



Thai Airways International Public Company Limited
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Ref: 1D/LL/1W/1W-S/097

March 25, 2019

Subject : Invitation to the 2019 Annual General Shareholders' Meeting of Thai Airways International Public Company Limited

Attn : All Shareholders

- Attachments :
1. Invitation to the 2019 Annual General Shareholders' Meeting (QR Code)
 2. Map of the Meeting's Venue
 3. Conditions, Rules, and Procedures for Meeting Attendance, Proxy Appointment, Voting and Articles of Association Regarding the Shareholders' Meeting
 4. QR Code Downloading Procedures
 5. Brief Profiles of Person Nominated to be the Company's Directors
 6. Proxy Form A
 7. Proxy Form B
 8. Report Request Form

Thai Airways International Public Company Limited (the "Company") would like to invite you to attend the 2019 Annual General Shareholders' Meeting (the "Meeting") which will be held on Friday, 26 April 2019 at 1.30 pm at Chaiphruak 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 2018

Background and Rationale : Performance report of the Company during 2018 was contained in the 2018 Annual Report and the 2018 Sustainable Development Report being enclosed with this invitation in QR Code Format. (Attachment 1)

The Board's Opinion : The Board has considered it appropriate for the Meeting to acknowledge the performance report for the year 2018.

Agenda 3 To consider and approve the Financial Statements for the year 2018

Background and Rationale : The financial statements of the Company and its subsidiaries for the year ended December 31, 2018 as enclosed in the 2018 Annual Report have been audited by the Office of the Auditor General of Thailand, the Company's Auditor and approved by the Board of Directors at the meeting No. 2 /2019 held on February 28, 2019.



The Board's Opinion : The Board has approved to propose the Annual General Meeting of Shareholders for the year 2019 to consider and approve the financial statements of the Company and its subsidiaries for the year ended December 31, 2018 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	268,721	million
Total Liabilities	Baht	248,265	million
Shareholders' Equity	Baht	20,456	million
Total Revenues	Baht	200,586	million
Loss before income tax expense	Baht	(11,606)	million
Net Loss	Baht	(11,569)	million
Loss per share	Baht	(5.33)	per share

The above detail is in the 2018 Annual Report, Financial Statements Section, enclosed with this invitation on Page 159.

Agenda 4 To consider and approve the suspension of dividend payment in respect of the Company's business operations for the year 2018

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 2018, the Company and its subsidiaries had an unappropriated retained loss of Baht 35,907 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 2019 to consider and approve the suspension of the dividend payment for the year 2018.

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 May 1, 2019 to April 30, 2020, the detail of which is as follows:

(1) The Board of Directors' remunerations and meeting allowances

The Board of Directors' remunerations and meeting allowance shall be set by the shareholders as follows:

1.1 Each Board Member will receive a monthly remuneration of Baht 50,000 per month and a meeting allowance of Baht 30,000 for each meeting attendance.

1.2 Whenever a Board member is appointed by law or from the Cabinet Resolutions or by the Board of Directors as a member of a committee, sub-committee and/or a member of working groups of the Company, such Board member will receive an additional meeting allowance of Baht 10,000 for each meeting attendance.

1.3 The Audit Committee will be remunerated on a monthly basis for a sum equivalent to the meeting allowance for members of the Board of Directors. The

Chairman of the Audit Committee, however, will be remunerated at a rate of 25% higher than those of the Audit Committee members. The remuneration will also be paid for the month of which no meeting was held.

Henceforth, in 2019, the Board of Directors did not propose benefits concerning providing air tickets for the Board of Directors.

Therefore, the remunerations and meeting allowances shall be the same rate as approved by the Annual General Shareholders' Meeting in 2018.

(2) The criteria for the payment of remunerations and meeting allowances.¹

2.1 The Board of Directors shall receive remunerations and meeting allowances as follows:

2.1.1 Monthly remunerations : as set by the shareholders whereby the Chairman shall receive a monthly remunerations twice as that of a Board Member. If a Board Member holds the office for less than a month, the remuneration shall be proportionate to the duration of which the Board Member holds office.

2.1.2 Meeting allowances : as set by the shareholders and only paid to the Board Member who has attended the meeting, but not more than once a month.

2.2 For each committee, sub-committee or working groups appointed by law or from the Cabinet Resolutions or by the Board of Directors : the meeting allowances shall be paid to those Board Members who have attended the meeting. The Board Members shall receive meeting allowances once a month per committee and not exceeding two committees.

2.3 The Chairman and Vice Chairman of the Board of Directors shall receive meeting allowances of 25% and 12.5% respectively, of which is greater than that of other Board members. All remunerations and meeting allowances are subject to income tax payable by the Board Members themselves.

