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Thai Reinsurance Public Company Limited  
Minutes of Annual General Shareholders Meeting  
No. 22  
22 April 2015  
At Victor Club, 8<sup>th</sup> Floor, Park Ventures Ecoplex  
57 Wireless Road, Lumpini, Pratumwan, Bangkok

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Meeting begins at 10.00 hours.

Names of attending directors:

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

Names of attending company executives:

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

Name of attending auditor:

- |    |                        |                                   |
|----|------------------------|-----------------------------------|
| 1. | Ms. Ratana Jala        | Auditor, EY Office Limited        |
| 2. | Ms. Narisara Chaisuwan | Senior Manager, EY Office Limited |

Name of attending legal advisor:

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

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

The Company Secretary informed the meeting that 99 shareholders and 162 proxy holders, totaling 261 shareholders and holding total of 2,827,821,124 shares, equivalent to 67.09% of all sold shares of the company attended the meeting, which could form the quorum according to the law and company's Articles of Association.

The Chairman, therefore, declared opening of the Annual General Meeting No. 22. Before proceeding with the matters on the meeting agenda, the Chairman introduced to the meeting the Board of Directors, the management, the auditors and the legal advisor who attended the meeting. The Chairman then assigned the legal advisor to explain to the meeting about voting procedures and instructed the Company Secretary to inform the meeting of results of the invitation of

shareholders to propose matters which they deem appropriate to be added in the meeting agenda and to nominate qualified candidates for director election.

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

- Pursuant to the Company's Articles of Association regarding vote casting, a shareholder shall have a number of votes equal to the number of shares he or she holds, with one share for one vote.
- On each agenda item, a shareholder may cast vote of either "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. 6. 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. 6. 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 distributed the ballots. The Company shall count votes according to the votes indicated in the proxy forms delivered. In the case where the votes are indicated for only some agenda items or the proxies are authorized to cast votes on behalf of the proxy grantors, the proxies shall then be provided with the ballots for voting on any such agenda item.
- The invalid ballots shall be deemed as abstaining and be included in the vote count only for agenda item 7. A ballot shall be deemed invalid if
  1. More than one box is marked;
  2. Votes are cast for more than the required number of directors for election;
  3. Voting is split (except for custodians);
  4. The ballot bears no signature of voter;
  5. The ballot is crossed out.

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

After that, the Company Secretary informed the meeting that the Company had provided an opportunity for shareholders to propose issues to be included in the agenda item and an opportunity to propose potential candidates for director election, and also asked the shareholders to submit advance questions relating to agenda items. It appeared that none of the shareholders had proposed any issues to include in the meeting agenda or proposed any potential candidates for director election but there was a shareholder submitting the questions regarding the Company's business which would be answered later.

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

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

**Agenda 1: To adopt the Minutes of Extraordinary General Meeting of Shareholders No 1/2014**

The Chairman requested the meeting to consider for approval of the Minutes of Extraordinary General Meeting of Shareholders No. 1/2014 held on 4 August 2014, which has been sent to shareholders together with invitation letter and asked the meeting whether any shareholder would like to propose an amendment in the said Minutes of Meeting or not.

No amendment proposed by shareholders.

The Chairman then requested the meeting to resolve by enquiring if any shareholders disapproved or abstained. This agenda must be adopted by the majority votes of shareholders attending the meeting and casting their votes.

The meeting considered and unanimously resolved to approve the Minutes of Extraordinary General Meeting of Shareholders No. 1/2014 held on 4 August 2014 with the number of votes as follows:.

Approved	2,725,801,961	equivalent to 100.00% of total shareholders present and voting
Disapproved	- None -	
Abstained	111,598,212	
Invalid	- None -	

**Agenda 2: To acknowledge the Board of Directors' report on the Company's business in 2014**

The Chairman assigned the Director & CEO to report on activities for the year 2014 on behalf of the Board of Directors.

The Director & CEO reported to the meeting on the Company's operational result in 2014 which was presented in the annual report distributed to the shareholders together with the notice of the shareholders' meeting which could be summarized as follows.

