

Thai Reinsurance Public Company Limited
Minutes of Annual General Shareholders Meeting
No. 21
25 April 2014
At Victor Club, 8th Floor, Park Ventures Ecoplex
57 Wireless Road, Lumpini, Pratumwan, Bangkok

Meeting begins at 16.05 hours.

Names of attending directors:

- | | | |
|-----|----------------------------|---|
| 1. | Mr. Suchin Wanglee | Chairman of the Board of Directors, Independent Director, Member of the Investment Committee |
| 2. | Mr. Chai Sophonpanich | Vice Chairman, Chairman of the Nominating and Remuneration Committee, Member of the Investment Committee. |
| 3. | Mr. Udom Vichayabhai | Independent Director, Chairman of the Audit Committee. |
| 4. | Mr. Kerati Panichewa | Director |
| 5. | Mr. Jiraphant Asvatanakul | Director, Member of the Nominating and Remuneration Committee |
| 6. | Mr. Chanin Roonsamrarn | Independent Director, Member of the Audit Committee. |
| 7. | Ms. Potjaneer Thanavararit | Independent Director, Member of the Nominating and Remuneration Committee |
| 8. | Mr. Aswin Kongsiri | Independent Director, Member of the Audit Committee |
| 9. | Mr. Surachai Sirivallop | Director and Chief Executive Officer |
| 10. | Mr. Oran Vongsuraphichet | Director, President & Chief Operating Officer |

Names of attending company executives:

- | | | |
|----|--------------------------|--|
| 1. | Ms. Thitaporn Tarakit | Executive Vice President and Chief Financial Officer |
| 2. | Mr. Chuanchai Cheausamut | Company Secretary |

Name of attending auditor:

- | | | |
|----|----------------------------|---|
| 1. | Ms. Nongluck Phumnoi | Auditor, EY Office Limited |
| 2. | Ms. Nilnate Laopatarakasem | Senior Assistant Auditor, EY Office Limited |

Name of attending legal advisor:

- | | | |
|----|--------------------------|--------------------------------|
| 1. | Mr. Decha Maraprueksawan | Legal Advisor, C.B. Law Office |
|----|--------------------------|--------------------------------|

Mr. Suchin Wanglee, Chairman of the Board, chaired the meeting, welcomed the attending shareholders and assigned the Company Secretary to inform the quorum to the meeting.

The Company Secretary informed the meeting that 80 shareholders and 128 proxy holders, totaling 208 shareholders and holding total of 1,642,169,717 shares, equivalent to 46.75% of all sold shares of the company attended the meeting, which could form the quorum according to the law and company's articles of association.

The Chairman, therefore, declared opening of the Annual General Meeting No. 21. Before proceeding with the matters on the meeting agenda, the Chairman introduced to the meeting the Board of Directors, the management, the auditor and the legal advisor who also attended the meeting. The Chairman then assigned the legal advisor to explain to the meeting about voting procedures and instructed the Company Secretary to inform the meeting of results of the invitation of shareholders to propose matters which they deem appropriate to be added to the agenda in the meeting and to nominate qualified candidates for director election.

The legal advisor informed the meeting of voting procedures as follows:

- Pursuant to the Company's Articles of Association regarding vote casting, a shareholder shall have a number of votes equal to the number of shares he or she holds, with one share for one vote.
- On each agenda item, a shareholder may cast vote of either "approval," "disapproval" or "abstention" only and no split voting is allowed.
- To facilitate the casting of votes, the barcode system shall be used for registration and vote count.

The shareholders shall be given, upon the registration, two types of voting ballot as follows:

Blue ballot shall be used for director election on Agenda No. 7. To vote on this agenda item, the shareholders and proxies shall check or cross the "approval" box in case of approval, or the "disapproval" box in case of disapproval, or the "abstention" box in case of abstention, and then sign therein. When voting for the proposed number of directors is finished, the staff shall collect all ballots at the same time. Non-submission of any ballot shall be deemed as abstention. Number of abstentions and invalid ballots shall not be included in the vote count.

Yellow ballot shall be used for all other agenda items, except for Agenda No. 7. The Company shall collect the ballots from only the shareholders and proxies who vote "disapproval" or "abstention" on each agenda item. The shareholders and proxies who disapprove or abstain from voting on any agenda item shall indicate their voting on such agenda item in the ballots and sign therein, and shall then raise their hand in order for the staff to collect the ballots. Those who vote "approval" shall not have to submit their ballots.

