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Thai Reinsurance Public Company Limited

Minutes of Annual General Meeting of Shareholders

No. 24

21 April 2017

At Universe Room 1, 12th Floor, Space Convention Center

33/4 The 9th Tower A, Rama IX Road, Huaykwang, Bangkok

Meeting begins at 10.05 hours.

Names of attending Directors, Company Executives, Advisor, Auditors and Legal Advisor as follows:

Company Directors:

8 of 11 directors presenting or 73%

- | | | |
|----|----------------------------|---|
| 1. | Mr. Chai Sophonpanich | - Chairman
- Chairman of Nomination & Remuneration Committee,
- Chairman of Investment Committee. |
| 2. | Mr. Surachai Sirivallop | - Vice Chairman
- Director of Investment Committee
- Executive Chairman |
| 3. | Mr. Jiraphant Asvatanakul | - Director
- Director of Nomination and Remuneration Committee |
| 4. | Mr. Chanin Roonsamrarn | - Independent Director
- Director of Audit Committee |
| 5. | Ms. Potjaneer Thanavaranit | - Independent Director
- Director of Audit Committee |
| 6. | Mr. Sara Lamsam | - Independent Director |
| 7. | Mr. Aswin Kongsiri | - Independent Director
- Chairman of Audit Committee |
| 8. | Mr. Oran Vongsuraphichet | - Director and Chief Executive Officer |

Company Executives:

- | | | |
|----|--------------------------|--|
| 1. | Mr. Chuanchai Cheausamut | Company Secretary |
| 2. | Mrs. Nantinee Chinwanno | Executive Vice President |
| 3. | Ms. Pojaman Fuangaromya | Executive Vice President |
| 4. | Ms. Bundarik Noisawek | Vice President – Accounting Department |

Company Advisor:

1. Mrs. Thitaporn Tarakit

Auditors:

- | | | |
|----|---------------------------|---|
| 1. | Ms. Narisara Chaisuwan | Auditor, EY Office Limited |
| 2. | Mr. Peerawich Boonsiriwit | Senior Audit Assistant, EY Office Limited |

Legal Advisor:

- | | | |
|----|--------------------------|-----------------|
| 1. | Mr. Decha Maraprueksawan | C.B. Law Office |
|----|--------------------------|-----------------|

Mr. Chai Sophonpanich, Chairman of the Board, chaired the meeting, welcomed the attending shareholders and informed the meeting that 60 shareholders and 83 proxies, totaling 143 shareholders and holding total of 2,868,161,821 shares, equivalent to 68.05% of all sold shares of the company attended the meeting, which could form the quorum according to the law and Company's Article of Association. The Chairman, therefore, declared opening of the Annual General Meeting of Shareholders No. 24. After that the Chairman assigned Mr.Chuanchai Cheausamut, Company Secretary, to conduct the meeting on his behalf.

Before proceeding with the matters on the meeting agendas, the Company Secretary introduced to the meeting Board of Directors, Company Executives, Advisor, Auditors and Legal Advisor who attended the meeting and then assigned the legal advisor to explain to the meeting about voting procedures.

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

- Pursuant to the Company's Article 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 "approved," "disapproved" or "abstained" 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. 5. To vote on this agenda item, the shareholders and proxies shall check or cross the "approved" box in case of approval, or the "disapproved" box in case of disapproval, or the "abstained" box in case of abstaining, 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 abstaining. Number of abstaining 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. 5. The Company shall collect the ballots from only the shareholders and proxies who vote "disapproved" or "abstained" 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 “approved” shall not have to submit their ballots.

- In case of proxies with votes already indicated in the proxy forms, they shall not be given 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 be deemed as abstaining and be included in the vote count only for agenda item 6 : To fix the directors’ remuneration. 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 amended but no signature therein;
 6. 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.
- The shareholders or proxies who has to leave the meeting before it was adjourned, and therefore did not vote on the remaining items, was required to return all used ballot to the staff at the registration desk.
- The resolution of each agenda item would be displayed on the screen. However it was recognized that the votes of shareholders and/or proxies present during each item could vary since some of them might arrive after the meeting had commenced or leave before it had finished.

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

The Company Secretary invited the legal advisor and two volunteers from the shareholders; namely Ms.Saowaluck Jirayusayothin and Mr.Polwit Kornupraphanphong to act as the inspectors to ensure the meeting and vote count are conducted transparently and correctly in compliance with the laws and the Article of Association at all steps. He then requested the meeting to consider the matters according to the meeting agendas, which were delivered to all attendants in advance.