Consolidated Result

	Unit : Million Baht	
	<u>Including Flood</u>	<u>Excluding Flood</u>
Net earned premiums	6,009	6,009
Net loss incurred	5,123	2,950
Profit (loss) from underwriting	(1,827)	344
Investment income	590	590
Services income	101	101
Profit (loss) before tax	(1,137)	1,035
Net profit (loss)	(1,752)	869
Thaire net profit (loss)	(1,953)	667

Financial Position as at 31 December 2014

	Unit : Million Baht
Total assets	14,682
Capital fund	4,156

Shareholders' equity attribute to Company	3,054
CAR Ratio	158%

The Director & CEO also reported that Director & CEO reported further that the dispute in claims from the 2011 flood losses, which could not be resolved and had been prolonged for three years, had dampened the confidence of all parties regarding the Company's survival, whether they be customers, investors, the regulatory body (OIC), and credit rating agencies. As such, the key strategy adopted in 2014 was to seek ways to end the flood loss dispute. Out of all flood claims, three insurance companies, whose combined losses made up 60% of the total flood claims, were still in the negotiation process for compensation. As of the date of the Extraordinary General Meeting of Shareholders No. 1/2014 on August 4, 2014, the Company could finalize the negotiation with two of them, while the third company, which involved the largest amount of claims, remained under discussion. In this respect, the Board of Directors sought approval from the shareholders' meeting for a transfer of liability for flood losses agreed upon with the said two insurance companies to a third party, which is a member of Fairfax Group, in order to repay such debts on behalf of THRE and, hence, to clean up such debts from the Company's account. After that, the management resumed the negotiation with the third insurance company and could finally come up with a solution that the mutually agreed claim amount would be paid off completely by 2014. Having learned of this, the first two insurance companies requested to change the conditions on their deal as well, from the earlier agreed liability transfer to a third party to direct claim payment by THRE in a newly agreed amount completely by 2014. Deeming that such change would benefit the Company, the Board of Directors therefore approved a cancellation of the liability transfer and also approved direct payment of all claims to the three insurance companies by 2014. Moreover, the Company in the past year increased its registered capital by approximately Baht 2,100 million and recorded net claims from the flood incident as expenses in 2014 in an additional amount of approximately Baht 2,000 million, resulting in total net loss incurred from the flood incident recognized as expenses in the statement of income in 2011-2014 of Baht 16,175 million, which represented the entire 100% of claims.

As of the end of December 2014, the Company completely paid all claims to the three insurance companies as per the agreements. As for the rest 52 insurance companies, the Company already paid 98.2% of their claims, with an outstanding balance of around Baht 360 million awaiting to be further claimed by the insurance companies. Reserves for such outstanding claims were fully set aside in the account. It could thus be said that the Company has completely tackled problems regarding the flood losses. The immediate priority from now was to restore the Company's strong financial health and market confidence to the pre-crisis level. In 2015, the Company aimed to achieve CAR of 300% and to regain the credit rating of A- in order to be able to transact business with all foreign counterparts in Thailand as usual.

Director & CEO explained about the reason why the Company had to decrease its shareholding in Thaire Life Assurance Plc. ("THREL") to 24.8%. The aim was to avoid violation of the investment guideline under risk-based capital (RBC) requirements, which allow an insurance company to invest in any single entity in an amount not exceeding 15% of its total assets; otherwise, the excess of such investment limit must be covered by an equal amount of capital. The disposal of 100 million shares in THREL in Q1/2015 led the Company's shareholding in THREL to decrease to 24.8%, which does not exceed the said limit, and helped to drive CAR up from 158% to 310%, which, based on the OIC's guideline, is equivalent to a credit rating of AAA. Besides, the Company commissioned, a credit rating agency, A.M. Best, to conduct a rating on the Company, and was currently awaiting the rating result.

Another top priority was to clean up the retained losses. If the shareholders grant approval for the transfer of reserve funds to compensate for the retained losses as proposed under Agenda Item 5, the Company's retained losses would then decrease to around Baht 1,400 million. The Board of Directors was confident that such losses could be wiped out completely by this year, partly from operating profit and partly from gain on disposal of 100 million shares in THREL, which would enable the Company to begin paying dividends as from next year. At the same time, the Company was committed to doing and growing its business again and would like to assure that the 2011 crisis would never recur in the

future as the Company had adopted a number of preventive measures, including prudent underwriting and purchase of protection in an adequate amount to cover losses and reduction of the high potential disaster property reinsurance to the lowest possible level. By the flood model, the maximum loss that the Company could take for flood risk reinsurance was Baht 200 million, but the Company had purchased insurance protection for as much as Baht 1,000 million. As for earthquake risk, although it had never occurred in Thailand, the Company was similarly concerned about this. Under the earthquake model, the maximum loss was Baht 600 million, whereas protection bought by the Company was as high as Baht 2,000 million. Presently, the Company's personal lines business made up the largest 90% of portfolio. With well spread of risk, there was no concentration of risk that would cause a huge loss. The Company's current and future business direction was to continuously focus on the personal lines business.