- In case of proxies with votes already indicated in the proxy forms, they shall not be distributed the ballots. The Company shall count votes according to the votes indicated in the proxy forms delivered. In the case where the votes are indicated for only some agenda items or the proxies are authorized to cast votes on behalf of the proxy grantors, the proxies shall then be provided with the ballots for voting on any such agenda item.
- The invalid ballots shall not be included in the vote count for all agenda items. A ballot shall be deemed invalid if
 1. More than one box is marked;
 2. Votes are cast for more than the required number of directors for election;
 3. Voting is split (except for custodians);
 4. The ballot bears no signature of voter;
 5. The ballot is crossed out.

The shareholders and proxies who wish to change their vote shall cross out the unwanted box and sign therein, and then re-mark the desired box.

After that, the Company Secretary informed the meeting that the Company had provided an opportunity for shareholders to propose issues to be included in the agenda for this meeting and an opportunity to propose potential candidates for director election, and also asked the shareholders to submit advance questions relating to agenda items of the meeting. It appeared that none of the shareholders had proposed any issues for including in the meeting agenda or proposed any potential candidates for director election or submitted any advance questions relating to agenda items of the meeting.

The Chairman asked the legal advisor and two volunteers from the shareholders to act as the inspectors to ensure the meeting and vote count are conducted transparently and correctly in compliance with the laws and the Articles of Association at all steps.

The Chairman then requested the meeting to consider the matters according to the meeting agendas, which were sent to all attendants in advance.

Agenda 1: To adopt the Minutes of Annual General Meeting No 20

The Chairman requested the meeting to consider for approval of the Minutes of Annual General Meeting No. 20 held on 29 April 2013, which has been sent to shareholders together with invitation letter and asked the meeting whether any shareholder would like to propose an amendment in the said Minutes of Meeting or not.

No amendment proposed by shareholders.

The meeting considered and unanimously resolved to approve the Minutes of Annual General Meeting No. 20 held on 29 April 2013 with following votes:

Approval	1,651,910,691	votes equivalent to	100.00% of
----------	---------------	---------------------	------------

shareholders present and voting

Disapproval	- None -
Abstention	- None -
Invalid	- None -

Agenda 2: To acknowledge the Board of Directors' report on the Company's business in 2013

The Chairman assigned the Director & CEO to report on activities for the year 2013 on behalf of the Board of Directors.

The Director & CEO reported to the meeting on the Company's operational result in 2013 which was presented in the annual report distributed to the shareholders together with the notice of the shareholders' meeting. To sum up, the Company recorded revenue from non-life reinsurance of Baht 4,176 million, revenue from life reinsurance of Baht 1,345 million, revenue from investment of Baht 741 million, and revenue from service business of Baht 62 million. Excluding the floods, the Company posted a net profit of Baht 1,050 million. If including impacts from the floods, a net loss was incurred in the amount of Baht 2,799 million. Total assets were Baht 28,090 million and shareholders' equity stood at Baht 2,828 million. In Q3/2013, the Company reviewed 2011 flood loss amounts recorded in order to comply with a letter from the Office of Insurance Commission ("OIC"), by engaging an additional independent adjuster to assess the valuation of loss amounts, and another independent auditor to review the loss estimate, under an agreed-upon procedure engagement. The management was confident that the said valuation could accurately reflect the flood losses and, hence, had set aside provisions for net losses after reinsurance of Baht 4,800 million, in addition to Baht 9,202 million reserved in the previous year, thereby bringing the total flood losses to Baht 29,099 million before reinsurance and to Baht 14,002 million after reinsurance. Therefore, including the provisions for the flood losses, the Company posted a net loss from operation of Baht 2,799 million as previously informed, with the capital adequacy ratio (CAR) reaching 206%.

The Director & CEO reported further that a meeting of shareholders held this morning by Thaire Life Assurance Plc. ("THREL"), a subsidiary of the Company, resolved to approve an appropriation of profit from THREL's H2/2013 operational result for dividend payment of another Baht 0.25 per share. Combined with the interim dividend payment made in December 2013 of Baht 0.20 per share, the total dividend payment by THREL for fiscal 2013 was Baht 0.45 per share.

The Chairman asked if any shareholders had any questions in this agenda.

