of the fact-finding investigation committee, as the investigation of the documents back to 1991 is required along with interrogations with the Company's all former directors, former and current employees involved in this matter.

The Chairman stated that the Company has closely collaborated with the related government agencies and there are a lot of progress in investigation of this matter as the Company has fully cooperated with the related entities.

Mr. Somboon Boophachoen, shareholder, stated that he has held the Company's shares for over a decade with an intention that the Company's operational performance would be good. However, it is evident that the Company sometimes paid dividend, but sometimes not at all, together with several news, causing him to become disappointed with the Company's operations as he believes that a listed company in SET must have a good method or measure to prevent corruption of its officers. Moreover, the Ministry of Finance, which is a major shareholder of the Company. Therefore, the Company shall be under the rules and regulations required by law.

Mrs. Niruebon Buanoi, shareholder, stated that she would like to propose to Vice President, Financial and Accounting, that the Company should report out-of-the-box as the old report only has a report of profit and loss where the profit was derived from onboard employee layoff, but it is said that this was the profit from the better cabin factor. Whether it would be better if the Company gives a value added. In addition, she was still confident that the Chairman holding the office in the Ministry of Energy realizes the energy issue very well. Therefore, if the Third World War occurs, the oil prices will increase. Whether the Company had made any oil hedging risk insurance? Formerly, the Company had 1% of oil hedging risk insurance, but the oil fluctuation was about USD 50. She also proposed an issue which currently drawing an attention to the media. As the Company used to have foreign currency from duty free business, the shareholders' meeting used to protest that the Company's revenues which shall be recognized by referred to the exchange rate caused the Company to encounter a loss. In consequence, are there other approaches that the Company will return to do duty free business? If the Company can negotiate or cooperate with King Power Group in such business, the Company may have profit from currency exchange. Finally, she would like to express her opinion on Aura brand mineral water issue that may be resulted from the fact that the Company cannot contain all Thai Airway brand water in the aircrafts. Therefore, the Company has to use Aura brand mineral water. However, if the fact appeared that the drinking water of the Company was adequate for providing service to the passengers on aircrafts, the Company should utilize the drinking water under the Company's logo for generating profit.

Mrs. Chamsri Sukchotrat and Mr. Wisut Sahachatmanop, shareholders, made discussion regarding the Labor Union and the lawsuits filed against the third persons not relating to the Company.

The Chairman stated that the issues discussed by Mrs. Chamsri Sukchotrat and Mr. Wisut Sahachatmanop, shareholders, did not relate to the agenda acknowledging the 2016 Company's performance. Then, the Chairman stated that this issue would further be discussed on Agenda 8.

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After opportunities were given by the Chairman for shareholders to raise further queries and without any being raised further from the floor, the Chairman then proposed that consideration be given by the Meeting to acknowledge the report on the results of operations for the year 2016.

The Meeting acknowledged the report on the results of operations for the year 2016, as detailed in the 2016 Annual Report, which had been sent to the shareholders together with the invitation letter of this Meeting.

**Agenda 3**      **To consider and approve the Financial Statements for the year 2016**

The Chairman asked Mr. Narongchai Wongthanavimok, Executive Vice President, Finance and Accounting Department, to report on this Agenda.

Mr. Narongchai Wongthanavimok, Executive Vice President, Finance and Accounting Department, reported to the Meeting as follows:

In 2016, the Company's profit from operation was Baht 4,071 million, increased amounting to Baht 5,375 million, compared with those of the previous year where the Company's loss was amounting to Baht 1,304 million, mainly due to 7.1% decrease of the total expenditure from the previous year, due to 28.3% decline in aircraft fuel and the extra expense. The Company's total revenues decreased by 4.3% from those of the previous year, mainly due to the drop in the income from transport of passengers and freight due to the competition and the decrease of fuel surcharge according to the decrease of fuel price. Other revenues decreased amounting to Baht 3,775 million because the Company received compensation from KI Holdings Co., Ltd. (Koito) last year due to the late delivery of seats of economy class passengers, approximately amounting to Baht 3,968 million.

The Company's financial cost was Baht 5,135 million, decreased amounting to Baht 431 million, or 7.7% less than those of the previous year, due to the cash management and the financial restructuring. In this year, the Company had incurred one-time expenses, for instance, Mutual Separation Plan's project, totaling Baht 2,545 million. There was also a loss of Baht 3,628 million from the decline in value of aircrafts and assets, while the exchange gain was amounting to Baht 685 million. The net profit of the Company was amounting to Baht 15 million, the earning per share was Baht 0.01 compared with year 2015 where the Company's loss was amounting to Baht 13,068 million or Baht 5.99 per share, more details appeared in the 2016 Annual Report of the Company.

The Company's total assets as at 31 December 2016 were at Baht 283,124 million, 6.4% less than those of the previous year, mainly due to a decrease in cash and cash equivalents deposited at the bank at Baht 7,391 million or 35.6% in order to comply with the bank deposit decrease policy to repay short-term and long-term loans, and the Company's policy on cash balance maintenance at an appropriate level for the purpose of more efficient cash management. There was a decrease in non-current assets for sale at Baht 2,777 million or 18.4% resulting from an increase of aircraft depreciation reserve setup, and selling of 5 aircrafts this year. There was a decrease in land, buildings and equipment at Baht 13,394 million or 6.4% resulting from normal depreciation calculation. There was an increase in other non-current assets at Baht 5,149 million or 21.7%, which were deferred income tax and aircrafts maintenance reserve under the lease agreement.

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The Company's total liabilities were Baht 249,536 million, 7.4% less than the previous year at Baht 20,009 million, mainly due to the repayment of short-term and long-term loans while there was an increase in other non-current liabilities at Baht 6,823 million as a result of aircraft maintenance cost forecast under the operating lease agreement.

The shareholders' equity was at Baht 33,588 million, which was an increase at Baht 662 million or 2.0%.

The Chairman asked if any shareholders have queries or wish to ask additional questions or not.

Pol. Col. Sermkiat Bamrungpruek, shareholder, stated that he is worried about the Company's ability to pay debts in the form of less-than-1-year short-term loans and more-than-1-year long-term loans which are, when combined, a total liability of Baht 249,536 million. In addition, due to the world's financial status uncertainty at present, foreign currencies and Thai currency has fluctuated at all time and there is no guarantee of stability. Therefore, the Company should thoughtfully make a foreign currency risk management plan, regardless of refinancing, or debt payment with foreign currencies when Thai Baht has a stronger value so that the Company takes advantage of paying in US Dollar or Yen. Moreover, the depreciation of assets and aircrafts that do not cause revenue or benefit; for example, 17 aircrafts that have been a prolonged problem that the current government do not solve by virtue of section 44 of the Provisional Constitution of the Kingdom of Thailand B. E. 2557 (2014). So, he is unsure whether or not the government realizes corruption problems as there are many clear evidences that prove corruption in the Company.

In addition, he is worried about the issue of aviation fuel risk hedging. On account of the aviation fuel cost that is the Company's main cost payment, the Company should make a fuel stock plan along with an aviation fuel risk hedging as the aviation fuel risk hedging at more than 50% made by the Company will result in the Company's loss because at the time the Company assessed the aviation fuel price risk, the aviation fuel price was less than USD 30 per barrel. Therefore, in the aviation fuel price assessment, the Company must assess the time period and aviation fuel price to be in line with the world's changing crude oil situation.

Mr. Dumrong Waikhani, shareholder, wondered why the Financial Statements for the year 2016 as described by Mr. Narongchai Wongthanavimok, Executive Vice President, Finance and Accounting, was not appeared in the 2016 Annual Report, as it may cause the Company's Finance and Accounting Department unreliable and untrustworthy.

Mr. Chaiyaporn Moungramee, shareholder, wondered why it was described in the Company's comprehensive income statements that the Company's net profit was approximately Baht 47 million, while it was described at Baht 15.14 million in the Financial Statements submitted to the Stock Exchange of Thailand. He also wondered why the Company's profit was low. Because, normally, the Company absorbed the tax expense for employees, but in this year, the government had a policy to relieve the Company's tax expense for employees. He wondered why the Company having approximately Baht 300,000 million of assets continuously encountered loss due to unnecessary purchase of aircraft, together with changing the President all the times. Moreover, he was of the opinion that the Board of Directors' administration was ineffective. During the time that the Company confronted with over Baht 20,000 million of loss, Air Asia Airline could generate profit of approximately Baht 10,000 million even though overall value of its business and assets was much lower than the Company's. Currently, Air Asia's sales volume was of Baht 33,130

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million or Baht 1,869 million of profit, Bangkok Airways' sales volume was of Baht 27,451 million or Baht 1,764.41 million of profit, while Thai Airways which formerly had over Baht 300,000 million of assets, and current asset value was decreased to Baht 283,124 million, with the sales volume of Baht 181,446 million, had the profit only Baht 47 million. Furthermore, a part of the Company's profit was resulted from the decrease of overtime pay rate of many employees; formerly the employees should receive the overtime pay of 8 hours but currently it was decreased to 6 hours.

Also, he further explained that, currently, there were many tools and equipment remaining for repaired as there was no personnel working in this part. Moreover, the Outsource engaged to perform the work in this part was supported by the old executives; therefore, the permanent employees usually were considerate to them, causing difficulty to perform duties. In addition, the Company had made an order to import a lot of wine glasses and carts which, up to now, were placed near the parole warehouse, with total value of not less than Baht 10 million, causing the damage to the Company. He further wondered whether there was any person gaining the conflict of interest from the joint venture project between the Company and Bangkok Airways. If such project was truly for the Company's benefits, he would thank to the Board of Directors for generating the Company's revenue. Regarding drinking water "Aura", he asked the Acting President to clearly answer this question. Finally, he suggested the Company to have an advance plan to support any person who would hold the office of the President.

The Chairman answered to the question of Mr. Chaiyaporn Mounmanee that the Company also wished to generate more profits. The operation results of the past year and this year were in the better direction. Being the company with Baht 10,000 million of loss, to generate the profit was not easy, and it needed many aspects of operations as presented via VIDEO. The Best Improved Organization Award received by the Company in the past year reflected that, at present, although Thai Airways was not the best performance organization as per shareholders' expectation, many parts of Company's structure were improved and reformed to be ready for better moving forward. The further development was not easy as the competition was changing all the time. Therefore, he asked for cooperation from shareholders and all directors to coordinately work for better results. Regarding procurement issue, it was currently under reformation to solve many possible problems which may cause shareholders worried. The Company would improve the procurement regulations to be procedures for good procurement in the future. Regarding the Company's inconsistent net profit, Mr. Narongchai Wongthanavimok, Executive Vice President Finance and Accounting, would further explained this matter.