(3) Annual Bonus

The Board of Directors shall receive an annual bonus of 0.2% of the consolidated net profit/loss before any gain or loss on foreign currency exchange, however, the total amount shall not exceed Baht 30 million. Moreover, this rate shall be used for calculating the annual bonus for successive year.

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.

Agenda 6 To consider the audit fee for 2018 and appointment of an auditor and setting the audit fee for 2019

Background and Rational : 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 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

¹ The criteria for the payment of remunerations and meeting allowances shall be comparable to the Cabinet Resolution dated 2 July 2013 regarding the State Enterprise Board of Directors' Remunerations and Meeting Allowances.

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 opinion of the Office of the Council of State in October 2018, conclude that under the article 32 (3) of the aforementioned Act, the OAG has the right to charge the audit fee.

As the 2018 Annual General Shareholders' Meeting held on April 26, 2018 appointed the OAG to be the Company's auditor for 2018 with exemption of audit fee. Later on December 28, 2018, the OAG issued a letter informing the audit fee for 2018 which were the annual audit fee of Baht 2,500,000 and the fee for reviewing the Company's financial statements of 3 quarters of Baht 350,000 per each quarter, totaling Baht 3,550,000, which is equivalent to year 2017.

The term of Service is now completed and it is accordingly appropriate to appoint an auditor and setting the audit fee for 2019. The OAG has proposed the annual audit fee of Baht 2,500,000, the fee for reviewing the Company's financial statements for 3 quarters of Baht 350,000 per each quarter and financial statement audit fee submitting to the Board of Investment (BOI) of Baht 350,000, totaling Baht 3,900,000.

The Audit Committee, during the meeting No.2/2019 held on February 25, 2019, has resolved to propose to the Board of Directors and the Meeting as follows:

1. To approve the audit fee for year 2018 of Baht 3,550,000.
2. To appoint the Office of the Auditor General of Thailand to be the Company's auditor for year 2019 and approve the audit fee for year 2019 of Baht 3,900,000.

The Board's Opinion : The Board of Directors has considered it appropriate for the Meeting to approve the audit fee for year 2018 and to approve the appointment of the auditor and approve the audit fee for 2019 as proposed by the Audit Committee as mentioned above.

Agenda 7 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 are:

1. Mr. Distat Hotrakitya
2. Mr. Rathapol Bhakdibhumi
3. Mr. Somkiat Sirichatchai
4. Mr. Sumeth Damrongchaitham
5. Mr.Kanit Sangsubhan (Resigned on October 30, 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 September 12, 2018 to December 31, 2018 and advertised in Khaohoon daily newspaper on September 24-26, 2018 and Prachachat Business newspaper, issued on September 27-30, 2018. 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. 2/2019 held on February 5, 2019 and No. 3/2019 held on February 25, 2019 and No. 4/2019 on March 15, 2019 (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:

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|-------------------------------|-------------------------------------|
| 1. Mr. Distat Hotrakitya | to continue one more term |
| 2. Mr. Somkiat Sirichatchai | to continue one more term |
| 3. Mr. Sumeth Damrongchaitham | to continue one more term |
| 4. Mr. Danucha Pichayanan | to replace Mr. Kanit Sangsubhan |
| 5. Miss. Nitaya Direksathapon | to replace Mr. Rathapol Bhakdibhumi |

(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 persons listed above to replace those 5 retiring directors as proposed by the Nomination and Remuneration Committee as clarified above.

Agenda 8 To consider and approve the transfer of appropriated legal reserve and premium on ordinary share to compensate the deficit of the company

Background Information : According to the guideline of the Public Limited Companies Act B.E. 2535 ('Public Limited Companies Act') Section 119, the compensation for the deficit shall be deducted consequently by the following reserve funds:

1. Other reserve funds (if any)
2. Legal reserve fund
3. Reserve funds from excess amount of the par value of the shares (or "Share premium")

As of December 31, 2018, the components of the Company's shareholders' equity were as follows:

1. Paid-up Capital	21,827,719,170	Baht
2. Legal Reserve	2,691,275,568	Baht
3. Premium on ordinary shares	25,545,316,308	Baht
4. Deficit	(28,533,077,895)	Baht
Shareholders' equity	<u>27,702,989,262</u>	Baht

The Board's Opinion : The Board is of the opinion that the transfer of the appropriated legal reserve at the amount of Baht 2,691,275,568 and the premium on ordinary shares at the amount of 25,545,316,308 to compensate the deficit of the Company should be proposed to the shareholders' meeting for approval.

Agenda 9 Other business (if any)

The Company would like to invite all shareholders to attend the Meeting on Friday, 26 April 2019 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 Monday, 1 April 2019.

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. Lasanan Leelamanee
As Company Secretary