



Thai Airways International Public Company Limited
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Ref: 1D/SB/1W/1W-S/ 105

21 March 2018

Subject : Invitation to the 2018 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 2017 Annual Report
 4. CD-ROM of 2017 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 2018 Annual General Shareholders' Meeting (the "Meeting") which will be held on Thursday, 26 April 2018 at 1.30 pm at Chaiphruet 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 the report on the results of operations for the year 2017

Background and Rationale: Performance report of the Company during 2017 was contained in the 2017 Annual Report (Attachment 3) and the 2017 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 2017, the details of which are shown in the 2017 Annual Report of the Company (Attachment 3) and the 2017 Sustainable Development Report (Attachment 4).

Agenda 3 To consider and approve the Financial Statements for the year 2017

Background and Rationale: The financial statements of the Company and its subsidiaries for the year ended December 31, 2017 as enclosed in the 2017 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. 1/2018 held on 23 February 2018.

The Board's Opinion: The Board has approved to propose the Annual General Meeting of Shareholders for the year 2018 to consider and approve the financial statements of the Company and its subsidiaries for the year ended December 31, 2017 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	280,775	million
Total Liabilities	Baht	248,762	million
Shareholders' Equity	Baht	32,013	million
Total Revenues	Baht	190,535	million
Loss before income tax expense	Baht	(2,895)	million
Net Loss	Baht	(2,072)	million
Loss per share	Baht	(0.97)	per share

The above detail is in the 2017 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 2017

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 2017, the Company and its subsidiaries had an unappropriated retained loss of Baht 24,240 million. Therefore, dividends shall not be paid.

The Board's Opinion: The Board has considered it appropriate to propose the Annual General Meeting of Shareholders for the year 2018 to consider and approve the suspension of the dividend payment for the year 2017.

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 2018 to 30 April 2019, and proposed to use the same rate as the year 2017, 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 2017 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 2017 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 2017 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 2018.

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 the auditor and determination of the audit fees for the year 2018

Background and Rationale: The Company is a state enterprise which continually has the Office of the Auditor General of Thailand (the "OAG") as the Company's auditor according to relevant laws. The annual audit fee paid to the OAG in 2017 was Baht 2,500,000. The fee for reviewing the Company's financial statements of 3 quarters was Baht 350,000 per each quarter, totaling audit fee was Baht 3,550,000. 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.

According to the State Audit Act B.E. 2561 (2018), effective February 22, 2018, the OAG is the Auditor of the company who is a state enterprise. And according to the article 55 of the aforementioned Act, OAG cannot charge for the audit fee. The term of service is now completed and it is accordingly appropriate to appoint an auditor for 2018.

The Audit Committee, during the extraordinary meeting No. 1/2018 held on 12 March 2018, has resolved to propose to the Board of Directors and the Meeting to approve the appointment of the Auditor General of Thailand (OAG), as the Auditor of the Company for 2018 with exemption of audit fee.

The Board's Opinion: The Board of Directors has considered it appropriate for the Meeting to approve the appointment of the Auditor General of Thailand (OAG) as the auditor of the Company for 2018 with exemption of audit fee as proposed by the Audit Committee as mentioned above.

Agenda 7 To consider and approve of the amendment of Article 32 of the Articles of Association of the Company

Background and rationale: The Order of the Head of the National Council for Peace and Order No. 21/2560 (21/2017) Re : Additional Amendment to the Law for Business Facilitation Article 9 has specified to revoke the provision of Section 100 of the Public Limited Companies Act B.E.2535 (1992), and use a new message instead. In this connection, the amendment to Article 32 of the Articles of Association of the Company is required amended in order to be in line with the amended law by repealed and replace as follows:

Existing article of association	New article of association
<p>“Article 32. The Board of Directors shall convene an annual general meeting of shareholders within 4 months from the last day of the accounting period of the Company.</p> <p>The shareholders’ meeting other than that specified above shall be called the extraordinary meeting. The Board of Directors may summon an extraordinary meeting whenever it deems appropriate, or when shareholders holding shares in the aggregate to not less than one-fifth of the total number of shares sold, or when not less than 25 shareholders holding shares in the aggregate not less than one-tenth of the total number of shares sold, subscribe their names in a letter requesting the Board of Directors to call an extraordinary meeting, provided that they clearly give the reasons and purposes for such request in the said letter. In the case of shareholders’ request, the Board of Directors shall call the shareholders’ meeting within 1 month from the date of receipt of the letter from the shareholders.</p>	<p>“Article 32. The Board of Directors shall convene an annual general meeting of shareholders within 4 months from the last day of the accounting period of the Company.</p> <p>The shareholders’ meeting other than that specified above shall be called the extraordinary meeting. The Board of Directors may summon an extraordinary meeting whenever it deems appropriate.</p> <p>One or more shareholders holding shares amounting to not less than 10percent of the total number of shares sold may, by subscribing their names, makes a written request to the Board of Directors to call an extraordinary general meeting at any time, but the subjects and reasons for calling such meeting shall be clearly stated in such request. In this regard, the Board of Directors shall proceed to call a meeting of shareholders to be held within 45 days as from the date of receipt of such request from the shareholders.</p> <p>In case the Board of Directors does not hold the meeting within period as prescribed under paragraph three, the shareholders who subscribe their names or other shareholders holding the number of shares as required may call such meeting within 45 days as from the completion of such period. In this regard, the meeting shall be considered as the shareholders’ meeting called by the Board of Directors. The company shall be responsible for necessary expenses arising from such meeting and reasonably provide facilitation.</p> <p>In case the quorum of the shareholders’ meeting called by the shareholders as prescribed under paragraph four is not formed according to Article 34, the shareholders as prescribed under paragraph four shall be collectively responsible to the Company for expenses arising from such meeting.”</p>

In this connection, it is proposed to appoint the person either by the Board of Directors or the Authorized Directors proceeding the registration of amendment to the Article of Association of the Company to the Department of business development, Ministry of Commerce and proceeding the Amendment to the wordings according to an order of the registrar if any during the submission of the registration of amendment to the company's Article of Association.

Board's Opinion : After consideration, the Board views that shareholders' meeting should approve the amendment of Article 32 of the Articles of Association of the Company as proposed by the Board.

Voting : Section 31 of the Public Limited Companies Act B.E. 2535 (1992) and Article 38(2)(f) of the Articles of Association of the Company provide that the Amendment of the Articles of Association shall be in accordance with the resolutions of the Shareholders' meeting passed by a vote of not less than three-fourths (3/4) of the total number of votes of the shareholder present at the meeting and entitled to vote.

Agenda 8 To consider and approve the new financial scheme for issuing and/or offering the debt securities

Background and Rationale: The Company was approved by the 2014 Annual General Shareholders' Meeting to issue and/or offer debentures in the amount not exceeding THB 40,000 million within 5 years (between April 2014 and April 2019). The Company has fully issued and offered the debt securities in form of domestic debentures 6 times, thus completed the amount approved by the shareholders. Nonetheless, the issuance and offering of debt securities is one of sources of fund which will allow the Company to seek for the appropriate fund that coincide with the market condition in the future. In the upcoming 5 years, the Company needs to obtain funds so as to repay the debentures which will be due and/or to repay the Company's loans which have higher financial costs and/or to invest in assets and/or to be utilized as working capital of the Company's business. Therefore, the Board has considered and requested the Company to seek an approval for issuing and offering the debt securities in form of debentures and/or the hybrid debt capital instrument (debt securities) in the amount not exceeding THB 80,000 million in order to use as the reserve funds for the abovementioned objectives. In this regard, the Company is working on the new fleet plan and will create the obligations of the pre-delivery payments after obtaining the approval, which is included in the aforesaid amount.