Agenda 1: To adopt of the Minutes of Annual General Meeting of Shareholders No 23

The Company Secretary requested the meeting to consider for approval of the Minutes of Annual General Meeting of Shareholders No. 23 held on 22 April 2016, which has been delivered to shareholders together with the Notice of this Meeting and asked the meeting whether any shareholder would like to propose any 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 of Shareholders No. 23 held on 22 April 2016 with the number of majority votes as follows:.

Approved	2,895,829,519	equivalent to 99.98% of total shareholders present and voting
Disapproved	641,666	Equivalent to 0.02% of total shareholders present and voting
Abstained	6,005,570	
Invalid	- None -	

Agenda 2: To acknowledge the Board of Directors' report on the Company's business in 2016

The Company Secretary invited the Director & CEO to report on activities for the year 2016 on behalf of the Board of Directors.

The Director & CEO reported that there was a discrepancy in the Company's 2016 operational results as shown on the consolidated financial statements and the separate financial statements due to the different accounting practice for the partial divestment in Thaire Life Assurance Plc. (THREL) shares, which relatively caused the status of investment in THREL to change from 'investment in associated companies' to 'available-for-sale securities.' The report would therefore be presented on the consolidated financial statements compared with the separate financial statements as follows:

<u>Performance</u>	<u>Consolidate</u>		<u>Separate</u>	
	Amount (Million Baht)	Inc./Dec.	Amount (Million Baht)	Inc./Dec.
Gross reinsurance premium written	5,183	-2%	5,183	-2%
Net reinsurance premium written	3,404	+3%	3,404	+3%
Profit from underwriting	250	-1%	236	-2%
Net investment income	45 (364*)	-98%(+9%*)	786(404*)	-49%(+15%*)
Profit for the year - equity holders of the Company	278 (551*)	-90%(-11%*)	875(570*)	-42%(+3%*)

* Excluding profit (loss) on reducing investment in THREL

Financial position as at 31 December 2016

	<u>Consolidated</u>		<u>Separate</u>	
	Amount (Million Baht)	Inc./Dec.	Amount (Million Baht)	Inc./Dec.
Total assets	14,418	-5%	14,224	+5%
Equity attributable to owners of the Company	5,320	-2%	5,247	+32%

Capital adequacy ratio (CAR ratio) 339%

The Director & CEO explained that the Company recorded gross reinsurance premium written of Baht 5,183 million, down by 2%, and net reinsurance premium written of Baht 3,404 million, growing by 3%, of which the figures were equivalent in both the consolidated and the separate financial statements. Profit from underwriting was posted at Baht 250 million, a drop of 1%, in the consolidated financial statements and at Baht 236 million, falling by 2%, in the separate financial statements. The difference of Baht 14 million in such profit stemmed from related transactions in the usual course of business, which slightly affected the Company's net profit.

Net investment income caused a huge discrepancy in the consolidated financial statements and the separate financial statements. In the consolidated financial statements, net investment income outside the parentheses was Baht 45 million, a year-on-year plunge of 98%. There were two main reasons. First, the different amount of THREL shares divested by the Company resulted in a difference in profit. An amount of 103 million shares were disposed of in 2015, while only 41 million shares were sold in 2016. Second, the consolidated financial statements showed a technical accounting loss of Baht 319 million from divestment of THREL shares arising from the change in THREL's status from a subsidiary to an associated company in 2015 with a fair value of Baht 12.50 per share. But THREL shares were sold in 2016 at an average price of Baht 10.33 per share, resulting in a book loss of Baht 2.17 per share or a total loss of approximately Baht 80 million. At the same time, the Company still held another 100 million shares in THREL, which similarly caused a book loss of a little over Baht 2 per share, thereby leading to a total loss from divestment of THREL shares of Baht 319 million. If excluding the impact from such divestment of THREL shares, the net investment income would be Baht 364 million, growing by 9%.

On the side of the separate financial statements, net investment income was Baht 786 million. Since the cost of THREL shares was recorded therein at the par value of Baht 1 per share, the sale of 41 million shares in THREL at Baht 10.33 per share resulted in a profit of approximately Baht 9 per share or a total gain of Baht 382 million. When aggregating with the usual net investment income of Baht 404 million (an increase of 15%), the Company accordingly posted total investment income of Baht 786 million.

