

3.5%, the Company, therefore, in one year, would account for its damages at 2,700 Million Baht. The aircrafts parked for 8 months thus the Company could account for its damages at 2,000 Million Baht. How would the Management be responsible for those damages? Because at the moment the maker had been bankrupt. The Company's purchased the seats at the price twice higher and, as far as he knew, the Company had a contract stipulating that from now on Thai Airways International must use the seats to be installed in the seven A330 aircrafts which would be bought, or not?

The Company Secretary, answered to the question regarding the action to claim for damages. In this matter, the Board had a resolution for the Company to charge for damages since the Company did not receive any seat. The Company had actually sent a letter to press the claim and the maker had requested the Company to send more information without any dispute. Currently, the charge for damages was ongoing.

Mr. Wisudh Sahachartmanop, Shareholder, asked if JCAB stopped the production of seats due to insecurity or not and whether the manufacturer had been bankrupt. And if the maker had been bankrupt, would the Company be able to charge the manufacturer for damages?

The Chairman requested for a more thorough investigation to see if the whole incident was as the Shareholder questioned.

Flt.Lt. Montri Jamrieng, Executive Vice President, Technical, clarified on the point of the price of the seats that, compared to the Net Present Value, the price was not higher than that of Koito. But the procurement was conducted two years ago thus there was a price difference. Also, the reason for the contract for the other seven A330 aircrafts, which would be delivered from the end of this year or this November until next year end, involved the manufacturer's problems to be solved for the other 25 airlines which also involved 300 aircrafts and, in a domino effect, 1,000 aircrafts in use, totaling in approximately 150,000 seats. The present suppliers we had were not enough. Consequently, the Company called for bids as usual and the present big companies which were Recaro, Weber and B/E Aerospace could not deliver the seats within November. The Company then needed to contact a new supplier to install the seats in the five A330 aircrafts of the Company as well as the six 747-400 aircrafts.

The Meeting acknowledged the report of the operations of the year 2010 as detailed in the 2010 Annual Report, which had been delivered to the Shareholders along with the Meeting Invitation Notice.

**Agenda 4 To review and approve the Balance Sheets and the Company's Profit and Loss Statements of the year 2010**

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

The President addressed to the Meeting that at the date of December 31<sup>st</sup>, 2010, the Company had total revenue of 184,270 Million Baht, increasing from last year 20,395 Million Baht due to the recovery of the world economy. Even though there had been political crises and volcanic eruptions in Iceland, the needs for transportation as well as imports and exports had substantially increased. At the same time, the expenses also increased. The Company had the total expense of 170,945 Million Baht, increasing from last year's 17,757 Million Baht. However, due to some important factors beyond the Company's control, i.e. the skyrocketing price of jet fuel at 26.4 % which accounted for 9,504 Million Baht and the Mutual Separation Program (MSP) – the early retirement program for employees - which accounted for 2,263 Million Baht and helped decrease the personnel costs in the long term as well as the

employees' 3-month bonuses which accounted for 2,904 Million Baht and added to the Company's expenses, these expenses would help increase its personnel efficiency in the long term. Nevertheless, the Company had continuous control of the expense, resulting in decreasing operation costs. The Company also reduced the estimate of the reserved budget for damages which might occur due to the case of the Company being charged for violations of the regulations prohibiting unfair trade practice for 1,783 Million Baht since the European Commission had withdrawn all charges against the Company. Moreover, the Company had a profit from the exchange rates at 9,106 Million Baht, resulting in a net profit of 15,350 Million Baht for the year 2010 – an increase from 2009's net profit at 7,344 Million Baht with a profit per share at 8.39 Baht, increasing from 2009's profit per share at 4.32 Baht. The profit before interest, tax, depreciation and rent or EBITDAR accounted for 33,322 Million Baht, higher than last year's at 1,405 Million Baht.

The Chairman asked if there would be any other questions from any shareholders.

Pol.Col. Sermkiat Bamrungpruek, shareholder, expressed his thoughts concerning the OAG which related to the financial budget converted into foreign currencies according to the new accounting standards. In considering the revenue of the Company, it was evident that the budget was involved with various foreign currencies, namely US dollar, Euro, Yen and probably other currencies in the future. Therefore, if the Company converted the financial budget into foreign currencies in the same way as some other companies would do, such as PTT Exploration and Production Public Company Limited, it would help minimize the risk of exchange rates - the factors hard to control. Moreover, the Company was an international company. If the financial budget were converted into foreign currencies, the Company would be more standardized. The OAG should study how to convert financial budgets into foreign currencies. Furthermore, for better transparency, the report should be written in English since some investors of the Company were foreigners.

The Chairman responded to the opinions of Pol.Col. Sermkiat Bamrungpruek that the Board had placed an importance on the exchange rates. Apart from hedging in the first place, the Company's structure which naturally gained a large amount of revenues from other currencies automatically applied to natural hedging. Secondly, the debt structure of the Company contained 3-4 main currencies. In the period when the value of Thai Baht appreciated, many loans were converted into the local currency. Also, the increase in the share capital at 15,000 Million Baht paved a better way for the Company to handle the risks of the exchange rates. On the proposal of converting the financial budget into foreign currencies, if considered with details, it could be found that PTT Exploration and Production had a structure which mainly involved the currency in US Dollar but the Company had revenues and expenses in quite a number of foreign currencies so natural hedging could be considered as an achievement to a level. However, it could be well accepted that in the previous year, the exchange rates highly fluctuated. The Company would like to humbly accept such opinions to develop the Company for better performances. As for the present time, the Board had approved the Global Banking Project and that could be considered as the beginning of converting the financial budget into the format you had proposed.