The Chairman invited shareholders who wished to ask any queries from the Board of Directors regarding this agenda.

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

- A shareholder told the meeting of the two reasons for his investment in the Company. One was that the Company had directors who were experts and good corporate governance practices. The other was that the Company had an advantage in doing business since it could acquire business from life and non-life insurance companies and, hence, did not have to conduct marketing activities by itself. As indicated in Chief Executive Officer's Letter to Shareholders published in the Annual Report 2014, the Company planned to move into more personal lines business. This led to questions as to how the Company could compete with other insurers and what strengths and weaknesses were of this new business direction. Director & CEO explained that property reinsurance normally involved a high coverage amount per policy, as well as concentration of risk, which could not be borne by the Company, judging from its existing financial standing and capacity. This could be well reflected by lesson learned from the 2011 flood event. Despite the consistent reduction of property reinsurance portfolio, from more than 60% of net premium written to only 18% in the year the massive floods erupted, such event caused losses of more than Baht 16,000 million. The property reinsurance portion continued to diminish, currently to a mere 5% of net premium written. The personal lines business was not intended for direct competition with non-life insurance companies, but was conducted on a collaborative basis, since THRE had been permitted to operate reinsurance business only and, hence, sales were to be done solely through insurance companies. Presently, there were more than 60 non-life insurance companies in Thailand, each of which had their own distribution channels. The Company was thus able to coordinate with them and rely on sales channels of all of these insurance companies. Apparently, the Company had a very large sales network. Besides the distribution channels of insurance companies, THRE had developed new sales channels to further broaden its sales network and more easily access by customers.  
Director & CEO explained further that, according to historical statistics, number of middle income earners with monthly salary of Baht 15,000 – 100,000 had grown by an average 16% per year and was forecast to increase from 10 million people in 2014 to 18-19 million in the next five years. At present, this group of people had not yet largely bought insurance and most of them had only the motor insurance product. However, it was foreseen that they would have greater demand for the more diverse personal insurance products in the future and, thus, would become a significant customer base.
- Questions were raised about what types of insurance were offered in the personal lines business and as to whether health insurance referred to health insurance provided by THREL. Director and CEO clarified that the personal lines business primarily included accident and health insurance, while motor reinsurance accounted for only about 10%. As allowed by laws, health insurance products could be offered by both life

and non-life insurance companies. The only difference was that non-life insurance companies could sell health insurance in a single policy, whereas life insurance companies must offer health insurance as part of a life master policy. THRE could provide reinsurance to these two segments: non-life insurance companies, which were THRE's customers, and life insurance companies, which were taken care of by THREL.

- Considering an increase in losses from personal accident insurance in the past year, what was the future trend of such losses? Director and CEO replied that since the Company had just expanded its personal lines business over the past three years, this portfolio accordingly remained small and the results of reinsurance were still highly volatile. It was essential to further expand such portfolio in accordance with the law of large numbers so that the reinsurance results would become more stable. This was a normal aspect of this type of business.
- Could the Company take advantage of the losses incurred in the past two to three years in terms of tax loss carry forward? EVP and Chief Financial Officer explained that such losses could be used for tax credit within five years, or until 2019. In Q4 of the past year, the Company estimated the amount of losses that could be carried forward and already recorded the unused amount, estimated at Baht 449 million, as expenses in 2014. The reason why tax figures were still shown even though there were losses from operations under the statement of income was because it was only a record of tax that could be used in the future in accordance with the accounting standards for deferred income tax, while there was no cash being paid out.
- The Rights Protection Volunteers, Thai Investors Association, raised an issue about the Company's signing of the Declaration of Intent of Private Sector Collective Action Coalition against Corruption and asked about measures to be implemented by the Company in order to accomplish this scheme and obtain a certificate from IOD. Director and CEO replied that the Company could confirm that it has operated business throughout the past 36 years without any records of corruption, and then requested EVP and Chief Financial Officer to give further details. EVP and Chief Financial Officer explained that it was notified to the previous annual general meeting that the Company had signed the Declaration of Intent of Private Sector Collective Action Coalition against Corruption or CAC through Thai General Insurance Association with aims to ensure that all insurance companies abide by the same practices. In 2014, the Company developed and fine-tuned its policies and measures to meet international standards as recommended by CAC and Stock Exchange of Thailand, as well as revised the handbooks on corporate governance and code of business ethics. It also dispatched employees to attend training courses on anti-corruption organized by IOD so that they could apply the knowledge obtained for creating operational guidelines within the organization. Action plans for 2015 were as follows:
  - Define fraud as a part of reputational risk management endeavor by Risk Management Committee and develop measures to ensure completeness and adequacy according to CAC standards.
  - Participate in the Partnership Network against Corruption for Thailand (PACT).
  - Appoint internal auditors to review compliance with relevant policies and report to Audit Committee.
  - Assign executives and staffs to attend anti-corruption training programs arranged by IOD so as to further improve the Company's act against corruption and apply for CAC membership certification, which was expected to be granted to the Company by Q1/2016.