Net profit for the Company only was Baht 278 million as recorded in the consolidated financial statements and Baht 875 million in the separate financial statements. If excluding the divestment of THREL shares, the net profit would become Baht 551 million in the consolidated financial statements and Baht 570 million in the separate financial statements.

Total assets as at December 31, 2016 decreased by 5% to Baht 14,418 million in the consolidated financial statements, but grew 5% to Baht 14,224 million in the separate financial statements. Equity attributable to owners of the Company went down by 2% to Baht 5,320 million in the consolidated financial statements, but surged by 32% to Baht 5,247 million in the separate financial statements. Total Capital Available was Baht 3,892 million, representing a CAR ratio of 339% which increased by 42 points from 2015.

The Director and CEO further reported to the meeting that, throughout 38 years of operation, the Company had been committed to creating value for customers, business partners and the Thai people. Its business plan priorities were given to sustainable profitability along with good corporate governance and risk management. In the past year, the Company received a four-star corporate governance evaluation from the SEC and the Thai Institute of Directors Association and also was officially certified as a member of the Private Sector Collective Action Coalition against Corruption (CAC). In its

anti-corruption efforts, the Company conducted a fraud risk assessment within the organization; established an anti-corruption measure and procedure in writing and communicated it to employees through training, as well as publicly disclosed this policy via the Company's website; prepared a control self-assessment form with respect to the anti-corruption measure; and reviewed such policy as deemed appropriate once a year. In addition, the Company prepared a sustainable development report 2016, which can be downloadable from the website at www.thaire.co.th.

The Company Secretary inquired if any shareholders had the questions to ask the Board of directors regarding this agenda item.

The shareholders raised questions and gave comments on various points as follows:

- Mr. Pote Vikitset, a shareholder, inquired about the reason why commission & brokerage income increased sharply compared to 2015 and about the future trend of service income which also grew dramatically.

The Director & CEO explained that the commission income growth stemmed from the retrocession of a long-term project made in mid-2015, for which profit commission would be obtained upon the end of a 12-month period, thus leading the profit commission to be calculated in mid-2016. As for the trend of services business of THRE subsidiaries, it still grew favorably and could draw interest from insurance market. Moreover, additional service income could be earned in the past year from actuarial services, a new activity launched in late 2015.

- Mr. Thitipong Sophon-udomporn, a shareholder, raised questions as follows:

1. The effect of technical accounting made it difficult to understand the financial statements. Would this still happen with the financial statements for next year?
2. Was it the Company's target to maintain the CAR Ratio at the current level of above 300%?
3. What was the test result for Risk-Based Capital (RBC) Phase 2 of the Company? Was the existing capital still adequate?

The Director & CEO replied to the above questions as follows:

1. The technical accounting impact already ended since the investment in THREL had been switched from 'investments in subsidiaries/associates' to 'investments in available-for-sale' in both the consolidated financial statements and the separate financial statements. As such, the change in share price would have no effect on the statements of income, unless the Company disposed of the shares.
2. The Company's CAR Ratio currently stood at 339%. THRE aimed to maintain the ratio above 300% level in order for the insurers to reinsure with the Company with the lowest risk charge, which would then provide the Company with a competitive edge against its foreign rivals. This level of CAR ratio could be compared with reinsurance company at credit rating AAA.
3. There was no concern about the RBC Phase 2 testing. The Company's CAR Ratio remained above the legal requirement. However, a slight adjustment to the investment portfolio might be necessary.

- Mr. Thitipong Sophon-udomporn, a shareholder, further asked whether, from the test of Risk-Based Capital Phase 2, the CAR Ratio still exceeded 300% as targeted by the Company.

The Director & CEO replied that, from the test result, the CAR Ratio should unlikely exceed 300% because the Risk-Based Capital Phase 2 was more rigid. After all, the said testing and the hearing of opinions from concerned parties were still underway.

- Mr. Pote Vikitset, a shareholder, asked about the cause of an increase of approximately Baht 50 million in operating expenses.

Vice President of Accounting Department explained that such increase in operating expenses resulted from additional investment in software and amortization of the software.

- Mr. Narit Suklert, a shareholder, made reference to the Minutes of the Shareholders' Meeting No. 23 and a shareholder's question therein about when the Company's written premium would recover to the previous level of Baht 8 billion - 10 billion. The Director & CEO then replied that under the three-year plan (2016-2018) the Company aspired to achieve an average premium growth rate of 15% per year and expected the premium to reach Baht 8 billion approximately by 2018. He therefore would like to know whether the Company expected its operational performance to come out as planned and what approach or strategy it would use to achieve the plan.