Pol.Col. Sermkiat Bamrungpruek, shareholder, asked more questions concerning Notes to the Financial Statements on page 178 of the Annual Report, which the OAG had made comments on the expenses including the seat installation fees, if the 115.8 Million Baht expense had already been included in the balance sheet of the year 2010 or not.

Mr. Thurdpong Pongsaksri, representative of the OAG, answered Pol.Col. Sermkiat Bamrungpruek's question that the mentioned expense had been included.

Mr. Jiraphan Buabucha, shareholder and proxy, asked about the Audit Committee if one of their authorities and functions as specified on page 71 of the Annual Report was to verify the Company's financial report to be accurate and sufficient or not. The conclusion from the report of the Audit Committee in the Annual Report, which were reported by the Audit Committee, was that the financial statements of the Company was reasonably accurate. On the issue of content in accordance with the accounting principles commonly certified, could it be looked upon as the Audit Committee had performed in accordance with the specified functions and responsibilities? And what would be the inaccurate parts in content? Mr. Jiraphan also asked about examples of Internal Control which the Audit Committee had reported, which were essential to the Board and worth the consideration for further steps according to the report of the Audit Committee. On the issue of account receivables for more than 2 years at the amount of 1,456 Million Baht as shown in the Annual Report on page 155, how would the Company keep track of these enduring outstanding payments? Would there be any possibility in receiving the payments? Mr. Jiraphan also asked about the remunerations of the Directors (Note No. 6.20 on page 169 of the Annual Report), the issue concerning the Directors requesting the tickets for themselves and their concerned parties for 179 tickets with the value of 24.37 Million Baht. Furthermore, he asked for the names of the Directors who requested for the tickets and the highest total values of the tickets for the Directors who made it as the first three in the ranking.

The Chairman informed that in terms of any subject pertaining to the Audit Committee was answered in agenda 7 which it shall be clarified by the Audit Committee and Corporate Finance Department were requested to clarify any issue related to debt collection. With regard to any right of issuing air ticket, it has been the right granted by the shareholders for 15 Committee, including himself.

Mr. Chalongsak Saeng-Xuto, shareholder, praised good corporate governance policy mentioned by the President and provided his opinions that the first thing appropriately to be conducted was to eliminate the internal corruption. On the date of 1<sup>st</sup> March 2011, he submitted copies of documents in relation to corruption in corporate procurement to the President and Office of the National Anti-Corruption Commission (NACC). Nevertheless, until the present day, he did not receive a responding letter whether NACC received the said letter. In addition, he expressed his opinion on custom at meal times which in the past, the business class provided aprons in the service. Based on the custom, the apron was a piece of cloth with buttonholes. Nonetheless, presently, domestic airlines terminate the apron service; only a square piece of cloth is available. Such service was significantly considered lack of culture that he requested it to be verified.

The Secretary to the Meeting clarified concerning complaints about internal procurement corruption of corporate, the President assigned the truths to be verified in accordance with compliant regulations immediately. At the moment, it was under an investigation process.

The Chairman asked the Meeting to cast the votes.

The Meeting resolved with the majority votes of the shareholders who attended the Meeting and had the voting right, to approve the balance sheets and income statements for the year 2010 which were audited and certified by the OAG and the our auditor, as follows:-

Affirmative Votes	1,802,609,287	Representing	97.54682%
Negative Votes	22,418	Representing	0.00121%
Abstention	45,310,882	Representing	2.45196%

**Agenda 5 To Approve the dividend payment from Company Operating Result of the year 2010**

The Chairman asked the President to give this matter to the Meeting.

The President explained to the Meeting in brief that the Company had policy to pay dividend not less than 25% of the consolidated net profit before gains or losses of foreign currency exchange, subject to the Company's investment plans, necessity, and suitability in the future. For the accounting year of 2010, the Company's consolidated net profit before any gain or loss on foreign currency exchange was 6,243 Million Baht. After the Board had considered, the Board found it was appropriate to propose the AGM to approve the dividend payment from the Company's operating result of the year 2010 to the Company's shareholders representing 2,182,771,917 shares at 1.25 Baht per share, totaling 2,728,464,896 Baht or 43.70% of the consolidated net profit before any gain or loss on foreign currency exchange. Accordingly, he proposed the shareholders to approve the dividend payment.

The Chairman inquired the Meeting whether there were any questions raised by the shareholders on dividend payment.

Mr. Thong-In Saeng-ngam, shareholder, provided his opinion that for the accounting year of 2007 paying dividend at 1.80 Baht per share which in that entire year, the Company gained profit at 6 Baht per share approximately. However, the approximate profit was 8 Baht per share this year, the Company paid dividend at 1.25 Baht per share which this amount was less than 25% of consolidated net profit based on the policy. Therefore, he asked the Company to clarify it to the Meeting.