The shareholders raised questions as follows:

- What was the current status regarding flood claims payment? The Director & CEO explained that the flood claims from 52 non-life insurance companies, out of the total 55, were 100% reserved as requested and more than 90% of such claims were already paid. For the rest three companies, whose claim amounts were still under negotiation, about 70% - 75% of their claim amounts had been reserved and around 35% already paid. Based on the flood loss validation by the independent expert

surveyor engaged by the Company as mentioned earlier, the Company was confident that the provisions for the flood losses were adequate and accurately reflected value of the flood losses. As regards the shortfall that had not yet been reserved, the expert surveyor opined that it was the excess loss which the Company was not liable to pay. However, in order to comply with the accounting principles and opinion of the regulatory agency, both the auditor and the OIC opined that the Company should set aside 100% reserve for the flood claims requested by the counterparties, which would be equal to additional provisions of approximately Baht 3,500 million. There were a number of solutions or approaches to securing funds to cover such reserves, including, among others, capital increase, sale of flood claim portfolio which involved uncertain debts (debt sale is a usual practice in insurance business), or partial disposal of shares held in THREL. The Company was in the process of identifying the most suitable alternative, expected to be completed by 2014.

- How would the Company's accumulated losses be cleaned up? The Director & CEO replied that, according to the separate financial statements, the Company had total accumulated losses of Baht 6,500 million. Offset by the premium on shares of Baht 4,800 million, the accumulated losses would decrease to Baht 1,700 million, which the Company believed could be wiped out by the end of 2014. Funds for covering such losses may be available from profit from operation, proceeds from disposal of shares in THREL, and premium on shares from capital increase, if any.
- Would there be any capital increase? The Director & CEO explained that the capital increase would depend on which of the said corrective measures adopted by the Company to cope with this situation.
- If the Company had to increase the capital, would it be possible to offer the new shares on a private placement basis to the two major shareholders, Fairfax and Overlook Investments? The Director & CEO clarified that these two shareholders were willing to acquire all of the new shares given that none of all other shareholders subscribed for the shares. The Chairman added that the capital increase would be made only where it was deemed necessary to ensure the flood loss problem could be solved once and for all, and that the Board of Directors would protect interests of all groups of shareholders, whether major or minor, on an equitable basis.
- If a capital increase was required, would the Board of Directors deem it suitable to find another strategic partner, aside from Fairfax? The Director & CEO replied that Fairfax had proved to be an excellent partner with readiness and willingness to render assistance to the Company if requested. As well, the two directors representing Fairfax had provided the Company with great support and cooperation. The shareholders should be delighted to have Fairfax as our partner. Thus, it was unnecessary to acquire a new partner.
- Had the flood losses been ceded to any other reinsurers and had the Company transacted any business with the financially ailing reinsurers such as Best Re and Asean Re? The Director & CEO clarified that the Company had reinsured with a reinsurer in Singapore and bought the excess of loss

protection from London market. All claims filed for such flood losses had been fully paid by these reinsurers without any problem. The Company never conducted any business with Best Re since its credit rating was below the designated standard. As for the government-promoted Asean Re, the Company had exchanged some transactions, but of insignificant value that could not cause any damage.

- What was the Company's forecast of business growth for this year and the future? The Director & CEO answered that, over the past two years, the Company's focus had been shifted away from business growth to the use of all resources for resolving the flood loss issue and managing capital funds in order to ride out such critical situation. For this year, now that the flood crisis had eased remarkably, the Company could concentrate on growth by setting a 10% growth target for 2014 and aspiring to achieve a two-digit growth target for the years ahead. Instead of premium growth, the Company would mainly emphasize growth in operating profit and return on equity (ROE), which had been its business philosophy.
- When would the Company resume dividend payment? The Chairman together with Director & CEO replied that the Company planned to make dividend payment after the next two years, that is, from its 2015 operation, given that the accumulated losses could be cleaned up as earlier explained to the shareholders.
- Would it be possible that the Company's credit rating would be upgraded to the pre-flood crisis level next year? The Director & CEO answered that S&P's had its own rating consideration and decision processes. In general, it takes a longer time to upgrade than to downgrade an entity's credit rating. The Company currently obtained a rating of BBB+ with negative outlook. If being upgraded next year, the Company may obtain BBB+ with stable outlook, which is still below its pre-flood crisis rating.