In addition, the Company had examined name-lists of the insured and submitted a report thereon to Anti-Money Laundering Office (AMLO) on a regular basis.

- It was suggested that a performance summary report in the same format as that presented to the shareholders' meeting today should also be provided in the invitation letter for the next shareholders' meeting. Director & CEO agreed to this suggestion and would further act as recommended.
- Following the disposal of THREL shares to solve problem regarding CAR, how could the Company generate income and profit to compensate the shortfall previously earned from THREL? Director & CEO clarified that, as explained earlier, the necessity and aim for the said sale of THREL shares was not only to solve the CAR problem, but also to restore the credit rating at A. This would enable the Company to boost its revenue and profit and to transact businesses with foreign insurance companies in Thailand as usual, the segment of which involved premiums of more than Baht 1,000 million. At the same time, proceeds from the disposal of THREL shares could be used for additional investments to generate returns in an amount comparable to that gained in the form of dividend from THREL.
- Was it possible for the Company to explore any business opportunity in other ASEAN member countries? Director & CEO replied that the Company was interested in expanding business to neighboring countries insofar as it would be the same nature of business as presently conducted by the Company in Thailand, i.e. personal lines. The Company would not venture in property insurance, considering that most ASEAN countries were prone to natural disasters such as typhoon and earthquake. The Company may start off with cooperation with Thai insurance companies that had already gained a foothold in ASEAN markets. Since THRE itself was merely a compact company and unable to compete with world-class giant reinsurance firms, the Company had to focus on a niche market.
- Could the Company compare reinsurance underwriting results between property insurance and personal insurance and the degree of efforts made in order to acquire reinsurance business between these two business lines? Director & CEO explained that personal lines required much more hard-working than property reinsurance because, for personal lines reinsurance, most insurers were able to retain risk by themselves with no need for reinsurance. As such, the Company had to work closely with insurance companies on an end-to-end basis, including product innovation, distribution channel development, investment participation, and cost sharing. For property reinsurance, reinsurers simply waited for insurance companies to pass on customers to them. However, property insurance primarily involved a huge value per case and number of customers was small and not large enough to ensure a well-balanced spread of risk. Reinsurance results from property insurance accordingly remained unstable over the past years, with profits recorded in some years and losses in others. Results were somewhat unpredictable, depending on whether there were any immense losses incurred in that year. This was contrary to personal lines insurance, which involved a low insured amount per case and had a large number of customers with well-balanced spread of risk. Therefore, personal reinsurance results were more stable and more predictable. Although these two business lines yielded about the same rate of profit margin, at about 10%, profit from personal lines was much less volatile.
- In the future the profit could not grow favorably as in the early years of listed in the SET? Director & CEO replied that, as previously described, middle-class customer base had expanded sharply with stronger purchasing power and awareness of the importance of insurance protection. This would lead personal lines to grow faster than property insurance and relatively push profit growth.
- In the past year, the Company earned an operating profit, excluding flood event, of Baht 667 million. In view of this and since the Company would continue to focus on personal lines business, how long would it take for the Company to clean up the retained losses and be able to pay dividends to shareholders? Director & CEO

explained that, as already informed to the shareholders, the Company would likely be able to wipe out the retained losses by this year given that the shareholders granted approval for the transfer of reserve funds to compensate for the retained losses as proposed under Agenda Item 5.

