



Thai Airways International Public Company Limited  
89 Vibhavadi Rangsit Road, Bangkok 10900, Thailand  
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Registration No. 0107537001757  
No. Gor Bor 09/061

20 March 2012

Subject : Invitation to the 2012 Annual General Shareholders' Meeting of Thai Airways International Public Company Limited

Attn : All Shareholders

- Attachments :
1. Copy of Minutes of the 2011 Annual General Shareholders' Meeting
  2. CD-ROM 2011 Annual Report
  3. Brief Profiles of Person Nominated to be the Company's Directors
  4. Conditions, Rules, Procedures to Attend the Meeting, to Appoint Proxy and to Vote and Articles of Association Regarding the Shareholders' Meeting
  5. Map to the Meeting's Venue
  6. Proxy Form A
  7. Proxy Form B (Form B is recommended)
  8. Proxy Form C
  9. **Registration Form (must be brought to the Shareholders' Meeting)**
  10. Annual Report Requisition Form

Thai Airways International Public Company Limited (the "Company") would like to invite you to attend the 2012 Annual General Shareholders' Meeting on Wednesday, 25 April 2012 at 13:30 hours at the 4<sup>th</sup> Floor, Miracle Grand Ballroom, Miracle Grand Convention Hotel, Vibhavadi-Rangsit Road, Laksi, Bangkok Metropolis to consider the following matters:

Agenda 1      Report from the Chairman

Agenda 2      Consideration and approval of minutes of the 2011 Annual General Shareholders' Meeting

Background and rationale: The 2011 Annual General Shareholders' Meeting was held on Wednesday, 27 April 2011. A copy of the minutes thereof is attached hereto (Attachment 1).

The Board's opinion: The Board, upon the opinion of the director who attended the 2011 Annual General Shareholders' Meeting, found that the minutes of the 2011 Annual General Shareholders' Meeting held on Wednesday, 27 April 2011 were duly recorded in full as appearing in the document attached hereto (Attachment 1). The Board, therefore, deems it appropriate to certify such minutes.

Agenda 3      Acknowledgement of the report on the results of operations for the year 2011

Background and rationale: Report on the results of operations of the Company during 2011 were recorded in the 2011 Annual Report (Attachment 2) furnished to all shareholders together with this invitation.

The Board's opinion: Upon thoroughly considering the matter, the Board found it appropriate for the Meeting to acknowledge the report on the results of operations for the year 2011. The details appear in the 2011 Annual Report of the Company (Attachment 2).

Agenda 4      Consideration and approval of balance sheets and income statements for the year 2011

Background and rationale: The balance sheets and income statements for the year ended as at 31 December 2011 as appearing in the 2011 Financial Statements were approved by the Audit Committee and audited and certified by the Auditor.

The Board's opinion: Upon reviewing the matter, the Board found it appropriate for the Meeting to approve the balance sheets and income statements for the year ended as at 31 December 2011 which were approved by the Audit Committee and audited and certified by the Office of the Auditor General of Thailand, the Company's auditor. The balance sheets and income statements showed the financial standing and operating results of the Company in 2011.

The balance sheets and income statements of the Company and its subsidiaries are as follows:

- Total Assets	Baht 274,445 million
- Total Liabilities	Baht 211,010 million
- Shareholders' Equity	Baht 63,435 million
- Total Revenues	Baht 194,342 million
- Profit (loss) before Income Tax Expenses	Baht (7,917) million
- Net Profit (loss)	Baht (10,197) million
- Profit (loss) per Share	Baht (4.67) per share

The details appear in page 131-176 of the 2011 Annual Report furnished to you together with this invitation.

Agenda 5      Consideration and approval to abstain from dividend payment from the Company's business operations for the year 2011.

Background and rationale: The Company's dividend policy requires the Company to distribute the dividend of "not less than 25 percent of the consolidated net profit before gains or losses on foreign currency exchange, subject to the Company's investment plans, and other relevant factors."

For the business operation of 2010, the company had a consolidated net profit before any gain or loss on foreign currency exchange of Baht 6,243 million. The shareholders' meeting has approved a dividend payment of Baht 1.25 per share, paid to the shareholders representing 2,182,771,917 shares. Total dividend payment amounting to Baht 2,728,464,896 or 43.70% of the consolidated net profit before any gain or loss on foreign currency exchange.

