

Thai Reinsurance Public Company Limited
Minutes of Annual General Shareholders Meeting

No. 19

On 25 April 2012

At TimeZone Room, the AETAS Bangkok Hotel

No. 49 Soi Ruamrudee, Ploenchit Road, Khet Pratumwan, Bangkok

Meeting begins at 10.05 hours.

Names of attending directors:

- | | | |
|----|---------------------------|---|
| 1. | Mr. Suchin Wanglee | Independent Director, Chairman of the Board of Directors and Member of the Investment Committee |
| 2. | Mr. Chai Sophonpanich | Vice Chairman, Chairman of the Remuneration and Nominating Committee, Member of the Investment Committee. |
| 3. | Dr. Kopr Kritayakirana | Independent Director |
| 4. | Mr. Jiraphant Asvatanakul | Director |
| 5. | Mr. Chanin Roonsamram | Independent Director, Member of the Audit Committee, Member of the Remuneration and Nominating Committee. |
| 6. | Mr. Aswin Kongsiri | Independent Director, Member of the Audit Committee, Member of the Remuneration and Nominating Committee. |
| 7. | Mr. Surachai Sirivallop | Director and Chief Executive Officer |

Names of attending company executives:

- | | | |
|----|--------------------------|--|
| 1. | Mr. Surachai Sirivallop | Director and Chief Executive Officer |
| 2. | Ms. Thitaporn Tarakit | Executive Vice President – Accounting, Finance and Operation |
| 3. | Mr. Chuanchai Cheausamut | Company Secretary |

Name of attending auditor:

- | | | |
|----|----------------------|--|
| 1. | Ms. Nongluck Phumnoi | Auditor, Ernst and Young Office Co., Ltd. |
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- | | | |
|----|---------------------------|--|
| 2. | Ms. Sunee Srisooktaveerat | Audit Manager Ernst and Young Office Co., Ltd |
| 3. | Ms. Vanrajit Pinyojit | Audit Manager Ernst and Young Office Co., Ltd |

Mr. Suchin Wanglee, Chairman of the Board chaired the meeting.

The Chairman informed the meeting that 146 shareholders and 46 proxy holders holding total of 2,331,183,690 shares, equivalent to 66.37% 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 and, therefore, declared opening of the 19th Annual General Shareholders Meeting. Before proceeding on the meeting agendas, the Chairman introduced attending directors, auditors and legal advisor to the meeting, Then Mr. Surachai Sirivallop, Director & Chief Executive Officer (Director & CEO), explained to the meeting the method of voting for resolution as follow:

1. According to company's articles of association concerning voting, a shareholder will have votes according to number of shares being held by having one vote for one share.
2. For convenience and speeding in voting, the company had distributed 2 types of voting slips. First type will be used for election of directors in agenda 6 and another type will be used in case shareholder wanted to vote for opposition or to abstain in any other agenda. If the shareholder did not agree or wanted to abstain in any agenda, he/she would mark in this voting slip and then would raise his/her hand so that an official could collect the voting slips for counting.
3. In voting in each agenda, if there was not any person opposing or having opinion other than what was proposed by the Chairman or the Board of Directors, it would be deemed that shareholders approved or granted.
4. For proxy holder, who received proxy to attend meeting and person, who already gave specified his vote in the proxy, did not have to make any vote. The company would count the vote as specified in the proxy.

In addition, Director & CEO also informed the meeting that the Company appointed Mr. Decha Maraprueksawan, legal advisor, to serve as the Meeting Inspector.

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

Agenda 1. To adopt of minutes from the Extraordinary General Meeting no 1/2012.

The Chairman requested the meeting to consider for approval of the minutes of the Extraordinary General Meeting of Shareholders no. 1/2012 held on 6 February 2012, 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 minutes of the meeting or not.

No amendment proposed by shareholders. The meeting considered and resolved in approval of the minutes of the Extraordinary General Meeting of Shareholders no. 1/2012 held on 6 February 2012 by majority with following votes:.

| | | | |
|-------------|---------------|---------------------|---------|
| Approved | 2,269,678,908 | votes equivalent to | 100.00% |
| Disapproved | 101 | votes equivalent to | 0.00% |
| Abstained | - None - | | |

Agenda 2. To acknowledge the Board of Directors' report on the Company's business in 2011

The Chairman assigned the Director and CEO to report on activities in the year 2011 on behalf of the Board of Directors.