The Chairman explained about the question raised by Mr. Thong-In Saeng-ngam that the Company made dividend payment at the rate of 43.70% of the consolidated net profit before gains or losses of foreign currency exchange this year. With regard to dividend payment, the Board needed to consider stability of financial structure after attempt at debt restructuring and capital increase. The Company also considered suitability of debt to equity ratio to be in line with the standard, which was less than 1; otherwise, the Company's credibility would decrease and then it would affect debenture issuance.

Mr. Mana Aroon-sri, shareholder, said that he held 200 shares which were purchased at 60 Baht per share. If the Company paid dividend at the mentioned rate, he would receive very small return. Consequently, he proposed the Company combining the said dividend with the next year dividend or giving airfare discount to the shareholders. He proposed further that the shareholders, as the Company's owners, should receive privileges such as airfare discount and he provided his opinion on management of this year AGM on location of the registration point, food point and restrooms were inconvenient for senior persons.

The Chairman explained about meeting hall location that there were elevators for service behind. He accepted the meeting location management may be incomplete. And although the amount of dividend was small, the value of share price would be raised. In addition, it was necessary to provide benefits to the directors so as to attract capable directors to work for the Company and he himself has tried to reduce their privileges perpetually.

Pol.Col. Sermkiat Bamrungpruek, shareholder, proposed considering other returns such as issuing 5-10 domestic tickets to the shareholders attending the meeting at random and no distribution for these tickets.

The Chairman took opinions of Pol. Col. Serkiat Bamroongpruek into consideration. In this regard, he needed to verify relevant regulations.

Dr. Auttana Laohathaimongkol, shareholder, expressed her opinion that the dividend amount paid to the shareholders was very little; the said amount should be revised. She also asked why the Company did not open Kolkata route, a short route, additionally to compete with other airlines because a great number of customers have wanted to fly with Thai Airways and he proposed reducing airfare discount to be in similar rate with airfares of other airlines.

The Chairman accepted recommendations of shareholder for consideration. A flight en routes to Kolkata has been in service. Then, he asked the shareholders to cast the votes.

The Meeting resolved with the majority votes of the shareholders who attended the Meeting and had the voting right, to approve dividend payment from the Company's operating result of the year 2010 to the shareholders representing 2,182,771,917 shares at 1.25 Baht per share. Total dividend payment amounted to 2,728,464,896 Baht or 43.70% of the consolidated net profit before any gain or loss on foreign currency exchange. The dividend would be paid to the shareholders whose names appearing on the list on the Record Date for the right to dividend payment which was on 15 March 2011. The dividend would be distributed on 20 May 2011, as follows:-

Affirmative Votes	1,803,547,487	Representing	97.59759%
Negative Votes	17,118	Representing	0.00093%
Abstention	44,377,982	Representing	2.40148%

#### **Agenda 6 To Consider the Board of Director's remuneration**

The Chairman asked Mr. Surachai Tansitpong, Chairman of the Nomination, Remuneration and Human Resources Development Committee, to explain this matter to the Meeting.

Mr. Surachai Tansitpong, Chairman of the Nomination, Remuneration and Human Resources Development Committee, explained to the Meeting that according to the resolution for approval of regulations on the Board of Director's remuneration, meeting allowance, and benefits in air ticket from the Remuneration and Human Resources Development Committee from the date of 1 May 2011 to 30 April 2012 and Director's bonus for the year of 2011, the Board of Director resolved to propose them to the shareholders for approval consideration as the following details.

Firstly, the Board of Director's remuneration and meeting allowance, the proposed rate remained the same as approved by the AGM in 2010. The Board shall receive monthly remuneration in the amount of 50,000 Baht and the meeting allowance in the amount of 30,000 Baht for each meeting. Should there was more than one meeting per month, each member would receive a meeting allowance of not more than 30,000 Baht per month, and the Chairman and the Vice Chairman would respectively receive 25% and 12.5% more than that of the other members. All remuneration and meeting allowance were subject to income tax to be paid by each member. In such case, when a member was appointed by the Board or its Chairman to be committee, sub-committee and member of working groups of the Company, such member would receive an additional meeting allowance in the amount of 10,000 Baht per meeting. Should there be more than one meeting per month; a meeting allowance would remain in the amount of 10,000 Baht for that month. Audit Committee would receive meeting allowance at the same rate as of the Board which the allowance would also be paid for the month during which no meeting was held.

Secondly, benefits in air ticket for the directors, the Board shall receive 10 roundtrip tickets per year for international routes and 10 roundtrip tickets per year for domestic routes, of the highest class free of charge. This benefit can be used as appropriate. This benefit shall

be granted only during as a Board member. The number of air tickets shall be equal to the number approved by the shareholders in 2010 which the number was reduced from 15 tickets per year for international routes and 15 tickets per year for domestic routes. This number also was reduced from the 30 air tickets per year for international routes and 30 tickets per year for domestic routes in 2009.

