

Thai Reinsurance Public Company Limited
Minutes of Extraordinary General Meeting of Shareholders

No. 1/2014

4 August 2014

At Victor Club, 8th Floor, Park Ventures Ecoplex
57 Wireless Road, Lumpini, Pratumwan, Bangkok

Meeting begins at 10.00 hours.

Names of attending directors:

- | | | |
|-----|----------------------------|---|
| 1. | Mr. Suchin Wanglee | Chairman of the Board of Directors, Independent Director, Member of the Investment Committee |
| 2. | Mr. Chai Sophonpanich | Vice Chairman, Chairman of the Nominating and Remuneration Committee, Member of the Investment Committee. |
| 3. | Mr. 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. | Ms. Potjaneer Thanavaranit | Independent Director, Member of the Audit Committee |
| 8. | Mr. Sara Lamsam | Director |
| 9. | Mr. Surachai Sirivallop | Director and Chief Executive Officer |
| 10. | Mr. Oran Vongsuraphichet | Director, President & Chief Operating Officer |

Names of attending company executives:

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

Names of attending auditor: EY Office Limited

- | | | |
|----|-------------------------|----------------|
| 1. | Ms. Ratana Jala | Partner |
| 2. | Ms. Narissara Chaisuwan | Senior Manager |

2. Ms. Nilnate Laopatarakasem Senior Assistant Auditor

Names of attending financial advisor: Bualuang Securities PCL.

1. Mr. Vararatana Jutimitta Deputy Managing Director, Investment Banking Group
2. Mr. Teerapat Kasempunkul First Vice President, Investment Banking Group
3. Mr. Issara Wanglee Vice President, Investment Bangkok Group
4. Ms. Warangnut Wathayaporn Associate, Investment Bangkok Group

Name of attending independent financial advisor: Discover Management Co., Ltd.

1. Mr. Vuthichai Tumasaroj Team Lead : Investment banking

Name of attending legal advisor: The Capital Law Office Limited

1. Mr. Paradon Leosakul Partner

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 108 shareholders and 100 proxy holders, totaling 208 shareholders and holding total of 2,172,606,512 shares, equivalent to 61.85% 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 Extraordinary General Meeting of Shareholder No. 1/2014. Before proceeding with the matters on the meeting agenda, the Chairman introduced to the meeting the Board of Directors, the management, the auditors, the financial advisors, the independent financial advisor and the legal advisor who attended the meeting. The Chairman then assigned the legal advisor to explain to the meeting about voting procedures.

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

- Pursuant to the Company's Articles of Association regarding vote casting, a shareholder shall have a number of votes equal to the number of shares he or she holds, with one share for one vote.
- On each agenda item, a shareholder may cast vote of either "approval," "disapproval" or "abstention" only and no split voting is allowed. To facilitate the casting of votes, the barcode system shall be used for registration and vote count. The shareholders shall be given, upon the registration, a yellow voting ballot. The Company shall collect the ballots from only the shareholders and proxies who vote "disapproval" or "abstention" on each agenda item. The shareholders and proxies who disapprove or abstain from voting on any agenda item shall indicate their voting on such agenda item in the ballots and sign therein, and shall then raise their hand in order for the staff to collect the ballots. Those who vote "approval" shall not have to submit their ballots.
- In case of proxies with votes already indicated in the proxy forms, they shall not be distributed the ballots. The Company shall count votes according to the votes indicated in the proxy forms

delivered. In the case where the votes are indicated for only some agenda items or the proxies are authorized to cast votes on behalf of the proxy grantors, the proxies shall then be provided with the ballots for voting on any such agenda item.

- A ballot shall be deemed invalid if
 1. More than one box is marked;
 2. Voting is split (except for custodians);
 3. The ballot bears no signature of voter;
 4. The ballot is crossed out.

The invalid ballots will be counted as part of total voting results in each agenda.

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

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

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

Agenda 1: To consider and adopt the Minutes of the Annual General Meeting of Shareholders No. 21 dated April 25, 2014

The Chairman requested the meeting to consider for approval of the Minutes of Annual General Meeting No. 21 held on 25 April 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 and this agenda must be adopted by majority votes of the shareholders attending the meeting and casting their votes.