However, during the year 2011, the Company has faced several uncontrollable struggles from external factors such as dramatically rise in fuel price by 38.7%, intensified competition in the aviation industry, domestic natural disasters and above all the Japanese tsunami and devastating flood in Thailand. These causes have adversely affected the Company's operations which resulted in a net loss.

The Board's opinion: Upon reviewing the matter, the Board found it appropriate for the Meeting to approve to abstain from dividend payment from the Company's business operations for the year 2011.

Agenda 6      Consideration of Directors' remunerations

Background and rationale: The Nomination, Remuneration and Human Resources Development Committee, during the meeting no 2/2012 held on 16 March 2012, has approved to fix the rules for Directors' remuneration, meeting allowance and benefits in air ticket, which will take effect from 1 May 2012 to 30 April 2013, and directors' bonus for the year 2012 as follow:

***Remuneration and meeting allowance:***

- Each member of the Board of Directors receives monthly remuneration of Baht 50,000 and meeting allowance of Baht 30,000 for each attended meeting. Should there be more than 1 meeting per month, each Board member will receive meeting allowance of no more than Baht 30,000 per month, with the Chairman of the Board receiving 25% more than the other Board members and Vice Chairman receiving 12.5% more than the other Board members. All remuneration and meeting allowance are subject to income tax to be paid by Board members.
- In such case when a Board member is appointed by the Board of Directors or its Chairman to be committee, sub-committee and member of working groups of the Company, such Board member will receive additional meeting allowance of Baht 10,000 per meeting, Should there be more than 1 meeting per month, meeting allowance will remain at Baht 10,000 for the month.
- Audit Committee will receive meeting allowance at the same rate as that of Board of Directors. The allowance will also be paid for the month during which no meeting is held.

The above rates are the same as previous year which were approved by the 2011 Annual General Shareholders' Meeting. Details of sub-committees are elaborated on page 65-72 of the 2011 Annual Report.

***Benefits in air ticket for the directors:*** The Board of Directors shall receive 10 round trip tickets per year for international and 10 round trip tickets per year for domestic travel, free of charge, which will be used as appropriate. The tickets shall be in business class except in such case that seats in the highest class are available. This benefit shall be granted only when the board members are in office. The number of tickets are the same as approved by 2011 Annual General Shareholders' Meeting.

***Bonus:*** The Board of Directors shall receive annual bonus at 0.2% of the consolidated net profit before any gain or loss on foreign currency exchange but not exceeding Baht 30 million. This rate shall be used for bonus calculation for the subsequent years and is the same rate as the previous year.

**The Board's opinion:** Upon reviewing the matter, the Board found it appropriate for the Meeting to approve the Directors' remunerations as proposed.

**Voting:** Section 90 of the Public Limited Company Act B.E. 2535 ("Public Limited Company Act") prescribes that the payment of remuneration for the directors shall be in accordance with the resolutions of the Shareholders' Meeting passed by a vote of not less than two-thirds of the total number of votes of the shareholders present at the meeting.

**Agenda 7**

**Consideration and appointment of an auditor and determination of audit fee**

**Background and rationale:** The Company is a state enterprise which has the Office of the Auditor General of Thailand (OAG) as the Company's auditor in accordance with the Organic Act on State Audit B.E. 2542 (1999). The OAG has no relationship, nor vested interest in the Company, or its subsidiaries, or its management or majority shareholders or any related person to the aforementioned. The OAG is also the auditor for Thai Amadeus South East Asia Co., Ltd., a subsidiary of the Company which is also a state enterprise. However, the OAG does not serve as the auditor for other subsidiaries and associated companies, as they are not state enterprises.

The OAG was the auditor of the Company in 2011. The audit fee paid to the auditor for the fiscal year was Baht 2,000,000. The fee for reviewing the Company's financial statements in each quarter, for 3 quarters, was Baht 300,000 per quarter. Since the term of service is completed, it is appropriate to appoint an auditor and determine the audit fee for 2012. The OAG has proposed the annual audit fee of Baht 2,000,000. The fee for reviewing the Company's financial statements in each quarter, for 3 quarters, will be Baht 300,000 per quarter.