The Director & CEO answered that it was somewhat difficult to attain the 15% grow rate in the present circumstances where the insurance market was highly competitive. Apart from growth in the country, the Company also explored business opportunities overseas, especially in neighboring countries such as Vietnam, Cambodia and Laos which would be its future growth targets.

- Mr. Narit Suklert, a shareholder, further asked whether the Company had yet started on any expansion to the overseas market.

The Director & CEO replied that the Company already launched overseas marketing more than a year ago. In Vietnam, it approached one reinsurance company and three insurance companies and expected this to be the first offshore market to generate premium income for the Company, primarily via bancassurance products. The next one was Cambodia where the Company already made contact with one reinsurer and one insurer, also through bancassurance products.

- Mr. Thitipong Sophon-udomporn, a shareholder, asked to what extent a severe price war in the insurance market affected the reinsurance business and whether the early 2017 floods had any impact on the Company.

The Director & CEO explained that the effect of high competition in the insurance market was inevitable. However, the Company had turned to focus more on non-conventional market where competition was less intense. Besides, for non-conventional market, the Company would develop products and set pricing by itself, thus creating a lower degree of impact than the conventional products. As for the floods in early 2017, the Company, as the only local reinsurer, was slightly affected because of a lowered volume of property reinsurance of the Company.

The Company Secretary invited shareholders for questions or comments if any.

There was no further question or comment from the shareholders.

The Company Secretary concluded that the meeting acknowledged the Board of Directors' report of activities for the year 2016.

Agenda 3: To approve the Financial Statements for the year ended 31 December 2016

The Company Secretary invited the Director & CEO to present to the meeting.

The Director & CEO requested the meeting to consider for approval the financial statements for the year ended 31 December 2016 which shown in the Annual Report including the summary of financial highlights which has been delivered to shareholders together with the Notice of this Meeting.

The Company Secretary invited shareholders for questions or comments if any.

There was no any question or comment from the shareholders.

The meeting resolved to approve the financial statements for the year ended 31 December 2016 with the number of majority votes as follows:

Approved	3,005,733,780	equivalent to 99.98% of total shareholders present and voting
Disapproved	641,666	equivalent to 0.02% of total shareholders present and voting
Abstained	6,005,570	
Invalid	- None -	

Agenda 4: To approve the profit allocation

The Company Secretary invited the Director & CEO to report to the meeting.

The Director & CEO stated to the meeting of 2016 performance that the Company recorded a net profit in the separate financial statements of Baht 875,306,482 or Baht 0.21 per share, with unappropriated retained earnings brought forward of Baht 28,255,786 and reversal of expired dividend payable of Baht 46,355, deducted by employee benefit obligations of Baht 942,911, resulting in profit for allocation of Baht 902,665,712.

The Board of Directors proposed profit allocation for final dividend payment at Baht 0.05 per share. When combined with interim dividend paid in September 2016 at Baht 0.10 per share, the total dividend payment from the 2016 performance was Baht 0.15 per share or amounted to Baht 632,249,075, representing a payout ratio of 71.4% of net profit according to the separate financial statements. This was in line with the Company's policy to pay dividend at a rate of not less than 40% of net profit according to the separate financial statements. The profit was also allocated to statutory reserve of Baht 44,000,000, thus leaving a balance carried forward of Baht 226,416,637.

The record date and book closing date will be Friday, 28 April 2017 and Tuesday, 2 May 2017 respectively. Payable date will be on Tuesday, 16 May 2017.

The Company Secretary invited the shareholders for questions or comments if any.

There was no any question or comment from the shareholders.

The meeting considered and resolved to approve the Board of Directors' proposal to pay the dividend payment with the number of majority votes as follows:

Approved	2,992,820,690	equivalent to 99.98% of total shareholders present and voting
Disapproved	641,666	equivalent to 0.02% of total shareholders present and voting
Abstained	18,918,660	
Invalid	-None-	

Agenda 5: To elect new directors to succeed those completing their terms

The Company Secretary invited Mr.Jiraphant Asvatanakul, Director of Nomination & Remuneration Committee to propose to the meeting.