The Board's Opinion: The Board has considered it appropriate for the Meeting to:

1. approve the Company to issue and offer the debt securities in form of debentures and/or hybrid debt capital instrument (debt securities) to repay the debentures which will be due and/or to repay the Company's loans having higher financial costs and/or to invest in assets and/or to be utilized as the working capital of the Company's business in the amount not exceeding THB 80,000 million, within 5 years commencing from the date that this Meeting has approved such new amount to April 2023. The Company can issue and offer the debentures both in the domestic and international markets. The Company may issue the debentures in Thai Baht and/or other equivalent currency using the exchange rate at the time of issuance and offering of each lot of debentures for the best interest of the Company and in order that it will be flexible for the Company to obtain capital as the Company deems necessary and appropriate and as accorded by the condition of the capital market as per the following details;

Category	Debenture of any type and category, including name-registered or bearer debentures, secured or unsecured, with or without debenture holders' representative, depending on the market conditions at the time of each issuance and offering of debenture
Total Amount	The total amount of the debt securities is not to exceed THB 80,000 Million, or equivalent to. The debenture may be offered in one or several tranches at once and/or several times.
Currency	Thai Baht and/or other equivalent currency using the exchange rate at the time the Company issues and offers each lot of debentures
Interest	Depending on the market conditions at the time of each issuance and offering
Tenor	Depending on the market conditions at the time of each issuance and offering. The debentures may be with or without put and/or call option
Offering	The debenture may be issued and offered in one and/or several tranches at once and/or several times and/or as a project both in domestic and/or international by way of public offering and/or limited offering and/or to institutional investors and/or to high net-worth investors.
Other Conditions	Depending on the market conditions at the time of each issuance and offering

2. To assign the Board or the President accompanying with Executive Vice President of Finance and Accounting Department or the person being assigned by the Board or the President accompanying with Executive Vice President of Finance and Accounting Department to have the following authority:

2.1 To determine type, name, and amount of the securities to be offered at each time, par value, offer price per unit, period of the issuance and offering, allocation method, offering method, interest rate, term, and other details which are relevant to the issuance and offer or the redemption of debt securities;

2.2 To appoint financial advisors and/or consultants and/or underwriters in respect of the issuance and offer of the debt securities and/or national and international credit rating agencies of the Company and/or securities of the Company and/or financial institutions and/or other persons in respect of the issuance and offer of debt securities; and

2.3 To coordinate, negotiate, execute, sign, and amend the agreement and/or documents including applying for permission, informing and submitting any evidence to the Securities and Exchange Commission and/or other authorities which are related to the issuance and offer of debt securities; and carry out any actions involving or necessary for the issuance and offer of debt securities.

Voting: Section 145 of the Public Limited Company Act B.E. 2535 (1992) and Article 38 (2) (g) of the Articles of Association of the Company provide that the issuance of debentures shall be in accordance with the resolutions of the Shareholders' Meeting passed by a vote of not less than three-fourths of the total number of votes of the shareholders present at the meeting and entitled to vote.

Agenda 9 To consider the election of Directors to replace those retiring by rotation and resignation.

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 and resignation are:

1. ACM Amnart Jeeramaneemai
2. Mrs. Pratana Mongkolkul
3. Mr. Pitipan Teparimargorn
4. Mr. Pinit Puapan
5. Mr.Charamporn Jotikasthira (Resigned on 10 February 2017)

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 3 October 2017 to 31 December 2017 and advertised in Khaohoon daily newspaper on 9-11 October 2017 and Prachachat Business newspaper, issued on 12-15 October 2017. 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 24 January 2018 and No. 3/2018 held on 26 February 2018 (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 Amnart Jeeramaneemai | to continue one more term |
| 2. Mrs. Pratana Mongkolkul | to continue one more term |
| 3. Mr. Pitipan Teparimargorn | to continue one more term |
| 4. Mr. Pinit Puapan | to continue one more term |
| 5. Miss Sirikul Laukaikul | to replace Mr.Charamporn Jotikasthira |

(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 10 Other business (if any)

The Company would like to invite all shareholders to attend the Meeting on Thursday, 26 April 2018 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)

2. The Company has determined the list of shareholders having right to attend the Meeting on Wednesday, 21 March 2018.

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. 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
Company Secretary

The Corporate Secretariat Office

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