No further questions were raised or comments given. The Chairman concluded that, as everyone was aware, the flood crisis had far-reaching impacts, leading non-life insurance business to be bound to pay approximately Baht 400,000 million in claims. The Company itself had to bear losses of about Baht 20,000 million. Such claims had been almost completely, or more than 90%, paid by insurance companies to the insured, thus demonstrating credibility of Thai non-life insurance industry and their crucial role as the backbone of Thai economy in terms of risk protection. The Company itself had suffered from some trouble, but was still capable of settling the claims. With all problems considerably easing thus far, the Company could forge ahead and continue its business as usual.

The meeting acknowledged the Board of Directors' report of activities for the year 2013.

Agenda 3: To approve the Financial Statements for the year ended 31 December 2013

The Chairman assigned the Director & CEO to explain to the meeting.

The Director & CEO requested the meeting to approve the audited Financial Statements for the year ended 31 December 2013 as shown in the annual report sent to shareholders together with the invitation letter. The said Financial Statements were also approved by Audit Committee and Board of Directors.

The Chairman asked if any shareholder had any suspicion and would like to inquire any questions.

There was no any question or other opinion.

The Chairman then requested the meeting to resolve by asking the meeting if any shareholders disapproved or abstained.

The meeting unanimously resolved to approve the Financial Statements for the year ended 31 December 2013 with the following votes:

Approval	1,652,323,360	votes equivalent to 100% of total shareholders present and voting
Disapproval	- None -	
Abstention	- None -	
Invalid	- None -	

Agenda 4: To approve the omission of dividend payment

The Chairman assigned the Director & CEO to explain to the meeting.

The Director & CEO explained to the meeting that, as shown in the Financial Statements approved by the meeting in the previous agenda, the Company reported the operating losses of Baht 1,116 million and accumulated losses of Baht 6,545 million. As prohibited by the Public Company Act and Company's Articles of Association to pay dividend in case of the Company's had accumulated losses, he then requested the meeting to approve the omission of dividend payment.

The Chairman informed the meeting that even the dividend payment was omitted this year, the Board of Directors would contribute their best to pay the dividend again soonest.

The Chairman asked the meeting whether any shareholder had question or expressed any opinion. A shareholder inquired the following question:

- Will company's performance for 2014 return to profit? The Director & CEO explained that actually company's performance excluding flood situation effect has always had profit. Profit for the year 2012 was Baht 700-800 million and increased to Baht 1,050 million in 2013. For 2014, we expect that, excluding flood situation effect which would be end by this year, the company still has had the profit as usual.

There was no further question or other opinion.

The meeting had considered and resolved to approve the Board of Directors' proposal to omit the dividend payment with the following votes:

Approval	1,644,402,765	votes equivalent to 100% of total shareholders present and voting
Disapproval	-None-	
Abstention	12,913,090	
Invalid	-None-	

Agenda 5: To fix the directors' remuneration

The Chairman assigned the Director & CEO to propose to the meeting.

The Director & CEO proposed to the meeting that to comply with Public Company Act B.E.2535 section 90 authorized the meeting to determine the remuneration of directors. The directors play an important role in setting the Company's policy and regulating its operation. The directors' and sub-committees' remunerations should be appropriate with their roles and responsibilities and also could be compared with other business similar, the company then proposed the meeting to consider and approve 2014 directors' remuneration as mentioned in the invitation letter as follows:

	2014	2013
1. <u>Board of Directors</u>		
Monthly Retainer Fee	Chairman : Baht 20,000 Director : Baht 15,000/person	-None-
Meeting Allowance	Chairman : Baht 35,000/time Director : Baht 25,000/time/person for attending directors only	Baht 25,000/time/person for attending directors only
Bonus	-None-	-None-
2. <u>Audit Committee</u>		
Meeting Allowance	Chairman : Baht 50,000/time Director: Baht 35,000/time/person for attending directors only	Chairman : Baht 50,000/time Director : Baht 35,000/time/ person for attending directors only

3. Nominating and Remuneration Committee

Meeting Allowance	Baht 25,000/time/person for attending directors only	Baht 25,000/time/person for attending directors only
-------------------	---	---

4. Investment Committee

Meeting Allowance	Baht 25,000/time/person for attending directors only	Baht 25,000/time/person for attending directors only
-------------------	---	---

The Chairman inquired the meeting whether there would be any shareholder inquiring or stating otherwise opinion or not. There was no shareholder having other opinion.