Mr. Narongchai Wongthanavimok, Executive Vice President, Finance and Accounting, explained the Company's results of operation that the net profit was Baht 15.14 million, but the net profit of approximately Baht 47 million appeared in the 2016 Annual Report was comprehensive income statements of the Company and its subsidiaries. The profit of Baht 30 million of a subsidiary out of the Company's control was also included in such financial statements. Therefore, the net profit was approximately Baht 47 million.

The second point, he answered to the question of Mr. Damrong Waikanee, the shareholder, that the financial statements above described which was inconsistent with the financial statements under the accounting standards of the Office of the Auditor General of Thailand appeared in Page 150 of the Company's 2016 Annual Report, the financial statements described by him was appeared in Financial Performance, Page 132 of the Company's 2016 Annual Report.

(Translation)

Regarding the Company's total liabilities, which were high, as concerned by Pol. Col. Sermkiat Bamrungpruek, shareholder, the Board of Directors would further proceed with the Hedging.

Mrs. Usanee Sangsingkeo, Executive Vice President Aviation Business Unit, Acting President, further explained that "Aura" drinking water was the lowest price in bidding of Co-Brand, but "Eurngluang" drinking water served for business class was produced by Reverse Osmosis method, not mineral water, which its cost was higher than "Aura". The producer of "Aura" offered the low price for the Company due to a reason of advertisement for the brand which had been certified by the Ministry of Industry. Moreover, the price was low and useful for the Company.

Regarding the execution of Codeshare agreement with Bangkok Airways, the Company already evaluated that such joint venture project would generate the most benefit to the Company. Due to some reasons, the Company was unable to expand the route, therefore, the joint venture with other domestic airlines shall be required to facilitate the passengers on transferring to other routes for which the Company's flight was not serviced to earn more income. Therefore, such joint venture could be seemed the dependence on each other. Recently, once the Company confronted with an aviation problem causing the aircraft could not be taken off, Bangkok Airways provided an assistance for the flight to Samui; otherwise, there may cause a lot of expenses caused by such problem.

Regarding the airport minibus, she asked the Managing Director Ground Equipment Service to explain this matter to the Meeting. Regarding the tools and equipment such as abandoned carts, it would be further investigated, and Mr. Chaiyaporn Mounmanee, the shareholder, was asked to provide further details thereof for benefit of investigation.

The Chairman added that Mr. Chaiyaporn Mounmanee, shareholder, can directly file complaint to the Managing Director, Ground Equipment Services Department, in case of the unattended equipment. The Board of Directors had already acknowledged such problem and would further inquire on such issue to the Managing Director, Ground Equipment Services Department.

Sqn. Ldr. Jessada Niyompatthama, shareholder, explained that, at the end of March 2017, he sent an e-mail to the Chairman containing 15 inquiries regarding the Company's problems, the matter relating to the transparency in the management of the Company. If the Chairman neglected to reply his whole 15 inquiries, he would further publicize such information on his Facebook's page. Moreover, he would like to inquire about the issue of Rolls-Royce engines.

The Chairman stated that this Agenda's objective was to consider and approve the Financial Statements for the year 2016, accordingly, the Chairman asked the shareholder inquiring on other issues not relating to the Financial Statements for the year 2016, to inquire in Agenda 8 in order that the Meeting would be concise and the Board of Director had already explained on the issue of Rolls-Royce engines.

Mrs. Niruebon Buanoi, shareholder, proposed Mr. Narongchai Wongthanavimok, Executive Vice President, Finance and Accounting, the Board of Directors and all Executives to examine the issue which Mr. Chaiyaporn Mounmanee, shareholder, had explained on the unattended equipment because such incident of such manner had occurred for long period of time. For instance, in the past, the Company had purchased a lot of earphones and kept them in the warehouse. The Company's performance would be good if the Board of Directors

(Translation)

realized the worthiness of every approval on expenses and budget. Because the balance amount after payment according to budget could be paid for other Company's expenses, employees' bonus or the dividend of shareholders.

The Chairman stated that as there was no additional inquiry of shareholders, accordingly, the Chairman asked the Meeting to consider and approve the Financial Statements for the year 2016 whose details were in the 2016 Annual Report already sent to the shareholders. The Chairman asked the shareholder who would vote against or abstained from voting to hand in their ballots to the Company's officer, otherwise, the Company would take it as the affirmative votes to approve the Financial Statements for the year 2016 as proposed by the Board of Directors.

The Meeting resolved, by majority votes of the shareholders who attended the Meeting and have the right to vote, to approve the Financial Statements for the year 2016, which had been audited and certified by the Office of the Auditor General of Thailand (OAG), the Company's auditor.

Votes cast by the shareholders were as follows:

Approved:	1,624,645,405	votes representing	99.9632%
Not Approved:	40,257	votes representing	0.0025%
Abstained:	556,497	votes representing	0.0342%
Voided ballots:	2,000	votes representing	0.0001%

**Agenda 4**     **To consider and approve the suspension of dividend payment in respect of the Company's business operations for the year 2016**

The Chairman asked Mr. Narongchai Wongthanavimok, Executive Vice President, Finance and Accounting, to report on this Agenda.

Mr. Narongchai Wongthanavimok, Executive Vice President, Finance and Accounting, explained to the Meeting that the Company's policy on dividend payment was to pay not less than 25% of the net profit before exchange gain or loss as shown in the consolidated financial statements, subject to the Company's investment plans as well as the necessity and appropriateness in the future.

Subject to policy on dividend payment which must consider the net profit before exchange gain or loss as shown in the consolidated financial statements, the Company and its subsidiary companies had the net profit amounting to Baht 47 million, therefore, after deduction of exchange gain, the Company's net loss before exchange was in the amount of Baht 638 million. Moreover, Public Limited Companies Act B. E. 2535 (1992), Section 115 stipulates that the Company must not pay dividend in case where the Company has the accumulated loss. The Company's unappropriated accumulated loss as at 31 December 2016 was Baht 22,167 million. Therefore, the Company was unable to pay the dividend of the year 2016. The Board of Directors had considered suspending the dividend payment in respect of the Company's business operations for the year 2016.

The Chairman gave the shareholders an opportunity to ask further.

Mr. Wisut Sahachatmanop, shareholder, discussed on the lawsuit between himself and the Labor Union not relating to the agenda.

(Translation)

The Chairman explained to the Meeting that, regarding the issue discussed by the shareholder, he would ask Mr. Niruj Maneepun, who is a jurist, to thoroughly consider such matter before taking any action further.

FS1 Somsak Manop, shareholder, stated that he disagreed with the discussion regarding the Labor Union because it did not relate to the agenda

Mr. Niphan Jittaworwanich, shareholder, inquired that in the previous year, the Company suffered its loss in 2<sup>nd</sup> quarter and 3<sup>rd</sup> quarter because it was the low season. But, in 1<sup>st</sup> quarter of year, the Chairman stated that the ratio of Cabin Factor was at 80% which was very high rate. Therefore, he would like to inquire whether the Company had any policy or strategy to cope with such problem or how, in order that the Company's performance during the 2<sup>nd</sup> quarter and 3<sup>rd</sup> quarter of this year would not be loss. Moreover, it may result in better Company's performance during the 4<sup>th</sup> quarter. He also inquired whether the Company's software system used for management and monitoring of competitor's price can be utilized for generating income for the Company and how much and whether it can help the operation of the Company not to make a loss in the 2<sup>nd</sup> quarter and 3<sup>rd</sup> quarter of the year. He also asked further questions in the following issue by stating that the Company currently has the debts at approximately Baht 250,000 million of which the shareholders' liabilities amount to Baht 30,000 million. In calculating the liability-shareholder ratio, the ratio is 7 times, which is quite a high ratio. Therefore, he asked if the Company needs to increase the capital or not. He also asked question in the last point that Japan Airline Co., Ltd. made a lot of loss in the past. But at present, Japan Airline Co., Ltd. can resume its good business revenues until last year it made a high profit at Baht 30,000-40,000 million. He would like to ask what Japan Airline's policies or operational strategies are, in order that the Company will adopt such policies and operational strategies in the Company's business operations. Based on his queries that he already made on the Company's transparency and Rolls-Royces case and the Chairman's explanation that as of the date of procurement, regardless of the aircrafts or engines, there will be no longer procurement through agents. On account of the procurement that will happen, there will be an investigation committee together with a strict procurement regulation. He has a query why, before 2012 when the Company carried out procurement of engines or aircrafts, there were procurement through agents; for example, when the Company would purchase Boeing and Airbus aircrafts, there must be individual persons as agents.

The Chairman explained that the Company currently has a clear regulation that will inform the shareholders of the procurement of engines or aircrafts. Moreover, the Company had a new regulation in 2012 that has the procurement procedure complying with the standards by allowing individual persons to carry out the procedure by themselves in absence of agents. Also, there are many committees for balancing power. In the Rolls-Royce issue, the legal procedure has already been carried out where the Company gives a full cooperation. So, the shareholders do not need to be worried about this issue. And the fact of this issue will appear in the near future. The Company appointed Mr. Nirut Maneepun as an investigator to carry out other operations on this issue at the moment.

Mr. Nuttapon Taweewiboonsabpai, shareholder, expressed an opinion that in the next meeting, in Agenda 2 on Financial Statements should be more details on the consolidated expenditure and income tax expenditure in order to be able to know the clear net profit.

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The Chairman accordingly acknowledged and thanked the shareholder.

The Chairman stated that as there was no shareholder having additional queries, he would like the Meeting to consider and approve the suspension of dividend payment in respect of the Company's business operations for the year 2016, and ask the shareholders who would vote against or abstain from voting to hand in their ballots to the Company's officers, otherwise, the Company would take it as the affirmative votes to approve as proposed by the Board of Directors.

The Meeting resolved, by the majority votes of the shareholders who attended the Meeting and have the right to vote, to approve the suspension of dividend payment in respect of the Company's business operations for the year 2016.

