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books the Baht weakened and the Company suffered a foreign exchange loss. At the beginning of this year, the Baht strengthened and the Company currently had a profit from the foreign exchange rate. Many of you could calculate that it was no less than Baht 4 billion. In regard to the allowance for possible damages in the case of violation of antitrust/competition law, the Company only estimated and set an allowance as liabilities for this case, resulting in the expenditures of around Baht 4 million. This matter was disclosed in the report of the previous year. In addition the Company started a voluntary retirement program for staff to resign before their retirement. Such program had been operated since mid-2008, and the funds were paid in December 2008 in order to reduce the burden of expenditures of the Company in the long term. In this regard, the Company had to pay around Baht 1.3 billion to staff participating in the voluntary retirement program. In addition, in 2008 the Company changed its accounting policy in relation to the calculation of depreciation of aircraft prices by reducing the useful life of aircraft newly received from 20 years to 15 years in order to have new and more modern aircraft and to save on the future operating expenses as the use of fuel, which was the high cost of aviation, would reduce. From the adjustment of the Company's accounting policy, the Company had more expenses of Baht 1.4 billion. These occurred in the same year, so overall, in regard to the operating results for 2008, where it was stated that the losses were approximately over Baht 20 billion, if the particulars which were not related to the performance of the previous year were not included, be they the unrealized foreign exchange loss, the allowance for possible damages in the case of violation of antitrust/competition law in the amount of Baht 4,290 million, the impairment of aircraft in the amount of Baht 4,426 million, including the changed accounting policy and the payments for the voluntary retirement program, the Company would suffer a loss of approximately over Baht 7 billion only. In regard to the liquidity, as mentioned by a shareholder, that the cash flow was only Baht 6 billion, Mrs. Ngamnit stated that such amount was the cash remaining as at the end of the accounting period. However, the cash flow between periods consisted of cash received and paid. It was estimated that having cash in hand of around Baht 6 billion would be sufficient for circulation in the operations. Especially in the aviation business, there would be proceeds received from the sales of tickets first and the services rendered later. When passengers used their tickets, then the funds would be transferred to be the income. However, the problem was the liquidity during the last quarter as the cash received was not in accordance with the plan, but payments had to be made in accordance with the obligations. However, the Company was able to resolved the problem by managing every aspect including the management of debts. When there was a loss in the performance, not only was the cash flow affected, the Company was also unable to sell the aircraft as expected. If the aircraft could be sold, the Company would have money left from paying the price of the aircraft. The debt to equity ratio which rose to over four times was due to the decreased capital arising from the loss, while the liabilities rose by only over one billion baht, because considerable debt repayments were made during the year. However, certain parts of the loss, which decreased the capital, were not actual losses as they were estimated losses, which might occur in the future. For example, if the Company could sell aircraft at a price higher than the amount reserved for the impairment, the Company would gain a profit, or if more benefits could be sought from the aircraft, revenue would return to the Company. Therefore, allowances for expenses were for the purpose of preventing risks at a certain level.

**Mr. Supoj Kosiyajinda**, a shareholder, inquired as follows:

In regard to the Company suing the people closing the airport for over Baht 20 billion, he wondered whether the Company would not suffer a loss of over Baht 20 billion if the Company won the case and received over Baht 20 billion. He would like to know when the amount of over Baht 20 billion would be received, and wondered if the Company would win the case suing the people causing the damage. He stated that there was no progress in the case. Therefore, he would like clarifications in regard to how much the actual loss was and how much the loss caused by the inability to manage was.

**Mr. Chai Eamsiri**, Director of the Petroleum and Fuel Management Department, clarified as follows:

There was a question as to how much damage was suffered by others. Mr. Chai said he had collected data as much as he could because every airline did not disclose some parts. During October

(Translation)

to December, Air France-KLM was USD 520 million in deficit, which was around Baht 16 billion. During January to June, Air France-KLM suffered a loss of USD 872 million. Loss from only oil hedging of USD 872 million plus the other USD 520 million were compared with THAI's whole-year loss of around USD 150 million. During October 2008 to March 2009 Singapore Airlines suffered a loss of USD 221 million, with a similar volume of hedging. In regard to the question of whether the Company had done any additional thing or whether the Company continued to use the Option or not, he stated that it was used but it did not mean that the Company would do hedging without looking at the market condition at all. With this condition and with the condition of the financial market, the number of service providers or banks or financial institutions that were our partners decreased, since they had problems which caused the liquidity in the market to lower. Therefore, the price or the rate for hedging would be very high. When the Company would do hedging, it could not look at only the temporary market price shown in newspapers, but had to consider the future price. If hedging was made at the wrong period, the rate of hedging price would be quite expensive and not worth doing. In addition, for the part the Company was doing since 2008, which was 26%, and for the latter half, which was full of problems, from July to December, the Company did 41%, which was around 40-41%. For the part the Company did not do hedging, the Company benefited from a certain decrease in oil prices. The remaining part was 59%. That was the overall answer he could provide.

**Mrs. Ngamnit Sombutpibool**, Executive Vice President, Finance and Account Department, clarified as follows:

In relation to the subsidiaries and associated companies shown in the consolidated financial statements of the Company, which were the financial statements of the Company and its subsidiaries, she stated that a subsidiary means a company in which THAI holds over 50% of shares and the Company has the power to control it, so it was included in the Company's consolidated financial statements, while an associated company means a company in which the Company co-invests with the ratio of investments lower than 50% and the Company does not have the controlling power over it. Under the accounting standards, the Company recorded the investment in associated companies in the consolidated financial statement in accordance with the equity, in accordance with the details in the Annual Report, on page 139, which showed the investments, the ratio of investments, equity, and income on investments invested by the Company in such associated companies. The significant issue was that it could be seen that the investments as per the equity of investments made by the Company in associated companies in 2008 totaled Baht 1.370 billion only. Therefore if such amount was compared with the assets or the operations of THAI, it was considered as a really small portion. Therefore, if there were any change, it would not significantly affect the financial statement of the Company.

There were no further questions from the shareholders.

The meeting considered the matter and voted.

**Mr. Surachet Charongthanakit, Mrs. Praromp Chatametheewong and Mr. Pongsarit Rodruangdej**, shareholders, volunteered as vote-counting officers.

**Mrs. Yupin Chalanonniwat and Mrs. Ruthaichanok Sithipan**, representatives of the Office of the Auditor General, the Company's auditor, would check the vote-counting process.

A vote-counting officer announced the votes to the meeting as follows.

Results of the votes:

Approved	1,366,313,764 votes	99.947 percent
Not Approved	397,500 votes	0.029 percent
Abstained	329,701 votes	0.024 percent

(Translation)

**The meeting** resolved, by the majority votes of shareholders attending the meeting and casting their votes, to approve the balance sheet and the statement of income of the Company for the period from 1 January to 31 December 2008, audited and certified by the Office of the Auditor General, the Company's auditor, as follows:

Approved	1,366,313,764 votes	99.947 percent
Not Approved	397,500 votes	0.029 percent
Abstained	329,701 votes	0.024 percent

**Agenda 5 Consideration to abstain from dividend payment from the Company's business operations for the year 2008**

**Mr. Chaikasem Nitisiri**, the Chairman, informed the meeting as follows:

The Chairman asked ACM Narongsak Sangapong, Acting President to explain the Agenda to consider to abstain from dividend payment for the Company's 2008 operation results in detail.

**ACM Narongsak Sangapong**, Acting President, explained as follows:

- The Company's dividend policy requires the Company to pay dividend for "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."

- However, during the 2008 accounting year, the Company encountered several crises, namely the highest fuel price in history, the world economic slowdown, and political unrest in the country, resulting in a loss in operations. The shareholders were requested to consider the matter and resolve to approve to abstain from dividend payment from the Company's business operations for the year 2008.

**Ms. Waravimol Na Ranong**, a proxy, inquired, in accordance with page 101 of the Annual Report, in regard to directors' bonuses, why Mr. Chaikasem Nitisiri received Baht 186,341.90

**Mr. Chaikasem Nitisiri**, the Chairman, explained that the directors' bonuses in accordance with page 101 of the Annual Report were for the year 2007, and that in 2008, no bonus was given to either staff or the Board of Directors.

**Pol. Col. Sermkiat Bumrungpruek**, a shareholder, inquired whether the Company had accumulated profit brought forward or not, and how much it was. In accordance with section 115, no dividend shall be paid out of funds other than profit, and where the company still sustains an accumulated loss, no dividend shall be paid.

**Mrs. Ngamnit Sombutpibool**, Executive Vice President, Finance and Account Department, explained that the Company had an accumulated profit, which was shown in the balance sheet.

**Pol. Col. Sermkiat Bumrungpruek**, a shareholder, suggested to the meeting as follows:

It did not matter how much the accumulated profit was, but there should be an accumulated profit brought forward. When there was an accumulated profit brought forward, the Company could use it for dividend payment to shareholders. How much could be paid should require a vote from shareholders, as in the example of PTT Aromatics and Refining Public Company Limited which sustained loss from operating results for the same accounting period, but paid dividend from its accumulated profit. This was a comparison of businesses with different management.