The meeting had considered and approved the payment of director's remuneration as proposed by the Board of Directors with following votes:

Approval	1,657,273,055	votes equivalent to 100.00% of total shareholders present and voting
Disapproval	31,500	votes equivalent to 0.00% of total shareholders present and voting
Abstention	11,300	votes equivalent to 0.00% of total shareholders present and voting
Invalid	-None-	

Agenda 6: To approve the reduction in number of company's directors from 13 to 12 persons

The Chairman assigned the Director & CEO to propose to the meeting.

The Director & CEO informed the meeting that the company's articles of associations prescribed that the member of the Board should be between 9 and 15 directors and as per the good corporate governance, the member of board should be between 5 to 12 directors. At present company's board of directors consists of 13 directors, after the consideration by the Nominating and Remuneration Committee, it's appropriate to reduce the number of directors from 13 persons to 12 persons to be in accordance with the policy approved by Annual General Meeting in 2010 to gradually reduce the number of director, then asked the meeting to approve the reduction in number of company's directors from 13 to 12 persons.

The Chairman asked the meeting whether there would be any shareholder inquiring or stating otherwise opinion or not. There was no shareholder having other opinion.

The meeting considered and approved the reduction in number of company's directors from 13 to 12 persons as proposed by the board of directors with following votes:

Approval	1,644,402,865	votes equivalent to 100.00% of total shareholders present and voting
Disapproval	-None-	
Abstention	12,913,090	
Invalid	-None-	

Agenda 7: To elect new directors to succeed those completing their terms

The Chairman assigned the Director & CEO, to propose to the meeting.

The Director & CEO informed the meeting that as per the company's articles of associations prescribed that one-third of directors must be retired on every Annual General Meeting. At present, the company has 13 directors, 4 directors to be retired by rotation this year are:

1. Mr. Udom Vichayabhai Independent Director, Chairman of Audit Committee
2. Mr. Aswin Kongsiri Independent Director, Audit Committee Member
3. Mr. Surachai Sirivallop Director & Chief Executive Officer
4. Mr. Chandran Ratnaswami Director, Investment Committee Member

This year 3 retired directors, namely, Mr. Aswin Kongsiri, Mr. Surachai Sirivallop and Mr. Chandran Ratnaswami, expressed their willingness to hold their director position for another term if they are re-elected, while, Mr. Udom Vichayabhai did not. There was no nominated candidate from the shareholder via our website and from agenda 6, the meeting approved the reduction in number of board members from 13 to 12 persons, the Board then proposed 3 retired directors, namely, Mr. Aswin Kongsiri, Mr. Surachai Sirivallop and Mr. Chandran Ratnaswami, to hold their director position for another term.

Before voting procedure, Mr. Aswin Kongsiri and Mr. Surachai Sirivallop left the meeting room to enable the meeting to vote independently.

The Chairman stated that the Public Company Act prohibits a director to operate business, take partnership or hold share in another juristic person, which has the same status and is competition with the company's activities, unless the meeting has been notified before resolution is made for appointment. To comply with the said law, the meeting was informed that all 3 directors, whose names were proposed, are not directors or executives in the company which operate the same business and may compete with the company. The profile of being directors or shareholders in other companies already sent to shareholders for consideration with the invitation letter. The Chairman informed the meeting the way to vote in this agenda by using the blue card to vote by individual director.

The Chairman then requested the meeting to vote for election by individual director by announcing the proposed directors individually.

The meeting had the resolution to elect Mr. Aswin Kongsiri, Mr. Surachai Sirivallop and Mr. Chandran Ratnaswami, to hold the director position for another term with the following votes:

Mr. Aswin Kongsiri

Approval	1,596,836,634	votes equivalent to 99.97% of total shareholders present and voting
Disapproval	493,900	Votes equivalent to 0.03% of total shareholders present and voting
Abstention	59,819,241	
Invalid	168,800	

Mr. Surachai Sirivallop

Approval	1,596,901,934	votes equivalent to 99.97% of total shareholders present and voting
Disapproval	493,900	Votes equivalent to 0.03% of total shareholders present and voting
Abstention	59,784,121	
Invalid	168,800	

Mr. Chandran Ratnaswami

Approval	1,542,183,568	votes equivalent to 97.07% of total shareholders present and voting
Disapproval	46,629,366	Votes equivalent to 2.93% of total shareholders present and voting
Abstention	68,337,021	
Invalid	168,800	

Agenda 8: To appoint an auditor and fix the auditing fee

The Chairman assigned the Director & CEO, to report on proposal to appoint auditor and fixing the remuneration to the meeting on behalf of the Board of Directors.