Votes cast by the shareholders were as follows:

Approved:	1,625,051,684	votes	representing	99.9882%
Not Approved:	89,678	votes	representing	0.0055%
Abstained:	100,497	votes	representing	0.0062%
Voided ballots:	2,300	votes	representing	0.0001%

#### **Agenda 5**     **To consider the Directors' Remunerations**

The Chairman asked Mr. Somchai Sujjapongse, Chairman of Nomination and Remuneration Committee, to report on this Agenda.

As Mr. Somchai Sujjapongse had his personal affair, then, Mr. Kanit Sangsubhan, Chairman of the Executive Board, made the report on this Agenda to the Meeting instead.

Mr. Kanit Sangsubhan, Chairman of the Executive Board, explained to the Meeting that the Nomination and Remuneration Committee passed a resolution at its 3/2560 Meeting held on 28 February 2017 that the criteria for the determination of the directors' remuneration and meeting allowances for the period during 1 May 2017 – 30 April 2018 be set out and then proposed to the meeting of shareholders for consideration and approval. Details of such criteria were as follows: -

#### **Directors' Remuneration and Meeting Allowance:**

- Each Director will receive monthly remuneration of Baht 50,000 and a meeting allowance of Baht 30,000 for each meeting. If the meeting is held more than once in any month, each Director still receive the meeting allowance of Baht 30,000 only. The meeting allowance for the Chairman and the Vice Chairman of the Board of Directors will be 25% and 12.5%, respectively, higher than that for the Directors. Members of the Board of Directors will pay their own income tax. The said remuneration and meeting allowances are paid at the rate approved by the Meeting of Shareholders in 2016.
- In the event that any Directors is appointed by the Board of Directors or the Chairman of the Board of the Directors to sit on any committee, sub-committee or task force of the Company, that Director will receive an additional meeting allowance of Baht 10,000 per meeting. If any committee, sub-committee or task force holds more than one meeting in any month, that Director still receive the

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additional allowance of Baht 10,000 only. Such meeting allowance is paid at the rate approved by the Meeting of Shareholders in 2016.

- Each member of the Audit Committee will receive monthly remuneration at same rate as the meeting allowance for the Directors. The Chairman of the Audit Committee will get 25% higher those for the other members. The members of the Audit Committee shall still receive such remuneration even for the month in which the Committee holds no meeting. Such remuneration is paid at the rate approved by the Meeting of Shareholders in 2016.

Details about sub-committee and the scope of authority and responsibilities were elaborated in the Annual Report in the part of the business supervision, in the topic of the sub-committee. The Board of Directors resolved not to propose the air- ticket privileges and annual bonus for the Board of Directors for the year 2017.

The Chairman then allowed the shareholders to express their opinions and ask further questions.

Mr. Chaiyaporn Moungranee, shareholder, expressed an opinion regarding the suspension of dividend payment that although there is a regulation stipulating that the dividend payment was to pay not less than 25% of the net profit but the dividend payment will not be made in case that the Company had the accumulated loss. However, he was of the opinion that the Company should pay dividend to shareholders as the Company made a profit in its business operations in the past year. In addition, the amount of dividend that will be paid at the rate of 25% of the net profit is a small amount. On the issue of the directors' remuneration in Agenda 5, he was of the opinion that determination of meeting allowance of Baht 30,000 per director for each meeting is too high. Therefore, he proposed that such meeting allowance should be reduced as the Directors receive monthly remunerations. Moreover, the Company's business operations did not make profit, which showed that the Directors are not adequately competent to manage the Company successfully. Therefore, they should not receive such high remuneration.

Mr. Wisut Sahachatmanop, shareholder, expressed an opinion regarding the meeting allowance of the Directors that formerly in 2001, the meeting allowance of the Directors was fixed at the rate of Baht 5,000 per month regardless the meeting was held any times in each month. But in 2003, Mr. Somnuek Engrakul proposed that the meeting allowance of the Directors should be increased at the rate of Baht 50,000 that was 10 times increasing from the former rate. At present, the Company's business operations made loss therefore he disagreed with the proposal of increase of the meeting allowance of the Directors.

The Chairman explained that in this Agenda, there was no increase of the meeting allowance of the Directors.

Mr. Wisut Sahachatmanop, shareholder, expressed an opinion regarding the meeting allowance of the Directors that if any directors do not attend the meeting, they do not deserve to receive the meeting allowance that should be paid to directors attending the meeting only. However, as the Company's business operations made a loss, there should not be a proposal to increase the meeting allowance of the Directors because being the Directors is such a high honour. Moreover, he asked the Chairman not to interrupt the shareholders while the shareholders were discussing.

(Translation)

The Chairman explained that the Meeting had the fixed agendas to be considered therefore the issues which did not relate to the agendas must be controlled by the Chairman in order to preside the Meeting orderly. As many shareholders attended the Meeting today, every shareholder should have the opportunities to express their opinions. In addition, the other matters which did not relate to the Agenda, the Chairman would give an opportunity to the shareholders to express their opinion in Agenda 8. As there was no additional inquiry of shareholders, then, the Chairman asked the Meeting to consider and approve the directors' remuneration as proposed by the Nomination and Remuneration Committee. He also asked the shareholders who either voted against or abstained from voting to hand in their ballots to the Company's officer, otherwise, the Company would take it as the affirmative votes to approve as proposed by the Nomination and Remuneration Committee.

The Meeting resolved, by the vote of not less than two-third of all votes of shareholders who attended the Meeting, to approve the criteria for determination for Directors' remunerations as proposed by the Nomination and Remuneration Committee.

Votes cast by the shareholders were as follows:

Approved:	1,624,931,480	votes representing	99.9807%
Not Approved:	213,744	votes representing	0.0132%
Abstained:	97,235	votes representing	0.0060%
Voided ballots:	1,700	votes representing	0.0001%

**Agenda 6**      **To consider the appointment of an auditor and determination of the audit fees for the year 2017**

The Chairman asked Mr. Weerawong Chittmittrapap, Chairman of Audit Committee, to explain this matter in this Agenda.

Mr. Weerawong Chittmittrapap, Chairman of Audit Committee, explained that the Organic Act on State Audit B. E.2542 (1999) provided that the Company's auditor had to be the Office of the Auditor General of Thailand (OAG) since the Company was a state enterprise. There was no conflict of interest between the OAG and the Company as the OAG had no relation with or interest in the Company, its subsidiaries, executives, major shareholders or any persons related to the aforesaid. The OAG was also the auditor for the Company's subsidiaries: Thai Amadeus Southeast Asia Co., Ltd. and Thai Smile Airways Co., Ltd. which are also state enterprises. As for other subsidiaries which are not state enterprises, the OAG would not act as their auditor.

In the year 2016, the Office of the Auditor General of Thailand (OAG) as the Company's auditor received the audit fee in the amount of Baht 2,500,000 for the year 2016 and the fee for the review of the Company's quarterly financial statements for 3 quarters in the amount of Baht 350,000 for each quarter.

At present, the Office of the Auditor General of Thailand (OAG) had been the Company's auditor until the term has expired. Therefore, it is necessary to consider and appoint the Company's auditor and to determine the audit fee of the year 2017. The Office of the Auditor General of Thailand (OAG) had notified its audit fee of the year 2017, comprising the audit fee in the amount of Baht 2,500,000 and the fee for the review of the

(Translation)

Company's quarterly financial statements for 3 quarters in the amount of Baht 350,000 for each quarter, which is the same rate as those for the past year.

In the Audit Committee's meeting No.1/2560, held on 23 February 2017, the Audit Committee had already considered the proposal of the Office of Auditor General of Thailand (OAG) and the Board of Directors passed a resolution that the following be proposed for the consideration of the general meeting of shareholders: (1) to appoint the Office of Auditor General of Thailand (OAG) as the Company's auditor for the year 2017 and (2) to approve the audit fee for the year 2017 of Baht 2,500,000 and the fee for the review of the Company's quarterly financial statements for 3 quarters in the amount of Baht 350,000 for each quarter.

The Chairman allowed the shareholders to express opinions and ask question regarding the matter.

No shareholder expressed opinions or asked any question regarding the matter proposed for consideration in this Agenda.

Then, the Chairman proposed that the Meeting consider and approve the appointment of the Office of the Auditor General of Thailand (OAG) as the Company's auditor for the year 2017 and the fixing audit fee for the year 2017 in the amount of Baht 2,500,000 and the fee for the review of the Company's quarterly financial statements for 3 quarters in the amount of Baht 350,000 for each quarter.

The Chairman asked the shareholder who would vote against or abstained from voting to hand in their ballots to the Company's officer, otherwise, the Company would take it as the affirmative votes to approve as proposed by the Audit Committee.

The Meeting resolved, by majority votes of the shareholders who attended the Meeting and have the right to vote, that the auditor be appointed and the audit fees for 2017 be fixed as proposed by the Audit Committee.

Votes cast by the shareholders were as follows

Approved:	1,625,115,918	votes	representing	99.9921%
Not Approved:	79,874	votes	representing	0.0049%
Abstained:	46,667	votes	representing	0.0029%
Voided ballots:	1,700	votes	representing	0.0001%

**Agenda 7**      **To consider the appointment of Directors to replace those retiring by rotation**

The Chairman asked Mr. Kanit Sangsubhan, member of Nomination and Remuneration Committee, to propose the matter in this Agenda.

Mr. Kanit Sangsubhan, Member of the Nomination and Remuneration Committee, asked those who were nominated for the appointment of Directors to leave the meeting room.

ACM Treetod Sonjance, Mr. Peraphon Thawornsupacharoen and Mr. Somchai Sujjapongse, left the meeting room in this Agenda.