Lastly, the Board would receive annual bonus by calculating from the percentage of 0.2% of the Company's consolidated net profit before any gain or loss on foreign currency exchange, with the limit of total amount to be not over 30 Million Baht. This rate shall be adopted for the calculation of bonus in following years because the Nomination Committee agreed that the Board should receive annual bonus based on the operating result of the Company; this rate was different from that of previous year which was determined at 0.5% of paid dividend. When calculating annual bonus of 2010, the Board would receive it at the same rate totaling 13.642 Million Baht. Meanwhile, on the ground of new rate calculation, the Board would receive it totaling 12.487 Million Baht. The Board expressed their intentions to receive annual bonus of 2010 based on the new rate whose amount was lower from that of the existing rate by 1.155 Million Baht.

The Chairman inquired the shareholders whether there were any doubts or questions. If there was no further recommendation, he asked the shareholders to consider and approve the Board of Director's remuneration as proposed by the Nomination, Remuneration and Human Resources Development Committee.

Mr. Peerapat Pongrojphao, proxy, thanked the Chairman for the dividend announced to be paid at the rate of 43.70% of profit and he proposed the Chairman to conduct the Meeting and control opinions of each shareholder to be in line with agendas. Afterwards, he expressed his opinion on the Board of Director's remuneration and meeting allowance that monthly remuneration amounting to 50,000 Baht, in comparison with that of other companies was acceptable and monthly meeting allowance amounting to 30,000 Baht per one meeting was fair.

The Chairman explained that in the last two years, he asked the Board to reduce the remuneration by 25%. Therefore, this year, he proposed remaining remuneration to be the same as previous year. In this regard, the Directors must attend more than one meeting a month, particularly during the period that the Company encountered crisis which the Directors must at least attend two meetings a month. And the Directors have continuously put their strenuous efforts at work.

Ms. Suporn Pathumsuwanwadee, shareholder, thanked the Board for reduction of benefit in air tickets to annual 10 air tickets free of charge and the Directors must take responsibility for tax income payment by themselves. She inquired additionally whether air tickets free of charge can be transferred to others.

The Chairman explained that such benefits can be transferred only to the Director's family members.

Ms. Suporn Pathumsuwanwadee, shareholder, proposed the Board to reduce the Company's expenses by reducing number of guards who were in charge of the shareholders' security. She convinced the shareholders to attend the meeting by themselves instead of proxy, for the purpose of decrease in document expenses.

The Chairman explained that the Board has tried to reduce expenses continuously.

Pol.Col. Sermkiat Bamrungpruek, shareholder, praised the Board for reduction of the Director's annual bonus and proposed determining annual bonus by calculating from the percentage of 0.2% of net profit based on operating result, replacing calculation from the consolidated net profit before gains or losses of foreign currency exchange. Therefore, after a switch to foreign currency exchange, it would be entire year average value of currency exchange rate. He inquired about the maximum amount of annual bonus; he proposed the Board to indicate the clear figures.

The Chairman agreed with the recommendation addressed by Pol. Col. Sermkiat Bamrungpruek and explained that annual gross bonus did not exceed 30 Million Baht.

Mr. Somphol Trakulroong, proxy, expressed his opinion that because the directors were responsible for asset management amounting to 300,000 Million Baht, thus, it was legitimate for the directors to receive such remuneration. Considering income statements, the Company gained high profit amounting to 15,000 Million Baht. Based on business perspective, the Director's remuneration was pale into insignificance by comparison. He expressed his opinion on overall Chairman of Committees' remuneration that it was lower than those of other directors. Nonetheless, he asked the Board to consider benefits of retail shareholders in regard to remuneration payment properly.

Mr. Thanachati Thanasetthakorn, shareholder, expressed his opinion that annual bonus which was determined in proportion to net profit have been non-deductible expenses. As a result, they were calculated as the Company's income. In addition, losses in the last two years were over 20,000 Million Baht. If accounting management was good, the Company may deduct tax burden from accumulated losses in 2009 and 2010 that the Company may not pay the tax at all.

The Chairman thanked for his recommendations and he would assign the Corporate Finance including Legal and Compliance Department to verify this matter.

Mr. Prasert Lertyaso, shareholder, proposed the Meeting to add agenda 6/1 for the shareholder's return because the shareholders are owner of the Company and he proposed determining welfares for the shareholders such as air ticket booking. He, in addition, proposed the Board to abstain from annual bonus as a good example to other companies for good governance. He asked the Board to clarify reasons behind the Audit Committee's remuneration although there was no meeting in that month and reasons why the Chairman and the Executive Vice Chairman would respectively receive 25% and 12.5% more than that of the other members.

Flt.Lt. Pramook Na Ubon, shareholder, expressed his opinion that, to resolve the Meeting, there should be amendment of law to be similar to the Condominium Act for the benefit of minor shareholders. The Act stipulates that in the case where a project owner as a joint owner holding the votes over the half of total votes, a vote of that joint owner must be reduced equivalent to votes of other joint owners combined, for the benefits of retail shareholders; this was the same as AGM case. If any major shareholder holds their votes over half of total votes, the votes of said shareholder were proper to be reduced as equal to votes of other shareholders combined. Otherwise, in resolving the AGM, if the Ministry of Finance as a major shareholder holding 51% shares casts the vote, it would be the shareholder who has the casting vote.