The Director & CEO informed that the Board of Directors, by recommendation of the Audit Committee, would like to propose the appointment of EY Office Limited (previously known as Ernst and Young Office Co.,Ltd.) to be auditor of the company in the year 2014 for another one year. In this year, EY Office Limited has assigned Ms. Ratana Jala, CPA Registration no. 3734 and/or Ms. Ratchada Yongsawadvanich, CPA Registration no. 4951 and/or Ms.

Somjai Kunapasut, CPA Registration no. 4499, to be auditors, who sign for certification of financial statements. In case the said mentioned auditors cannot perform their duties, EY Office Limited will provide other certified auditors of its office to audit account and make opinion to the Financial Statements in place of the said auditors and requested the meeting to approve auditor's remuneration of Baht 2,850,000- up from previous year Baht1,016,000 or 55% as per the details shown in the invitation letter.

The Chairman asked the meeting whether the shareholder had any question or other opinion.

The shareholders raised questions as follows:

- Why did the audit fee increase substantially for this year? Mrs. Nonglak Pumnoi, the auditor, clarified that the sharp increase in the audit fee was because it had not been increased since 2011 and such fee increase would reflect the actual costs and number of working hours based on business plans or projects to be implemented by the Company in 2014 in relation to the provisions for the flood losses.
- Why was the audit fee for the whole THRE group increased as much as THB 1.8 million for this year, whereas the number of its member companies remained the same and the flood loss problem was nearly settled? The auditor explained that she was unable to reveal the details of this matter, but it concerned with the capital increase plan, the accumulated losses resolution plan and the debt selling plan, as earlier reported by the Chairman.
- What was the Audit Committee Chairman's opinion regarding the huge audit fee increase and did the Audit Committee attempt to find any other auditors to compare with the existing auditor? The Audit Committee Chairman explained that the Audit Committee considered the proposed audit fee to be very high and had accordingly approached other leading audit firms to undertake the auditing of the Company. All of them refused to accept the job due to shortage of workforce. The Audit Committee therefore tried to negotiate for a decrease of the said audit fee and was finally given a 5% discount.
- If the flood issue, as cited by the auditor, ended and the situation returned to normalcy, would the auditor consider reducing the fee? The auditor replied that the audit fee was, in principle, charged based on the actual number of working hours and workload, and would be revised up or down according to the actual situation.
- Could the Company explain on its new plans or projects that lead to additional audit work and the subsequent increase in audit fee? The Chairman replied that he could not clearly understand what the auditor had explained. However, during the recent flood crisis, the auditor had exploited a large number of manpower to undertake the auditing, but could not give good reasons to justify such huge fee increase. When compared with audit fees of other SET-listed non-life insurance companies, the Company's audit fee in 2014 was rather high, ranking in the second place among all 15 SET-listed non-life insurance companies. This was a concern that the Board of Directors would further cope with. For this year when the Company was in the final stage of solving the flood loss problem, it could do

nothing but to continue with the present circumstances. To change the auditor at this time would be inappropriate and not be beneficial to the Company.

- What was the degree of conflict between the auditor and the Company? The Chairman replied that the Company and the auditor may have different opinions on certain issues, but each party had to adhere to their own duties and responsibilities which may be different to a certain extent.
- Did the downgrade of the Company's credit rating have any effect on such audit fee increase? Director & CEO explained that the credit downgrade was unlikely the cause of such audit fee increase. In fact, the Company's credit rating at BBB+ which was an international rating by S&P's was considered a very good rating when compared with the sovereign rating on the country and the credit rating on other SET-listed entities and financial institutions such as Thai banks.
- Did the audit fee increase of 55% cover the auditor's certification of financial statements of the Company, considering that in the past 2-3 years the auditor, despite the annual fee increase, had issued a disclaimer of opinion on the Company's financial statements, which caused the financial statements to become unreliable and useless? The Chairman replied that, for the shareholders' information, the audit fees charged by the auditor during 2008-2014 were as follows:

Year	Audit Fee	Increase(Decrease)
2008	Baht 1,150,000	+7%
2009	Baht 1,080,000	-6%
2010	Baht 1,235,000	+14%
2011	Baht 1,747,000	+41%
2012	Baht 1,747,000	+0%
2013	Baht 1,834,000	+5%
2014	Baht 2,850,000	+55%