Director & CEO reported to the meeting on the underwriting results for the year 2011, the gross reinsurance premiums, both on non-life and life insurances, totaled 7,416 million Baht and net reinsurance premiums of 5,757 million Baht, an increase from the same period of the preceded year by 44% and 56%, respectively. The Loss Ratio at 104%, an increase of 55 percentage points and the Combined Ratio at 147%, an increase of 54 percentage points which can be divided by each aspect as follows:

On the aspect of non-life underwriting results, the gross reinsurance premiums is 6,575 million Baht while the net reinsurance premiums is 4,936 million Baht, increased by 44% and 59%, respectively. The loss from underwriting after deduct operating expenses in the amount of 2,630 million Baht and Combined Ratio at 163%, an increase of by 67 percentage points, Loss Ratio at 118%, an increase by 68 percentage points while the Commission Ratio is at 40%, higher that the preceded year by 1 percentage point and the Operating Expenses Ratio is at 3.8%, lower than the preceded year by 1.3 percentage point. If the loss occurring consequently as a result of the flood should not be included in, the non-life underwriting profit would be 460 million Baht which would be higher than the preceded year by 248% and the Loss Ratio should remain at 45%, a decrease by 6 percentage points and the Combined Ratio at 88%, a decrease by 7 percentage points.

On the aspect of life underwriting results, the gross reinsurance premiums is 841 million and the net reinsurance premiums is 822 million Baht, an increase from the same period of the preceded year at the rate of 39% and 40%, respectively. The Combined Ratio at 70%, a decrease by 7 percentage points, Loss Ratio at 32% a decrease by 6 percentage points while the Commission Ratio is at 35%, a decrease by 2 percentage points. At the same time the Operating Expenses Ratio is at 3.4%, an increase by 0.5 percentage point, accounting for the net underwriting profit after the operating expenses deduction in the amount of 249 million Baht, an increase of 117% from the preceded year.

On the aspect of the investments, the Company accounts for net investment income in 2011, in the amount of 272 million Baht, lower than the preceded year by 38% and the rate of returns on net investment combined with tax benefit at 3.9%, a decrease from the preceded year by 6.6 percentage point. The reason is that in 2011, the Company suffered the loss from securities sales in the amount of 66 million Baht, when comparing with the same period of the preceded year which the Company accounted for the profit of 180 million Baht. Because of the reason that the Company had reduced the portion of investments in the ordinary shares in order to reduce the impact on the Company's capital fund required to be maintained in accordance with the Risked-Based Capital or RBC regulation of Office of the Insurance Commission ("OIC"), the shares and foreign investment mutual fund were, therefore, sold during the period by yearend.

On the aspect of the business in providing the insurance related services carried out by subsidiary group of companies, it was obvious that such business played the increasing roles in 2011 where a total revenue of 142 million Baht was generated, an increase from the same period of the preceded year by 3% which generated the operating profit of 21 million Baht from the preceded year that suffered a loss of 15 million Baht. The increase accounts for 144%.

In conclusion on the overall operating result, the Company reported a consolidated loss before tax in the amount of 2,054 Baht and net loss after tax deductions in the amount of 1,660 million Baht which is the equivalent a loss per share of 1.40 Baht.

As of 31 December 2011, the Company had consolidated total assets of 25,745 million Baht, an increase from the end of the preceded year by 181% and the shareholder's equity down to 742 million Baht or book value of 0.61 Baht per share. The Company's capital fund under RBC regulation stood at 94 million Baht which is lower than the amount required by law, thus, prompting the Company to increase the capital in the amount of 6,975 Baht in early 2012 which has already been complete, thus, making the Company's current capital fund of 7,069 million Baht which is higher than the capital fund required by law or at the Capital Adequacy Ratio (CAR) in excess of 300%.

The past flood disaster obviously affected financial condition of the Company resulting in Standard and Poor's Credit Rating Agency, by end of the past year, reduced Financial Strength Rating of the Company from A- down to BBB+ consequently resulting in 11 client groups of foreign insurance companies to cease ceding the reinsurance business to the Company due to the reason that those companies have the policy to use reinsurers with A- credit rating and up only resulting in the reinsurance premium to be affected with the loss in the reinsurance premiums income in the amount of approximately 5% which, in this respect, it is anticipated these groups of clients will return to use the services of the Company after the Company's financial condition is better and its credit rating restored to A level.

On behalf of the Board of Directors, Director & CEO expressed his appreciations to all staff for their firm determinations and contributions over the past year; conveyed his thanks to all insurance and life insurance companies including all shareholders for rendering supports to the Company, particularly, their

confidences in the Company and in subscribing new rights issuing shares last time which, in this respect, Board of Directors and the Management will try to create the returns to come back to the normal level soonest.

The Chairman further added that the past 2011 was the most critical year ever since the Company has been established in which the operating result yielded the substantial loss. So, he asked to be one of the persons to express his appreciations to all shareholders in rendering supports to make the increment of the capitals well successful and his effort to create the worthwhile returns to the shareholders who provided constant supports throughout the period of times.