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**Mr. Chaikasem Nitisiri**, the Chairman, explained as follows:

He told the meeting that there was an accumulated profit. However, the Board of Directors proposed that no dividend should be paid because it was necessary to use the accumulated profit where there was a liquidity problem or any other problem, so that the Company would not have more problems in the future. As a result what had been proposed was that there was an accumulated profit but no dividend payment, because there was loss from operating results for this year, and the Company's policy had always been that if there were any loss, no dividend would be paid. Therefore, it was proposed that no dividend would be paid.

There was no further question from shareholders.

The meeting considered the matter and voted.

**Mr. Surachet Charoongthanakit, Mrs. Praromp Chatametheewong and Mr. Pongsarit Rodruangdej**, shareholders, volunteered as vote-counting officers.

**Mrs. Yupin Chalanonniwat and Mrs. Ruthaichanok Sithipan**, representatives of the Office of the Auditor General, the Company's auditor, would check the vote-counting process.

**A vote-counting officer** announced the votes to the meeting as follows.

Results of the votes:

Approved	1,366,272,464 votes	99.937 percent
Not Approved	732,300 votes	0.053 percent
Abstained	134,801 votes	0.010 percent

**The meeting** resolved, by the majority votes of shareholders attending the meeting and casting their votes, to approve the abstention of dividend payment for the Company's 2008 operation results, as follows:

Approved	1,366,272,464 votes	99.937 percent
Not Approved	732,300 votes	0.053 percent
Abstained	134,801 votes	0.010 percent

**Agenda 6 Consideration of the payment of directors' remunerations**

**Mr. Chaikasem Nitisiri**, the Chairman, stated as follows:

The Chairman asked ACM Narongsak Sangapong, Acting President, to explain the Agenda to consider the payment of directors' remunerations.

**ACM Narongsak Sangapong**, Acting President, explained as follows:

The 2007 Annual General Shareholders' Meeting resolved on Thursday 27 December 2007, to determine the criteria for the payment of remuneration for directors, which consisted of remuneration money, a meeting allowance, bonus, and benefits in air tickets for the year 2008, effective from the date of approval from the meeting of shareholders and until the meeting of shareholding resolved otherwise, as follows:

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Remuneration and monthly allowances for the Board of Directors:

- Each director shall receive a monthly remuneration worth Baht 50,000 every month and Baht 30,000 worth of monthly allowance per sitting. If there were more than one meeting in any month, each director would receive no more than Baht 30,000 per month. The Chairman of the Board was entitled to receive a meeting allowance 25 percent higher than what the directors received, while the Vice Chairman of the Board would receive a meeting allowance 12.5 percent higher than what the directors did. Directors shall pay income tax on their own.
- If directors were appointed by the Board or Chairman of the Board as a member of a sub-committee and working groups, the appointed director shall receive an additional Baht 10,000 as the monthly allowance per sitting. If, in any month, any director, sub-committee or working group met more than once, each director shall receive only Baht 10,000 worth of meeting allowance.
- The Audit Committee shall receive the same monthly remuneration as the Board of Directors received. In any month where there was no meeting, the Committee shall also receive such allowance (according to the Cabinet's resolution dated 23 April 2000).

Bonus: The Board shall receive annual bonus at the rate of 0.5 percent of dividend payment under rules and regulation set by the Board of Directors.

Benefits in air tickets for directors: This shall be in compliance with the Company's regulations.

The shareholders were proposed to approve the criteria for the payment of directors' remuneration for the year 2009, proposed by the Nomination, Remuneration and Human Resources Development Committee, which were the same criteria as those for the year 2008. However, the Board of Directors was of the view that as the Company faced the economic downturn, which affected the Company's operations, so it was deemed appropriate to reduce the remuneration, meeting allowances, and benefits in air tickets for the directors, starting from 1 May 2009 to 30 April 2010, as follows:

- (1) directors' remuneration and meeting allowances shall be reduced by one-fourth; and
- (2) in regard to the benefits in air tickets for directors, no more than half of the number of flights received shall be used.

**Mr. Thammanoon chulamaneechote**, a shareholder, made a note to the meeting, as follows:

What the approval asked for was beyond necessity, although adjustment had been made. THAI was a state enterprise because the government held over 50% of its shares, so the Cabinet's resolution dated 13 May 1980, which said the meeting allowance should be Baht 10,000 per sitting per month, should be used. Although the votes of the shareholders were needed to pass a resolution, many more matters would be discussed. The Acting President claimed that for the Audit Committee, it was based on the Cabinet's resolution dated 23 April 2000. He checked the Cabinet's resolution cited, and found that it could not be used, except for state enterprises listed on the Stock Exchange. It was clearly written in regard to the audit committee that such resolution could not be used. The reason why state enterprises gave the audit committee remuneration because the meeting allowance was small, at Baht 10,000. The Audit Committee did not have to attend the meeting, in accordance with page 100 of the minutes of the meeting, but they already received Baht 50,000 without having to do anything, and would get another Baht 30,000 for attending a meeting. Some came to the meeting for a short period for five to 10 minutes and then asked to leave. He questioned whether that would be worthwhile. He stated that it would not be worthwhile. Therefore, he really disagreed with the decision, and stated that the proposal was not in line with the Cabinet's resolution. Meanwhile, he would like to submit his proposal bucking what was proposed by the directors, which was in relation to the remuneration and meeting allowances, that instead of the reduction by one-fourth, he proposed that only one-fourth should remain. It was not a complete cut, but the directors should receive only an appropriate amount,

(Translation)

like a sufficiency economy. THAI was facing a crisis, so the directors should take the amount only as appropriate. In regard to the rights and benefits, the same aspect was considered, that was, only one-fourth should remain, not the reduction by only one-fourth.

**Miss Piyanuch Chaiyakoon**, a shareholder, inquired as follows:

1. Based on the information disclosed in several newspapers, it was known that the Board of Directors of THAI spent a large budget on entertainment, so she would like to propose that during the time that the Company was facing a loss, such budget should be removed as each director came from a company and was in a high-level position so they already had a budget from their work.
2. She would like to know whether THAI still gave rights and benefits to former directors or not, such as air tickets. If such were still given, it should be canceled as directors had short terms, each director rotated, and there were new replacements. This would be an obligation, which would increase costs when it should be the income for the Company.

**Mrs. Pankanitta Boonkrong**, proxy of the Ministry of Finance, explained as follows:

In regard to the remuneration and meeting allowances for the directors for the year 2009 proposed by the Board of Directors proposed to be lowered by one-fourth, she would like the adjustment to include the remuneration and meeting allowances of sub-committees and working groups appointed by the Board, and third parties invited by the Company staff to be advisors to the Chairman of the Board, sub-committees, and working groups. In regard to the benefits in air tickets, the Board of Directors of THAI was asked to improve the Company's regulations with respect of the benefits in air tickets for Company directors and former directors as follows: the benefits should be restricted to directors and not include their family members or connected persons, meaning that only directors in office would be entitled to such benefits. In addition, it was requested that such benefits be terminated upon directors vacating office.

**Mr. Kritapong Pasuworapong**, a shareholder, suggested to the meeting as follows:

1. He did not disagree with the remunerations, but would like to make suggestions for the purpose of transparency of the Company, so it was requested that the receipt of remunerations, meeting allowances, and benefits in air tickets, for each directors be recorded and declared, so that the shareholders in the following year would consider whether it would be appropriate for each director to still receive the remunerations.
2. He would like to support the representative of the Ministry of Finance who suggested cancellation of the exercise of rights by those who were no longer members of the Board.

**Mr. Somsak Manop**, a shareholder, inquired as follows:

In regard to the remuneration for the position of the Acting President, in the amount of Baht 150,000, some staff members inquired whether the amount was still being received or not. He would like the Acting President to answer the question and that the reply be recorded in the minutes of this General Shareholders' Meeting.

**Mr. Chaikasem Nitisiri**, the Chairman, explained as follows:

Since the Acting President was not present in the meeting room, he would like to answer the question since he knew from the information notified by the Acting President to the Board of Directors that he would not accept such amount because THAI was facing problems. Mr. Chaikasem confirmed that the Acting President did not accept the remuneration.

**Mr. Uthit Hemavattakij**, a shareholder, inquired the following:

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As the fuel allowances for executives were as high as salaries of several employees, he would like to know who approved them and which power was used for approval, which regulations were used and when they were issued. He would like to have a copy of the regulations, as he would like to use them for going to court.

**Mr. Chaikasem Nitisiri**, the Chairman, explained as follows:

In regard to the fuel allowances for executives, he would let the executives clarify. In regard to the Cabinet's resolution giving over Baht 10,000 worth of allowances, he would like to state that the Ministry of Finance issued Most Urgent Letter No. KorKhor 085/1681, dated 24 May 2004, to the President of Thai Airways International Public Company Limited notifying about the Cabinet's resolution dated 18 May 2004, granting approval to adjust allowance rates for directors of state enterprises, as proposed by the Ministry of Finance. According to Item 1 of that resolution, approval was granted to determine a new allowance for directors of state enterprises. In this regard, the allowances for directors of Thai Airways International Public Company Limited shall be in accordance with the resolution of the meeting of shareholders as prescribed in the law governing public limited companies, which was to be in accordance with the meeting resolution.