- After reduction of shareholding in THREL, to what extent would the Company continue to play a role in THREL? The Chairman and Director & CEO jointly explained that things would remain unchanged with respect to the Board of Directors, the management team and the business direction. Presently, the Company was still the largest shareholder of THREL.
- Was it possible that the Company's shares in THREL would eventually be entirely disposed of? Director & CEO replied that, had it not been because of the flood crisis, the Company would never sell its shares in THREL since it was the Company that founded THREL some 14 – 15 years ago and had seen it prospering and operating profitably. The necessity and rationale for the sale of those shares had already been clarified to the meeting. The shares were sold only to the extent deemed necessary and sufficient for tackling the problems.
- Could the Company inform about its succession plan? Director & CEO explained that Mr. Oran Vongsuraphichet, who currently was the Company's Director, President and Chief Operating Officer, would succeed him as Chief Executive Officer.
- Was accident and health insurance categorized as miscellaneous insurance? Director & CEO replied that accident and health insurance was included in miscellaneous insurance.
- How many accident and health insurance customers did the Company have at present? What numbers were deemed adequate for the Company to meet the law of large numbers? Director & CEO clarified that the Company currently had around six to seven major customers cooperating with the Company in product development and product selling. To achieve the law of large numbers, the Company would have to continue its efforts in this business line as there was still much room in the market.
- Did the Company have any plan to buy back those shares in THREL in order to maintain its major shareholding proportion? The Chairman explained that the Company currently was still THREL's major shareholder. To repurchase the shares, the Company must at first identify as to whether there would be an impact on its CAR and whether it had adequate funds to buy back those shares as THREL shares were very expensive.

No more questions were raised or comments given.

The meeting acknowledged the Board of Directors' report of activities for the year 2014.

### Agenda 3: To approve the Financial Statements for the year ended 31 December 2014

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

The Director & CEO requested the meeting to approve the audited Financial Statements for the year ended 31 December 2014 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 Director & CEO further reported to the meeting that Director & CEO explained further that, after complete settlement of the flood claims by the Company, The auditor thus issued a clean opinion report on the financial statements for the year 2014, except for the part on the comparative figures of 2013 where a qualified opinion was given. It was therefore proposed that the shareholders' meeting consider and approve the said statement of financial position, statement of income, statement of comprehensive income, statement of changes in owners' equity, and statement of cash flows.

The Chairman invited the shareholders to inquire questions, if any.

There was no any question or other comment.

The Chairman then requested the meeting to resolve by asking if any shareholders objected or abstained. This agenda must be adopted by the majority votes of shareholders attending the meeting and casting their votes.

The meeting resolved to approve the Financial Statements for the year ended 31 December 2014 with the number of votes as follows:

Approved	2,811,493,901	equivalent to 99.80% of total shareholders present and voting
Disapproved	5,517,870	equivalent to 0.20% of total shareholders present and voting
Abstained	111,598,212	
Invalid	- None -	

**Agenda 4: To approve the omission of dividend payment for the year 2014**

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

The Director & CEO stated to the meeting that, as shown in the Financial Statements approved by the meeting in the previous agenda, the Company reported the operating losses of Baht 1,395 million and retained losses of Baht 7,940 million. As prohibited by the Public Company Act and Company's Articles of Association to pay dividend in case of the Company's had retained losses, he then requested the meeting to approve the omission of dividend payment.

The Chairman invited the shareholders to inquire any questions, if any.

There was no question or other comment from the shareholders.

The Chairman then requested the meeting to resolve by asking if any shareholders objected or abstained. This agenda must be adopted by the majority votes of shareholders attending the meeting and casting their votes.

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

Approved	2,804,098,681	equivalent to 100% of total shareholders present and voting
Disapproved	-None-	
Abstained	124,511,302	
Invalid	-None-	

**Agenda 5 : To approve the transferring of Company reserve funds as stipulated by Section 119, Public Limited Company Act B.E. 2535, amended by the Public Limited Company Act (No.2), B.E. 2544 to compensate for the accumulated losses of the Company**

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

The Director & CEO informed the meeting that pursuant to Section 119 of the amended Public Limited Company Act B.E. 2535, the Company is allowed to transfer reserve fund under section 51 ( premium on share capital) or reserve funds under section 116 (statutory reserve) or other reserve funds to offset the retained loss of the Company at which other reserve funds will be deducted first then reserve fund under section 116 and reserve fund under section 51 respectively. The retained losses and total reserve funds as at 31 December 2014 on the separate financial statements available to offset the retained losses are as follows:

Retained loss as at 31 December 2014	<u>7,940,382,855</u> Baht
<u>Reserves available to offset the retained losses</u>	
General reserve	106,000,000 Baht
Emergency reserve	44,000,000 Baht
Statutory reserve	118,776,400 Baht
Premium on share capital	<u>6,206,965,221</u> Baht
Total reserves	<u>6,475,741,621</u> Baht
Net retained loss after offsetting with reserves	<u>1,464,641,234</u> Baht

The Board of Directors believed that the normal 2015 operation profit and gain from the sale of Thaire Life shares can fully wipe out the remaining retained loss of Baht 1,464 million. The Company then requested the meeting to consider and approve the transfer of the above reserve funds Baht 6,475,741,621 to offset the retained loss.