The meeting considered and resolved to approve the Minutes of Annual General Meeting No. 21 held on 25 April 2014 with following votes:

Approval	2,186,019,380	equivalent to 99.93% of shareholders attending and having right to vote
Disapproval	1,452,466	equivalent to 0.07% of shareholders attending and having right to vote
Abstention	- None -	
Invalid	- None -	equivalent to 0.00% of shareholders attending and having right to vote

Agenda 2: To consider and approve the amendment of Clause 10 of the Articles of Association of the Company

The Chairman assigned the Company Secretary to present to the meeting.

The Company Secretary reported to the meeting that in order to be in line with the fact that the Office of Insurance Commission (“OIC”) has approved the increase of the foreign shareholding limit of the Company to be more than 49 percent of the total voting and issued shares pursuant to the letter of OIC No. 4220/2385 dated August 15, 2013. Therefore, the Board of Directors proposed the meeting to approve the amendment of Clause 10 of the Articles of Association of the Company by replacing with the following wordings:

Original

“Clause 10 Any share of the Company can be transferred without restriction, except:

- (1) a transfer of shares deprives the Company of the rights and benefits which the Company may obtain under the law governing conditions and details in respect of the restriction of transfer of shares; or
- (2) a transfer of shares results in the Company’s foreign shareholding proportion exceeding 49 percent.”

Amending to:

“Clause 10 Shares of the Company can be freely transferred.”

In addition, the person(s) who are authorized by the Board of Directors for registration the amendment of Articles of Association with the Department of Business Development, the Ministry of Commerce, empower to amend or add words in the manner as directed by the Registrar.

The Chairman inquired if any shareholder has any question or opinion in this agenda.

The shareholder raised questions and expressed opinions as follows:

- Would the lifting of foreign ownership limit have any impact on the Company in the long term? The shareholder deemed it appropriate to continue the restriction on foreign shareholding. Once such foreign shareholding limit had been lifted, would it be possible to impose the said restriction again in the future? The Chairman and the Director and Chief Executive Officer jointly explained as follows:
 1. The expansion of foreign shareholding could ensure flexibility in fund raising in the long run. Apparently, in our fund mobilization to cope with losses incurred from the great flood incidents, funds raised from domestic sources alone were inadequate since there were only a small number of local investors who understood and were interested in insurance business.
 2. Trade liberalization under regulations of AEC and WTO to be taking place in the next five years would heighten competition in this business. A joint venture with foreign strategic partner could help to enhance our potential and readiness for competition and lead to a transfer of knowledge at an international level. Currently, the Company’s actuaries were undergoing training at Fairfax office in Canada.

3. Despite the amendment to the Articles of Association to allow for foreign shareholding in the Company without restriction, Fairfax, as the major shareholder, had no intention to take over the Company's business. All parties still agreed that it would be more beneficial to maintain the Company's existing status.
4. We had to admit the fact that the Company already collapsed in the aftermath of the flood crisis and that its ability to survive today was bolstered by its past performance under Thai management team. Fairfax was not a new shareholder, but had been a long-time investor and had rendered assistance to the Company during the most difficult time, yet without knowing by then how the flood incidents would end. The Company was currently at the final stage of remedies to the flood crisis. Without the help from Fairfax in the liability transfer, the resolution of the flood crisis would not be possible. Thus, it can be said that the dedication by Fairfax to the Company was more than or beyond what we could expect from shareholders in general.
5. The permission for more than 49% foreign ownership in the Company as per OIC's letter was valid for 10 years.

The Chairman then requested the meeting to resolve and asked if any shareholders disapproved or abstained. The resolution in this agenda shall be approved by not less than three-fourths of the total number of votes of the shareholders attending the meeting and having right to vote.