The Chairman explained that AGM of other public companies raised this matter for discussion as well. Nonetheless, proposal for any legal amendment must be in accordance with legislative process.

The Meeting resolved, with the votes of not less than two-thirds of the total votes of the shareholders who attended the Meeting, to approve the regulations on the Board remuneration, proposed by the Nomination, Remuneration and Human Resources Development Committee as follows:-

The Board of Directors remuneration and meeting allowance:

- To approve the remuneration of each member of the Board to receive monthly remuneration in the amount of 50,000 Baht and the meeting allowance in the amount of 30,000 Baht for each meeting. Should there was more than one meeting per month, each Board member would receive a meeting allowance of not more than 30,000 Baht per month, and the Chairman and the Vice Chairman would respectively receive 25% and 12.5% more than that of the other members. All remuneration and meeting allowance were subject to income tax to be paid by their own.
- In the case that a member was appointed by the Board or a Chairman to be committee, sub-committee and member of working groups of the Company, such member would receive additional meeting allowance in the amount of 10,000 Baht per meeting. Should there be more than one meeting per month; a meeting allowance would remain in the amount of 10,000 Baht for each month.
- Audit Committee would receive meeting allowance at the same rate as that of the Board which the allowance would also be paid for the month during which no meeting was held.

In this regard, the approved rate remained the same as those from the AGM in 2010.

**Benefit in air ticket for the directors:** The Board shall receive 10 roundtrip tickets per year for international routes and 10 roundtrip tickets per year for domestic routes, of the highest class free of charge. This benefit can be used as viewed proper. This benefit shall be granted only during he/she is a Board member.

**Bonus:** The Board shall receive annual bonus by calculating from the percentage of 0.2% of the Company's consolidated net profit before any gain or loss on foreign currency exchange, with the limit of total amount to be not exceeding 30 Million Baht. This rate shall be adopted for the calculation of bonus in following years.

The Meeting cast the votes as follows:-

Affirmative Votes	1,799,159,583	Representing	97.35980%
Negative Votes	4,375,668	Representing	0.23679%
Abstention	44,413,851	Representing	2.40341%

#### **Agenda 7 To Consider appointing auditor and To Determine the audit fee**

The Chairman asked Mr. Chulasingh Vasantasingh, Chairman of Audit Committee, to explain this matter to the Meeting.

Mr. Chulasingh Vasantasingh, Chairman of Audit Committee, summarized this matter to the Meeting that the OAG was the Company's auditor in 2010. The OAG received annual audit fee of Company's financial statements in the amount of 2,000,000 Baht and the quarterly audit fee of Company's financial statements in the amount of 300,000 Baht per quarter, totaling three quarters. Presently, the OAG had conducted this task until its term was

terminated. Therefore, it was necessary to consider an appointment of auditor and determination of audit fee for the year 2011. The OAG informed annual audit fees for the year 2011, comprising annual audit fee of Company's financial statements in the amount of 2,000,000 Baht and the quarterly audit fee of Company's financial statements in the amount of 300,000 Baht per quarter, totaling three quarters equivalent to those of the year 2010.

The Chairman asked the Meeting whether there would be other shareholder's inquiry or proposal or not.

Ms. Suporn Pathumsuwanwadee, shareholder, inquired about verifying the power of attorney of proxy from the Ministry of Finance

The Chairman replied the inquiry that the Management had checked the power of attorney of the Ministry of Finance's proxy and confirmed that the authorization was correct. Then, the Chairman asked the Meeting to vote on the resolution.

The Meeting resolved, with the majority votes of the total votes of the shareholders who attended the Meeting and had the voting right, to approve the appointment of auditor and to approve the audit fee for the year 2011 as proposed by the Audit Committee, as follows:-

1. To appoint the OAG to be the Company's auditor for the year 2011;
2. To approve the audit fee of the Company's financial statements for the year 2011 and the audit fee of Company's financial statements in each quarter which was at the same rate as that of the year 2010 which was 2,000,000 Baht and the audit fee of Company's financial statements in each quarter, totaling 3 quarters, in the amount of 300,000 Baht per quarter.

The Meeting cast the votes as follows:-

Affirmative Votes	1,803,518,152	Representing	97.59566%
Negative Votes	42,168	Representing	0.00228%
Abstention	44,388,782	Representing	2.40206%

## **Agenda 8 To Consider the election of Directors**

The Chairman asked Mr. Surachai Tansitpong, Chairman of the Nomination, Remuneration and Human Resources Development Committee to explained to the Meeting.