The Chairman further asked the Meeting if any of the shareholders may want to ask the Board of Directors on any matters and encouraged the shareholders to fully exercise their rights of inquiries on any doubts or give various recommendations.

The shareholders made their inquiries on various issues as follows:

- Due to the fact that the Company retained the risk on its own consequently resulting in the Company to sustain substantial losses by the flood, had any change in the Company's reinsurance and retention policies right now? Director & CEO gave the explanations that no matter to what extent the reinsurance would be made and to what extent the risk would be kept on the Company itself should be dependable on the Company policy on risk management. Floods in the past never inflicted any serious damage to the industrial estate suchlike the most recent flood disaster. Over in the past, insurance business had never foreseen that Thailand would have a risk from natural disaster. In most case, the sales of flood coverage insurances would be free gifts or cheap insurance premium with the coverage in full insured amount. Insurance business was, therefore, affected by the damage inflicted by such flood disaster in entirety. The Excess of Loss protection in the amount of 3,000 million Baht bought by the Company as a measure of protection could cope with the damage for 2 industrial estates, but, such flood disaster inflicted damage up to 7 industrial estates which was the matter that no one would ever thought of it before. Nevertheless, after such flood disaster, all sectors began to be aware that Thailand would be no longer a country to be safe from natural disasters, whether flood or earthquake, as it was used to be in the past. The Company, therefore, made change in the policy on underwriting anew by reducing the insured amount per industrial estate from the original 3,000 million Baht to not exceeding 300 million Baht per industrial estate which we could be assured that even there would be a flood more serious than the one occurring in 2011, the existing Excess of Loss protection in the amount of 3,000 million Baht could cope with all the contingent sequences of the damage.
- Subsequent to the event of the flood, had the insurance premium been increasingly adjusted? Director & CEO gave the explanations that subsequent to the event of the flood, the natural

disaster coverage originally consolidated with the normal policy would be parted to be on a separate policy. The normal policy insurance premium shortly after the flood was substantially increased, but, meanwhile some decrease has been noted, however, it is still higher than it was used to be at approximately 20% to 100%. On the natural disaster insurance coverage, the rate of the insurance premium has substantially soared and the insurance and reinsurance capability of the market has been substantially drawn back. A purchase of an insurance to cover the damage is somewhat very difficult to do. In order to build the confidence in the investors, the Government is, therefore, assuming the duty by forming up the 50,000 million Baht National Disaster Insurance Fund in order to provide the natural disaster insurance and by limiting the insured amount somewhat lower and increasing the insurance premium somewhat higher.

- Even the trend on the risk of the Thai insurance business is obviously high, but, why Warren Buffett is interested in this business? Director & CEO gave the explanations that the characteristic of the insurance business is not the business with high risk than normal, but, it is the business of the risk underwriting. The important factor lies mainly on how to manage it and rate of the insurance premium as to whether there is an adequacy or not. Warren Buffett is a wise investor who knows of the tempo on the investment. He has a goal to buy the insurance company in Thailand and carry out the reinsurance business in Thailand. Currently, it is quite difficult to buy an insurance company, however, the carrying out of the reinsurance business in Thailand is considered to be undertaken at a proper tempo and time during the period of the reinsurance capacity of the market has drawn back and the market has been in hands of the sellers together with the insurance premium has been soared up, he, therefore, can intervene into by taking a lot of market share at the better price and conditions than before.
- Why had Thai insurance companies ceding reinsurance business to Warren Buffett instead of sending them to us? Director & CEO gave the explanations that we had no capacity big enough to handle the reinsurance of the whole markets and the matter of buying the excess of loss to protect would be very expensive, so, it would not be worthwhile to accept the reinsurance of the whole markets coupled with the fact that the Company was undertaking actions on the increment of the capital during such period.
- Subsequent to the increment of the capital, had the Company's capability in taking risks remained the same? Director & CEO gave the explanations that the Company's capability in taking the good risks remained the same. There had been a lot of reinsurance businesses available in the market; however, the Company would select only the risks after its considerations that the insurance premium would be worthwhile with the risk. Over in the past, the Company had gradually and continuously adjusted the portfolio of the property insurance which the Company was of the view that there was a high risk and the insurance premium was

not adequate, i.e. from premiums of 1,000 million Baht in the past had been decreased down to 300 million Baht at present and made the emphasis on the New Products business which we have created by our own to respond to the demands of the markets, direct sale to consumers, having adequate premiums and a good spread of risks.