The meeting considered and resolved in all respects to approve the amendment of Clause 10 of the Articles of Association of the Company with the following votes:

Approval	2,187,601,020	equivalent to 99.93% of shareholders attending and having right to vote
Disapproval	1,452,466	equivalent to 0.07% of shareholders attending and having right to vote
Abstention	-None -	equivalent to 0.00% of shareholders attending and having right to vote
Invalid	- None -	equivalent to 0.00% of shareholders attending and having right to vote

Before proceeding with Agenda No. 3, the Chairman informed the meeting that Agenda No. 3 through No. 8 concerned with an increase of the Company's registered capital and were related to each other. As such, the consideration and approval of these agenda items would be contingent upon each other. If any of the said agenda items was disapproved, it shall be deemed that all other approved agenda items were cancelled and no further consideration shall be made on the following agenda items. It shall also be deemed that the capital increase was not approved by the shareholders' meeting. Since a solution to the flood losses had been reached, the Director and

Chief Executive Officer was asked to report a summary of previous events to the meeting to ensure all parties has the same understanding of the situation before beginning the consideration of Agenda No. 3 to No. 8.

The Director and Chief Executive Officer reported that the 2011 flood crisis created losses to more than 90,000 insureds, involving total claims worth more than Baht 430,000 million. The Company ("THRE") received initial claim reports from 55 insurance companies reinsured with us, with total losses of approximately Baht 38,100 million, of which Baht 24,582 million was the Company's portion. After those insurance companies had evaluated and identified the true value of their losses, the total loss figures decreased continuously. In December 2013, two years after the late-2011 flooding, the losses notified by those insurance companies reduced by about Baht 3,400 million to Baht 34,700 million and the Company's portion decreased by about Baht 1,600 million to Baht 22,998 million. At the beginning of 2014, the loss figures had mostly become more certain, thus enabling the Company to more exactly determine the loss figures with all insurance companies. The Company could make a good progress in its negotiations with all of such insurance companies and could come up with the definite loss figures with 54 insurance companies. The remaining one company was in the final process of negotiation, which was expected to be finished anytime soon. Therefore, the Company could estimate the total final loss figures to likely drop to Baht 31,450 million, with the Company's portion decreasing from the initial figures by Baht 4,215 million or 17% to Baht 20,367 million. Out of such Baht 20,367 million, Baht 12,266 million was losses claimed by three Japanese companies with which negotiations took a long period of time. Two of them could reach a conclusion on the final loss figures of Baht 5,879 million and agreed to allow the Company to pay for such claims by installments within five years, free of interest. A transfer of such liability would be proposed for the meeting's consideration under Agenda No. 7. The rest, Baht 6,387 million, was claimed by the remaining one Japanese company, whose final loss figures had been reached, but had yet to be approved by its board of directors, which was expected anytime soon. After receiving confirmation from such last insurance company, the Company could be deemed to have completely negotiated and agreed on the total flood losses with all insurance companies in the final amount of 20,367 million baht. Of such total amount payable by the Company, Baht 5,211 million would be recovered from its excess of loss reinsurers, resulting in a net loss of Baht 15,156 million. The next step was for the Company to manage such claim payment and see whether there were enough funds available for the payment. As you may all know, the Company was short of about Baht 2,200 million and, thus, had to increase its capital. This was the reason why all shareholders were invited to this meeting. Once the capital increase was accomplished, the Company would have sufficient funds to pay for the flood claims to all insurance companies as agreed and then the flood loss problem that had been prolonged for almost three years since 2011 would be resolved.

The Chairman added that the massive floods caused non-life insurance companies to pay more than Baht 400,000 million in flood claims. Despite that, Thai insurance companies remained capable of riding out the crisis and none of them became bankrupt. Although some companies such as THRE had to increase the capital in order to solve the problem, they could cope well with the crisis. An approval of the capital increase and the liability transfer by the shareholders today would mark an end to the said critical incident. From now, we would be looking ahead and manage the business in order to restore the Company's strength and prosperity and generate return for the

shareholders in the future. The meeting was then requested to proceed with the consideration of the rest agenda items.

Agenda 3: To consider and approve the increase of the registered capital of the Company by Baht 702,498,972, from the existing registered capital of Baht 3,512,494,860 to Baht 4,214,993,832, by issuing 702,498,972 new ordinary shares with a par value of Baht 1 per share

The Chairman assigned the Company Secretary to present to the meeting.