Mr. Surachai Tansitpong Chairman of the Nomination, Remuneration and Human Resources Development Committee informed that in this AGM, there were one-thirds of directors retiring by rotation under the Company's Articles of Association, Article 17 as follows:-

1. Mr. Ampon Kittiampon
2. Mr. Pichai Chunhavajira
3. Mr. Banyong Pongpanich
4. Mr. Varah Sucharitakul
5. Mr. Piyasvasti Amranand

In this connection, the Company had given the shareholders an opportunity to nominate qualified person to be elected as Member of the Board according to the Criteria posted on the Company's website. However, there was no nomination, therefore, the Nomination, Remuneration and Human Resource Development Committee had selected qualified person according to its selection process by considering the qualification, learning qualification and knowledge of the nominated persons. The Board resolved to approve the

opinion of the Nomination, Remuneration and Human Resource Development Committee, therefore, he would like to propose the Shareholders' Meeting to consider on the election of directors for replacing the 5 retiring directors by rotation as follows:-

- |                             |   |
|-----------------------------|---|
| 1. Mr. Ampon Kittiampon     | To be re-elected as a director for another term |
| 2. Mr. Banyong Pongpanich   | To be re-elected as a director for another term |
| 3. Mr. Varah Sucharitakul   | To be re-elected as a director for another term |
| 4. Mr. Piyasvasti Amranand  | To be re-elected as a director for another term |
| 5. Mr. Dheerasak Suwannayos | To be elected as a director                     |

The Chairman asked whether any shareholder had an inquiry or not. As there was no other shareholder's inquiry, the Chairman asked the Meeting to cast the votes and asked the Secretary to the Meeting to explain the method of casting the votes for the election of directors.

Pol.Col. Sermkiat Bumrungpruek, shareholder and proxy, asked whether the Chairman had resigned from member of the Board of PTT or not. In addition, he further said that, he has already acknowledged the qualification of the 4 directors who were nominated to be the Company's Directors for another term, however; it required verification whether the other nominated person was qualified.

Flt.Lt. Kanok Tongphuak, Vice President, Human Resources Department, replied the inquiry of Pol.Col. Sermkiat Bumrungpruek that the qualifications of Mr. Teerasak Suwanyod were already verified with Securities and Exchange Commission (SEC) and State Enterprise Policy Office (SEPO), and that he was qualified.

Mr. Thong-in Saeng-ngam, shareholder, questioned why Ministry of Finance as a major shareholder did not recruit Directors by itself instead of assigning this job to the Nomination, Remuneration and Human Resources Development Committee. Furthermore, he also asked that, since the Chairman currently held 4 positions at the same time, one in particular being a Secretary to the Office of the National Economic and Social Development Board, if this would have any impact on working for the Company.

The Secretary to the Meeting clarified the inquiry of Mr. Thong-in Saeng-ngam that director recruitment of a public company limited must be in compliance with SEC which stipulates that a public company limited is required to have a Nomination Committee in order to recruit directors and top managements. Once the Nomination Committee has chosen candidates, these candidates have to be proposed to the Board for approval prior to presenting to the AGM. However, for these 5 candidates who were proposed to the AGM, they are all suitably qualified and they are currently members of not exceeding 3 state enterprises or subsidiaries.

Mr. Prasert Lertyaso, shareholder, proposed to change the Company's Articles of Association in order to allow at least a shareholder to be a director, and also proposed any directors who were currently being a member or a management in other companies to resign so that the elected directors could dedicate their time working for the Company at their full capacity.

Mr. Chulasingh Vasantasingh, Independent Director and Chairman of the Audit Committee, explained to the Meeting in 4 aspects as follows. First of all, in accordance with the Act on Standard and Qualifications of Committee Members and Officials of State Enterprise, it prohibited the persons to hold a director's position in more than 3 state enterprises. Therefore, it could be interpreted that if it was not a state enterprise, the persons were able to be a director, even in more than 3 companies. Later on, the NACC, an

independent organization monitoring the civil servants' behaviors, proposed to the Cabinet to allow the civil servants to hold a director's position in not more than 3 state enterprises or companies, and this had been approved by the Cabinet. Therefore, all Directors are now required to examine whether they are qualified in accordance with the Act. Secondly, in accordance with the SEC regulations, only independent directors who were elected by the Meeting and were responsible for monitoring the benefits of minor shareholders are allowed to be a member of Audit Committee. Thirdly, each director shall evaluate his own potential whether or not he had sufficient time to work for the Company. Any Director who thought that he had other businesses and was unable to work for the Company should resign from the position such as the case of Mr. Pichai Chunhavajira. Lastly, in accordance with SEC regulations, it required all public company limited to have a Nomination Committee, a Remuneration Committee and an Audit Committee in order to screen various issues prior to presenting to the Board or AGM. The Nomination Committee was responsible for recruiting and comparing qualifications of candidates prior to presenting to the Board or AGM.

Pol.Col. Sermkiat Bumrungruek, shareholder and proxy, proposed the proxy on behalf of the Ministry of Finance, as a major shareholder, to have discretion on the abstention; otherwise, the vote from a major shareholder was always final. In order to protect minor shareholders' right, it was required by Law to set up a Nomination Committee. Meanwhile, the Law did not prohibit any minor shareholder to be a director in a public company limited.

Mr. Somphol Trakulroong, proxy, expressed his opinion that every shareholder should realize that the Company was a profit organization. Therefore, it was appropriate that the Ministry of Finance, as a major shareholder, did not perform appoint the directors by itself since it was required by Law to have a Nomination Committee in order to prevent political intervention. However, the key objective of the minor shareholders' investment was to receive good returns; not to receive the right to be a director or free tickets. With regards to the vote casting, the objectives of the Company and a condominium are different. This is because while the Company's objective is to seek profit but the condominium's objective is to live together. Therefore, casting votes in condominium cannot be used for the Company. In addition, he further said that, regarding to vote casting by the major shareholder, a minor shareholder should not put pressure on the proxy for the Ministry of Finance to abstain from voting as the proxy is required to perform his job as assigned by the Ministry of Finance.