- Would it be considered as the Company's business opportunity when the rate of IAR insurance premium had been increased in triple folds? Directors & CEO gave the explanations that the increased in such insurance premium was considered as a short-term matter and it was anticipated that the insurance premium would be adjusted to the originally non-profitable level in the next 12 months. For the reason that the Company had focused on the carrying out of the business with customers in the long run, the Company, therefore, could not select to do the business, particularly, in the year in which the profit could be gained and not to do the business in the year of the loss.
- How long would it take for the Company's credit rating to be restored back to its original A-level? Director & CEO gave the explanations that even though the Company's financial status had already been strengthened as it originally was, but, it was anticipated that the Credit Rating Agency would first wait for the figures of the actual loss resultant from the most recent flood which no one knew what the figures would be and it was anticipated that it would take at least 6 to 10 months before the reliable figures of such loss would be known of.
- Whether the Company has participated in the National Disaster Insurance Fund established by the Government? Director & CEO gave the explanations that the Company did not participate in the Government's natural risk coverage insurance, but, just only performing duty as the fund manager as assigned by receiving the considerations in the form of the management fees only.
- If the general situation should have returned to normal, would the Company earn any profits sufficient to compensate the accumulated loss in order that the dividend could be paid next year? Director & CEO gave the explanations that it was anticipated that this year profit could not liquidate all the accumulated loss and that some part of the loss would be carried over to next year.
- Did the Company have any way or measure in preventing the rivals to snatch the New Products and how? Director & CEO gave the explanations that the competitions were normal matters in the insurance business. Nevertheless, the matter which the Company had begun to proceed with this matter continuously for a period of almost 10 years and had closely cooperated with the client insurance companies, had been well understandable on the markets and demands of Thai consumers, it would be likely that we could keep our paces somewhat substantially ahead of the rivals.

- Were figure of the losses resultant from the flood showing under the Financial Statements of 2011 in the amount of 3,000 million Baht the partial or whole losses? Chairman, Director & CEO and the Company Secretary jointly gave the explanations that the figure of the losses in the amount of 3,000 million Baht was a partial damage of the whole damage which was anticipated to be at 12,000 million Baht and after a deduction of the losses on the part that could be recovered under the Excess of Loss insurance protection in the amount of 3,300 million Baht was made, the net losses being remained left over to be booked into the account as the expenses would be in the total amount of 8,700 million Baht which, in this connection, the Company has already booked into the account the amount of 3,000 Baht as a part of the expense in 2011, thus, the remaining amount of 5,700 million Baht would have to be booked as further expenses.
- Based on the fact that the addition of 5,700 million Baht losses have to be booked this year, would that cause the operating result in 2012 to suffer the loss and the fund to be deficit to the extent that the capital increment would be compellingly required to be made once again? The Chairman, Director & CEO jointly gave the explanations that in the past capital increment plan preparation, the figure on the damages was estimated at 12,000 million Baht. If the figure on the damages should be in line with such estimation and when summing up with the normal profit of 2012, it would be approximately 1,600 million Baht, thus, the Company's equity as of the end of 2012 would be approximately at 2,900 million Baht which would be sufficient for the business operations without any requirements to increase the capital again.
- Was flood disaster classified under the group of fire insurance? The answer of Director & CEO was affirmative that it was classified under the category of the property insurance.

As there were no further questions, the Chairman requested the Meeting acknowledged the Board of Directors' report of activities in the year 2011.

The meeting acknowledged the Board of Directors' report of activities in the year 2011.

Agenda 3. To approve the financial statements for the year ended 31 December 2011

The Chairman assigned Mr. Surachai Sirivallop, 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 2011 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 ask any question to the Board of Directors.

The shareholders made their inquiries on various issues as follows:

- Since the Company had suffered the accumulated loss, how would such problem be solved in order that the dividends could be paid? Director & CEO gave the explanations that the Company would be able to take the premium on share capital which, after the capital increment was made, would be in the amount of over 4,000 million Baht to reduce the accumulated loss which would make the Company able to expedite the payment of the dividends. When summing up with the normal profit of 2012 and 2013, it was anticipated that all accumulated loss would be liquidated in 2013, leaving some part to remain left over as the profit which could be paid off as the dividends.
- What did it seem to be the cause of the reinsurance premiums of miscellaneous class in 2011 which was very highly increased and that the underwriting result was not affected by the flood? Director & CEO gave the explanations that the miscellaneous insurance growth had caused as a result of the development of the new product as the Meeting had already been informed. The increase in the premium in 2011 had caused by the accident and health reinsurance premiums under a loan protection project with more than 300,000 insured and a part of the reinsurance premium of 2010 yearend where the figure of which being received in delay had been booked in early 2011. The reinsurance premiums of such project provided the coverage for a period of 9 years would be booked as advance received premiums and gradually recognized as the revenue in accordance with the coverage period and because the miscellaneous insurance was a personal insurance, not property insurance, therefore, it was not affected by such flood.
- Confirmation was requested that in 2012 and 2013, the Company would be able to create the Return on Equity (ROE) in excess of 20% in accordance with the set target. The Chairman, Director & CEO jointly gave the explanations that such confirmation could not be given because the Company's business was the risk underwriting; there would be no certainty in everything, but, the 20% ROE was the main target set by the Company. If the impact as a result of the flood should not be included, it could be anticipated that the Company in 2012 and 2013 should be able to make ROE in excess of 20% which, in this connection, if the event of the flood should not be included the Company's ROE in 2011 would be tantamount to 24%.
- A question was asked whether or not there would be any change in the investment policy under the category of the held-to-maturity investments where the proportion had substantially increased in 2011. Director & CEO gave the explanations that the investment policy during the current period was a short-term investment in reserving for payments of claims resultant from the flood as a significant matter and there would be a consideration to make further change as suitable thereafter.
- Based on the anticipation that the written premium in 2012 would decrease while the taking of the extended reinsurance would increase even more and more, what would be the possibility on