The auditor explained that opinion on financial statements could be expressed in four formats. The auditor's report on the Company's financial statements over the past three years had been issued in the form of a disclaimer of opinion, which did not necessarily mean that the Company's financial statements were inaccurate. As a matter of fact, the devastating floods, deemed as catastrophic risk, gave rise to a dispute over the provisions for flood losses between the Company, which had to protect its shareholders' interest, and the local insurers, which had paid the claims to the insured. To express no opinion on the Company's financial statements in the past three years did not mean that the auditor distanced itself from the problem. Rather, the disclaimer was meant to show users of the financial statements that there were uncertainties about the estimate of provisions for flood losses. Later, good progress was made regarding reserves for flood losses, as the Company had engaged an independent expert to validate the value of flood losses. Moreover, the Company received a letter from the OIC, notifying the Company that if there were any changes in circumstances afterwards, the

Company would have to consider adjusting the loss reserves to reflect the subsequent circumstances and evidence appearing at a later time. The provisions for flood losses currently reserved by the Company accounted for 84% of total losses reported. Therefore, the auditor had issued a qualified opinion report on the financial statements from the third quarter onwards, meaning that the financial statements were fairly presented, but remarked that the audit was limited by situations where it remained unclear as to whether the 16% difference in losses, for which the Company had not yet made a reserve, would have to be paid or not, depending on future negotiation between the counterparties.

- Apart from the 100% reserve, would there be any way possible for the auditor to issue an unqualified opinion report? The auditor explained that a qualified opinion report could be issued if the negotiation about flood losses value between the Company and its counterparties could be settled and the compensation amounts could be agreed upon.
- How long would such negotiation process take? Director & CEO replied that the dispute on the compensation amounts could be settled only by a neutral party, i.e. the court of law, which would be time-consuming. Therefore, to avoid such lengthy process and have the issue with the auditor and the regulator settled once and for all, the Company had opted for the 100% reserve, irrespective of the final amount payable. By doing so, the Company would be able to move forward again into a better future. It was further explained that the nature of business of the Company had considerably changed from what it was at the time of the flood disaster, thereby ensuring that the same catastrophic risk would never recur in the future.

The meeting considered and resolved by majority the appointment of Ms. Ratana Jala, CPA Registration no. 3734 and/or Ms. Ratchada Yongsawadvanich, CPA Registration no. 4951 and/or Ms. Somjai Kunapasut, CPA Registration no. 4499 of EY Office Limited, to be auditors of the company in the year 2014 and approved auditor's fee of Baht 2,850,000. In case the above mentioned auditors cannot perform their duties, EY Office Limited would provide other certified auditors of its office to perform auditing duty and to make opinions to the Financial Statements of the Company in substitution for the said auditors with majority votes as follow:

Approval	1,649,919,822	votes equivalent to 99.60% of shareholders present and voting
Disapproval	6,601,033	votes equivalent to 0.40% of shareholders present and voting
Abstention	804,500	
Invalid	-None-	

Agenda 9: Other matters (if any)

Followings were inquiries of the shareholders:

- What was the progress of the Collective Action Coalition against Corruption project joined by the Company? The Executive Vice President & CFO replied that in mid-2013 the Company jointly signed the Declaration of Intent on "Private Sector Collective Action Coalition against Corruption." Currently, the monitoring procedures and measures are being drawn up, expected to be completed in about one year.
- As mentioned by Director & CEO that the dispute on compensation amounts may finally have to be settled at the court, how many cases had been brought to the court by far and what was the progress thereon? The Director & CEO explained that no case had yet been filed to the court. Negotiation with the three counterparties was still underway. Given that they were able to reach a mutually agreed solution, the issue would then be settled. If otherwise, they may have to resort to a neutral party, which may be either an arbitrator or the court. However, the Company had no intention to maintain such debts until the issue was finalized, which would be time-taking. It therefore decided to sell the debts by way of purchasing reinsurance coverage in order to discharge the Company from such debts.

There was no one proposing any other matter for consideration. The Chairman expressed his thanks to all shareholders who have devoted their time for attending this meeting today and committed to bring the company to a sustainable growth and declared closing of the Annual General Shareholder's Meeting No. 21.

Meeting was closed at 18.15 hrs.

- Signed -

(Mr. Suchin Wanglee)

Chairman of the Board of Directors

-Signed-

(Mr. Surachai Sirivallop)

Director and Chief Executive Officer