The Company Secretary reported that the great flood incident in 2011 has caused severe effect to the insurance companies. The Company, as the only reinsurance company in Thailand, is greatly affected from the claim made by the insurance companies. Therefore, The Office of Insurance Commission (OIC), insurance business regulator, recognized the impact to Company business and had individually approved the extending of the waiver of the rule applicable to the Company to March 31, 2015. As a result, on March 31, 2014, the Company has Capital Adequacy Ratio ("CAR Ratio") after the waiver at the rate of 205.67 percent.

However, in the event that the Company does not obtain the waiver from OIC, the CAR Ratio of the Company will equal to 54.41 percent which lower than the CAR Ratio prescribed by the OIC regulation which required the Company to have the CAR Ratio at the rate of not less than 140 percent. Thus, in order to lawfully maintain the CAR Ratio and improve the financial status of the Company which will lead to the effective business operation in the future, the Board of Directors' Meeting no. 3/2014 dated June 26, 2014 approved the transfer of the liability under the reinsurance agreement with 2 insurance companies to TIG Insurance (Barbados) Limited ("TIG") with the consideration of not exceeding Baht 1,100 million. In addition, the transfer of liability mentioned above is considered as the Connected Transaction which will propose to shareholders' meeting to consider and approve in the agenda 7. Moreover, after the transfer of liability mentioned above, the CAR Ratio of the Company will reach the level required by the applicable laws.

Therefore, in order to partially fund the transfer of liability under the Insurance Agreement as mentioned above and sufficiently increase the Shareholders' equity and the CAR Ratio, according to the requirement on maintenance of Risk Based Capital ("RBC"), for the business operation, then the Company proposed to the meeting to consider and approve the increase of the registered capital of the Company by Baht 702,498,972, from the existing registered capital of the Company of Baht 3,512,494,860 to Baht 4,214,993,832, by issuing 702,498,972 new ordinary shares with a par value of Baht 1 per share. Details concerning the increase of the registered capital of the Company are appeared in Enclosure 2.

The increase of registered capital and the transfer of liability mentioned above are parts of the plan to improve the Company's CAR Ratio, according to the requirement on maintenance of the Risk Base Capital (RBC). However, after the increase of registered capital and the transfer of liability, the CAR Ratio of the Company (calculated by using the ordinary basis without the waiver from OIC) will be approximately equal to 73.34 percent which lower than the OIC's requirement that required the Company to have the CAR Ratio at the rate of not less than 140 percent. In addition, other than the increase of registered capital and the transfer of liability, the Company is

proceeding to manage the claims made by the insurance company as the normal business operations. The Company expects that in March 31, 2015 the Company's CAR Ratio will reach the level as required by OIC.

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

The shareholders asked the following questions:

- What was the approach to improve of the Company's CAR to meet OIC's requirement of 140%? The Executive Vice President explained that after all measures such as capital increase, liability transfer and claim payment to the last Japanese insurance company were accomplished, the CAR would be in line with OIC's minimum requirement of 140%.
- What was the Company's CAR target? The Director and Chief Executive Officer replied that after the flood crisis, the Company tried to shore up its CAR at the 200% level and to further reach the target of 300%, which, based on OIC's criteria, was equivalent to a credit rating of AAA. However, it may take a certain period of time to meet such CAR target.

The Chairman then requested the meeting to resolve and asked if any shareholders disapproved or abstained. The resolution in this agenda shall be approved by not less than three-fourths of the total number of votes of shareholders attending the meeting and having right to vote.

The meeting considered and resolved to approve the increase of the registered capital of the Company by Baht 702,498,972, from the existing registered capital of Baht 3,512,494,860 to Baht 4,214,993,832, by issuing 702,498,972 new ordinary shares with a par value of Baht 1 per share with the following votes:

Approval	2,179,255,229	equivalent to 99.34% of shareholders attending and having right to vote
Disapproval	1,452,466	equivalent to 0.07% of shareholders attending and having right to vote
Abstention	12,913,090	equivalent to 0.59% of shareholders attending and having right to vote
Invalid	- None -	equivalent to 0.00% of shareholders attending and having right to vote

Agenda 4: To consider and approve the amendment of Clause 4 of Memorandum of Association to be in line with the increase of the Company's registered capital

The Chairman assigned the Company Secretary to present to the meeting.