The Chairman explained that he is currently not a director of PTT any longer but still a director in other 3 companies: PTT Exploration and Production Public Company Limited, PTT Aromatics and Refining Public Company Limited and Thai Airways International Public Company Limited, and that he always works at his full capacity.

The Secretary to the Meeting explained that, in voting, he would like to ask the shareholder wishing to cast affirmative vote, negative vote and abstain to vote, to cast the vote in the ballot given by the Company. For the transparency of vote counting, there would be the observer from the OAG and volunteer from shareholders to be the committee for vote counting. Upon the voting, he asked the Company's office to keep ballot and then record the vote.

The Meeting resolved, with majority votes of the shareholders who attended the Meeting and had the right to vote, to approve the election of 5 Directors to replace the Company's directors who retired by rotation in accordance with the Company's Article of Association, Article 17., to be effective as from 28 April 2010 onwards, as follows:-  
Names List Position Approved (Votes)

## 1. Mr. Ampon Kittiampon

Affirmative Votes	1,618,806,123	Representing	87.60009%
Negative Votes	10,955,125	Representing	0.59283%
Abstention	44,437,608	Representing	2.40470%
Non-exercised Right Votes	173,751,346	Representing	9.40238%

## 2. Mr. Banyong Pongpanich

Affirmative Votes	1,602,462,888	Representing	86.71570%
Negative Votes	27,031,707	Representing	1.46279%
Abstention	44,714,561	Representing	2.41968%
Non-exercised Right Votes	173,741,046	Representing	9.40183%

## 3. Mr. Varah Sucharitakul

Affirmative Votes	1,606,370,961	Representing	86.92718%
Negative Votes	10,956,925	Representing	0.59292%
Abstention	44,764,711	Representing	2.42240%
Non-exercised Right Votes	185,857,605	Representing	10.05750%

## 4. Mr. Piyasvasti Amranand

Affirmative Votes	1,608,190,746	Representing	87.02565%
Negative Votes	21,622,734	Representing	1.17009%
Abstention	44,393,776	Representing	2.40233%
Non-exercised Right Votes	173,742,946	Representing	9.40193%

## 5. Mr. Dheerasak Suwannayos

Affirmative Votes	1,619,273,177	Representing	87.62537%
Negative Votes	10,041,996	Representing	0.54341%
Abstention	44,915,633	Representing	2.43057%
Non-exercised Right Votes	173,719,396	Representing	9.40065%

Accordingly, the Board of Directors comprised 15 members as follows:-

1. Mr. Ampon Kittiampon	Director
2. Mr. Surachai Tansitpong	Director
3. Mr. Sathit Limpongpan	Director
4. Mr. Chaisak Angkasuwan	Director
5. Mr. Areepong Bhoocha-oom	Director
6. ACM Satitpong Sukvimol	Director
7. Mr. Varah Sucharitakul	Director
8. Mr. Dheerasak Suwannayos	Director
9. Mr. Banyong Pongpanich	Director
10. Mr. Kanit Sangsubhan	Director
11. Mr. Weerawong Chittmitrapap	Director
12. Mr. Apiporn Pasawat	Director
13. Mr. Pravich Rattanapian	Director
14. Mr. Chulasingh Vasantasinh	Director
15. Mr. Piyasvasti Amranand	Director

## **Agenda 9 Other Business**

The Chairman asked the Meeting whether there would be other shareholder's inquiry or proposal or not.

Mr. Thong-in Saeng-ngam, shareholder, proposed the Chairman to use the same standard for each agenda since the Chairman allowed different period of time for shareholders to discuss in each agenda. Furthermore, he also suggested changing the meeting venue for the next year to the Queen Sirikit National Convention Center and it should be held before Songkran festival. The proposed time was 09.00 hrs. where breakfast and lunch should also be provided.

Mr. Jesada Niyompattama, shareholder, said that in the 2009 AGM, held on 22 April 2009, the Management informed the shareholders that the closure of Don Muang and Suvarnabhumi airports on 24 November 2008 caused by the Peoples Alliance for Democracy (PAD) caused approximately 10,000 Million Baht in damage. The Company has filed a lawsuit against 36 people including the PAD key leaders stemming from their wrongful acts on 24 November, the last day of the prescription. From such event, 2 companies were directly impacted: Airports of Thailand (AOT) and the Company. AOT filed a lawsuit in April 2008 and the Court of First Instance passed a judgment ordering PAD to compensate 552 Million Baht of damaged whereas the Company had demanded approximately 570 Million Baht. Therefore, he would like the Management to explain why the compensation claimed by the Company was not consistent with the amount reported in the 2009 AGM. Furthermore, as one of the 36 PAD key leaders was a Company's employee, Mr. Jesada Niyompattama would like the Management to report the progress of dealing with the employee.