the anticipation that the Company would earn the profit of 1,600 million Baht? Director & CEO gave the explanations that the reinsurance premiums in 2012 was anticipated to increase while the outward retrocession reinsurance did not quite increase; however, the purchase of Excess of Loss protection would be made as necessary in order to prevent the risk only due to the expensive cost. From the policy in decreasing the property insurance and increasing the personal lines insurance, it would make the underwriting result less fluctuated and coupled with the anticipation that the profit from life insurance business and more revenue from the investments would be generated, it was anticipated that the profit would be generated as estimated should there be no serious incident and that such profit would have no tax charge due to the reason that the Company could still make use of the accumulated loss being carried over.

- Should the flood repeatedly occur in 2012, could the Company be affected to the extent that the additional capital would be mobilized once again? Director & CEO gave the explanations that the damage from the past flood which created damage to the Company was that the Industrial Estates were flood which meanwhile all sectors already launched the implementations in full measures to prevent the places from being repeatedly flooded, therefore, it was anticipated that the flood would not repeatedly occur to cause serious damage suchlike in the preceded year. What could cause the consequent impact was that, if the actual damage from the past flood was much higher than the estimated 12,000 million Baht.

As there were no further questions, the Chairman requested the Meeting to approve of the Financial Statements for the year 2011

The meeting had, therefore, resolved by majority in approval of the Financial Statements for the year 2011 with the following votes:

| | | |
|-------------|---------------|-----------------------------|
| Approval | 2,320,147,689 | votes equivalent to 100.00% |
| Disapproved | 101 | votes equivalent to 0.00% |
| Abstained | None | |

Agenda 4. To approve the omission of final dividend payment.

The Chairman assigned Mr. Surachai Sirivallop, Director & CEO to explain to the meeting.

The Director & CEO explained to the meeting that the interim dividend of Baht 0.20 per share was paid to the shareholders for the first half 2011 operations. However, the severe floods in the last quarter of 2011 have caused the Company's overall performance for the year 2011 to sustain substantial operating

losses of 1,776 million Baht and accumulated losses of 1,161 million Baht and unable to pay final dividend. He requested the meeting to approve the omission of final dividend payment.

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

The meeting had considered and resolved by majority in approval of the Board of Directors' proposal to omit the final dividend payment with the following votes:

| | | |
|-------------|---------------|-----------------------------|
| Approval | 2,320,147,689 | votes equivalent to 100.00% |
| Disapproved | 101 | votes equivalent to 0.00% |
| Abstained | None | |

Agenda 5. To fix the directors' remuneration

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

The Director & CEO cited the Pubic Company Act that authorized a meeting to determine the remuneration of the directors. The Board of Directors, under guidance of the Remuneration and Nominating Committee, would like to propose to shareholders' meeting to approve:

1. Omission of the directors' bonus payment due to the operating losses.
2. Directors' fee at the same rate of 2011 which would be charged as operational expenses in the year 2012 in amount of not over 2.6 million Baht, according to details shown in the invitation letter sent to shareholders for consideration in advance as follow:

| | Meeting Allowance |
|--|--|
| 1. Board of Director | 25,000 Baht per time per person for attending directors only |
| 2. Audit Committee | 50,000 Baht per time for chairman and 35,000 Baht per time for each director and payable to attending directors only |
| 3. Remuneration and Nominating Committee | 25,000 Baht per person per time payable to attending director only |
| 4. Investment Committee | 25,000 Baht per person per time payable to attending director only |

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

| | | |
|-------------|---------------|-----------------------------|
| Approval | 2,320,147,689 | votes equivalent to 100.00% |
| Disapproved | 101 | votes equivalent to 0.00% |
| Abstained | None | |

Agenda 6. To elect new directors to succeed those completing their terms.