**Mr. Thammanoon chulamaneechote**, a shareholder, said that the Chairman had not yet given an answer to the question on the Cabinet's resolution dated 25 April 2000, but instead talked about the Cabinet's resolution in the year 2004.

**Mr. Chaikasem Nitisiri**, the Chairman, explained that apart from the 2000 Cabinet's resolution, there was currently the 2004 Cabinet's resolution.

**Mr. Pornchai Tharanatham**, a shareholder, discussed as follows:

He thanked the representative of the Ministry of Finance, who joined the meeting, once again. He also commented that, as same as several shareholders, the representative was more individualistic, whether from whatever reasons, which was different from many meetings where the representative of the Ministry of Finance just received orders from the Ministry. Therefore, what had been said confirmed that today there were several opinions from the Ministry of Finance representative on several issues, which were satisfactory for the minor shareholders. It was the honor of Thai civil servants, written in the report of THAI, about the transparency and the preservation of national interests over their own and their organization. He would like to praise such quality. He said those present at the meeting, and at meetings of state enterprises listed on the Stock Exchange, would agree with him, as this was the first time he saw the role of the representative of the Ministry of Finance, who was very individualistic. Therefore, he would like the suggestions made by the representative to be carefully recorded to show what they were. He would like to add some issues. In regard to the appointment of directors in Item 2, which was the original criteria as proposed. Where a director was appointed or was the chairman of the Board, sub-committees, or working groups, it was specified that each director shall receive a meeting allowance of Baht 10,000 per sitting. In regard to the Baht 10,000 per sitting, such was not clearly written. If in any month, more than one meeting were held for the Board, any sub-committees and committees, a meeting allowance of Baht 10,000 would be given. He wondered if this meant that if three meetings of a committee were held, each member would get Baht 10,000, but if such director was on three committees, he/she would not get Baht 10,000 but would get Baht 30,000 or not. He agreed with Item 3 in relation to the audit committee getting remuneration, as it was supported by a Cabinet's resolution. In regard to the annual bonus that the board of directors would get by calculating it based on the rate of 0.5% of dividend payment and the allotment criteria were as determined by the board of directors. He asked whether this meant that the Company directors got the bonus and then considered the criteria on their own and allotted the bonus among themselves or not. Where there was no bonus due to a loss, then it would be deleted. He mentioned Item 4 in relation to the rights and benefits in air tickets, which were said to be in accordance with the regulations of the Company. However, it was proposed this year that the rights shall not be used in

excess of one half of the number of flights received. He wondered if this meant for only the directors, as it was not mentioned in the meeting about the rights for their entourage and families. Therefore, such criteria were only about the rights and benefits of the directors. He stated that it would be good if the Company would let the minor shareholders know what the rights and benefits, which were the criteria of the Company, were. He knew that the MD of the Company was able to authorize upgrades for passengers. He wondered whether it was true that family members of directors might buy economy-class tickets and the MD could upgrade them to first, and whether there was such authority. Such matter was not known by passengers and minor shareholders. He would like the regulations to be disclosed, since several matters were costs, which would arise. He would not discuss the rights and benefits in regard to entertainment allowances as other people had discussed them. However, he would like to know how much the costs in relations to the Company directors were each of the previous four to five years. He thought that these rights and benefits all affected the income and the returns for minor shareholders. He said as representatives of minor shareholders, the Company's staff as workers, and some of minor shareholders as owners of the Company were all in the same boat, the responsibility should be shared and should suffer the same pain. He talked about the price of shares when minor shareholders bought and the price now. However, what had been proposed was that the income would be decreased by one-fourth. He questioned how much their income decreased, and whether it was one-fourth as mentioned by Khun Thammanoon chulamaneechote. Therefore, as all were gathered at the same place, it should be considered that if new directors were appointed and different incomes and meeting allowances were revised, then it would be beneficial to the minor shareholders.

**Mr. Chaikasem Nitisiri**, the Chairman, explained as follows:

He would accept the suggestions of the shareholder. He referred to the issue which required a resolution from the meeting in Agenda 6 that he would accept the proposal of the Ministry of Finance for the new board of directors to carry out in compliance with the opinion of the major shareholder, that was the Ministry of Finance, which would satisfy the shareholders. However, the resolution being sought today was the resolution for the consideration of the remuneration, which was the same criteria as the year 2008, as proposed, which were the criteria proposed in 2008. However, the directors would have to implement the reductions to comply with the opinion of the major shareholder, that was the Ministry of Finance.

**Mr. Uthit Hemavattakij**, a shareholder, made the following remarks:

He thought that the Chairman was violating the rules, since someone had made a proposal, so a resolution must be sought and followed, and amendments made. It was wrong that amendments were made by directors. Therefore a resolution must be passed and an explanation should be correctly made about the proposal made by the Ministry of Finance, to find out who agreed with your proposed resolution and the proposal of the Ministry of Finance. Clarification as to the agreement or disagreement should also be made. It was important that a conclusion was not hurriedly made and consideration distorted to be otherwise. Therefore, as the meeting had already progressed to Agenda 6 and a proposal was made by the major shareholders, if a conclusion was made, the major shareholders would win any way. He said that the proposal made by the Ministry of Finance as per Item 3 should be followed and the Company's regulations should be all amended with the implementation starting from the following day, as he would ask to examine and ask for the information and the news on the following day.

**Mr. Chaikasem Nitisiri**, the Chairman, explained as follows:

Had the shareholder listened well to what the Ministry of Finance representative said, he would understand, as when the Board of Directors proposed to reduce their benefits, the Ministry of Finance said the reduction was not sufficient and it should be more and the regulations be amended in support of that. However, the Ministry of Finance did not ask that the major resolution be amended. Therefore, what Mr. Chaikasem had asked for was approval for the remuneration, which was the



criteria in 2008, as proposed, and the proposals of the Ministry of Finance would be implemented as notified by the Ministry of Finance.

**Pol. Col. Sermkiat Bumrungpruek**, a shareholder, made the following remarks to the meeting:

He said the Chairman forgot the section, which the shareholder mentioned that a resolution must be passed by the two-thirds of all votes of the shareholders who attended the meeting. He stated that the proposal made by the Ministry of Finance was a matter that needed to be considered in the meeting, not to be decided by the directors by themselves. Therefore, this Agenda must be written clearly as to what the existing amount of the remuneration in Item 1 for which a resolution was sought was. He questioned whether the fixed salary was Baht 50,000 and the meeting allowance was Baht 30,000 per sitting. He would like to know as to what the Ministry of Finance's proposal was in regard to the other rights and benefits or others items. He would like them to be clearly recorded as to what they really were and not to be recorded as merely "as proposed by the Ministry of Finance". It was not known where the proposal by the Ministry of Finance was, as he had not seen it in writing. When the resolution of the meeting was to be sought, it must be passed with the number of votes as prescribed by the law in section 90 before it would be considered the resolution of the meeting.

**Mr. Chaikasem Nitisiri**, the Chairman, explained that he was going to seek the votes, so the meeting was asked to cast a vote in relation to what he proposed, which was that the meeting considered approving the remuneration for directors under the criteria for 2008, as proposed. If the Ministry of Finance did not vote for the matter and the votes were less than two-thirds, then the Agenda failed. The shareholders were then asked to cast votes on this matter.

There was no further question from shareholders.

The meeting considered the matter and voted.

**Mr. Surachet Charoongthanakit, Mrs. Praromp Chatametheewong and Mr. Pongsarit Rodruangdej**, shareholders, volunteered as vote-counting officers.

**Mrs. Yupin Chalanonniwat and Mrs. Ruthaichanok Sithipan**, representatives of the Office of the Auditor General, the Company's auditor, would check the vote-counting process.

**A vote-counting officer** announced the votes to the meeting as follows:

Results of the votes:

Approved	1,362,482,314 votes	99.650 percent
Not Approved	4,624,550 votes	0.338 percent
Abstained	155,301 votes	0.012 percent

**The meeting** resolved, by the majority votes of not less than two-thirds of all votes of shareholders attending the meeting, to approve the payment of remuneration for directors, which consisted of remuneration, meeting allowances, bonuses, and the benefits in air tickets as follows:

Approved	1,362,482,314 votes	99.650 percent
Not Approved	4,624,550 votes	0.338 percent
Abstained	155,301 votes	0.012 percent

**Agenda 7 Consideration and appointment of an auditor and determination of audit fee**

**Mr. Chaikasem Nitisiri**, as the chairman of the Audit Committee, stated the following:

The Company was a state enterprise, having the Office of the Auditor General as its auditor according to the organic law Re: Auditing state money, B.E 2542 (1999). The Office of the Auditor General had neither a relationship nor interest with the Company, its subsidiaries, executives or major shareholders or those related thereto. In addition, the Office of the Auditor General was also the auditor of Thai-Amadeus Southeast Asia Co Ltd, which was the carrier's subsidiary. However, the Office of the Auditor General was not the auditor of the Company's affiliated companies since they were not state enterprises.