The Director of Nomination & Remuneration Committee informed the meeting that according to the Company's Article of Association prescribing that one-third of directors must be retired on every Annual General Meeting. At present, the company has 11 directors and 4 directors to be retired by rotation this year are:

1. Mr. Jiraphant Asvatanakul Director, Director of Nomination and Remuneration
Committee
2. Mr. Chandran Ratnaswami Director, Director of Nomination and Remuneration
Committee , Director of Investment Committee
3. Mr. Aswin Kongsiri Independent Director, Chairman of Audit Committee
4. Mr. Surachai Sirivallop Vice Chairman, Director of Investment Committee, Executive
Chairman

The Nomination & Remuneration Committee has set a selection process as per details described in the Notice of this Meeting.

All 4 retired directors, namely Mr. Jiraphant Asvatanakul, Mr.Chandran Ratnaswami, Mr. Aswin Kongsiri and Mr.Surachai Sirivallop expressed their willingness to hold their director position for another term if they are re-elected. There was no nominated candidate from the shareholder via our website. The Committee had considered the composition of the board and all required qualifications of each person who may become the Company's director pursuant to the applicable laws, the Company's Article of Association including the evaluation result of each individual's performance, and was the view that all 4 retired directors should be proposed to the shareholders for re-election to hold their director positions for another term.

Before voting, the Director of Nomination & Remuneration Committee informed the meeting that the Public Company Act prohibits a director to operate business, take partnership or hold shares in another juristic person, which has the same status and compete 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 there is a director whose name was proposed, is director or executive in the company which operate the same business and may compete with the company. His profile

already sent to shareholders for consideration with the Notice of this Meeting; namely Mr. Jiraphant Asvatanakul, a shareholder and holds the position of President & Chief Executive Officer of Thaivivat Insurance PLC.

Before voting process, all retired directors left the meeting room and came back after the completion of voting.

The Company Secretary then informed the meeting of voting procedure in this agenda by using the blue ballot to vote by individual director.

The meeting considered and resolved to elect Mr.Jiraphant Asvatanakul, Mr.Chandran Ratnaswami, Mr. Aswin Kongsiri and Mr. Surachai Sirivallop to hold the director position for another term with the number of majority votes as follows:

Mr.Jiraphant Asvatanakul

Approved	2,773,773,094	equivalent to 99.95% of total shareholders present and voting
Disapproved	1,314,166	equivalent to 0.05% of total shareholders present and voting
Abstained	229,183,630	
Invalid	10,564,226	

Mr. Chandran Ratnaswami

Approved	2,773,312,714	equivalent to 99.95% of total shareholders present and voting
Disapproved	1,288,666	equivalent to 0.05% of total shareholders present and voting
Abstained	229,669,510	
Invalid	10,564,226	

Mr. Aswin Kongsiri

Approved	2,773,477,914	equivalent to 99.96% of total shareholders present and voting
Disapproved	1,112,466	equivalent to 0.04% of total shareholders present and voting
Abstained	229,680,510	
Invalid	10,564,226	

Mr. Surachai Sirivallop

Approved	2,774,061,494	equivalent to 99.98% of total shareholders present and voting
Disapproved	641,666	equivalent to 0.02% of total shareholders present and voting
Abstained	229,567,730	

Invalid

10,564,226

Agenda 6: To fix the directors' remuneration

The Company Secretary invited Mr. Jiraphant Asvatanakul, Director of Nomination & Remuneration Committee, to propose to the meeting.

The Director of Nomination & Remuneration Committee proposed to the meeting that to comply with Public Company Act B.E.2535 section 90 authorized the meeting of shareholders 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 2017 directors' remuneration as stated in the Notice of this Meeting as follows: monthly retainer fee and meeting allowance of directors and sub-committee remain unchanged. Since the Company had profit from 2016 operation and dividend could be paid to shareholders, the Board of Directors then proposed to allocate Baht 6.3 million for Director's bonus. Details are:

	2017	2016
1. <u>Board of Directors</u>		
Monthly Retainer Fee (same as 2016)	Chairman : 20,000 Baht/month Other Directors : 15,000 Baht/ person / month	Chairman : 20,000 Baht/month Other Directors : 15,000 Baht/ person / month
Meeting Allowance (same as 2016)	Chairman : 35,000 Baht/time Other Directors : 25,000 Baht/time/person Payable only to those attending a meeting	Chairman: 35,000 Baht/time Other Directors: 25,000 Baht/time/person Payable only to those attending a meeting
Bonus	Not exceeding Baht 6.3 million. Allocated To Chairman 2 parts, Vice Chairman 1.5 parts, Director and Chief Executive officer 1 part each	None
Other benefits	-None-	-None-
2. <u>Audit Committee</u>		
Meeting Allowance (same as 2016)	Chairman : 50,000 Baht/time Director: 35,000 Baht/time/person Payable only to those attending a meeting.	Chairman : 50,000 Baht/time Director : 35,000 Baht/time/person Payable only to those attending a meeting.
3. <u>Nomination and Remuneration Committee</u>		
Meeting Allowance (same as 2016)	25,000 Baht/time/person. Payable only to those attending a meeting.	25,000 Baht/time/person. Payable only to those attending a meeting.

4. Investment Committee

Meeting Allowance	25,000 Baht /time/person. Payable	25,000 Baht/time/person. Payable only
(same as 2016)	only to those attending a meeting.	to those attending a meeting.

There was no question or any other comment from the shareholders.

The meeting considered and resolved to approve the director's remuneration as proposed by the Board of Directors with the number of more than two-thirds of the total number of vote of shareholders present and having the right to vote as follows:

Approved	3,007,706,080	equivalent to 99.76% of total shareholders present and having the right to vote
Disapproved	1,112,466	equivalent to 0.04% of total shareholders present and having the right to vote
Abstained	6,005,570	
Invalid	-None-	

Agenda 7: To appoint an auditor and fix the audit fee

The Company Secretary invited Mr. Aswin Kongsiri, Chairman of Audit Committee to report on the proposal to appoint auditor and fix the remuneration on behalf of the Board of Directors.

The Chairman of Audit Committee reported that the Board of Directors, by recommendation of the Audit Committee, would like to reappoint EY Office Limited to be auditor of the company for the year 2017 for another year. EY Office Limited has assigned Ms. Ratchada Yongsawadvanich, CPA Registration no. 4951 and/or Ms. Ratana Jala, CPA Registration no. 3734 and/or Mrs. Nongluck Phumnoi CPA Registration no. 4172 and/or Ms. Somjai Kunapasut, CPA Registration no. 4499, to be auditors, who sign for certification of financial statements. All 4 auditors and EY Office Limited have neither relationship nor transaction that may cause the conflict of interest with the Company. 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 instead. According to the guidelines of the Securities and Exchange Commission (SEC) stipulate that the auditor of listed company who has performed his/her duty in reviewing, auditing and giving opinion on the financial statements of the company for five consecutive fiscal years shall be rotated. In such case, the former auditor may be re-appointed after terminating the office of such auditor not less than two consecutive fiscal years. Ms. Ratana Jala had audited and given opinion on the Company and its subsidiaries' financial statements for the last three consecutive years. He then requested the meeting to approve the appointment of auditor and fix its remuneration of Baht 2,480,000, a decrease of 2% from previous year. Details of which was shown in the Notice of this Meeting.

The Company Secretary invited the shareholders for questions or comments if any.

The shareholders had the questions as listed below.

- Mr. Thitipong Sophon-udomporn, a shareholder, inquired about the fee charged for review of the annual report, which was an expense item that increased in this year.

The Auditor clarified that, according to the new auditing standard which was effective from accounting year 2016, an auditor shall have duty to read and review the draft annual report in part of financial information before publishing the official report to see as to whether there is any inconsistency between the financial information to be presented to shareholders and the duly certified financial statements or whether it is contrary to the knowledge and experience in the business, and shall then disclose such factual information in the auditor's report contained therein. This was an additional task, which the Auditor already undertook to fulfill for the accounting year 2016 without charging any extra fee because the audit fee for 2016 was already approved by the shareholders' meeting. For 2017, therefore, the Auditor requested a fee increase for such review of annual report.

- Mr. Thitipong Sophon-udomporn, a shareholder, further commented that, with such review by the auditor, there should no longer be any error occurring in the annual report preparation as in the case of some other companies.

The Auditor explained that the Auditor was responsible for financial information only and, thus, there would unlikely be any significant mistake in the financial information.

The Audit Committee Chairman added that the Board of Directors and the management still had responsibility towards the Company's annual report with respect to non-financial information.

There was no further question or other comment from shareholders.

