



Thai Airways International Public Company Limited  
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Ref: 1D/SB/1W/1W-S/ 061

17 March 2017

**Subject :** Invitation to the 2017 Annual General Shareholders' Meeting of Thai Airways International Public Company Limited

**Attn :** All Shareholders

**Attachments :**

1. Map of the Meeting's Venue
2. Conditions, Rules, and Procedures for Meeting Attendance, Proxy Appointment, Voting and Articles of Association Regarding the Shareholders' Meeting
3. CD-ROM of 2016 Annual Report
4. CD-ROM of 2016 Sustainable Development Report
5. Brief Profiles of Person Nominated to be the Company's Directors
6. Proxy Form A
7. Proxy Form B (recommended)
8. Registration Form (must be presented at registration area on the meeting date)
9. Report Request Form

Thai Airways International Public Company Limited (the "Company") would like to invite you to attend the 2017 Annual General Shareholders' Meeting (the "**Meeting**") which will be held on Friday, 21 April 2017 at 1.30 pm at Chaiyaphruek Room Air Force Convention Hall (Thongyai Building), Paholyothin Road, Bangkok to consider the following matters:

**Agenda 1**      Report from the Chairman

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

Background and Rationale: Performance report of the Company during 2016 was contained in the 2016 Annual Report (Attachment 3) and the 2016 Sustainable Development Report (Attachment 4) being enclosed with this invitation.

The Board's Opinion: The Board has considered it appropriate for the Meeting to acknowledge the performance report for the year 2016, the details of which are shown in the 2016 Annual Report of the Company (Attachment 3) and the 2016 Sustainable Development Report (Attachment 4).

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

Background and Rationale: The financial statements of the Company and its subsidiaries for the year ended December 31, 2016 as enclosed in the 2016 Annual Report have been audited by the Office of the Auditor General of Thailand, the Company's Auditor and approved by the Audit Committee at the meeting No. 1/2017 held on 23 February 2017.

The Board's Opinion: The Board has approved to propose the Annual General Meeting of Shareholders for the year 2017 to consider and approve the financial statements of the Company and its subsidiaries for the year ended December 31, 2016 which

have been audited by the office of the Auditor General of Thailand, the Company's Auditor and approved by the Audit Committee. The detail can be summarized as follows:

The financial statements of the Company and its subsidiaries are:

Total Assets	Baht	283,124	million
Total Liabilities	Baht	249,536	million
Shareholders' Equity	Baht	33,588	million
Total Revenues	Baht	181,446	million
Loss before income tax expense	Baht	(1,417)	million
Net Profit	Baht	47	million
Profit per share	Baht	0.01	per share

The above detail is in the 2016 Annual Report, Financial Statements Section, enclosed with this invitation.

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

Background and Rationale: The Company establishes dividend payment policy of at least 25 percent of net income before gains or losses on foreign currency exchange from the Company's consolidated financial statements depending on the investment plan, necessity and other appropriate prospects.

According to section 115 of the Public Limited Companies ACT, B.E.2535 (1992), dividends shall not be paid other than out of profits. For the year 2016, the Company and its subsidiaries had an unappropriated retained loss of Baht 22,167 million. Therefore, dividends shall not be paid.

The Board's Opinion: The Board has approved to propose the Annual General Meeting of Shareholders for the year 2017 to consider and approve the suspension of the dividend payment for the year 2016.

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

Background and Rationale: The Nomination and Remuneration Committee has reconsidered the criteria for the determination of the directors' remuneration and meeting allowances which will take effect from 1 May 2017 to 30 April 2018, and proposed to use the same rate as the year 2016, the detail of which is as follows:

***Remuneration and meeting allowance:***

- Each member of the Board of Directors will receive monthly remuneration of Baht 50,000 and meeting allowance of Baht 30,000 per each meeting attendance. Should there be more than 1 meeting per month, each Board member will receive meeting allowance of Baht 30,000 only. The Chairman of the Board of Directors will receive meeting allowance of 25% more than that of the other Board members and the Vice Chairman will receive meeting allowance of 12.5% more than that of the other Board members. All remuneration and meeting allowance are subject to income tax which will be paid by Board members. The remunerations and meeting allowances are equivalent to those approved by the 2016 Shareholders' meeting.

- In case where a Board member is appointed by the Board of Directors or its Chairman to be a committee, sub-committee and a 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, such Board member will receive meeting allowance of Baht 10,000 only. The meeting allowances are equivalent to those approved by the 2016 Shareholders' meeting.

- Audit Committee will be remunerated on a monthly basis for a sum equivalent to meeting allowance for members of the Board of Directors. The Chairman of the Audit Committee will be remunerated at a rate of 25% more than that of the other members. The remuneration will also be paid for the month during which no meeting is held. The remunerations are equivalent to those approved by the 2016 Shareholders' meeting.

Details of sub-committees and the scope of authority and responsibilities are elaborated in Corporate Governance Section: Sub-committee of the Annual Report.

The Board of Directors has resolved not to propose privilege of air tickets and bonus for Board members for the year 2017.

The Board's Opinion: The Board has considered it appropriate for the Meeting to approve the Directors' remunerations and meeting allowances criteria as proposed by the Nomination and Remuneration Committee as clarified above.