In 2008 the Office of the Auditor General received Baht 2 million as an annual auditing fee and Baht 300,000 per quarter as a review fee of financial statements. Upon the expiration of the term of office of the auditor, it is necessary to appoint an auditor and to determine the annual auditing fee for 2009. The Office of the Auditor General also stated the annual auditing fee for 2009 which comprises:

1. Baht 2 million for the annual auditing fee and Baht 300,000 per quarter for the quarterly reviewing fee of financial statements
2. The additional fee which may be received if the Company was granted investment promotion from the Board of Investment (BOI) for 6 A330-300 Airbuses. However, the Company had not received the promotion certificate, which would specify particulars or reports which must be prepared by the Company. Therefore the Office of the Auditor General was not able to specify the fee (if any) as such information was necessary for its consideration of the increased work from the ordinary scope of reviewing the financial statements.

The Audit Committee, having considered the proposal of the Office of the Auditor General, proposed that the Office of the Auditor General be appointed as the Company's auditor for 2009 with the annual auditing fee of Baht 2 million and the quarterly reviewing fee of the financial statements of Baht 300,000 per quarter, the same as the previous year, and the additional auditing fee as stated by the Office of the Auditor General be approved in principle.

There were no further questions from the shareholders.

The meeting considered the matter and voted.

**Mr. Surachet Charongthanakit, Mrs. Praromp Chatametheewong and Mr. Pongsarit Rodruangdej**, shareholders, volunteered as vote-counting officers.

**Mrs. Yupin Chalanonniwat and Mrs. Ruthaichanok Sithipan**, Representatives from the Office of the Auditor General, the Company's auditor, would check the voting process.

**The Vote-Counting Officers** announced the votes to the meeting as follows:

Approved	1,366,672,264 votes	99.957 percent
Not Approved	451,700 votes	0.033 percent
Abstained	138,201 votes	0.010 percent

**The meeting** resolved, with the majority votes of shareholders who attended the meeting and cast the votes, to approve the appointment of the auditor and fix the audit fee, as well as approve in principle the additional audit fee as proposed as follows:

Approved	1,366,672,264 votes	99.957 percent
Not Approved	451,700 votes	0.033 percent

(Translation)

Abstained 138,201 votes 0.010 percent

**Agenda 8 Consideration of election of directors**

**Mr. Chaikasem Nitisiri**, the Chairman, informed the meeting as follows:

Article 17 of the Company's Articles of Association stipulated that "At every Annual General Shareholders' 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 the second year following the registration of the Company shall be drawn by lots. In every subsequent year, the directors who have been in office the longest shall retire. A retiring director is eligible for re-election"

The retiring directors by rotation in this year were as follows:

1. Mr. Surachai Tansitpong;
2. Mr. Wisudhi Srisuphan;
3. Flg. Off. Apinan Sumanaseni (resigned on 5 January 2009 and had not been replaced);
4. Pol. Gen. Vudhichai Sriratanavudhi (retired upon completion of 65 years of age on 27 March 2009 and had not been replaced); and
5. ADM Decha Yoo-prot

Eight directors who resigned prior to the expiration of their term of office, effective from 21 April 2009 were as follows:

1. Mr. Suparut Kawatkul;
2. Mr. Chulasingh Vasantasingh;
3. Mr. Pichai Chuhavajira;
4. Mr. Vichit Suraphongchai;
5. Mr. Visit Limprana;
6. ACM. Sukumpol Suwanatat;
7. Mr. Vikrom Koompaichana; and
8. Mr. Amornsuk Noparumpa.

Mr. Rangsan Saengsook retired upon the completion of 65 years of age on 1 April 2009.

Article 15 of the Company's Articles of Association stipulated that the Board of Directors shall consist of no fewer than five directors but not more than 15 where they shall be elected by the Shareholders Meeting. To elect the directors at this meeting, the Nomination Remuneration and Human Resources Development Committee, at the meeting held on 18 March 2009, resolved to propose to the 2009 Annual General Shareholders' Meeting to elect nominees to replace the five retiring directors, the eight directors resigning prior to the expiration of term of office, and one retired director as follows:

The list of five nominees as proposed by the Nomination Remuneration and Human Resources Development Committee for replacing the directors retiring by rotation was as follows:

1. Mr. Surachai Tansitpong continues for one more term;
2. Mr. Suparut Kawatkul in place of Mr. Wisudhi Srisuphan;
3. Mr. Chaisak Angkasuwan in place of Flg. Off. Apinan Sumanaseni;
4. Mr. Areepong Bhoocha-oom in place of Pol. Gen. Vudhichai Sriratanavudhi;
5. ACM Satitpong Sukvimol in place of ADM Decha Yoo-prot.

The list of nine persons nominated by the Nomination Remuneration and Human Resources Development Committee as nominees for directors retiring by other reasons than rotation was as follows:

6. Mr. Amornsuk Noparumpa in his own place;
7. Mr. Ampon Kittiampon in place of Mr. Vichit Suraphongchai;

(Translation)

8. Mr. Pichai Chunhavajira in his own place;
9. Mr. Banyong Pongpanich in place of ACM Sukumpol Suwanatat;
10. Pol. Gen. Phatcharavat Wongsuwan in place of Mr. Chulasingh Vasantasingh  
(Pol. Gen. Phatcharavat Wongsuwan had sent a letter, dated 22 April 2009, to the Chairman of the BOD to withdraw himself from the nomination as his duties under his present position may affect his performance as a director of the Company. For this reason, he withdrew himself from the election of the directors of the Company. Therefore Pol. Gen. Phatcharavat Wongsuwan would not be voted for.)
11. Mr. Kobchai Srivilas in place of Mr. Suparut Kawatkul;
12. Mr. Kanit Sangsubhan in place of Mr. Vikrom Koompaiochana;
13. Mr. Wallop Bhukkanasut in place of Mr. Visit Limprana;
14. Mr. Weerawong Chittmitrapap in place of Mr. Rangsana Saengsook

**Mr. Niruj Mancepun**, Vice President of Legal Department, secretary of the meeting, clarified the voting procedures for the election of directors as follows:

Shareholders wishing to vote for or against, or to abstain their votes may vote in a ballot already distributed.

For the purpose of transparency, representatives of the Office of the Auditor General would inspect the voting process and volunteers from shareholders would act as vote-counting officers. As soon as a shareholder finished voting, he may ask officers to collect his ballot.

**Mr. Chaikasem Nitisiri**, the Chairman, made an additional clarification as follows:

Shareholders may not vote for Pol. Gen. Phatcharavat Wongsuwan as he withdrew himself from the election. As for other nominees, shareholders may vote as usual. Shareholders shall vote on an individual basis but the voting and vote-counting shall be conducted concurrently in order not to call names which would be time-consuming. Therefore shareholders may vote for any of the 13 directors.

**Mr. Monchai Rabruentaveesuk**, a shareholder and proxy of shareholders Who are his family members the Company's staff and many of the general public, said that before the motion was proposed, it was understood that there were 14 nominees and now there were 13 nominees, he would like to ask why the remaining one position was left, whether it was left for the new President (DD) to fill in so that there would be 15 directors.

**Mr. Chaikasem Nitisiri**, the Chairman, explained that that would be correct, however it depended on the directors to appoint the replacement director as the remaining one position would be filled in by appointment of the replacement director, which was provided in Article 20 of the Company's Articles of Association.

**Mr. Monchai Rabruentaveesuk**, a shareholder and proxy of shareholders who are his family members the Company's staff and many of the general public, greeted the shareholders and the representatives from the Ministry of Finance, the Ministry of Transport and asked them not to mark their vote on the ballots. He suggested that in accordance with Chapter 4, Article 15 of the Articles of Association, Board of Directors which provided that the BOD of the Company shall be comprised of not less than 5 directors but no more than 15 directors and upon considering the present economic status of Thailand and the Company, the directors should be elected from persons with true proficiency, who therefore must be nominated in addition to those 13 or 14 nominees. He further stated that more importantly, we should be ashamed that Singapore Airlines, which did not suffer a loss over oil hedging, as did our Company, had 9 directors. He then asked all the attendees to vote for his proposal that only 9 directors should be appointed from the persons who truly intended to protect the benefit of the Company.