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Mr. Kanit Sangsubhan explained to the Meeting that Article 17 of the Company's Articles of Association, provided as follows: At every annual general meeting, one-third of the directors shall retire from office. If their number is not a multiple of three, then the number nearest to one-third shall vacate office. The directors to retire from office in the first and second years following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been in office longest shall retire. A retiring director is eligible for re-election. As for this year, the Directors retiring by rotation were:

1. ACM Treetod Sonjance
2. Gen. Chatudom Titthasiri
3. ACM Siwakiat Jayema
4. Mr. Peraphon Thawornsupacharoen
5. Mr. Somchai Sujjapongse

The Company had given the shareholders an opportunity to nominate persons qualified to be elected members of the Board of Directors according to the criteria posted on the Company's website from 21 October 2016 to 31 December 2016 and advertised in the Khaohoon (published daily) on 25-27 October 2016 and the Prachachat Turakij on 27 October 2016. There had been no persons who were nominated to be directors. Therefore, the Nomination and Remuneration Committee had considered selecting qualified persons to be nominated for the election of directors in accordance with the selection process, taking into consideration their qualifications, expertise, transparent past work, vision, and standards of morality and ethics. Those persons had to be able to express their opinions freely, had performed well as directors, and possessed appropriate qualifications. At its meeting on 24 February 2016, the Nomination and Remuneration Committee (excluding the members who had a personal interest in the matter) resolved to propose that the Board of Directors and the 2016 Annual General Meeting of Shareholders appoint five directors, namely:

1. ACM Treetod Sonjance
2. Mr. Peraphon Thawornsupacharoen
3. Mr. Somchai Sujjapongse
4. ACM Johm Rungswang
5. Mr. Vachara Tuntariyanond

Mrs. Chamsri Sukchotrat, shareholder, inquired, regarding the appointment of Mrs. Pratana Mongkolkul as the Director, whether there was the problem on the conflict of interest or not because Mrs. Pratana Mongkolkul used to apply for the nomination of the President but she revoked her application because she was concerned about the problem on the conflict of interest.

The Chairman asked Flt. Lt. Kanok Thongpurk, Executive Vice President, Human Resources and Compliance, to explain on the process of the appointment of the Directors and President to the Meeting

Flt. Lt. Kanok Thongpurk, Vice President, Human Resources and Compliance, explained that in considering the appointment of the Directors in replacement of a former directors who were retired from his/her tenure at the age of 65 years old, pursuant to the Standard Qualifications of State Enterprise Directors and Officials Act B.E. 2518 (1975) and its amendments, there was the process of consideration of the Nomination and Remuneration Committee considering and searching for the appropriate and qualified person. In the case that Mrs. Pratana Mongkolkul

secede from the application for the nomination of President, it was her intention. However, for the nomination of the Directors, Mrs. Pratana Mongkolkul is qualified and passed the process of consideration. For the process of consideration, the Nomination and Remuneration Committee will thereafter propose an appropriate and qualified person as the Directors to the Board of Directors, but the Board of Directors does not have the power to approve the appointment of such person as the Directors immediately as the Board of Directors must propose the person to the minister of the Ministry of Transport for consideration. Then, the Ministry of Transport must propose the person to the State Enterprise Policy Office, then, the State Enterprise Policy Office must conduct the nomination in accordance with the regulation of the Prime Minister's Office regarding the nomination of the directors in the State Enterprise in order to consider that such person proposed to be the Directors are appropriate and legally approved in accordance with the regulation of Prime Minister's Office. Then, the State Enterprise Policy Office notified the Ministry of Transport and the Company for the Board of Directors to consider and approve the appointment of such person as the Director. Therefore, he assured that the appointment of Mrs. Pratana Mongkolkul as the Director was in accordance with the law in all aspects.

The Chairman thanked Flt. Lt. Kanok Thongpurk and inquired if the shareholders had additional inquiries on such issue of not.

Mrs. Chamsri Sukchotrat, shareholder, stated that she understood the matter of the correct procedure of Mrs. Pratana Mongkolkul's appointment as the Company's director. Otherwise, she wondered the conflict of interest that Mrs. Pratana Mongkolkul has against the Company during her application for the President position until her removal. Does such conflict of interest still exist?

The Chairman explained that Mrs. Pratana Mongkolkul's removal from the application for the President entitlement was not caused by her incomplete qualifications, but her removal has been done before the procedure of considering the conflict of interest began. Thereafter, the Company was of the opinion that Mrs. Pratana Mongkolkul was fully qualified to become a director of the Company. So, the Company invited her to the selection procedure and appointed her accordingly. The reason of Mrs. Pratana Mongkolkul's removal was personal.

Mrs. Chamsri Sukchotrat, shareholder, asked if, according to the news, it is true that Mrs. Pratana Mongkolkul had a conflict of interest or not?

The Chairman explained that, according to the process of nomination of the President, there was no final decision that Mrs. Pratana Mongkolkul had any conflict of interest.

Mr. Kanit Sangsubhan, member of Nomination and Remuneration Committee, stated that there was no additional opinion and inquiry of shareholders, therefore, he explained on the process of voting for Company's directors election in Agenda 7. In Agenda 7, RE: To consider the appointment of Directors, every shareholder who voted for or against or abstained from voting would put the mark on the ballots distributed to him/her. Then, he/she must hand in his/her ballot to the Company's officer. The ballots would be collected according to each nominated person.

(Translation)

The Meeting resolved, by majority votes of the shareholders who attended the Meeting and have the right to vote, to approve the appointment of 5 directors of the Company, replacing retired directors according to the Article 17 of the Articles of Association of the Company, effective from 21 April 2017 onwards. The votes are divided as follows:

1. ACM Treetod Sonjance			
Approved:	1,194,380,950	votes	representing 73.4893%
Not Approved:	419,672,135	votes	representing 25.8221%
Abstained:	89,065	votes	representing 0.0055%
Unused Votes:	11,101,609	votes	representing 0.6831%
Voided ballot:	400	votes	representing 0.0000%
2. Mr. Peraphon Thawornsupacharoen			
Approved:	1,614,014,782	votes	representing 99.3091%
Not Approved:	31,303	votes	representing 0.0019%
Abstained:	93,065	votes	representing 0.0057%
Unused Votes:	11,104,609	votes	representing 0.6833%
Voided ballot:	400	votes	representing 0.0000%
3. Mr. Somchai Sujjapongse			
Approved:	1,527,506,200	votes	representing 93.9862%
Not Approved:	86,534,085	votes	representing 5.3244%
Abstained:	95,465	votes	representing 0.0059%
Unused Votes:	11,108,009	votes	representing 0.6835%
Voided ballot:	400	votes	representing 0.0000%
4. ACM Johm Rungswang			
Approved:	1,613,731,346	votes	representing 99.2916%
Not Approved:	353,639	votes	representing 0.0218%
Abstained:	91,665	votes	representing 0.0056%
Unused Votes:	11,067,109	votes	representing 0.6810%
Voided ballot:	400	votes	representing 0.0000%
5. Mr. Vachara Tuntariyanond			
Approved:	1,613,026,228	votes	representing 99.2483%
Not Approved:	1,017,503	votes	representing 0.0626%
Abstained:	85,151	votes	representing 0.0052%
Unused Votes:	11,114,877	votes	representing 0.6839%
Voided ballot:	400	votes	representing 0.0000%

**Agenda 8**      **Other business (if any)**

The Chairman gave the shareholders an opportunity to ask further.

Sqn. Ldr. Jessada Niyompatthama, shareholder, stated that he heard the news from the Company's employee that, after Mr. Charamporn Jotikasthira retired as the President, the Company hired Mr. Charamporn Jotikasthira as an advisor. Therefore, he would like to know the fact and if it was true, how much was the remuneration.

Secondly, with regard to the nomination of the President, he thought that there was the comparison regarding the appointment of the Board of Directors. In case of ACM. M.L.

(Translation)

Suprija Kamalaksana, he retired when he was 65 years of age in February 2017, which was the period of time near the time that Mr. Charamporn Jotikasthira retired by rotation. After his retirement, the Board of Directors was able to appoint the new directors immediately within 1 month. Accordingly, he has the question regarding the process of nomination of the President and directors because the period of time for nomination was very different from each other, although both titles were at the same level.

Thirdly, many Company's employees had the question regarding the appointment of executive at Director's level at the end of the year 2016. There was the appointment of Instructor as an executive at Director's level, that is, the title was not Director, but it was the title in the Instructor's line which was equivalent to Director's level. He used to study the management structure and there was no structure of Instructor whose title was at Director's level. Then, he had the doubt whether the Board of Directors had designed the new structure or had fixed the new titles or not. Because the Company had over 100 employees whose titles were the Specialists (technicians, engineers, physicians, financial and accounting officers), who mainly were only at the level of division managers. Only the Instructor was at the level equivalent to 9<sup>th</sup> level. If it was in case where the Board of Directors had designed the new structure or had fixed the new titles, he wondered whether the Company had concerned of officers in other divisions. The appointment of such position led to specialist positions in 2 divisions in a level equivalent to Director, which were Admin and Instructor.

The fourth issue was the Company's illegal action on appointment of Labor Relations Committee. As it was provided by laws that a state enterprise shall have a committee called Labor Relations Committee, which was comprised of equal numbers of committee member between employers and employees. If any state enterprises had a labor union, the labor union shall submit the employee name lists as the committee members, and the employer shall appoint his representative, provided that the company directors shall act as the chairman of Labor Relations. In the Labor Relations Committee Meeting at each time, the meeting allowance of Baht 10,000 shall be paid to the Chairman. The Labor Relations Committee shall have an authority to consider and provide any opinion on the executives' performance improvement. Since 2012, Labor Union of Thai Airways had no authorized person to operate the business under the labor law due to expiration of director's term of office. Although the registration was accepted by the registrar, it was withdrawn by the order of a minister. As the minister's order was an administrative order, it shall be suddenly effective. Upon no authorized person of the Labor Union, he wondered who submitted the employee name lists as the Committee members, because it was provided by laws that if there was no union, the company shall elect any employee as the employee director of the Labor Relations Committee. However, in the end of 2012, 2014, and 2016, the Labor Relations Committee's director had been appointed. He was the opinion that such action was illegal, and asked the Board of Directors to consider this matter.

The Chairman explained the appointment of Mr. Charamporn Jotikasthira that after the expiration of contract, Mr. Charamporn Jotikasthira had joined in the Strategy and Transformation Committee of Thai Airways Public Company Limited, and received the meeting allowance of Baht 10,000 as same as others, without engaging as a Company's advisor or employee. Regarding the appointment of Instructor as an executive in the level of Director, and the meeting allowance, Flt. Lt. Kanok Thongpurk, Executive Vice President Human Resources and Compliance, was assigned to explain this matter to the Meeting.