The meeting considered and resolved the appointment of Ms. Ratchada Yongsawadvanich, CPA Registration no. 4951 and/or Ms. Ratana Jala, CPA Registration no. 3734 and/or Mrs. Nongluck Phumnoi, CPA Registration no. 4172 and/or Ms. Somjai Kunapasut, CPA Registration no. 4499 of EY Office Limited, to be auditors of the Company for the year 2017 and approved the audit fee of Baht 2,480,000. 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 follows:

Approved	3,008,212,880	equivalent to 99.98% of total shareholders present and voting
Disapproved	641,666	equivalent to 0.02% of total shareholders present and voting
Abstained	6,005,570	
Invalid	-None-	

Agenda 8: To consider other issues (if any)

Following were the questions from shareholders:

- Mr. Peerapong Patchararunglert, a shareholder, thanked the Board of Directors for the dividend payment after several years of dividend omission due to the flood crisis, and hoped to receive dividend every year from now. He then

referred to page 121 of the annual report which showed tax loss carried forward of Baht 859 million that was valid for five years, and asked in what year such tax benefit would expire and how the Company would use it. He also noticed the word “Change” on the staff’s shirts and would like to know to which direction the Company would change.

The Advisor explained that the outstanding tax loss carried forward of Baht 4,300 million had been gradually used by the Company and would expire in 2019. The Company planned to clean up its accumulated loss partly with future profits that the management expected from the usual operation and partly from the existing assets that is profit generating from subsidiaries. The Company was still confident that it would be able to wipe out the retained loss and utilized tax benefit by 2019.

The Director & CEO added that, as described in the annual report, the Company adopted four strategic initiatives for 2017-2019 towards sustainable growth, comprising 1) focus on personal line and commercial line businesses/products that have a low catastrophe risk exposure; 2) development of modern distribution channels and application of Insuretech and Fintech innovations to enhance operational efficiency and competitive advantage; 3) penetration into offshore markets, with Vietnam and Cambodia as the immediate target; and 4) streamlining of current products to fit into changing market condition and respond to consumer demand. As for the word “Change” on staff’s shirts, it was aimed to promote internal activities that encouraged employees’ participation in voicing their opinion about matters such as cost reduction, distribution channel development, IT development, and so forth, as well as to campaign for the 3D & I Scheme (Innovation, Digital, Deregulation and Diversify) for the Company’s sustainable growth in the future.

- Mr. Narit Suklert, a shareholder, questioned about the sharp increase, compared with 2015, in the amount due not over 12 months of Baht 129 million presented in the financial statements on page 102 of the annual report, and would like to know more details of such item and its current status.

The Advisor clarified that, as explained by the Director & CEO, the Company in 2015 retroceded a long-term project and such retrocession would be shown in the financial statements by the end of every quarter. As at the end of the fourth quarter, the Company would receive from the foreign reinsurer an amount of approximately Baht 129 million, which was already paid to the Company in January 2017.

- Mr. Thitipong Sophon-udomporn, a shareholder, raised the following questions:
 1. Would dividend payment increase next year?
 2. What was the Company’s business plan for growth?
 3. To what extent the downgrading by Fitch Rating had an impact on the Company and what was a remedial measure?

The Director & CEO explained as follows:

1. The Company paid dividend from its 2016 performance at a rate of Baht 0.15 per share, of which Baht 0.10 was a normal dividend and Baht 0.05 was a special dividend paid out of the extra gains from sale of THREL shares. For this year, the management would make the best effort.
2. The next year’s plan would still be focused on growth in personal line, particularly accident & health insurance. The reason why the Company shifted away from property insurance was because its premium

rate substantially went down to the level that made it non-profitable. The Company therefore diversified into offshore markets through collaboration with both insurers and reinsurers in fine-tuning THRE products to match market demand for sales in any such country. The Company attempted to launch such activity by this year.

3. The recent downgrade of credit rating by no means resulted from the Company's financial status. In fact, Fitch Rating had revised down the country's sovereign rating and, thus, had to relatively downgrade the credit rating of all Thai entities to the same rate as the country. The impact on the Company was that some international partners would do business with reinsurers having a credit rating of at least A- but the Company's transactions with them were almost zero.