The Secretary to the Meeting explained that it required sufficient evidence in order to sue the persons who caused damages to the Company. In the case of the closure of the airports, the Company could not identify all the demonstrators and, therefore, had to use the name list collected by the Royal Thai Police. Since cases involving wrongful acts had a one-year prescription starting from the day when the wrongful act had been committed, the Company had spent such time collecting information on damages in order to protect the Company's interests. Once the information had been verified, the Company then filed a lawsuit to the Court against the persons whose names were collected by the Royal Thai Police. With regards to suing the Company's employee who joined the demonstration, the Company had not received any report from the Royal Thai Police on how the case would be proceeded. However, the information was being gathered and the Company would follow up this case closely.

Mr. Sitthichok Boonwanich, shareholder, said that Thailand was a strategic location for aviation where the routes used by the Company have potential for high saving. Therefore, he would like to ask the Management whether the Company had utilized those routes effectively and efficiently, considering Singapore, despite being geographically inferior to Thailand, has become the Asia's aviation hub. In addition, he further asked whether the Company had a plan to solely use aircraft from either Boeing or Airbus. Lastly, Mr. Sitthichok Boonwanich wondered, due to the current unrests or crisis worldwide, if the Company had sufficient potential to send aircraft in order to evacuate Thais in such areas, if required.

The Chairman replied the shareholders inquiries that Thailand was actually a strategic location for aviation as it benefited from flying routes. Nevertheless, to maximize the benefits, the Company had developed the TG100 strategic plan which consisted of various components such as aircraft features and relevant costs. With regards to types of aircraft, it was not limited to any specific brand. However, the Company always took into account their high capacity and safety, including maintenance and fuel saving.

Flt.Lt. Pramook Na Ubon, shareholder, said that the Department of Aviation previously stipulated the mandatory pilot retirement age to be 60, and subsequently had been increased to 63 and 65 respectively. Even though he was practically retired, he believed that he could still physically work as a pilot. Therefore, he proposed the Company to recruit him to be a pilot whereby, without salary required, he would like to accept only allowances, accommodation, food and traveling expenses. This would help save the Company cost of 3 Million Baht a year. He, therefore, proposed the Company to change the regulations to allow pilot to fly based on physical and mental fitness instead of age.

Mrs. Chamsri Sukchotirat, shareholder, said that she was currently the President of Thai Airways International Labour Union and referred to the page 7, item 9 of attachment to the previous minutes, stating that its Management supported the Union to close Don Muang airport in November 2009. She had asked the Company to clarify who was the management at that time who involved in the event. In such case, the Union was unable to do so, and after the information verification process, it was found that the one who instructed to close the airport was Mr. Serirat Prasutanond, the authorized person of AOT. Furthermore, she expressed her opinion that issues of people with various political thoughts or actions committed should not be discussed in the Meeting since the objective of the AGM Meeting was for the benefit of the shareholders, not for any specific person. In addition, regarding the closure of the airport, she and the Union Boards were examined and it was found that she was not guilty and did not spend working time for other businesses and she had never thought to do so as she had over 15,000 members under her responsibility. As a result, she sent a letter to the Labour Relations Commission stating it was a false accusation and asked the Commission to proceed as deemed appropriate.

The shareholder's document also recorded that a director of the THAI Labour Union sexually harassed a female employee during working hours. Therefore, Mrs. Chamsri would like the Company to clarify who was the person and when it occurred to ensure it was clear who involved in the event; otherwise, it would be misunderstood that it was supported by the existing President of the Union. This was because prior to her holding this position, there was a case where the former President was charged with a sexual harassment. With regards to a theft, it occurred while ACM Narongsak Sangapong was the Acting President. The employees were put under pressure from the internal dishonesty as a result of political intervention. However, the employee was already penalized by having salary deduction by 25 percent for 6 months. The case was currently in the Appeal Court, which could be a norm for those committing offence in the organization. Besides, there were many other cases proceeding and the Union is looking forward to the answers.

Pol.Col. Sermkiat Bumrungpruek, shareholder and proxy, mentioned about the industry competition and proposed the Company to increase the number of flying routes, particular in Middle East and Africa as well as to decrease the airfares for better competition. In addition, he also proposed the Company to increase revenue by using its existing strengths such as selling OTOP goods on the aircraft and being a sponsor for international sports events. With regards to the aircraft seat installation, he would like this to be a lesson learnt from being benighted and proposed the Company to invite international companies to set up a seat manufacturing factory in Thailand as this would yield better returns than investing in Thai Tiger and help promote industrial in Thailand as well.

The Chairman thanked all shareholders for all opinions of operations which would be beneficial to the Company and they would be further considered.

There was no other matter to be considered or acknowledged, therefore, the Chairman declared that the Meeting was adjourned.

**Meeting was adjourned at 19.05 hrs.**

(Mr. Bumpen Suppasri)  
Vice President  
Legal and Compliance Department  
Minutes Keeper

(Mr. Niruj Maneepan)  
Executive Vice President  
Corporate Secretariat Department

(Mr. Piyasvasti Amaranand)  
Director and President

(Mr. Ampon Kittiampon)  
Chairman and Chairman of the Meeting