Ms. Suporn Patumsuwanvadi, shareholder, stated that, she had noticed that during 16.00 - 16.30 hours today, some people had taken meal sets 3-5 times. Besides, some had complained that the Company arranged one set of meal for two shareholders. She sympathized with the

Company's officers in charge of the meal arrangement, and wished they should not be criticized on such matter. For travelling, she had proposed to convene the meeting on Saturdays many times, especially during this period as some locations were under construction, causing the difficulty on travel, or to arrange the meeting venue in the city which was more convenient. Furthermore, she agreed with the shareholder's opinion that the Chairman control the Meeting in more effective way than the past year, without being influenced by any commentary, and she wished to admire and encouraged the Chairman. Over several last meetings, the Chairman had been severely criticized on the performance, and she was the opinion that the Chairman should control the meeting by not acting in any manner which may cause himself criticized. Moreover, she wished to admire Mrs. Chamsri Sukchotrat as a leader in making other shareholders know more about the Company. Finally, she asked the Chairman to fully perform his duty to be recognized as the person who moves the Company forward.

The Chairman accepted the suggestion on the meeting venue for consideration, and thanked for the encouragement.

Mr. Prasert Lertyaso, shareholder, commented that this Meeting shall be deemed void as the minutes was not approved, and the second point was that Mrs. Suvimol Bualerd signed her name in the invitation letter without authorization. Although the Company tried to present and advertise the performance since agenda 1 to agenda 7, the Company's performance was proved by the profit and loss. He believed that shareholders and aviation business specialists all over the world realized that the Company had profit since 1962 to 2007 although there were the Middle East crisis, fuel crisis, energy crisis, and other crises, while other airlines suffered their loss. However, after Mr. Areepong Bhoocha-oom had joined the work in 2008 and held of the office of the Chairman in 2009 to 2014, the Company's performance was fallen in accumulated loss, as its details were shown in Agenda 4, at the amount of over Baht 20,000 million. Moreover, regarding the director who was appointed today, no one had acknowledged the notification on website and newspaper in advance as mentioned whatsoever. Regarding the Company's profit of Baht 47 million, upon careful consideration, it was found that such amount was not the profit but it was tax return. Therefore, to represent the responsibility thereof, Mr. Areepong Bhoocha-oom and the Board of Directors were kindly invited to resign from the office to keep their honor, and then the new Board of Directors should be appointed by Gen. Prayut Chan-o-cha under Section 44 for further Company's profits.

The Chairman explained that he had not hold the office of Chairman during 2009 – 2014, and thanked for the suggestion.

Mrs. Niruebon Buanoi, shareholder, stated that she had read the 2016 Annual Report and Sustainable Development Report, which were related to many strategies of the Company, and seemed that the Company emphasized on equipment and services. However, she proposed the Company to take care the flight attendants, or could be called the Front Line, performing the duty on board with stress, insomnia, and exhaustion from jet lag. She was the opinion that the physicians currently offered for them were not directly suit for the diseases, as those were mental conditions. The Company should verify and offer specialists to give advice to prevent the depressive illness, and the support on medical expense may be offered or not. She was the opinion that this should be reformed, according to her own experience, the diagnosis by general physicians usually normal or sometimes the diagnosis was turned out as Cardiomegaly. Thereby, she had to pay more expense to re-diagnose at the hospital, and the result was that she was normal. She asked the Company to consider the amount of

(Translation)

extra cost thereon to prevent the employee's sick leave, as a lot of expense was spent on teaching and training the employees. In Thailand, more than 10 million people had the indications of disease like these, and many deviant behaviors were appeared on many media. However, general physician may not diagnose the decease caused by the employee's stress, and may report that the mental condition was normal. If the employee caused the damage to the passengers, the Company's image and reputation would be destroyed. Therefore, the Chairman was kindly asked to consider this matter.

The Chairman thanked the shareholder, and stated that Mrs. Usanee Sangsingkeo, Executive Vice President Aviation Business Unit and Acting President, shall accept such matter for further consideration.

Mrs. Usanee Sangsingkeo, Executive Vice President Aviation Business Unit and Acting President, thanked the shareholder for the suggestion, and explained that the Board of Directors and all executives always concerned about the employees' welfare. For the medical care, it was going to be changed into group insurance to cover all medical treatment. Currently, this matter was being improved by the Vice President Petroleum, Corporate Insurance and Aviation Environment, under control of the Executive Vice President Finance and Accounting.

Mr. Chaiporn Muangmanee, shareholder, stated that he had 4 enquires and suggestions. First of all, according to the establishment of Thai Smile Airways Co., Ltd., its operation result turned out to be loss and affect its Parent Company, he wondered why Thai Smile and Nok Air confronted with loss even though it was low cost competition, and how the Company's resolutions would be. Secondly, he enquired about the Company's tendency of profit, expected profit, and prevention from loss. Thirdly, according to the last annual general meeting of shareholders, the table was set for placing meal, but this year, there was not. Therefore, the shareholders had to sit together with holding the meal set on their laps. He was of the opinion that it caused not so good image to the Company and seemed beneath shareholders' dignity. Fourthly, he expected that the Company could be the model company of Thailand on anti-corruption, and any person who wished to conduct the corruption should stop such act and resign from the Company.

The Chairman thanked, and stated that the issue on Thai Smile and Nok Air would be further explained. Regarding profit tendency and expected profit, the Executive Vice President, Finance and Accounting would further explain.

FS1 Somsak Manop, shareholder, stated to the meeting that he emphasized that the status Labor Union of Thai Airways remained existing under the Ministry of Labor's register, and was able to normally perform the duty. The matter between Labor Union and the Company was an internal affair, and he wished not to let such matter bother the Meeting time; however, someone tried to discuss such issue in the Meeting. Moreover, the Labor Relations was a bilateral system as provided by law to have mutual discussion and resolution between the employers and employees. The employee members were from the Labor Union with the members of approximately 13,000 persons, whereas such number was nearly half of all employees; however, there were only the executives who could not be the members of the Labor Union. He wished not to raise this point as the problem issue as it may cause the confliction between the Company and employees, and would be disadvantage to the Company's operations. In the current situation, the cooperation from all units shall be required, and if there was any incorrect affair, the Labor Union would protest and propose to

find the resolution. As the Company belonged to all employees and all employees were the members of Labor Union, if there was anything occurred to the Company, the employees shall always be affected. The employees shall have the right to propose any opinion, but not by mean of raising such matter as the problem leading to the confliction.

Mr. Wiwat Sornsermsombat, shareholder, stated that he was an engineer in a private company. According to his own experience, he had traveled by Thai Airways to many ASEAN countries and he had noticed that there were some available seats on board, while other lowcost airlines were always full. Regarding the Company's loss, he was the opinion that this matter should be considered. He wished to acknowledge the vision of the Board of Directors who was expertise in weak points, strong points, opportunities, and obstacles. At present, many flights flying to many ASEAN countries were serviced, and he wished to know the Company's position and future operation directions. As many big international airlines confronted with loss, and the Company was the large-size organization with maladroit management; therefore, what the Company's management direction was, and how the organization would be separated or improved. However, the share value of many small airlines with successful business results such as Air Asia which was the lowcost airline, was increased, and its business results were in a good level. He asked any executive who was directly in charge of this policy to present his vision. Moreover, he enquired about the route which would be opened and departed from Utapao Airport including any possible opportunity and obstacle thereof.

The Chairman explained that this matter had been already presented in the Video presentation.

Mr. Kitti Sanitwong Na Ayutthaya, shareholder, admired the meeting control which was done in a good order, and enquired about the management measures to improve the loss of many Baht ten thousand million from business operations in the past year to become the profit of Baht 4,000 million. Moreover, he had acknowledged that there would be the digging of the Kra Canal. As Bank for Infrastructure Investment of China tried to follow up such matter, he wished to know whether there was a negotiation thereon, and in case of negotiation, whether and how Thailand would be developed.

Mr. Surasit Sriprapha, shareholder, stated that he wished to propose an opinion as he had worked for the Company for 33 years as follows. Regarding sustainable resolutions, he proposed his opinion that the nomination process for board of directors should be amended. Currently, the Company's Board of Directors was comprised of 7 quotas of seat from the Ministry of Transportation, 8 quotas of seat from the Ministry of Finance, totaling 15 seats. He was of the opinion that, if the Leader of Thailand had the sincerity to solve the Company's problems sustainably, the sources of directors shall be amended. The board of directors should comprise of at least 9 directors with permanent positions in the Company without holding any office in other companies, who were expertise in marketing, accounting, aviation, and ground nutrition. In this regard, the administrators could be engaged to perform the duty thereon. The other 6 seats should be from permanent government officials, the Ministry of Transportation, and the Ministry of Finance, without holding any position in the Company, and they may hold the office in other companies provided that it was not contrary to the Cabinet's resolution as authorized. Moreover, the board of directors' meeting shall be convened 1-2 times per month. Thereby, the Company's problems could be truly resolved. If there was no change, the problems could not be resolved. Therefore, this matter should be considered.

Another point that he proposed to be concretely applied was the penalty norm. He was the opinion that the Chairman should give an order to the Acting President to apply the penalty of the Office of the Civil Service Commission, which was the standard norm, with the employees. For example, the disciplinary misconduct on taking by stealth or any other misconducts shall be subject to the punishment explicitly prescribed therefor. As a result, the punishment for employees in each division will be under the same standard, preventing the assistance among companions. For instance, in case of taking by stealth, if the wrongdoer was their companion, the punishment would be warning. However, if he/she was not their companion, the punishment would be termination of engagement, and etc., to be the standard norm and appropriate practices for the national airline. In this regard, in 1997, he had proposed such document of the Office of the Civil Service Commission to the Company, and he understood that it was published to the public.

Regarding the Acting President, he received the acceptance letter of the claim that he had submitted to Mr. Charamporn Jotikasthira during his period of the President regarding the counterfeit of salary envelope, and the punishment on cutting of salary had been already applied. Although it was clearly provided in the document that, the counterfeit of salary envelope shall be subject to severe punishment, the Investigation Committee in charge of such case penalized the wrongdoer by cutting 10% of salary for six months, which was not the severe punishment. The severe punishments were comprised of dismissal, disburden, and termination of engagement. Therefore, the punishment in such case was not incompliance with the rules, and he would further exercise the right to appeal this case within 60 days. Another point was that, it was provided in the end of document that the wrongdoer shall be prosecuted for criminal case. He would submit the letter to the Acting President to let the Company file the lawsuit against such case. If the Company failed to proceed therewith within 1 month, he would further file the case against the Acting President on the accusation of abstention from duty under Section 11 of the Act on Offences of Official of State Organization or State Agency B.E.2502 (1959).