The Company Secretary informed the meeting that in order to be in line with the increase of the Company's registered capital from the existing registered capital of Baht 3,512,494,860 to Baht 4,214,993,832, by issuing 702,498,972 new ordinary shares with a par value of Baht 1 per share as approved by the meeting in agenda 3, the Company then proposed to the meeting to consider and approve the amendment of Clause 4 of the Company's Memorandum of Association, by replacing with the following wordings:

“Clause 4 Registered capital	Baht 4,214,993,832	(Forty billion two hundred fourteen million nine hundred ninety three thousand eight hundred thirty two Baht)
Divided to	4,214,993,832 shares	(Forty billion two hundred fourteen million nine hundred ninety three thousand eight hundred thirty two shares)
Par value per share	Baht 1	(One Baht)
Divided into		
Ordinary shares	4,214,993,832 shares	(Forty billion two hundred fourteen million nine hundred ninety three thousand eight hundred thirty two shares)
Preferred shares	-	(-)”

In addition, the person(s) authorized by the Board of Directors for registration the amendment of Memorandum of Association with the Department of Business Development, the Ministry of Commerce, empower to amend or add words in the manner as directed by the Registrar.

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

There was no any question or other opinion.

The Chairman then requested the meeting to resolve and asked if any shareholders disapproved or abstained. The resolution in this agenda shall be approved by not less than three-fourths of the total number of votes of the shareholders attending the meeting and having right to vote.

The meeting considered and resolved in all respects to approve the amendment of Clause 4 of Memorandum of Association to be in line with the increase of the Company’s registered capital with the following votes:

Approval	2,185,073,029	equivalent to 99.25% of shareholders attending and having right to vote
Disapproval	3,634,966	equivalent to 0.16% of shareholders attending and having right to vote
Abstention	12,913,090	equivalent to 0.59% of shareholders attending and having right to vote
Invalid	- None -	equivalent to 0.00% of shareholders attending

and having right to vote

Agenda 5: To consider and approve the allocation of the Company's newly issued ordinary shares

The Chairman proposed to the meeting to consider and approve the allocation of the Company's newly issued ordinary shares into 2 parts; that is Agenda 5.1 allocation to the existing shareholders of the Company (Right Offering) and Agenda 5.2 allocation to specific shareholder (Private Placement).

Agenda 5.1 : To consider and approve the allocation of up to 351,249,486 newly issued ordinary shares of the Company with the par value of Baht 1 per share to the existing shareholders of the Company pro rata to their shareholdings (Right Offering)

The Chairman assigned the Company Secretary to present to the meeting.

The Company Secretary reported to the meeting that Company's Board of Directors would like to propose to allocate up to 351,249,486 newly issued ordinary shares of the Company with the par value of Baht 1 per share to the existing shareholders of the Company pro rata to their shareholdings (Right Offering), in the ratio of 10 existing shares for 1 new share (any remainder shall be disregarded), at the offering price of Baht 3.00 per share. In the case where there are shares unsubscribed from the first round allocation, the Company will re-allocate those unsubscribed shares to the shareholder who wishes to over subscribe the shares exceeding their right in accordance with their shareholding ratio until all shares are fully subscribed or until none of the shareholders wishes to over subscribe for those unsubscribed shares.

The date for determining the names of shareholders who shall be entitled to subscribe and be allocated the newly issued ordinary shares is on August 13, 2014 and the date for gathering the names of shareholders under Section 225 of the Securities and Exchange Act B.E. 2535 (as amended) by closing the share register book and suspending the share transfer is on August 14, 2014.

In the case where there are shares unsubscribed from the allocation to the existing shareholders of the Company as mentioned in this agenda 5.1, the Company will re-allocate those unsubscribed shares to specific shareholder (Private Placement) as mentioned in agenda 5.2.