Prior to moving onto the agenda of the election of directors to succeed those completing their terms, the Chairman informed the Meeting on the matter which the Board of Directors had previously informed the shareholders in the Shareholders Meeting 2 years ago which was 2010 Shareholders Meeting that the Board of Directors had a policy to reduce the size of the Company's Board of Directors to a smaller Board from originally consisting of 15 members down to 12 members by having the plan to gradually reduce the number of the Board members down at 1 person per year for a consecutive period of 3 years. The Annual General Meeting 2 years ago approved the cut-down in the number of the directors at 1 person per year, thus, making the current Board of Directors to consist of 13 members and if this matter should go as originally planned, there would be an Agenda with regard to the cut-down in the number of 1 director to be brought up to this Shareholders Meeting for approval in reducing the number of the Board members from 13 down to 12 persons. However, the Company just made a major change in the shareholder structure recently as a result of Fairfax becoming the major shareholder and asking for representatives to take part in the Company's Board of Directors, the Board, therefore, deemed it expedient to retain the number of the Board members to the original 13 persons.

The shareholders made inquiries on the following issues:

- What was the change in the Company after Fairfax became the strategic partner? The Chairman gave the explanations that there was no change at the mean time except an agreement to allocate 2 positions for its directors only which in the past, the Board of Directors had already appointed Fairfax's personnel to take the post of a director to replace 1 director tendering his resignation. Therefore, there would be 1 director to be nominated to the Meeting for consideration on the election in such Meeting.
- The question was asked as to what seemed to be the reason why the number of the Directors must be 13? The Chairman gave the explanations that originally the Company Board of Directors consisted of 15 members which in the view of the Board was in excess of the requirement, so, there was a policy to cut down the number of the directors to remain at 12 persons and the action to gradually reduce the number of 1 person per year took place until the total number of the Board of Directors was cut down to 13 as it currently was. However, a change in the shareholder structure prompted the Board to review this matter and was of the view that the number of the Board members should be retained to 13 persons as it originally was.

A shareholder proposed to the Meeting to vote for a reduction of 1 director this year. The Chairman then asked the Meeting for a resolution by inquiring the Meeting whether or not the Meeting was in agreement with the proposal of the Board to retrain the number of directors to 13 persons.

The meeting had considered and resolved by majority in approval of the Board of Directors' proposal to retrain the number of directors to 13 persons with the following votes:

| | | | |
|-------------|---------------|---------------------|--------|
| Approval | 2,330,803,690 | votes equivalent to | 99.98% |
| Disapproved | 380,000 | votes equivalent to | 0.02% |
| Abstained | None | | |

The Chairman then assigned Mr. Surachai Sirivallop, Director & CEO, to propose to the meeting.

The Director & CEO informed the meeting that the company's articles of associations prescribed that one-third of directors must retire from their position in every annual general meeting and those retired directors may be re-elected. In this meeting, there were 5 directors, who must retire due to term completion are

1. Mr. Suchin Wanglee Independent Director and Chairman, Member of Investment Committee.
2. Mr. Chai Sophonpanich Vice Chairman, Chairman of Nominating and Remuneration Committee, Member of Investment Committee.
3. Mr. Charuek Kungwanphanich Director
4. Mr. Chanin Roonsamran Independent Director, Member of Audit Committee, Member of Nominating and Remuneration Committee.
5. Mr. Sara Lamsam Director

All 5 directors express their willingness to hold a director position in next term if they are re-elected. There is no nominated candidate from the shareholders via our website. Fairfax nominates Mr. Gobinath Arvind Athappan for election. The Board of Directors, by advice of the Remuneration and Nominating Committee, had agreed that all of them had required qualifications to become the Company's director and would propose to the shareholders to **elect only 5** amongst them to succeed those completing their terms. Profiles of all candidates were sent to the shareholders for consideration together with the invitation letter.

Before voting, the Director & CEO 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. Because, persons, whose names are proposed, are directors or executives in insurance companies, which have license for operation of reinsurance business, the meeting is, therefore, informed the

details of being directors or shareholders in other insurance companies of persons, whose names are proposed for election to be directors as follow:

| | |
|------------------------------|---|
| Mr. Gobinath Arvind Athappan | Chief Executive Officer of Falcon Insurance Company (Hong Kong) Limited, Hong Kong Chief Operating Officer of First Capital Insurance Limited, Singapore |
| Mr. Suchin Wanglee | Chairman of Navakij Insurance PCL Chairman of Falcon Insurance PCL |
| Mr. Chai Sophonpanich | Chairman and Chief Executive Officer of Bangkok Insurance PCL. Director of Bangkok Life Assurance PCL |
| Mr. Charuek Kungwanphanich | Advisor to the Board of Dhipaya Insurance PCL |
| Mr. Chanin Roonsamran | Independent Director of Siam Commercial Samaggi Insurance PLC. |
| Mr. Sara Lamsam | President and Chief Executive Officer of Muang Thai Life Assurance Co., Ltd. Executive Director of Muang Thai Insurance PCL |