Moreover, he suggested the Company's executives who were the Executive Management Committee members that, in case any organization, such as THAI Employees' Savings and Credit Coops Ltd., asked the Company to assign any executive in the level of Executive Vice President to hold the office of the cooperative chairman, he was of the opinion that it was inappropriate as he/she had a lot of responsibilities in the Company's permanent position. In the past, although the Company had assigned the Executive Vice President to hold the office of the cooperative chairman in accordance with the resolution of the Policy Management Committee for 2 times, the majority votes from cooperative's shareholders were not given. Therefore, the Company's Executive Vice President should not be further assigned thereto. Such organization needed the Company's personnel to sign for code 41; in other words, to attend the meeting without performing of work. He would submit the claim letter to the Acting President, and submit the copy thereof to the Chairman to report the defalcation of working time by mean of avoiding working for many years by using code 41 without authorization. Moreover, each meeting usually took 30 – 40 minutes, but 30 – 40 employees who had been invited failed to return to their work. Such action caused the damage to the Company. He would make the claim for such affair on behalf of himself. Moreover, the notification of Human Resource and General Administration No. 68/2552 signed by Mr. Pandit Chanapai on the leave code 41 was effective so far, but it was currently neglected and not performed, causing damage to the Company. However, if the accused persons seemed that such information was incorrect or that they were defamed, they were able to file the case against him.

Another point was that, the shareholder had enquired about the source of Baht 326 million of income, and the Chairman had answered that there was a strike on such date. He wished to explain that there was no any strike on such date, and the pilot had testified to the court that there was no any delayed flight. It was explained by the Company that the income

of Baht 326 million was the profit from operations, which was nearly Baht 1,000 million. However, the Company failed to increase the employees' salary and make the bonus payment, leading to the employees' claim. Finally, the Company increased the salary and paid the bonus for the employees in all levels. In that year, the memorandum had been made that the lawsuit shall not be filed against each other together with no any occurred damage. This was the fact appeared in the court, the claim for the damages of Baht 326 million was caused by that the engagement of a third party company to remove the news on employees' claim for increase of salary and bonus payment; this was the source of Baht 326 million of income.

The last point, on 16<sup>th</sup> March, while the Labor Union was preparing to publish a statement supporting anti-corruption campaign of the Prime Minister, a company of soldiers, policemen, and administrative officials trespassed into the Union room at Suvarnabhumi Airport. The soldiers hid themselves in the Fire Fighting Division of Airport of Thailand Public Company Limited. However, when many soldiers, police, and administrative officials entered into the Union room and listened to the Union's declaration to campaign all employees and executives for anti-corruption, everyone agreed with the Union.

Mr. Suchart Mitpakwaen, proxy, stated that, for the first point, he wished to acknowledge the status update of the lease of premises from the Airport of Thailand Public Company Limited. Last year, Flt. Lt. Montree Jumrieng had confirmed about the price that it was a true fact, and all evidence had been submitted to the executives, together with responding to the enquiry that this matter was under the negotiation or in the progress. He wished to acknowledge the status update thereof for this year.

Regarding the Union, as he was a Union member, he insisted to the Meeting that, at present, the Union status was no longer active both by legally or practically, as the board of Union, in which he was also a member, had asked the court to make a decision on which board of Union was legitimate, and the court decision had not been given so far. However, according to the law, in case of there were the existing directors less than a half of board, the Union status shall terminate implicitly. Therefore, this matter should be considered. He would further make the claim to the Ministry of Labor, as the Ministry had submit the letter to the Company for many times to ask the Company to hold the election, but it was abandoned.

The Chairman stated that everyone already acknowledged such matter, and this matter should be further discussed by both two unions.

Mrs. Chamsri Sukchotrat, shareholder, enquired about the discharged aircrafts with 6-8 years of remaining useful life, that how the resolutions therefor would be, and what the Board of Directors' opinion was. If the Company purchases the new aircrafts, the old aircrafts should be sold. She understood that if these aircrafts were serviced for flights, the operation result would be in loss. However, if they were abandoned, they may become the Company's burden and cause more depreciation, leading to more problems. Therefore, they should be sold. In the past, they could not be sold as the book value was low, and the Board of Directors did not dare to approve the aircraft sale. She enquired about the means to sell those aircrafts to relieve the Company's burden, and whether there was any special authority to prevent the approver from later liability.

Regarding the policy on establishment of Thai Group, with many objections, she enquired about the Board of Directors' opinion on the capital increase in Nok Air, as it could not respond to the Company's connection due to its operating base situated at Don Mueng Airport, and its operation results were continuously in loss for consecutive years. She was of

the opinion that, as the Company was a state enterprise, the investment in private company was seriously concerned due to many uncertain events of the private company. Currently, Nok Air's operation results were continuously fallen into loss, and it was difficult to be resulted in profit. The main reason was due to its internal problems, and even CEO of Nok Air had also sold his shares. Therefore, she was not confident to increase the capital in Nok Air to seek for the profit from low cost airlines. As a shareholder, she was worried about this because the connection, Star Alliance, and Connecting Flight could not support each other. Formerly, Thai Smile had been established with its aim to be used as a tool for low cost airlines' competition, but due to the past management, it turned out that some Thai Airways' routes were operated by Thai Smile. The Company should have management potential in Asia, together with the route newly opened to China or Indonesia, which had been formerly operated by the Company, but with the wrong type of aircraft. In other words, the large aircraft was serviced therefor, whereas many airlines focused on price competition. As the Company's capital was higher than other airlines, the Company could not compete in price. However, if Thai Smile's aircrafts, which was actually owned by the Company as the Company made all investment therein, were brought into the Company's fleet and managed in form of Thai Airways with lower cost for competition in the market both in Asia and other countries, it may potentially increase the Company's revenue. As Thai Smile was promoted as Light Premium airline, its image was unclear. She had proposed in many meetings that the airlines were classified into premium airlines and low cost airlines. For Thailand, the policy on Open Skies had been issued and low cost airlines had been supported for a long time, but the Company failed to adjust itself thereto. Until there was a conflict among the debtors, the Company just realized the importance of such policy and circumstance. Currently, the Company bore for the severe loss, and it was not reasonable. As the Company was the state enterprise, she was of opinion that the Company should invest in any business tending to generate profit. The Company should not conduct the risk management, which possibly generating low profit. Thereby, she was of the opinion that the Company should not increase the capital in Nok Air, and should discharge it. As she knew, all Nok Air's shareholders were minor private companies, and she did not wish the Company which was the state enterprise to provide any assistance to the business suffering from loss as done in the past, which the Company had been usually asked by the government to assist other companies for the political benefits, leading to the Company's loss so far. She asked for the Board of Directors' opinion why the Company shall invest in the business without tendency to gain profit. She was of the opinion that Thai Smile could be used as the Company's tool by mean of consolidating Thai Smile, which competed for Company's market share, to be a part of the Company, as she believed that the Company could manage Thai Smile. According to her own experience in Thai Smile and Thai Airways, many passengers tried to choose Thai Airways due to their impression with us, and they were not confident in Thai Smile. She had tried to convince other passengers to support Thai Smile because, at least, Thai Smile's logo was Company's. However, the passengers wondered what level of Thai Smile, premium airline or another level. She realized that the services of Thai Smile were in the excellent level, and she was impressed therewith as baggage weight and meal were fully included in its services. However, in her view, the Company was not necessary to make the investment in this part because there were many low cost airlines serviced for the passengers, and the passengers usually selected the low cost airlines. At present, the Company was the super-premium airline which shall offer the discount for the reason of competition in the low market, and this was incorrect manner. Upon consideration in aspect of the owner, she wished the Company to invest in any business with profit and its profit could be certainly forecasted. The Company could no longer invest in any risk business, as currently, we were facing with loss. She wondered whether the aircraft A 320 could be taken back to the Company's fleet and the

management system could be revised. Regarding Nok Air, which was established as the private company, the Company had provided a lot of assistance to Nok Air, and she had always disagreed and protested therewith. The result was that Nok Air's business results were loss for 3 consecutive years, amounting to over Baht 5,000 million, and she asked the Chairman to explain this matter.

Another issue was the purchase of Toilet Kit on board, she had acknowledged such matter but did not know whether it was true or false; therefore, she wished to know the facts after the auction until the letter from Samsonite (Thailand) Co., Ltd. was submitted to the Company to ask for the reason that Samsonite (Thailand) Co., Ltd. did not pass the auction even though Samsonite (Thailand) Co., Ltd. had always provided high quality products to the Company. However, this was not the point for discussion, because if it entered into the auction process, the result shall be deemed final. The question was that, as she had acknowledged, whether true or false, that the Company wished to initially use Thai products; therefore, the Company purchased the products from another company without correct procurement. Actually, she admired and wished to support Thai products, but if the Company would use Thai products, it shall be fully qualified, as the Company was the premium airlines, which shall compete with other worldwide airlines. If any attribute of Thai products was not suitable, it should be explained that such product was not qualified, and many procedures should be transparently proceeded, not only for responding to the comment. She was of the opinion that it was misconduct which may be understood as benefit related affair. She honestly enquired about this matter as the purchase of equipment on board was the matter that she always worried about.

The Chairman stated that such matter would be explained, and the shareholder's question on the Company's future directions would be answered.

Mr. Jongkrit Wangsiriworakul, shareholder, enquired about two matters. The first question was the policy on aircraft maintenance whether the expected budget therefor could be drawn back in case of the actual cost was under the budget, and what the 2017 expected budget was. The second question was whether and how much the depreciation of asset shall be added in 2017.

Mr. Narongchai Wongthanavimok, Executive Vice President Finance and Accounting, answered to the first question on aircraft maintenance policy that, the budget would be fixed based on appropriation of management, which would be consistent with the flight hours, whereas, in each year, it should be in the similar level. He further answered to the second question on depreciation that, for this year, the depreciation would be fixed based on the actual market value, as the Company had mainly fixed the depreciation in 2015, and in 2016, the depreciation was fixed at over Baht 3,000 million. For this year, it may not be high as the year 2015.