**Pol. Gen. Sermkiat Bumrungruek**, a shareholder, suggested that the material issues with respect to the agenda on the appointment of directors were legal issues in regard to the provision

of law and factual issues in regard to the nominee for the directors in place of the vacant office on an individual basis. Pursuant to section 83 in the event of a vacant office of director by reasons other than rotation, whether it be death, resignation, disability, or inability to perform duties, it was expressly stipulated by the law that action must be taken within one month and section 68 of the Public Limited Companies Act B.E. 2535 (1992) also stipulated the consideration of the qualifications as well as the prohibited qualifications of directors as follows: Qualifications: 1 be a natural person; 2 be sui juris; and 3 prohibited qualifications, comprising 3 not have been sentenced by a final judgment to imprisonment for dishonesty; 4 not have been dismissed from government service, or state organization or agency for dishonesty on duty. He then requested the meeting to consider the list of nominees sent for the appointment of directors and stated that there were nominees who were proposed to fill the vacancy by rotation and who may hold the office in full term if elected, and there were those who were proposed to replace the resigning directors. He asked the Chairman about the reasons for resignation of each of those directors and requested that the Chairman answer on an individual basis because the reason for resignation of the directors, whether it be due to being influenced, involuntary resignation, or other reasons, must be stated in the resignation letter. He noted that one resignation was stated to be effective on 21 which was only yesterday, and requested that the retiring directors, whether by resignation or rotation, and whether they were near the meeting place or waited for the result or sent their representative to acknowledge the result, be notified of the statement aforesaid and to be said. He stated that his attention was particularly given to nominee no. 2 of the group proposed to replace the directors retiring by rotation, who was Mr. Suparut Kawatkul nominated to replace Mr. Wisudhi Srisuphan and who, had he not resigned, might still be a director. He stated that this person was accused of an offense by the resolution of NCCC on the 20<sup>th</sup>, and thus was subject to the disciplinary consideration which section 85 stipulated, without any condition, that where the civil official committed a serious disciplinary offences, the supervisor of such official shall make a decision within 30 days. He further commented that the suspicious act of this person had a clear cause and result, and his resignation indicated his intention not to perform the duties of the Company's director and why he nominated himself to replace the other director. He stated that he did not have enough time to mention about other nominees in detail.

**Mr. Chaikasem Nitisiri**, the Chairman, clarified that for the purpose of time saving, he would like the comment from the Ministry of Finance or its representative, which was a major shareholder and would agree with such comment no matter what it would be so as to stop the meeting from voting which would be time-consuming. The Chairman asked the Ministry of Finance to decide whether there be 15 directors or 9 directors as proposed by the shareholder.

**Mrs. Pankanitta Boonkrong**, a representative from the Ministry of Finance, clarified as follows:

As before attending the meeting, the Ministry of Finance adopted the policy from the Minister of Finance to vote for 14 directors. Therefore the Ministry of Finance had to comply with the adopted policy.

**Mr. Chaikasem Nitisiri**, the Chairman, stated that the meeting had reached conclusions on this issue, that it was agreed that the vote would be cast, the Company's directors would be 15 directors, and there were 14 nominees but one nominee withdrew himself. Therefore, the shareholders would vote for only 13 nominees. The Chairman answered the question of Khun Sermkiat that he would not consider any matter based on any news from the newspaper and the list of nominees sent to the shareholders was in accordance with the resolution passed at the meeting of the Nomination Remuneration and Human Resources Development Committee held on 18 March 2009, and moreover even though the news was published but the formal results had not been announced, the person mentioned by Khun Sermkiat did not lack any qualification and thus the shareholders could exercise their discretion in considering whether or not they should vote for such person. The Chairman concluded that the meeting would proceed with the procedures specified in the document notified to the meeting.

(Translation)

**Mr. Prasert Lertyaso**, a shareholder, said that Agenda 8 was an important matter and asked that in accordance with article 17 of the Articles of Association, his following statement be recorded in the minutes of the meeting. He stated that because Thai Airways Plc. was a public limited company and a state enterprise, the directors nominated were temporary employees of the Company but the shareholders, including the Ministry of Finance, as the custodian of tax of Thai citizen, were the owners of the company at all times unless they ceased to hold the shares of the Company and had no connection with the Company he would like to ask the Chairman the following questions:

1. As the qualifications of such nominees had been clarified by the Chairman, who the members of the Nomination Remuneration and Human Resources Development Committee, which proposed the nominees, were.

2. The statements recorded by the Chairman that Mr. Suparut Kawatkul was to replace Mr. Wisudhi Srisuphan and Mr. Kobchai Srivilas was to replace Mr. Suparut Kawatkul were inappropriate because this was not a matter of reciprocal action. When the Ministry of Finance stated that there were 14 nominees but the shareholder suggested that there should be 9 directors in accordance with the rule that there shall not be less than 5 directors, the Chairman should nominate the directors not proposing that this person was in place of that person. The office of director is not a property to be appreciated in turns.

3. With respect to the Chairman's statement that the shareholders were given the opportunity to nominate the persons they deemed fit through the website of the Company, yet no shareholders used such opportunity, who would have looked at the website all the time. He then asked that any person who looked at the website, to applaud loudly, and commented that the Company should have sent a letter or announced through the media, whether via television, radio or newspaper, that the Company had allowed the shareholders to nominate the persons for the director. He proposed the Director-General of the Department of Corrections to replace the Commissioner General so as to bring these directors to jail as well as the previous directors because the good governance principles had always been applied in recording the minutes of the meeting. He also suggested that nominee No. 2 should not push himself any further because, as a lawyer, when he was accused by the NCCC, he should refrain from performing any duties. He then proposed Sqn. Ldr. Thanit Promsatit as a director.

**Mr. Chaikasem Nitisiri**, the Chairman, asked the shareholder whether he would like to propose two persons without personal background and whether he checked the background of said persons, and stated that if the shareholder did not know the names of such persons, the shareholder could not nominate them.

**Mr. Prasert Lertyaso**, a shareholder, replied that he did know the name of one person who was sitting here but did not know the name of the Director-General of the Department of Corrections.

**Mr. Chaikasem Nitisiri**, the Chairman, summarized that if the shareholder did not know the name of the person who the shareholder wished to nominate, such person could not be nominated.

**Mr. Prasert Lertyaso**, a shareholder, nominated Sqn. Ldr. Thanit Promsatit as a director.

**Mr. Thiti Kamnerdee**, a shareholder, stated as follows:

At the previous meeting, he had made an opposition regarding the qualification that Khun Pichai possessed the qualification that was prohibited by the General Qualifications of Member and Official of State Enterprise Act, and the Chairman replied that in his personal opinion the qualification of Khun Pichai was not contrary to the law for the reasons that being an interested person would be the same as the case of a concessionaire or a co-investor. The shareholder found that such legal opinion was a stubborn argument and confirmed that the case of Khun Pichai was prohibited by the General Qualifications of Member and Official of the State Enterprise Act. He mentioned, as an example, the case of Khun Pornchai Rujiprapa, who was the Chairman of the Board of Directors of PTT and concurrently the Chairman of the Energy Generating Authority of Thailand since 2007 and

who resigned from such positions after the announcement of the amendment of the General Qualifications of Member and Official of the State Enterprise Act in such year, reasoning that his qualifications were contrary to such Act. He stated that Khun Pichai, as a director, failed to help the Company and if there was a conflict of interest between PTT and the Company, he did not know Khun Pichai would protect the interest of which company, but he was certain that in the oil crisis that the Company encountered, Khun Pichai failed to protect the Company and the more serious the oil crisis was, it was evident that Khun Pichai failed to protect the benefit of the Company. He further stated that Khun Pichai was not only the director but also a committee member of the Risk Management Committee whose duty was to notify the BOD of the problem and not to ignore it until the Company was in crisis situation and the shareholders learnt from the media that the Company lacked liquidity and suffered great loss, which indicated the inefficient management of the Risk Management Committee. He concluded that the conflict of interests was the reason that being a director of 2 companies, which were connected, and having an interest in each other was prohibited. He mentioned that being a director in another 15 or 16 companies, Khun Pichai would not have the time for the Company. He suggested that if Khun Pichai preferred the Company and would like to protect the benefit of the Company, Khun Pichai should work for the Company only not for the Company and PTT, which by nature of both companies, must have a conflict of interests with the Company. He confirmed that Khun Pichai lacked qualifications pursuant to the General Qualifications of Member and Official of the State Enterprise Act because the opinion of the Chairman that the oil trade was a conduct in the ordinary course of business, not a matter of concession nor a joint-venture was an interpretation, which was still in dispute, and if the Chairman still deemed that hedging presently conducted by the Company was a conduct in the ordinary course of business, the conflict of interests would never have occurred. He suggested that the interpretation of the law should be made in a manner that was beneficial to the organization. He, then, confirmed his opinion that Khun Pichai lacked the qualifications according to the General Qualifications of Member and Official of State Enterprise Act.

**Mr. Chaikasem Nitisiri**, the Chairman, replied that the comment in regard to the legal issue was his personal opinion and affirmed such opinion. As for the discretion to the consideration of this matter, the Chairman said that it belonged to every shareholder, and if the shareholders found that any person was disqualified, the shareholder may not vote for such person.