The Director & CEO then requested the meeting to vote for election by individual director. Vote counting resulted that persons, whose names were proposed, had received the following votes:

| | | |
|------------------------------|---------------|-----------------------------|
| Mr. Gobinath Arvind Athappan | | |
| Approval | 2,145,600,730 | votes equivalent to 97.83% |
| Disapproved | 101 | votes equivalent to 0.00% |
| Abstained | 47,526,288 | votes equivalent to 2.17% |
| Mr. Suchin Wanglee | | |
| Approval | 2,281,085,918 | votes equivalent to 100.00% |
| Disapproved | 101 | votes equivalent to 0.00% |
| Abstained | 0 | vote equivalent to 0.00% |
| Mr. Chai Sophonpanich | | |
| Approval | 2,248,681,343 | votes equivalent to 98.26% |
| Disapproved | 32,392,166 | votes equivalent to 1.42% |

| | | |
|----------------------------|---------------|----------------------------|
| Abstained | 7,356,023 | votes equivalent to 0.32% |
| Mr. Charuek Kungwanphanich | | |
| Approval | 354,914,072 | votes equivalent to 28.50% |
| Disapproved | 254,504,962 | votes equivalent to 20.44% |
| Abstained | 635,866,223 | votes equivalent to 51.06% |
| Mr. Chanin Roonsamran | | |
| Approval | 2,070,382,232 | votes equivalent to 98.04% |
| Disapproved | 33,890,766 | votes equivalent to 1.60% |
| Abstained | 7,396,023 | votes equivalent to 0.35% |
| Mr. Sara Lamsam | | |
| Approval | 2,175,234,485 | votes equivalent to 95.48% |
| Disapproved | 42,059,132 | votes equivalent to 1.85% |
| Abstained | 60,997,789 | votes equivalent to 2.68% |

Hence, the recipients of the 5 highest approval votes, namely, Mr. Suchin Wanglee, Mr. Chai Sophonpanich, Mr. Sara Lamsam, Mr. Gobinath Arvind Athappan and Mr. Chanin Roonsamran were elected as the directors of the company.

Agenda 7. To appoint an auditor and fix the auditing fee.

The Chairman assigned Mr. Surachai Sirivallop, 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 Audit Committee, with approval of the Board of Directors, has proposed the appointment of Ernst and Young Office Co., Ltd. (Ernst and Young) to be auditor of the company in the year 2012 for another one year. In this year, Ernst and Young has assigned Ms. Nonglak Pumnoi, CPA Registration no. 4172 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 above mentioned auditors cannot perform their duties, Ernst and Young will provide other certified auditors of its office to audit account and make opinion to the Financial Statement in place of the said auditors and requested the meeting to approve auditor's remuneration of 1,747,000 Baht, unchanged from previous year.

The Chairman asked the meeting whether the shareholder had any question or other opinion. There was no shareholder inquiring or stating his opinion in otherwise.

The meeting considered and resolved the appointment of Ms. Nonglak Pumnoi, CPA Registration no. 4172 and/or Ms. Ratchada Yongsawadvanich, CPA Registration no. 4951 and/or Ms. Somjai Kunapasut, CPA Registration no. 4499 of Ernst and Young Office Co., Ltd., to be auditors of the company in the year 2012 and approved auditor's fee of 1,747,000 Baht. In case the above mentioned auditors cannot perform their duties, Ernst and Young Office Co., Ltd., 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 | 2,320,147,689 | votes equivalent to 100.00% |
| Disapproved | 101 | votes equivalent to 0.00% |
| Abstained | None | |

Agenda 8. Consideration of other matters

Followings were recommendations and inquiries of the shareholders:

- Generally, the reinsurance should generate substantially high profit after the occurrence of a catastrophe, would the Company's profit be in the same format and would it be sustainable? Director & CEO gave the explanations that the Company's profit came from all classes of business and with the Company's standpoint on making change in the policy from reducing the number of property insurances and switching to more personal lines, it would make the spread of risk even better and that the profit fluctuation would be lessened, thus, the profit growth would be sustainable.
- At what growth rate of the life insurance had the Company set the goal for? Director & CEO gave the explanations that the life assurance markets still had a potential to substantially grow to a great extent. Over in the past our life reinsurance accounted for the growth rate of higher than 30% per year and it was anticipated that such growth rate in such high level would be further maintained.
- Warren Buffett's style of investment was an attempt not to pay the dividends whereby the dividends would be kept for use in strengthening the business stronger, the question was; did the Company have such policy? Director & CEO gave the explanations that Warren Buffett's policy was the self-specific policy which only a few companies had adopted such policy. Our policy on dividend payments would be dependable on shareholders' considerations as to what they would think it should be reasonable. The policy which the Company had perpetually exercised was that during the normal time where there was no need to spend money to expand the business, the dividends would be paid at a high payout ratio taking into a consideration that the shareholders could make use of the received money to acquire better benefits rather than

keeping the money with the Company and whenever it would be necessary for the Company to mobilize the fund, the shareholders would be respectfully informed.

The Chairman added that a consideration whether the dividends would be paid or not and under which rate and to the extent of more or less would be under the consideration of the Board of Directors by taking into account the business opportunity and the benefits of the shareholders as the main principle. The investment of Fairfax, dubbed as Warren Buffett of Canada, in the Company was in a manner of a shareholder who saw the worthiness of the Company during the period of confronting the crisis. They do not have any intention to play the management roles. The Company still maintained its status of a Thai Reinsurance Company managed by the existing management team. The Board of Directors still adhered to the benefits of the shareholders and the benefits of Thai insurance business as the main principle as before.

- Since the future international insurance business competitions would be increasingly higher, how did the Company see such competitive condition and how would the Company be prepared to strengthen the financial stand to cope with such competitions? Director & CEO gave the explanations that the Company had been prepared for the readiness to cope with the competitions at all times. ASEAN Market would be opened within the next 3 years. The Company's size, even though would be able to increase the capital fund base up to 20,000-30,000 million Baht, but, it would be considered a very small size company to compete against the World's leading multinational reinsurance companies, so, there should be no reason that the insurance companies in foreign countries would choose to send good business to the Company. From a long experience of work in this region, the Thai insurance market had still been seen to have a potential of further growing in a very long term and would still continue to be the market to make profits from the insurances. So, it should be expedient to rather place the emphasis on making much more insurance markets domestically which we were familiar with as the principle and the matter that Fairfax had become a Company's shareholder, it would be a good opportunity for the Company to have a chance in exchanging personnel between the two Companies which would be helpful in increasing the skills and knowledge at an international level for personnel of the Company.
- To what extent would be our risk in relying on the Executives by a person? Had we been ready on the Succession Plan? Director & CEO gave the explanations that the Company had at all times taken steps of actions on the matter of the Succession Plan. However, the problem surfaced during the past 10 years was that the 3 Successors alternately employed were in the position not long enough before tendering their resignations. Meanwhile, a suitable person had already been approached and that a conclusion could be made soonest and that I, myself had no health problem at all.

- What was the proportion of the profit derived from the rate of this year unusual increase in the insurance premium? Director & CEO gave the explanations that the proportion was very small. The increasing premium rate was the increase on the part of the flood insurance only which accounted for a small proportion and it was a temporary matter. The Company had still been focally determined on the expansion of new products being the personal lines insurance as the main thing. The increase in the rate of such insurance premium, therefore, presented least effect on the estimated profit.
- Would the Company be able to expand the business when the fund money had been increasingly accumulated? Director & CEO gave the explanations that it was correct, however, the expansion would be focused on good business which could generate the profit only.
- Would revenue proportion from the investment to gross profits have the decreasing proportion in the future? Directors & CEO gave the explanations that it was not certain in each year. The investment income would be varied in accordance with the market interest rate at such time where the investment in the shares would be a long-term investment without any profit speculations.
- What would be the advantage and disadvantage to the Company and the whole insurance business system in assuming duty as the Manager of the Government's National Disaster Fund? The Chairman, Directors & CEO jointly gave the explanations that the formation of the National Disaster Fund was a short-term project and a temporary measure which the Government foresaw that the insurance business at such period of time had no potential in providing flood insurance. The Government, therefore, formed up this Fund in order to build up the confidence in the investors and industrialists that they could purchase the flood insurances which, in this connection, the Fund would take the reinsurances from the insurance companies and whenever the insurance mechanism could go forward as normal, the Government would withdraw which would be beneficial to the insurance business in making the catastrophe insurance being able to go forward. The role and duty of the Company would be only to act as the Fund Manager and exclusively receiving the management fees without any interests whatever on the reinsurances.

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 declared closing of the Annual General Shareholder's Meeting No.19

Meeting was closed at 12.45 hrs.

- Signed-

(Mr. Suchin Wanglee)

Chairman of the Board of Directors

-Signed-

(Mr. Surachai Sirivallop)

Director and Chief Executive Officer