Mr. Dumrong Waikhani, shareholder, stated that he had two enquiries and suggestions. The first was Thai Group which had been enquired by Mrs. Chamsri Sukchotrat. The second was the nomination of the President, as it was appeared on the media that there were 4 qualified persons. He asked all of them to present their vision to the employees. Although the employees did not participate in the nomination, they should acknowledge the vision and working direction of each candidate, and should know the person whom they shall work with, because in the past, the employees had no chance to, in advance, acknowledge any information of the person to be the President until the nomination process was completed.

The Chairman explained the Company's future direction regarding the actions which the Board of Directors had been implemented for 2 years that, during 2014 – 2015, there was unrest occurred in Thailand, causing no passengers travelling to Thailand and causing Thais to stop travelling to foreign countries. As a result, the Company confronted with loss and many difficulties. The financial institutions were not confident in the Company. During that time, the Company needed to reduce unnecessary expenses to endure without dependence on others; in other words, without financial support from the Ministry of Finance. There were many necessary measures such as reduction of travelling routes and reduction of expenses with the employees' cooperation. Therefore, in 2015, by cooperation from all divisions, although the Company suffered severe loss, the Company could maintain the financial status and cash flow. In the same year, the Company prepared the Reformation Plan with systematic procedures. In 2016, many financial institutions considered the Company's business results in 2015 and were confident in the Company which had started the reformation, leading to the confidence in the Company's financial status. Many financial institutions started to approve and granted credits to the Company. During that time, one of the things which the Company deems necessary to reform was the ticket sales for the most revenue, which was deemed to be crucial for the Company. The Company proceeded therewith by finding our weak points. In this regard, the Company's ticket sales system, revenue management, monitoring of competitors' information was out of date in the past, but in 2016, the Company had finished the implementation of these systems. At present, the Company had both system and equipment, and the sales training was provided to the employees for more efficiency. Prior to the year 2007, the Company had profits from its operation because the competitive environment at that time was completely different from the present. At present, the low cost airlines' growth rate was sharply increased. Moreover, there were many Middle East airlines competing with the Company in the premium airline segment. According to the current competitive environment, the strategic plan must be substantially changed. The Company has cooperated as per the video presenting the works for the past year which the Company has taken many actions for the reformation namely structure, sales, cost reduction, procurement, and deciding on the directions of Thai Smile and Nok Air, which will be further explained.

Currently, the Company's ticket sale system was improved. Regarding the services, the Company has established the Service Development and Improvement Committee with an aim to focus on the Service Ring, resulting in many achievements. The Company has received the 1<sup>st</sup> place awards for the reformation and services in year 2016. The Service Ring was cooperation from many divisions of Thai Airways to collaborate in improving the Company's services. In the view of general people regarding the Company's services, it may be deemed that our services were better. The Company received admiration on better meal service. Although there were some commentaries, the Company's image was better overall. Moreover, in the past year, the Company did not have operating loss, compared to Baht 10,000 million of loss in the past. Regarding accounting, the Company has implemented an accurate data system, which was a reason of high depreciation of some assets. As such data was standardized; the number appeared in the current account was the highest standard ever used. For the future plan, it may be classified into 2 ways. The first way was revenue from flight operations, which the Company will use the best effort to manage. The details would be further explained together with Thai Smile and Nok Air. The second way was other revenues, which do not come from flight operation. Last year was the first year that the operation results of all business units, whether Ground Handling, Catering, or Cargo, were not in loss, but profitable.

In regard to other business not related flight operation, the Company further expand its operation to the Economic Corridor at Utapao Airport. Nowadays, there was very high

competition in airline business and many worldwide circumstances were sensitive, causing the Company's revenue from flight operations was highly uncertain. The direction which could ensure the Company's future stability and sustainability for a long term was to generate revenue from other business not related to flight operation. The Company has strong point in aircraft maintenance. 1,000 usable aircrafts may mean high competition, but at the same time, those 1,000 usable aircrafts per year would be the Company's opportunity to earn the revenue from aircraft maintenance. For this year, the Company tried to operate this business more materially. If the Company could generate revenue from other business not related to flight operation up to 10-30%, it would further lead to the stability and sustainability in the long term. Regarding the direction on flight operation, currently, the domestic airlines and international airlines, Thai Group, Thai Smile, and Nok Air tried to mutually operate the business as Thai Group. In the current situation, if there was no cooperation, the failure would occur. Therefore, the cooperation was required. Regarding long distance airline or intercontinental airline, the cooperation was in form of Codeshare, where over 100 destinations were operated by the Company but the tickets were sold for 500-600 destinations. Not every flight was operated by Thai Airways, but Thai Airways entered into an agreement for cooperation of Codeshare service with alliance airlines. Thereby, the Company could sell the tickets for Europe and other countries with competitive price as reflected in the increase of revenue by over Baht 1,000 million from the destinations which were not operated by the Company. The revenue therefrom would be gradually increased upon the completion of ticket sale system. The ticket fare fixing would help the revenues to be more thoroughly managed. Due to high competition at present, the management shall be thoroughly performed. By having equipment and over 20 staffs who were always monitoring the competitors' information, together with the Company's better development, the Company would be able to fix the ticket fare at all times and there would be a tendency to generate higher income.

Regarding domestic airline or regional airline, currently, the market share of Thai Airways and Nok Air are 40% of domestic flight market. In case of cooperation with Bangkok Airways, the Company's market share would be over 50% of domestic flight market. The Company would further cooperate for more transferring of passenger to each other, sharing of maintenance, operations and others, which would be benefit for cost reduction of each other. The Company are trying to operate in such manner. The Thai Group was a form of cooperation. The Company has been adjusting the operations continuously. Previously, Thai Smile was based at Don Mueng Airport and Suvarnabhumi Airport, but now it was clear that, Nok Air would be based at Don Mueng Airport while Thai Smile would be based at Suvarnabhumi Airport to serve as the connecting point of the Company's intercontinental flight. This concept would be more material and unity. At present, the route planning of Thai Smile and Thai Airways were conducted by the Company. Therefore, there was no problem on cooperating with each other for the transfer of the passengers. Regarding the establishment of Thai Smile, its management cost was lower than the Company's as the Company has adopted a management method similar to those of low cost airlines to operate Thai Smile. The domestic flight with short distance around 500-600 kilometers, if the price was different by Baht 1,000 – 2,000, it would not be chosen by the passengers. Therefore, the Company must compete in term of operating cost of the airline which shall be able to compete on price. Thai Smile's cost was lower than the Company's, but at the same time, by cooperation with each other, the Company's passengers were transferred to Thai Smile, which was actually managed by the Company. Thai Smile received the 1<sup>st</sup> place award in Thailand and Asia, and became one of the top ten popular airline of the world, as ranked by Trip Advisor, which would be supportive to each other. For the future direction, the revenue from other business not related to flight operations would be more focused, the Company's

sales would be more effective, and there would be the cooperation with Thai group and Star Alliance; these were the directions for this year and in the future years.

Moreover, he wished to explain that all directors did not perform the duty only on attending the meeting once a month, but they had many meetings with the managements to discuss about the reformation driving every Monday. In addition, each director had their own responsible missions. The managements also had obligations to deal with competition and shall be responsible for reformation. However, he was confident that the Company would be further improved.

Flt. Lt. Montree Jumrieng, Executive Vice President, Corporate Strategy and Sustainable Development, explained to the shareholder's opinion regarding premium airline, which the shareholder considered that there were many obstacles causing many airlines to close down, but had a query regarding why the Company still endured and what would be the future management direction. He wished to explain that, in this year, the Company was in the third step of the Reformation Plan for sustainable growth. One of this part was the business management, it was necessary for the Company to study from the airlines in the United States of America. For Japan Airlines and other premium airlines, which still endured in the region and were the Company's competitors, had the explicit business segmentation. In other words, their businesses were not operated from domestic, ASEAN, region, and intercontinental. The clarity shall be done in the future, which would lead to the ability of capital fixing, at the same time, the sale price for competition could also be fixed. Some shareholders suggested that the narrow body aircraft could be utilized for the Company's business, but in fact it could not as narrow body aircraft's price, product, and service were different from wide body aircraft. Some shareholders suggested that a lot of improvement shall be required if Thai Smile's aircrafts were adopted for the Company's flights, by reducing the seats to 150, and based on the cost per unit; it would cause difficulty on cost fixing. Therefore, the segmentation of major business on flight operation would be clear whether it was short haul which was Thai Smile's business or long haul and medium haul which was Thai Airways' business, while low cost airline was Nok Air's business. For the low cost airline which would be feeder to Nok Air, the business plan thereon should be prepared and the partners should be further sought for. All four segments shall be explicit in the future. Some shareholders expressed their concern on many service qualities that they were decreased. He wished to explain that it was not true, as it can be seen from many airlines which their services were more effective due to the share resource. Some airlines may consider the financial aspect or holding company, but most airlines considered commercial aspect on flight operations, ground operations, and other services. If any part could be mutually operated, the share resource could be applied thereto. The parent company, associates, subsidiaries, and other related companies shall operate therewith. However, these could not be completely controlled, but it should be carefully managed as there may be different related rules, quality, standard, safety, and operations. He was confident that Thai Group would not be limited to only Thai Airways, Nok Air, or Thai Smile. In the future, all Thai airlines shall be cooperated as it can be seen that many existing airlines including Star Alliance had the strong position nowadays because they become the business partners of each other.

Regarding Utapao Airport, the Company participated in 2 dimensions. Firstly, as already informed by the Chairman, the aviation maintenance, the Company expected to be a partner of aircraft manufacturing company. Another one was management of cargo warehouse and airport, the Company would focus on subcontract for management due to many reasons such as the delay of developing Suvarnabhumi Airport, or the narrowness of Don Mueng Airport. Moreover, in the future, Utapao Airport would completely be the third international airport with the airport's potential, Pattaya's strong points, Eastern coast tourism, interregional tourism, and industry

occurrence. However, regarding the fleet, the Company's growth shall be further considered whether it could make Utapao Airport as a Hub in the future.

Regarding the rental fee at Don Mueng Airport in 2016, there was a discussion on the rental fee as proposed by the Airport of Thailand Public Company Limited, and currently it was under negotiation with no further update. However, at present, the invoice of previous fee was sent by the Airport of Thailand Public Company Limited. The proposed fee which was higher than the previous one from Baht 40 to over Baht 100 per square meter was under negotiation.