**Sqn. Ldr. Thanit Promsatit**, a shareholder, made a suggestion as follows:

Mr. Wallop Bhukkanasut lacked the qualifications to be the Company's director as while he was the senior employee of the Company, there was apparent evidence that he failed to protect the benefit of the Company by, in collaboration with Khun Parndit, specifying the condition of the passenger tickets, failing to protect the Company's benefit, vilifying other employees, and thus was not appropriate to be a director of the Company. The evidence of his behavior, which damaged the Company, was sent to the officer. Therefore, in his opinion, Mr. Wallop Bhukkanasut, nominee no. 3, no matter how he passed the consideration by whomever, expressly behaved in a manner that was not beneficial to the Company, and was a senior executive who brought in great damage. The BOD was asked to look into the complaint in relation to the good governance of the Company, which had been lodged over a year. Such complaint mentioned the issue of the corruption in the Company, which was concealed for a long time since when Khun Thammasak supervised the Good Governance Department. It was postponed several times until many sets of Executives had been changed, this complaint was not decided. Likewise, the issue in London was kept secret until it ended. This was the good governance problem of the Company. The Committee when Khun Thammasak was in office failed to practice this principle. Justice could not be found. The members were only by names and had only the projects to be done but, in fact, nothing had been completed. As the former employee, he would like to state that most employees were not satisfied with this situation. He then asked that it be correctly recorded that his complaint or action was evidenced in documents. He required that Khun Wallop or Khun Parndit inform the BOD of their personal problems, or whatever occurred to the Company.

**Mr. Chaikasem Nitisiri**, the Chairman, stated that this information was going to be considered by the Shareholders and would be recorded. Since Khun Thanit had stated his presence,

(Translation)

the Chairman then questioned him whether he agreed to be nominated as he was proposed as a director by another shareholder.

**Sqn. Ldr. Thanit Promsatit**, a shareholder, agreed that he be nominated.

**Mr. Chaikasem Nitisiri**, the Chairman, stated that it would be recorded that Sqn. Ldr. Thanit Promsatit was nominated from a Shareholder attending this meeting to fill in the vacant office, and to prevent any problem regarding the voting process; Squadron Leader Thanit Promsatit was listed as No. 15 in the ballots.

**Mr. Monchai Rabruentaveesuk**, a shareholder and proxy of shareholders who are his family members the Company's staff and many of the general public, made statement as follows:

Since the Ministry of Finance affirmed that the number of directors must be as specified by the Minister, that was 14 persons, he, who had informed the meeting twice that valuable persons were not elected as DD or those who had been DD and retired should be recruited, was glad that two persons were nominated, one of whom had been discussed and the other person was Khun Kobchai Srivilas who he thought might be acceptable by many shareholders. He further stated that with respect to the grey area that was mentioned by someone, he thought that any one could say such things, but from his experience, he deemed it an opportunity and great thing that one would be valuable enough to be recruited after being retired. He then mentioned about Khun Pichai that besides the fact that the Company purchased oil from him and that he did not have time to manage the Company, he had lied to shareholders in the general meeting that the profit margin was like that worldwide, in accordance with what Mr. Monchai had said and was recorded in page 10 of the minutes of the previous meeting. He said that while the Company's profit had never exceeded 5.45% and in the latest year when a profit was gained it was slightly over 3%, Singapore Airlines always had a higher profit than the Company, in comparison to the sales volume, by three-folds. He questioned if that was considered lying to the real owners of the Company or not, and wondered why the Company would consider recruiting such a person. He also referred to the former Secretary-General of the Ministry of Finance, who chaired the previous meeting, who did not allow anyone to speak in case there were other agendas. He raised his hand and stood up but the chairman at that time acted as if he did not see Mr. Monchai and then closed the meeting. In the year in which Khun Suparut carried out the meeting, questions were not answered or even if they were answered, they were short answers to clarify the points, and the microphone was disabled. He questioned if such a person had taken care of the Company's interests. He stated that even Minister Korn Chatikavanich commented that what had happened in accordance with the conclusion of the Office of the National Anti-Corruption Commission (NACC) was unfortunate. However, there was domestic unrest, which continued until the Songkran Festival, and nothing could be done. It was not possible to change the management in the middle of the chaos, and it had to tolerate and use the old one. Mr. Monchai suggested that if there should be 14 persons, but now there were only 13 persons. Sqn. Ldr Thanit Promsatit was nominated. If anybody was to be removed, Mr. Monchai asked that at least one representative of minor shareholders, the real owners of the Company, who bought shares at the price of Baht 60 apiece, be considered to join the Board. It would be greater to have Sqn. Ldr Thanit on the Board, as there would be two representatives of minor shareholders, to monitor the issues which would be difficult for shareholders to monitor, in regard to pending issues. Mr. Monchai said any discussed issues would not be allowed to be forgotten in order to prolong the meeting, as the minor shareholders would prevent that. Mr. Monchai promised that if he was accepted to join the Board, he would not accept any remuneration at all, and would donate all of his remuneration to UNESCO, a foundation for Thai children, and the Foundation for the Welfare of the Mentally Retarded of Thailand. He did not want to be a board member, but he would be willing to act as a good guard dog for THAI's board of directors.

**Mr. Chaikasem Nitisiri**, the Chairman, explained as follows:

He told Khun Monchai that he had no right to nominate or remove anyone, but if Khun Monchai would like to additionally nominate anyone, for example, in the case of Sqn. Ldr Thanit Promsatit, shareholder, he could do so, and votes would be cast. He had no right to remove anyone,



(Translation)

since the shareholders attending this meeting, or not attending but represented by the proxy, were notified of these names. Therefore, he could not remove any names.

**Mr. Thammanoon Chulamanechote**, a shareholder, told the meeting as follows:

He said the Chairman did not answer his question in relation to the Cabinet's resolution in April 2000. It was not a different issue nor different day nor different section. The issue about the audit committee was not canceled. He asked the Chairman to take a look at the issue. He stated that the nomination of directors was forceful. In accordance with the principles of selection, the number of nominees must at least double the number of directors required and they should present their vision stating how they would work to gain benefits, to gain profits and not losses. He asked who would take the responsibility for nominating someone, who created losses, again. He said that it should not be done. Therefore, the number of nominees should be double of the number of directors required. He would like to nominate Khun Monchai as a replacement. However, he would like to seek confirmation from the Chairman that the Nomination, Remuneration and Human Resources Development Committee had examined the nominations even if no vision was presented. He commented that there should be a presentation of their visions. He said if they were really good, they must present their vision to show their ability, how much experience they had. The documents submitted contained no photograph and there was no information on their Bachelor's degrees, but only information on their Master's degrees. He stated that he did not know which courses several of them took for their Bachelor's degrees. He would like the confirmation as to whether the nominees were in conflict with the law. He knew that several nominees were in conflict with the law and the Cabinet's resolution. He said there were definitely some people and the information on those in conflict with the law was already with the NACC and there was nothing more. He proposed that next time, a forceful method should not be used. The nomination involved selection, for example, the number of nominees for independent committees was double the required number in order to give shareholders a chance to select and listen to their visions as to which direction they would lead their organizations and not to incur losses as in the Company's case. He stated that anyone who had no ability should not join the board. The goal for the year 2009 was not known as nobody told the shareholders, when actually in the budgetary principles, it must be stated that how much profit would be made for next year, for example, stating that the net profit would be no less than Baht 5 billion. When every state enterprise submitted the budget plan, the Ministry would be informed of their goals, but this time there was no goal and there was no penalty for any action taken. This should be recorded to reflect governance. He would have to inform the Securities and Exchange Commission and the Administrative Court for not having good governance.

**Mr. Chaikasem Nitisiri**, the Chairman, explained as follows:

The Company would record that Mr. Monchai Rabruentaveesuk, a shareholder, would be a person considered and nominated as a director by the shareholders attending this meeting. He would be no. 16 and he was asked to confirm that he was fully qualified.

The Chairman concluded the Agenda to consider the election of Directors that the Company's board of directors would consist of 15 members, and proposed nominees to be elected as directors to replace the five retiring directors, eight directors who resigned before their terms expired, and one director vacating office, totaling 14 persons. However, Police General Phatcharavat Wongsuwan, no. 10, withdrew, and the position remained unoccupied for the purpose of complying with the Company's articles of association hereafter. Therefore, there would be only 13 persons to be considered. In addition, since the meeting nominated Sqn. Ldr Thanit Promsatit as no. 15 and Mr. Monchai Rabruentaveesuk as no. 16, therefore, among the 16 nominees, the shareholders had the right to consider only 13 persons to be elected as directors. He said the shareholders could choose whoever they liked but asked them to cast their votes.

**Mr. Niruj Maneepun**, Vice President, Legal Department, secretary to the meeting, explained the voting process for the Agenda to elect directors as follows:

(Translation)

- All shareholders wishing to vote in favor or not in favor, or abstaining their votes, shall cast their votes in the ballots already distributed.

- For transparency in counting votes, the representatives of the Office of the Auditor General, which was the Company's auditor, would check the voting process, and shareholders who volunteered to be vote-counting officers would count the votes.

- When the casting of votes was completed, the Company's officers should be notified to collect the ballots.

The meeting considered the matter and voted.

**Mr. Surachet Charoongthanakit, Mrs. Praromp Chatametheewong and Mr. Pongsarit Rodruangdej**, shareholders, volunteered as vote-counting officers.

**Mrs. Yupin Chalanonniwat and Mrs. Ruthaichanok Sithipan**, representatives of the Office of the Auditor General, the Company's auditor, would check the vote-counting process.