Upon reviewing the matter, the Audit Committee has proposed to appoint Office of the Auditor General of Thailand to be the Company's auditor for 2012. The annual audit fee shall be Baht 2,000,000 and fee for reviewing the Company's financial statements in each quarter, for 3 quarters, will be Baht 300,000 per quarter same as the previous year.

The Board's opinion: Upon reviewing the matter, the Board found it appropriate for the Meeting to approve the appointment of the auditor and approve the proposals made by the Audit Committee as follows:

1. To appoint the Office of the Auditor General of Thailand to be the Company's auditor for 2012.
2. To approve audit fee and fee for reviewing the Company's financial statements in each quarter, which are the same rate as previous year. The annual audit fee will be Baht 2,000,000. The audit fee and fee for reviewing the Company's financial statements in each quarter, for 3 quarters, will be Baht 300,000 per quarter.

## Agenda 8

### Consideration of election of Directors

Background and rationale: Article 17 of the Company's Articles of Association prescribes that

“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 retire from office.

The directors to retire from office in the first year 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.”

This year the directors retiring by rotation are:

1. Mr. Areepong Bhoocha-oom
2. Pol. Gen. Preophan Dhamapong
3. ACM Satitpong Sukvimol
4. ACM M.L. Suprija Kamalasana
5. Mr. Silpachai Jarukasemratana

The Company has given the shareholders an opportunity to nominate qualified person to be elected as Board of Directors according to the Criteria as posted on the Company's website since 3 October 2011 to 31 December 2011. However, there was no nomination. Therefore, the Nomination, Remuneration and Human Resources Development Committee (“the Nomination Committee”) has selected qualify persons according to its selection process. The Nomination Committee has selected those who are knowledgeable, having various expertise, having transparent and clean working record, far sighted vision, high principles and ethics, being capable of expressing their opinions independently and having well performed their duties as directors. At the meeting held on 16 March 2012, the Nomination Committee (excluding those who have interest) resolved to propose to the Board and the 2012 Annual General Shareholders' Meeting to re-appoint the retiring directors whose names are as follows:

- |                                  |                        |
|----------------------------------|------------------------|
| 1. Mr. Areepong Bhoocha-oom      | continue one more term |
| 2. Pol. Gen. Preophan Dhamapong  | continue one more term |
| 3. ACM Satitpong Sukvimol        | continue one more term |
| 4. ACM M.L. Suprija Kamalasana   | continue one more term |
| 5. Mr. Silpachai Jarukasemratana | continue one more term |

(Brief profiles of persons nominated to be the Company's directors appear in Attachment 3)

The Board's opinion: Upon reviewing the suggestion of the Nomination, Remuneration and Human Resources Development Committee, the Board found it appropriate for the Meeting to appoint 5 directors to replace the retiring directors as proposed by the Nomination Committee.

Agenda 9

Other business (if any)

Kindly attend the meeting at the date, time and place mentioned above. The shareholders are able to register their attendance as from 11:30 hours. Any shareholders who wishes to appoint a proxy to attend the Meeting and vote on his/her behalf at the meeting is kindly requested to complete a proxy form with the affixation of stamp duty of Baht 20 and submit the completed form at the Meeting. Any shareholders who wishes to appoint an Independent Director to be a proxy to attend the Meeting and vote on his/her behalf at the meeting is kindly requested to complete a proxy form with the affixation of stamp duty of Baht 20 and send the completed form to the Compliance Department **within Friday, 20 April 2012** as detailed in Conditions, Rules, Procedures to Attend the Meeting, to Appoint Proxy and to Vote (Attachment 4). The Company will provide duty stamp at the document checkpoint in front of the meeting room. The Company has attached herewith a Proxy Form A, a general form, Proxy Form B, a more specific form and Proxy Form C, which shall be used by a custodian in Thailand who represents a foreign shareholder. Shareholders can use each form as appropriate.

The Company has fixed the shareholders list for the right to attend the Meeting on Monday, 12 March 2012 and to compile the shareholders list according to Section 225 of the Securities and Exchange Act B.E.2535 by closing of shareholders registration on Tuesday, 13 March 2012.

These matters are reported for your information.

Sincerely yours,



Niruj Maneepun  
Executive Vice President  
Corporate Secretariat

Remark: In case a shareholder would like to receive a hard copy of 2011 Annual Report, please fill in the attached Annual Report Requisition Form (Attachment 10).