Mr. Chalermpon Kaewchinporn, Vice President In-flight Services Department, explained about the purchase of toilet kit on board that, according to the determination on product attributes in the latest procurement, the Company required 70% of imported products and 30% of domestic products. In this regard, the products had been proposed to the Board of Directors to select in a correct manner under the rules. For OTOP products, it was the government policy, and it was operated together with providing OTOP products or goods to be sold on board. The qualified products were selected by the Board of Directors, and Thai products were sometimes selected as meal and snacks. Moreover, the Company entered into the MOU with Community Development Department, and those products were selected for service at all times and from time to time.

Mrs. Chamsri Sukchotrat, shareholder, stated that as she had acknowledged, one of the products had been proposed, but it was not selected. Later, upon the initial trend on Thai products, such product was entered into the procurement without correct process under specified rules. The selection thereof was not improper affair, but in case of non-selection, it should not be procured. Such product should be improved and further entered into the next auction.

Mr. Chalermpon Kaewchinporn, Vice President In-flight Services Department, explained that all procured products passed the selection with the scores giving by the selection committee.

Mrs. Chamsri Sukchotrat, shareholder, stated that she would be pleased if it was true as explained, but what she had acknowledged was not same as above explanation. Therefore, the evidence thereof must be taken to further prove for the fact. Regarding Nok Air as it had been explained by the Chairman, she agreed with the establishment of alliances as the Company could not stand alone. However, she was of the opinion that the Company should be only an alliance with Nok Air, but should not make the investment therein. The Company had its own airline. The former purpose of establishing Thai Smile was to be able to compete with low cost airlines, where the market condition was very competitive. Air Asia Airline, which was the low cost airline, could occupy the area of Don Mueang Airport and successfully generate the profits. The Company had enough potential to operate the low cost airline for competition due to the readiness on personnel and resources. She did not oppose the policy on alliance cooperation such as Bangkok Airways, which was very profitable. The alliance cooperation would be benefit for all parties. However, in case of Nok Air, this was not alliance cooperation, but it was that the Company's resources were invested therein. Throughout the past 10 years of investment, whether the Company received any dividend or other benefits therefrom, other than assigning the Company's personnel to hold the office of Nok Air's director without any contribution. She was of the opinion that, throughout the past 10 years, since the Company did not gain any benefit from investment in Nok Air, the

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Company should not further invest. She supported the Company to enter into low cost airline competition.

The Chairman explained that the Company had received a lot of dividends from investment in Nok Air, and the Company had been the shareholder of Nok Air since the establishment thereof.

Mrs. Chamsri Sukchotrat, shareholder, enquired about the amount of received dividend.

Mr. Narongchai Wongthavimok, Executive Vice President, Finance and Accounting, explained that the Company had invested in the amount of Baht 360 million in Nok Air for 13 years with the dividend for over 10 years, except the last 3 consecutive years, in the amount of approximately Baht 600 million.

Mrs. Chamsri Sukchotrat, shareholder, stated that she supported the alliances policy to mutually further create the airline business in Thailand as the great Hub. She insisted that she wished to oppose the investment in the company without tendency to generate the future profit, and she was of the opinion that the Company's airline should be fully used for earning profits because all shares belonged to the Company, and the former purpose was to be able to compete with low cost airlines, not light premium airlines.

Mr. Prasert Tisayathikom, shareholder, discussed about the performance of the ex-board of directors.

The Chairman stated that, as the discussion was referred to the third party, and such party had no chance to give an explanation. Therefore, the discussion thereon shall be ended. The Company had acknowledged the point of discussion, and would accept for further consideration.

Mr. Kitti Sanitwong Na Ayutthaya, shareholder, admired the Chairman's ability and stated that, regarding the development of Utapao Airport, formerly it had been constructed by the United States of America's army in the era of Vietnam War. During that time, it was forecasted that, in the future, the reclaimed land would be done to expand the airport area of not less than 14 kilometers, and the soil from digging the Kra Canal should be utilized therefore, as Thailand would become the airline's Hub of Asia in the future, that was the forecast in the past 50 years. Once Suvarnabhumi Airport was newly opened, there was a suggestion that Don Mueang Airport should be changed to shopping mall. Nearly 10 years past, it could be seen that Don Mueang Airport was not as expected, and it needed to expand the airport area. In the future, the airline industry growth could be increased due to many supportive projects such as high speed train to Utapao Airport. Moreover, according to the analysis of the Asian Development Bank, in the future, the European economy growth would not be increased, but Asia would become the key power to drive the global economy, especially Thailand, which would have high growth due to good location, while Singapore had the least opportunity therefor.

Ms. Suporn Patumsuwanvadi, shareholder, stated that the Company should eliminate any gap, inaccuracy, equipment expense and other unnecessary expenses. This was under the Chairman's authority to give an order to create the Company's good governance. Moreover, she admired the voting of each agenda in the Meeting that the votes of shareholders whose

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voting ballots had not been submitted were clearly shown, and those votes were not counted as the affirmative votes as done by other companies. However, there were some matters which should be further presented in the next meeting; these were the number of shareholders and increased votes in each agenda, and expenses of each shareholders' meeting.

The Chairman then thanked all shareholders for attending the Meeting today and stated that the Board of Directors and the Management Executives would do the best of their abilities for our organization and country and he wished all shareholders a safe journey back.

The Meeting was adjourned at 20.10 hrs.

(Signed) *Sub. Lt. Pitak Nakabhat*

(Pitak Nakabhat)  
Director, Corporate Secretariat Office  
Minutes Keeper

(Signed) *Suvimol Bualerd*

(Mrs. Suvimol Bualerd)  
Senior Vice President, Corporate Secretariat Department  
Secretary to the Meeting

(Signed) *Usanee Sangsingkeo*

(Mrs. Usanee Sangsingkeo)  
Executive Vice President, Aviation Business Unit and Acting President

(Signed) *Areepong Bhoocha-oom*

(Mr. Areepong Bhoocha-oom)  
Chairman  
Chairman of the Meeting

REMARK:

Whereas after the 2017 Annual General Meeting of Shareholders, the Company verified the registration documents of the shareholders and proxies who attended the Meeting and the number of votes on each Agenda and found some incomplete documents and ballots, thus, the votes and resolutions were mistaken. Accordingly, the number of shareholders and proxies who attended the Meeting and the resolutions which were informed to the Meeting

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were misled from fact. Therefore, the Company would like to amend the minutes of 2017 Annual General Meeting of Shareholders. Such amendment does not affect the result of the Meeting's resolutions. The details of amendment are as follows: -

Shareholders Present:

1. The Ministry of Finance holding 1,113,931,061 shares  
(Represented by Mrs. Nutteewan Siemangern, proxy)

2. Other 1,211 shareholders holding 338,558,212 shares  
Totaling 1,212 shareholders present holding 1,452,489,273 shares in total, representing 66.54% of total shares.

Resolutions

1. To acknowledge report on the results of operations for the year 2016

Resolution: The Meeting acknowledged the report on the results of operations for the year 2016, as detailed in the 2016 Annual Report, which had been delivered to the shareholders together with the invitation notice.

2. To consider and approve the Financial Statements for the year 2016

Resolution: The Meeting resolved, by majority votes of the shareholders who attended the Meeting and have the right to vote, to approve the Financial Statements for the year 2016, which the Office of the Auditor General of Thailand, the Company's Auditor, has already audited and certified. The votes are divided as follows: -

Approved	1,459,615,770	votes
Not Approved	40,310	votes
Abstained	548,197	votes
Voided ballot	1,700	votes

3. To consider and approve the suspension of dividend payment in respect of the Company's business operations for the year 2016

Resolution: The Meeting resolved, by majority votes of the shareholders who attended the Meeting and have the right to vote, to approve the suspension of the payment of dividend in respect of the Company's business operations for the year 2016. The votes are divided as follows: -

Approved	1,460,013,702	votes
Not Approved	92,278	votes
Abstained	98,297	votes
Voided ballot	1,700	votes

(Translation)

4. To consider the Directors' Remunerations

Resolution: The Meeting resolved, by the vote of not less than two-third of all votes of the shareholders who attended the Meeting, to approve the criteria for determination of Directors' remunerations and meeting allowance as proposed by the Board of Directors for the period from 1 May 2017 to 30 April 2018. The votes are divided as follows: -

Approved	1,459,962,298	votes
Not Approved	146,044	votes
Abstained	95,035	votes
Voided ballot	2,600	votes

5. To consider the appointment of an auditor and determination of the audit fees for the year 2017

Resolution: The Meeting resolved, by majority votes of the shareholders who attended the Meeting and have the right to vote, to approve the appointment of the auditor and the audit fees for 2017, as proposed by the Audit Committee, The votes are divided as follows: -

Approved	1,460,079,436	votes
Not Approved	80,974	votes
Abstained	43,667	votes
Voided ballot	1,900	votes

6. To consider the appointment of Directors to replace those retiring by rotation

Resolution: The Meeting resolved, by majority votes of the shareholders who attended the Meeting and have the right to vote, to approve the appointment of 5 directors of the Company, replacing the retired directors according to the Article 17 of the Articles of Association of the Company, effective from 21 April 2017 onwards. The votes are divided as follows: -

1. ACM Treetod Sonjance

Approved	1,193,849,669	votes
Not Approved	254,636,406	votes
Abstained	84,465	votes
Voided ballot	0	votes
Unused Votes	11,635,437	votes

2. Mr. Peraphon Thawornsupacharoen

Approved	1,448,458,619	votes
Not Approved	32,356	votes
Abstained	88,065	votes
Voided ballot	600	votes
Non-exercised voting right	11,626,337	votes

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3. Mr. Somchai Sujjapongse

Approved	1,361,945,837	votes
Not Approved	86,535,338	votes
Abstained	92,365	votes
Voided ballot	0	votes
Non-exercised voting right	11,632,437	votes

4. ACM Johm Rungswang

Approved	1,448,123,883	votes
Not Approved	359,692	votes
Abstained	88,365	votes
Voided ballot	0	votes
Non-exercised voting right	11,634,037	votes

5. Mr. Vachara Tuntariyanond

Approved	1,447,446,019	votes
Not Approved	1,018,556	votes
Abstained	90,251	votes
Voided ballot	0	votes
Non-exercised voting right	11,631,151	votes

(Signed) *Suvimol Bualerd*

(Mrs. Suvimol Bualerd)  
Senior Vice President, Corporate Secretariat Department  
and Secretary to the Meeting