**A vote-counting officer** announced the votes to the meeting as follows:

Results of the votes:

**1. Mr. Surachai Tansitpong**

Approved	1,319,856,199 votes	96.531 percent
Not Approved	47,165,040 votes	3.450 percent
Abstained	263,326 votes	0.019 percent

**2. Mr. Suparut Kawatkul**

Approved	1,320,674,549 votes	96.591 percent
Not Approved	46,354,290 votes	3.390 percent
Abstained	255,726 votes	0.019 percent

**3. Mr. Chaisak Angkasuwan**

Approved	1,320,692,350 votes	96.592 percent
Not Approved	46,284,790 votes	3.385 percent
Abstained	307,425 votes	0.023 percent

**4. Mr. Areepong Bhoocha-oom**

Approved	1,320,953,749 votes	96.611 percent
Not Approved	46,018,290 votes	3.366 percent
Abstained	312,526 votes	0.023 percent

**5. ACM Satitpong Sukvimol**

Approved	1,319,901,728 votes	96.535 percent
Not Approved	46,338,540 votes	3.389 percent

(Translation)

Abstained	1,044,297 votes	0.076 percent
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6. Mr. Amornsuk Noparumpa

Approved	1,320,843,847 votes	96.603 percent
Not Approved	46,131,190 votes	3.374 percent
Abstained	309,528 votes	0.023 percent

7. Mr. Ampon Kittiampon

Approved	1,321,042,900 votes	96.618 percent
Not Approved	45,965,990 votes	3.362 percent
Abstained	275,675 votes	0.020 percent

8. Mr. Pichai Chunhavajira

Approved	1,320,658,399 votes	96.590 percent
Not Approved	46,317,240 votes	3.388 percent
Abstained	308,926 votes	0.022 percent

9. Mr. Banyong Pongpanich

Approved	1,321,019,249 votes	96.616 percent
Not Approved	45,940,290 votes	3.360 percent
Abstained	325,026 votes	0.024 percent

10. Pol. Gen. Phatcharavat Wongsuwan

Note: Pol. Gen. Phatcharavat Wongsuwan had sent a letter, dated 22 April 2009, to the Chairman of the BOD to withdraw himself from the nomination as his duties under his present position may affect his performance as a director of the Company. For this reason, he withdraw himself from the election of the directors of the Company. Therefore, Pol. Gen. Phatcharavat Wongsuwan would not be voted for.

11. Mr. Kobchai Srivilas

Approved	1,320,774,249 votes	96.598 percent
Not Approved	46,250,690 votes	3.383 percent
Abstained	259,626 votes	0.019 percent

12. Mr. Kanit Sangsubhan

Approved	1,320,219,449 votes	96.558 percent
Not Approved	46,025,840 votes	3.366 percent

(Translation)

Abstained	1,039,276 votes	0.076 percent
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13. Mr. Wallop Bhukkanasut

Approved	1,320,713,949 votes	96.594 percent
Not Approved	46,280,040 votes	3.385 percent
Abstained	290,576 votes	0.021 percent

14. Mr. Weerawong Chittmittrapap

Approved	1,320,820,728 votes	96.602 percent
Not Approved	46,137,890 votes	3.374 percent
Abstained	325,947 votes	0.024 percent

15. Sqn. Ldr Thanit Promsatit

Approved	326,826,986 votes	23.903 percent
Not Approved	867,287,691 votes	63.432 percent
Abstained	173,169,888 votes	12.665 percent

16. Mr. Monchai Rabruentaveesuk

Approved	326,878,186 votes	23.907 percent
Not Approved	867,247,791 votes	63.428 percent
Abstained	173,158,588 votes	12.665 percent

**The meeting** resolved, by the majority votes of shareholders attending the meeting and casting their votes, to approve the appointment of the following Company directors to replace five retiring directors, seven directors who resigned prior to the completion of their terms, and one director vacating office, effective from 22 April 2009:

1. Mr. Surachai Tansitpong continues for one more term;
2. Mr. Suparut Kawatkul in place of Mr. Wisudhi Srisuphan;
3. Mr. Chaisak Angkasuwan in place of Flg. Off. Apinan Sumanaseni;
4. Mr. Areepong Bhoocha-oom in place of Pol.Gen. Vudhichai Sriratanavudhi;
5. ACM Satitpong Sukvimol in place of ADM Decha Yoo-prot;
6. Mr. Amornsuk Noparumpa in his own place;
7. Mr. Ampon Kittiampon in place of Mr. Vichit Suraphongchai;
8. Mr. Pichai Chunhavajira in his own place;
9. Mr. Banyong Pongpanich in place of ACM Sukumpol Suwanatat;
10. Mr. Kobchai Srivilas in place of Mr. Suparut Kawatkul;
11. Mr. Kanit Sangsubhan in place of Mr. Vikrom Koompaichana;
12. Mr. Wallop Bhukkanasut in place of Mr. Visit Limprana;
13. Mr. Weerawong Chittmittrapap in place of Mr. Rangsang Saengsook

**Agenda 9 Other business (if any)**

(Translation)

**Mr. Chaikasem Nitisiri**, the Chairman, stated that with regard to Agenda 9, Other Business, there were certain questions which had not been answered. As he recalled, someone had asked about Antitrust Law which was a problem. The legal representative would explain this issue.

**Mr. Nirui Maneepun**, Vice President, Legal Department, the secretary of the meeting, explained that he would like to provide additional information, which was, updated data with respect to unfair trade or antitrust cases. The background to this issue was that the Company has been under investigation and accused of unfair trade or antitrust by five countries, namely the United States of America, the European Union, Australia, New Zealand and South Korea. Among these five countries, the cases can be divided into two groups. The first group comprises cases for which charges have been established, and those, which have been brought to the court. Specifically, there were two civil cases, one of which was related to cargo and the other which was in connection with a passenger in the United States of America that the Company was accused and sued by. There was one case in the European Union, in which the European Commission, or EC, accused the Company of violating Competition Law or the law governing unfair trade. However this case has not been brought to the Court and has been awaiting the decision of the EC. There was another civil case in New Zealand, which was brought to court in New Zealand by its Trade Committee. With respect to the latter case, the Company has been preparing an answer. The second group is comprised of cases, which have been under criminal investigation procedures in Australia, the United States of America and South Korea. The investigation procedure, in this case, meant an investigation into airlines and whether they had committed any offenses, though no accusation has been made. During this procedure, the Company was asked to provide evidence and offer an explanation. However, whether the Company will eventually be accused was another issue. At present, the accusation has not been made against the Company.

In regard to the accusations against the Company, the Company has been accused of co-ercing with other airlines to determine the freight rates and other special fees to be charged to the passengers, which is said to be an offence in those countries. The Company had already defended itself with respect to the accusation case in the European Union. As for the civil cases, they have not reached the defense stage, as complaints were being collected from the plaintiffs, and there has been no further progress on these cases. With respect to the evaluation of damages that could be derived from the penalty, as the Chairman mentioned earlier, such an evaluation was for the purpose of establishing reserves. The actual amount of the penalty depended on their laws and the discretion of the competent officers. As I said, the civil cases have not reached the final stage, and are only in the stage of gathering the plaintiffs. The case in the European Union was only an accusation and has been pending. The case in New Zealand was brought to court proceedings, and the cases elsewhere were only in the investigation procedure stage. The evaluation was based on their laws according to their method of calculating penalties and was merely a rough assessment. The actual penalty could not be evaluated.

**Mr. Supoj Kosiyajinda**, a shareholder, expressed that as a member and a former employee of Thai Airways, he felt sorry for Thai Airways employees that there was no salary raise last year, or a bonus for them, partly because the Provident Fund and the GPF suffered losses. However, a committee was formed to investigate the GPF. He asked that as a shareholder, he would like to know whether or not the Board of Directors or the Executive Management Team had examined that the performance had been conducted correctly. He would like clarification as to whether or not the provident fund had performed correctly, because even the GPF had agreed to be investigated for the benefit of clarity and transparency. Additionally, he asked whether or not the selection of the committee was made in accordance with the procedures. He would like an investigation on two matters which were, whether or not the operating results conformed to the Fund Act, and whether or not the selection had been made in accordance with the procedures.