The Chairman invited the shareholders to inquire the questions, if any.

There was no question or other comment from the shareholders.

The Chairman then requested the meeting to resolve by asking if any shareholders objected or abstained. This agenda must be adopted by the majority votes of shareholders attending the meeting and casting their votes.

The meeting considered and resolved to approve the transferring of the Company reserve fund according to section 119 of Public Limited Company Act B.E.2535, amended by the Public Limited Company Act (No.2), B.E. 2544 to compensate for the retained losses of the Company with the number of votes as follows:

Approved	2,820,750,975	equivalent to 100% of total shareholders present and voting
Disapproved	2	equivalent to 0.00% of total shareholders present and voting
Abstained	111,598,210	
Invalid	-None-	

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

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

The Director & CEO informed the meeting that as per the company's Articles of Associations prescribed that one-third of directors must be retired on every Annual General Meeting. At present, the company has 12 directors, 4 directors to be retired by rotation this year are:

1. Mr. Chai Sophonpanich Vice Chairman, Chairman of the Nominating and Remuneration Committee
2. Mr. Chanin Roonsamrarn Independent Director, Audit Committee Member
3. Mr. Sara Lamsam Director
4. Mr. Gobinath Arvind Athappan Director

This year 4 retired directors, namely, Mr.Chai Sophonpanich, Mr.Chanin Roonsamrarn, Mr. Sara Lamsam and Mr.Gobinath Arvind Athappan 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 Board then proposed 4 retired directors, namely, Mr.Chai Sophonpanich, Mr.Chanin Roonsamrarn, Mr. Sara Lamsam and Mr.Gobinath Arvind Athappan, to hold their director positions for another term.

The Director & CEO stated 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 were 3 directors, whose names were proposed, are directors or executives in the company which operate the same business and may compete with the company. Their profile already sent to shareholders for consideration with the invitation letter. Mr. Chai Sophonpanich is the shareholder and holds the position of Chairman of the Board and Chief Executive Officer of Bangkok Insurance PLC. He also is the shareholder and holds the position of director of Bangkok Life Assurance PLC. Mr. Sara Lamsam is the shareholder and holds the position of President & Chief Executive Officer of Muang Thai Life Assurance PLC. He also is the shareholder and be the director of Muang Thai Insurance PLC. Mr. Gobinath Arvind Athappan is the Chief Executive Officer of The Pacific Insurance Berhad, Malaysia and Vice Chairman of Falcon Insurance Company (Hong Kong) Limited, Hong Kong. Then he informed the meeting the way to vote in this agenda by using the blue card to vote by individual director.

The Rights Protection Volunteers, Thai Investors Association, expressed an opinion that one of the directors nominated for re-election presently held the posts of Independent Director and Audit Committee Member and had been serving as Independent Director since 1986. Although this was not against the laws or the SEC rules, it was likely that to hold the independent director position for a long period of time would make him lack independence. The Chairman replied that the shareholders had the right to convey such opinion while all other shareholders also had the right to think differently. The said nomination had been made by the Board of Directors and the shareholders had their individual right to consider and elect the directors as they think fit.

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

The meeting had the resolution to elect Mr.Chai Sophonpanich, Mr.Chanin Roonsamrarn, Mr. Sara Lamsam and Mr.Gobinath Arvind Athappan, to hold the director positions for another term with the number of votes as follows:

Mr.Chai Sophonpanich

Approved	2,699,655,633	equivalent to 97.58% of total shareholders present and voting
Disapproved	67,022,398	equivalent to 2.42% of total shareholders present and voting
Abstained	164,940,156	
Invalid	741,000	

Mr. Chanin Roonsamrarn

Approved	2,765,515,842	equivalent to 99.96% of total shareholders present and voting
Disapproved	990,002	equivalent to 0.04% of total shareholders present and voting
Abstained	165,112,343	
Invalid	741,000	

Mr. Sara Lamsam

Approved	2,698,744,253	equivalent to 97.55% of total shareholders present and voting
Disapproved	67,788,296	equivalent to 2.45% of total

		shareholders present and voting
Abstained	165,085,638	
Invalid	741,000	
<u>Mr. Gobinath Arvind Athappan</u>		
Approved	2,700,276,153	equivalent to 97.56% of total shareholders present and voting
Disapproved	67,652,398	equivalent to 2.44% of total shareholders present and voting
Abstained	163,689,636	
Invalid	741,000	