The Executive Chairman added that there was a slim chance of the Company shifting back to the property insurance. Apart from the reason of low premium rate, property had a high concentration risk and each risk was worth in billions of baht, resulting in an enormous loss. The Company could do this business in the past because it was provided reinsurance under treaty reinsurance arrangement (5%) for all policies in the market, which helped to maintain a balanced portfolio. Moreover, the former accounting method allowed for the Company to set aside a loss fluctuation reserve. In the year of small loss and strong performance, the Company could then increase such reserve, while, on the contrary, if loss was high in any year, the reserve could be used to offset such loss. Now that the new accounting rules did not allow for provision of such reserve, it was difficult and not worthwhile to focus on the property insurance. The Company accordingly turned to concentrate on growth in the personal line. To achieve sustainable growth, the transactions must be of a large scale and, hence, the growth would take time. The expansion to overseas markets, as explained by the CEO, could help to grow the portfolio faster than to solely conduct business in the country.

- Mr. Pote Vikitset, a shareholder, would like to know more details about the operating expenses in Note 25 of the financial statements in the annual report, specifying employee expenses of Baht 45 million, and inquired whether there was any chance of the government allowing private sector to manage the civil servant healthcare system and, if so, what effect this would have on the Company.

The Advisor replied that the increase in such expenses partly causing from compensation paid to the retired top executives according to the labor law, which was a one-time extraordinary item.

The Director & CEO explained about the government healthcare system management by private sector that no information had yet been available for the time being and this would unlikely happen anytime soon. If otherwise, however, the Company could get involved in two parts: reinsurance services and health insurance claims management services by its subsidiary, TPA, which was ready to render the services.

- Mr. Kittipong Kamthoncharoen, a shareholder, inquired whether whole or just a part of insurance companies are TPA's customers and whether there were any competitors in this business.

The Director & CEO answered that TPA currently offered services to more than 30 insurance companies for both life and non-life companies, with customer database covering around 12 million individuals. It captured a market share of about 70% and there were rivals providing a similar type of services.

The Advisor added that TPA additionally invested in its operational system which the new-coming competitors would never keep pace with. It would further speed up the system improvement so as to become market leader in this field. Its customers included both life and non-life insurers as well as non-insurance companies, small and large, which intended to outsource their employee healthcare management.

- Mr. Naruchit Taengsuan, a shareholder, mentioned about Khun Oran and Khun Surachai's report that the property premium rate that dropped below the pre-flood crisis level prompted the Company to focus more on personal line expansion, and then asked whether the reinsurance premium for accident and health tended to go down or steady and why. He also inquired about number of local players and foreign competitors and about their encouraging factors.

The Director & CEO answered that the personal line market, especially for accident & health, remained competitive. The key issue is the ability to generate premium income of each distribution channels. The first priority, on profitability side, must be given to cost and, in particular, medical inflation must be carefully factored into pricing determination. The Company itself would have to seek new distribution channels in order to tap new target groups with a reasonable price.

- Mr. Naruchit Taengsuan, a shareholder, asked about the main distribution channels for accident & health products and their proportion.

The Director & CEO answered that bancassurance was the major sales channel for accident & health products.

- Mr. Naruchit Taengsuan, a shareholder, asked further about THRE's strengths, compared with other business partners, which could attract the owners of distribution channels to coordinate in selling THRE's products.

The Director & CEO replied that the Company's strength was its continuous product development and modernization to always suit market situation. Moreover, the Company had actuaries at fellowship level assist in its pricing determination to ensure price reasonableness, which helped to further enhance customer confidence.

- Mr. Naruchit Taengsuan, a shareholder, asked the management to explain about unearned premium reserve shown in the annual report, page 81, line 4, since there was a huge difference between the amounts in 2015 and 2016, and inquired whether this would continue to occur in the future.

The Advisor explained that, in insurance business, written premium would be gradually recognized as income. The amount not yet recognized would be treated as unearned premium reserve ("reserve"). In 2015, the Company retroceded the long-term project, thereby causing a decrease in its net premium written and reserve and an increase in the earned premium income. When premium (sales) declined, the previous year's reserve that would be recorded as income in the current year would be higher than the reserve amount to be newly set aside. As such, the financial statements would show a higher amount of the earned premium income than in the previous year. However, the reserve of more than Baht 700 million in 2015 was a one-time item not related to the operational results.

No other businesses were proposed for the meeting's consideration. The Chairman thanked all shareholders for devoting their time to attend the meeting today and then declared the Annual General Meeting of Shareholders No. 24 closed.

Meeting was adjourned at 11.40 hrs.

- Signed -

(Mr. Chai Sophonpanich)

Chairman of the Board of Directors

- Signed -

(Mr. Oran Vongsuraphichet)

Director and Chief Executive Officer