**Mr. Prasert Lerdyaso**, a shareholder, suggested that with respect to Agenda 9, Other Business, since the minutes of every general shareholders' meeting had failed to record the answers of each issue, and at every meeting, the shareholders had asked and submitted questions to the Executive Management Team, the NACC, Ministry of Finance and Ministry of Transport but the answers had not

(Translation)

been recorded in the minutes, therefore, the Executive Management Team should record the following request in the minutes, in writing, to propose at the next meeting, and bring the persons causing damage to the Company to be punished whether or not they have been directors or whether they are members of any committee:

1. The issue, submitted by him and the shareholders and previously motioned by the director, regarding the accusation by the International Air Transport Association, that freight rates and passenger fees had been determined in a foreign country, generally called "Price Fixing", especially in Europe, for the approximate amount of Baht twenty thousand million, and in the United States of America, Australia, New Zealand, and Korea for an approximate amount of Baht twenty thousand million, and in the European region for the approximate amount of Baht four thousand million. He requested that the answers to such issues be provided in writing at the next meeting in order to bring a case against those persons, and to record such matters regarding liabilities and assets on the balance sheet.
2. The purchase of wine by the Company which caused the company winning the auction to bring a case to the court claiming liability worth Baht twenty-seven million. They would instigate a case and claim for Baht twenty-seven million penalty.
3. The mistake of the Company was in claiming that the Company had suffered damages worth Baht twenty thousand million, and would bring a case against the protestors. In fact, the person closing Suvarnabhumi Airport was not the protestors, called PAD, but the Airport of Thailand Public Company Limited. So the Company brought a lawsuit against the wrong people. He would like a written clarification on such issue, because there was supportive evidence.
4. The non-transparent sale of A300-100 aircraft was submitted, but there has not been any answer.
5. The non-transparent purchase of engines for A330 aircrafts, which was also submitted.
6. There has also been no answer in regard to the Baht thirty-three thousand million fraud with respect to airplane tickets in London.
7. The procurement of A330 aircrafts, which was in contrary to the resolution by the Cabinet that such aircrafts be rented. However, the Board of Directors and Ministry of Transport hired-purchased them and have already made payments of Baht two thousand and one million.
8. The non-transparent procurement of engines for A380 aircrafts
9. The execution of the engine overhauls agreement with lump sum consideration, which has a retroactive effect.
10. The non-transparent procurement of overseas hotels for the crew.
11. The execution of contracts in favor of Amadius Company with respect to the reservation system.
12. The destruction of the security system of the airport by the Executive Management Team.

**Mr. Monchai Rabruenthaveesuk**, a shareholder and proxy of shareholders who are his family members the Company's staff and many of the general public expressed an opinion that in order for good governance and the audit system to control and prevent corruption issues, the most important element was to take the punishment seriously. However, on page 65 of the Company's Audit Committee List, No. 4 which stated the President as the secretary to the Committee, no one would audit himself nor say that he had committed corruption. The Managing Director of Technical, who had never answered to the meeting about his decision to change the design of the Airbus 330 engines and to select Rolls-Royce engines for Airbus 380 without any price offering, and to agree on different prices for both engines, was a member of Good Governance Committee. Such an act was certainly against the price fixing law. He refused to state the full name of the Act claiming that it was

generally understood, but requested that such Act be clearly stated in the minutes. He stated that he was confident that the matters stated by him on every agenda, including this agenda, were important and should be recorded in the minutes of the meeting. He also proposed another suggestion that apart from those recorded in the minutes of the meeting, one or two minor shareholders who possessed accounting knowledge, and did not fear unrighteous power, should be nominated as the members of each Committee. He added that if he was chosen, he would not accept the sitting allowance, whether it were for ten thousand baht per meeting or any sum whatsoever, as his intention was to examine and monitor every matter said and discussed; that he would not allow any questionable matter to be concealed and that he would disclose them at each meeting and keep monitoring. He requested that he would like the foregone statements to be considered. He stated that if the actions undertaken were transparent, there was no need to fear the investigation, like certain governments, which were overthrown due to their evasion of investigations. He further requested that such matters be recorded and discussed at the meeting of the new Board of Directors. He stated that he did not expect that he would be selected as a new director today, and that the directors had joint liability for every action undertaken, whether or not minor shareholders took part in it.

**Mr. Chaikasem Nitisiri**, the Chairman, stated that these matters would be recorded in the minutes of the meeting. Since the audit committee had mentioned how the President, as the secretary to such committee, would audit himself, the Chairman also clarified that the shareholder did not read the full title, as the complete title was the Vice President of Office of Internal Audit not the President of the Company.

**Mr. Kritpong Phasuworawong**, a shareholder, expressed opinions as follows:

1. With respect to the souvenirs, whether or not anyone mentioned them or whether or not any attendee of this meeting liked them, he would like to suggest that next year the souvenirs should be something that belonged to Thai Airways, in order to emphasize brand awareness of the Company. These might be gift vouchers worth five hundred or one thousand baht as a discount for Thai Airways tickets.

2. As he had attended several meetings such as PTT, he had found that audio-visual records of meetings were uploaded onto websites of the companies, and he thought it was appropriate to upload the audio and visual records of this meeting so that persons who had left earlier, or who had failed to attend this meeting, would know what had happened during the meeting.

3. He proposed that the minutes of the annual meeting be published in the form of books and CD's as an option in order to reduce expenses.

4. He asked a short question to the Executive Management Team as to what the trend of the management in 2009 would be, whether the profit would be large or small, or how much the loss would be. The purpose for such a question was so that the general shareholders could decide whether or not they should continue to hold Thai Airways shares.

**Mr. Chaikasem Nitisiri**, the Chairman, explained that such suggestions would be considered, but he did not know whether or not the Executive Management Team could answer the last question. He preferred the trend questions be answered first in order to satisfy the person asking.

**ACM Narongsak Sangapong**, Acting President, asked whether or not the last question was about the THAI Shop, and how it would be.

**Mr. Kritpong Phasuworapong**, a shareholder, proposed to the meeting that the additional question was not only about the THAI Shop, but it was about the income trend of the entire organization of Thai Airways, and whether the operation would generate profit or loss or otherwise.

**Mr. Pandit Chanapai**, Executive Vice President, Commercial Department, explained in short that with respect to the THAI Shop, the Company had enjoyed profit and in regard to the question about the yield, it was stated in the document that the Company had declared a profit.

(Translation)

**Mrs. Ngamnit Sombutpibool**, Executive Vice President, Finance and Account Department, expressed an opinion that she understood that the question was about the Company's turnover for the current year, and further explained that certain information could not be disclosed as it was prohibited by the rules of the Stock Exchange. However, with respect to the operation, the budget had been prepared in order to determine its goals. In accordance with the 2009 budget, the Company's aim was to generate profit. Apart from the budget, the Business Improvement Plan was also prepared and its goal was for a turnover better than that given in the budget.

**Mr. Chalongsak Saeng-Xuto**, a shareholder, complained that he had informed the Executive Management Team several times that Koh Samui was a new and competitive market between the Company and another airline from which its employee, or one of its eight partners, had been a former employee of Thai Airways. Such person was forced to resign after being mistreated. He was a friend of his, named Khun Thawatwong. This information could be crosschecked. Former employees of Thai Airways, who have been working for Bangkok Airway, tried to show their potential to their former supervisors who mistreated them, or had negative attitudes about them, by jointly establishing the reputation for Bangkok Airway, which according to him, was quite good. He further stated that he lived in Samui and this company had been trying to create an image and reputation by launching offering campaigns. He then said that the place where he lived was called Ban Lamai and was located not far from the road, or what was called Ban, or road junction. At such junction before a 90-degree turn to the right, there was a billboard as large as a two-unit building advertising the activities of Bangkok Airways. He complained that since Thai Airways had opened 2 daily flights to Koh Samui, he have never seen any activity that would promote the reputation of Thai Airways to Samui residents, although southern people from Chumporn were quite satisfied with Thai Airways. He also stated that he did not know whether this matter was the agenda of Thai Airways today and, as an outsider, he said that whether it was deemed right or wrong was up to the Company's management. He also stated that a small number of remaining shareholders might have never experienced the pain as he had. The Executive management Team of this Company had never applied good governance with regard to the supervision of their subordinates. The low-ranking employees were mentally mistreated by several means. He did not know whether or not it was the tradition of this Company but throughout 35 years of his employment with this Company, he had always seen and learnt that female employees have been the subjects of sexual harassment. Before his resignation, he witnessed a horrendous incident while everyone was enjoying the new year party. About four or five years ago, the outsource employees of a unit displayed an obscene movie to persons walking around in such unit. He made an enquiry with the head of such unit, who confirmed the incident and then went home. Then he lodged a complaint about such an incident, and the supervisor who was the manager of the division, hurriedly called him and explained that the junior employees had arranged such a new year party in order to relax. However, displaying the movie, which should not be shown to ladies, was too obscene and unacceptable for him. This was an issue of good governance. He then stated that he did not blame the executive board, but he blamed every executive ranking from VP and higher for the crew hotels and the sexual harassment. The employees had the right to consent or not. However, these problems happened in this organization.

**Ms. Waravimol Na Ranong**, a proxy, proposed to the meeting that she used to work for Thai Airways and witnessed an incident last year when she flew to Vietnam. She lodged a complaint on 7 May 2008. Then she received a reply from the Customer Service of Thai Airways on 2 June stating that the investigation result would be sent to her. Since then, almost a year has passed and she would like to request that the Executive Management Team and the executives of Thai Airways improve customer service. She wanted it to be the same as when she had worked there. She said that she was upset to have experienced such an incident on the airplane of Thai Airways. Therefore she would like to submit a letter to the Board and the representative of DD. She then submitted the letter.

**Mr. Uthit Hemavattakij**, a shareholder, asked whether the person who wrote about customers' satisfaction with the management on page 116 of the annual report, had ever conducted an investigation? He further complained that in Beijing, hundreds of customers lined up for hours to check-in only. Tickets were sold months and years in advance, and reservations could not be made, but when he got on the airplane there were empty seats. He confirmed that TG 668 had 333 seats and