Voting: Section 90 of the Public Limited Company Act B.E. 2535 (1992) ("Public Limited Company Act") provides 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-third of the total number of votes of the shareholders present at the meeting and entitled to vote.

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

Background and Rationale: The Company is a state enterprise which has the Office of the Auditor General of Thailand (the "OAG") as the Company's auditor in accordance with the Organic Act on State Audit B.E. 2542 (1999). The OAG has neither relationship nor vested interest in the Company or its subsidiaries, or with the Company's executives or majority shareholders or any related person to the aforementioned. The OAG is also the auditor for Thai Amadeus South East Asia Co., Ltd. and Thai Smile Airways Co., Ltd. which are subsidiaries of the Company and also state enterprises. However, the OAG does not serve as the auditor for other subsidiaries and associated companies of the Company because they are not state enterprises.

The OAG was the auditor of the Company in 2016. The annual audit fee paid to the auditor was Baht 2,500,000. The fee for reviewing the Company's financial statements of 3 quarters was Baht 350,000 per each quarter. The term of service is now completed and it is accordingly appropriate to appoint an auditor and determine the audit fee for 2017. The OAG has proposed the annual audit fee of Baht 2,500,000 and the fee for reviewing the Company's financial statements for 3 quarters of Baht 350,000 per each quarter, totaling Baht 3,550,000, which is equivalent to the previous year.

The Audit Committee, during the meeting no.1/2017 held on 23 February 2017, approved the proposal made by the OAG, and then the Board of Directors approved it to be proposed at the AGM as follows:

1. To appoint the Office of the Auditor General of Thailand to be the Company's auditor for year 2017.

2. To approve the audit fee for the year 2017 consisting of the annual audit fee of Baht 2,500,000 and the fee for reviewing the Company's financial statements for 3 quarters of Baht 350,000 per each quarter. The total audit fee is Baht 3,550,000.

The Board's Opinion: The Board of Directors has considered it appropriate for the Meeting to approve the appointment of the auditor and approve the audit fee for 2017 as proposed by the Audit Committee as mentioned above.

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

Background and Rationale: Article 17 of the Company's Articles of Association provides 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 year 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. ACM Treetod Sonjance
2. Gen.Chatudom Titthasiri
3. ACM Siwakiat Jayema
4. Mr. Peraphon Thawornsupacharoen
5. Mr. Somchai Sujjapongse

The Company has given the shareholders an opportunity to nominate qualified persons to be elected as Board of Directors according to the criteria as posted on the Company's website during 21 October 2016 to 31 December 2016 and advertised in Khaahoon daily newspaper on 25-27 October 2016 and Prachachat Business newspaper, issued on 27 October 2016. Nevertheless, no proposal of a candidate to be elected as a director had been proposed by the shareholders.

Therefore, the Nomination and Remuneration Committee, during the meeting No. 2/2017 held on 7 February 2017 and No. 3/2017 held on 28 February 2017 (in absence of those who have conflicts of interest), has selected qualified persons according to Rules of the Office of the Prime Minister on Determination of Policy and Supervision on State Enterprise B.E.2557 (2014) and the Committee resolved to propose to the Board of Directors and the Meeting to appoint 5 directors whose names are as follows:

1. ACM Treetod Sonjance to continue one more term
2. Mr. Peraphon Thawornsupacharoen to continue one more term
3. Mr. Somchai Sujjapongse to continue one more term
4. ACM John Rungswang to replace ACM Siwakiat Jayema
5. Mr. Vachara Tuntariyanond to replace Gen. Chatudom Titthasiri

(Profiles of persons nominated to be the Company's directors are enclosed with this invitation as per Attachment 5)

The Board's Opinion: The Board of Directors has considered the qualified persons to be nominated as the Company's directors upon review of the proposal of the Nomination and Remuneration Committee, and found it appropriate for the Meeting to appoint directors to replace those 5 retiring directors as proposed by the Nomination and Remuneration Committee as clarified above.

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

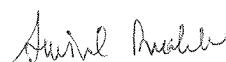
The Company would like to invite all shareholders to attend the Meeting on Friday 21 April 2017 at 1.30 pm at Chaiyaphruek Room, Air Force Convention Hall (Thongyai Building).

For your convenience, the Company recommends that:

1. The Company has attached herewith a Proxy Form A (Attachment 6) which is a general form, Proxy Form B (Attachment 7) which is a specific details form. Shareholders can use each form as appropriate. (Proxy Form C which is applicable only to foreign shareholders appointing custodian in Thailand as proxy can be downloaded at [www.thaiairways.com](http://www.thaiairways.com))
2. The Company has determined the list of shareholders having right to attend the Meeting on Wednesday, 22 March 2017 and prepared a list of shareholders in accordance with Section 225 of the Securities and Exchange Act B.E.2535 (1992) by closing of shareholders registration on Thursday, 23 March 2017.

To comply with the guideline for good corporate governance campaigned by the Securities and Exchange Commission and Thai Investors Association to refrain from offering token at the annual general meeting of shareholders, there will be no token given to the shareholders at the 2017 AGM. However, the Company will still provide a set of snack and lunch boxes to shareholders or their proxies who attend the Meeting (one set per person).

Sincerely yours,



Mrs. Suvimol Bualerd  
Senior Vice President, Corporate Secretariat Department  
As Company Secretary

The Corporate Secretariat Office  
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