#### Agenda 7: To fix the directors' remuneration

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

The Director & CEO proposed to the meeting that to comply with Public Company Act B.E.2535 section 90 authorized the meeting to determine the remuneration of directors. The directors play an important role in setting the Company's policy and regulating its operation. The directors' and sub-committees' remunerations should be appropriate with their roles and responsibilities and also could be compared with other business similar, the company then proposed the meeting to consider and approve 2015 directors' remuneration which is unchanged from 2014 and shown in the invitation letter as follows:

	2015	2014
<u>1. Board of Directors</u>		
Monthly Retainer Fee (same as 2014)	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 2014)	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	-None-	-None-
Other benefits	-None-	-None-
<u>2. Audit Committee</u>		
Meeting Allowance (same as 2014)	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.
<u>3. Nominating and Remuneration Committee</u>		
Meeting Allowance (same as 2014)	25,000 Baht/time/person. Payable only to those attending a meeting.	25,000 Baht/time/person. Payable only to those attending a meeting.
<u>4. Investment Committee</u>		
Meeting Allowance (same as 2014)	25,000 Baht /time/person. Payable only to those attending a meeting.	25,000 Baht/time/person. Payable only to those attending a meeting.

The Chairman invited the shareholders to inquire the questions or comments, if any.

The Rights Protection Volunteers, Thai Investors Association, inquired if the Company appointed Enterprise Risk Management Committee. The Director & CEO stated that the Company has Enterprise Risk Management Committee which himself is the Chairman and managements of each department are the members. The Committee is under supervision of Audit Committee.

There was no question or any other comment.

The Chairman then requested the meeting to resolve by asking if any shareholders objected or abstained. This agenda must be approved by not less than two-thirds of shareholders attending the meeting and having the right to vote.

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

Approved	2,820,454,975	equivalent to 96.18% of total shareholders present and having right to vote
Disapproved	2	equivalent to 0.00% of total shareholders present and having right to vote
Abstained	111,904,210	equivalent to 3.82% of total shareholders present and having right to vote
Invalid	-None-	shareholders present and having right to vote

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

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

The Director & CEO informed that the Board of Directors, by recommendation of the Audit Committee, would like to reappoint EY Office Limited to be auditor of the company in the year 2015 for another one year. In this year, EY Office Limited has assigned Ms. Ratana Jala, CPA Registration no. 3734 and/or Ms. Ratchada Yongsawadvanich, CPA Registration no. 4951 and/or Ms. Somjai Kunapasut, CPA Registration no. 4499, to be auditors, who sign for certification of financial statements. All 3 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 in place of the said auditors and requested the meeting to approve auditor's remuneration of Baht 2,000,000, a decrease of 30% or Baht 850,000 from previous year.

The Director & CEO also informed the meeting that at the end of 2014 EY Office Limited decreased 2014 audit fee which was approved by the shareholder's meeting from Baht 2,850,000 to Baht 2,500,000 according to the quantity of workload after the Company completed flood loss settlement with every insurance companies.

The Chairman invited the shareholder to ask the questions or comments, if any.

No question or comment raised by the shareholders.

The meeting considered and resolved by majority the appointment of Ms. Ratana Jala, CPA Registration no. 3734 and/or Ms. Ratchada Yongsawadvanich, CPA Registration no. 4951 and/or Ms. Somjai Kunapasut, CPA Registration no. 4499 of EY Office Limited, to be auditors of the company in the year 2015 and approved audit's fee of Baht 2,000,000. In case the above mentioned auditors cannot perform their duties, EY Office Limited would provide other certified auditors of

its office to perform auditing duty and to make opinions to the Financial Statements of the Company in substitution for the said auditors with majority votes as follow:

Approved	2,820,760,975	equivalent to 100% of total shareholders present and voting
Disapproved	2	equivalent to 0.00% of total shareholders present and voting
Abstained	111,598,210	
Invalid	-None-	

#### Agenda 9: Other matters ( if any )

Following were the questions from shareholders:

- A shareholder showed admiration for the pleasant atmosphere of the meeting as the Board of Directors had fully given opportunities to shareholders to raise questions. He wished to receive dividend payment for next year which was a consequence of the Board of Directors' hard-working over the past three years, which was also commendable. He asked whether the Company had participated in the amendment of the new non-life insurance act that was under the drafting process and what were the implications of such act on the Company. EVP and Chief Financial Officer explained that the Company joined in the public hearing process implemented by the OIC and a crucial issue which could affect the insurance sector was the requirement for all insurance companies to have actuaries at the fellowship level working with them full time. It was well aware that Thailand still lacked a large number of non-life actuaries. It was believed that eventually the OIC would relax this rule for a certain period of time due to shortage of personnel and huge expenses on hiring of full-time actuaries. Such relaxation would be beneficial to the Company as it had well prepared for actuary development. Director & CEO added that five years ago the OIC issued a notification requiring that various insurance reports must be certified by an actuary, while there had not been any non-life fellow actuary available yet in the whole Thai insurance sector. After the issue of such notification by the OIC five years ago, the Company had made preparation for actuary development to serve its own need and also to provide services for other insurance companies. To achieve this, the Company set up a new subsidiary and hired about 10 bachelor's degree graduates from Chulalongkorn University to further their studies in the actuarial field. It was expected that five of them would finish their studies at the fellowship level next year, consisting of three non-life actuaries and two life actuaries.
- A shareholder asked whether the outstanding tax losses of Baht 4,416 million could be used for tax credit in the future and whether profits to be earned in the next five years were not taxable. The Chairman explained that in the past year, the Company estimated the amount of tax losses that could be used for tax credit in the next five years and already recorded the unused amount, estimated at Baht 449 million, as expenses in 2014. The remainder of more than four billion baht was expected to be used for tax credit until 2019. If this came out as estimated, profits to be earned in the next five years would not be taxable. However, if the actual profits were higher than estimated, the Company could still use the tax losses of Baht 449 million, which was already recorded as expenses, for such tax credit. On the other hand, if the actual profits were lower than the estimates, tax losses would then be additionally recorded as expenses in the future.
- How sustainable was the 5% market agreement business? Director & CEO replied that such agreement was made on a voluntary basis among insurance companies themselves. It originated since the Company's

establishment from the idea that, at the moment, Thailand maintained only a small amount of premiums locally and, hence, a Thai reinsurance company should be set up. The insurance companies mutually agreed to cede 5% of premiums on every policy to the said reinsurance company. Apart from the greater amount of premiums being kept in the country, the data could be used for preparing market statistics. Once the Company had received the reinsurance premiums, it would pass a part of the retrocession premium back to each member. Such agreement could be canceled at any time. The Company had prepared to cope with this for a long period of time. From the beginning of his career with the Company, Director & CEO had tried to seek ways to reduce the Company's reliance on such 5% market agreement business and enable the Company to depend on its own capability so that any cancellation of the market agreement would not affect the Company's revenues. The Company had developed other business lines to replace this business and tried to increase the percentage of retrocession premium to be passed back to each member. It was not until 2011 that the 5% market agreement business, which had been profitable, incurred a substantial loss due to the flood event. All members were unavoidably impacted and had gradually canceled their agreements. The number of members decreased from more than 50 companies before the flood crisis to only about 12-13 small companies and was expected to drop further and finally become zero.

- What types of services business were offered by the Company and what was their future growth prospect? Director & CEO explained that the Company provided services relating to insurance business in which it had profound understanding, consisting of two main businesses, i.e. motor insurance claim management and third party administration. Both of them had grown and generated a favorable profit margin. In addition, the Company had a subsidiary offering actuarial and training services. For future prospect, these businesses were expected to continue growing at a rate not lower than 10% – 15% per year. The Company was deciding as to whether to expand the services business to ASEAN markets.
- Were insurance company mergers likely to happen in the future and, if so, how would they affect THRE? Director & CEO personally believed, based on Thai behaviors and culture, that mergers among Thai insurance companies were less likely to occur. As such, the Company would have business opportunity to provide reinsurance to small insurance companies that had inadequate capital funds and were unable to increase their capital.

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 commended the shareholders for their profound knowledge and understanding of the business in which they had invested although they had no skills in insurance. The Chairman also expressed gratitude for their continued support over the past three to four years during which the Company encountered a crisis. From now on it would be an opportunity for the Company to expand its business and generate shareholder return. He then declared the Annual General Meeting of Shareholders No. 22 closed.

Meeting was closed at 12.15 hrs.

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- Signed-

(Mr. Suchin Wanglee)

Chairman of the Board of Directors

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-Signed-

(Mr. Surachai Sirivallop)  
Director and Chief Executive Officer