Therefore, the Company proposed to the meeting to consider and approve the allocation of up to 351,249,486 newly issued ordinary shares of the Company with the par value of Baht 1 per share to the existing shareholders of the Company pro rata to their shareholdings (Right Offering), in the ratio of 10 existing shares for 1 new share (any remainder shall be disregarded), at the offering price of Baht 3.00 per share and empower the Chairman and Chief Executive Officer to consider and determine other details with regard to the allocation of such newly issued ordinary shares including:

(1) number of allocations of the newly issued ordinary shares, whether single or sequential allocation, period of the offering, payment of share subscription price, other conditions and details in connection with the allocation of such newly issued ordinary shares;

(2) entering into negotiation, agreement and execution of relevant documents and agreements, as well as taking any actions in connection with the allocation of such newly issued ordinary shares; and

(3) execution of applications for permission and waiver, and necessary evidence in connection with the allocation of such newly issued ordinary shares, including the arrangement and submission of applications for such permission or waiver, documents and evidence to the relevant authorities or agencies, listing of such newly issued ordinary shares on the SET and being empowered to take any other action which is required and appropriate for the allocation of such newly issued ordinary shares.

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

There was no any question or other opinion.

The Chairman then requested the meeting to resolve and asked if any shareholders disapproved or abstained. The resolution in this agenda shall be approved by majority votes of the shareholders attending the meeting and casting their votes.

The meeting considered and approved the allocation of up to 351,249,486 newly issued ordinary shares of the Company with the par value of Baht 1 per share to the existing shareholders of the Company pro rata to their shareholdings (Right Offering) with the following votes:

Approval	2,187,388,629	votes equivalent to 99.93% of total attending shareholders and have right to vote
Disapproval	1,452,466	votes equivalent to 0.07% of total attending shareholders and have right to vote
Abstention	12,913,090	
Invalid	-None-	votes equivalent to 0.00% of total attending shareholders and have right to vote

Agenda 5.2 : To consider and approve the allocation of up to 351,249,486 newly issued ordinary shares of the Company the par value of Baht 1 per share to HWIC Asia Fund

The Chairman assigned the Company Secretary to present to the meeting.

The Company Secretary reported to the meeting that Board of Directors proposed to allocate up to 351,249,486 newly issued ordinary shares of the Company with the par value of Baht 1 per share to HWIC Asia Fund, at the offering price of Baht 3.00 per share (Private Placement). However, the allocation of new shares under this agenda is the offering of shares with the offering price less than 90 percent of the Market Price which will

propose to the shareholders' meeting to consider and approve in agenda 6. "Market Price" means the weighted average of the Company's share price trading on the SET, fifteen consecutive business days prior to the date on which the Board of Directors has the resolution, equaling to Baht 3.45 per share.

In addition, this allocation of new shares under this agenda is considered as the Connected Transaction which will propose to the shareholders' meeting to consider and approve in agenda 7.

The Board of Directors deemed appropriate to propose to the meeting to consider and approve the allocation of up to 351,249,486 newly issued ordinary shares of the Company with the par value of Baht 1 per share to HWIC Asia Fund, at the offering price of Baht 3.00 per share and empower the Chairman and Chief Executive Officer to consider and determine other details with regard to the allocation of such newly issued ordinary shares including but not limit to

(1) number of allocations of the newly issued ordinary shares, whether single or sequential allocation, period of the offering, payment of share subscription price, other conditions and details in connection with the allocation of such newly issued ordinary shares; and

(2) entering into negotiation, agreement and execution of relevant documents and agreements, as well as taking any actions in connection with the allocation of such newly issued ordinary shares; and

(3) execution of applications for permission and waiver, and necessary evidence in connection with the allocation of such newly issued ordinary shares, including the arrangement and submission of applications for such permission or waiver, documents and evidence to the relevant authorities or agencies, listing of such newly issued ordinary shares on the SET and being empowered to take any other action which is required and appropriate for the allocation of such newly issued ordinary shares.

The Chairman inquired the meeting whether there would be any shareholder inquiring or stating otherwise opinion or not.

Following were the questions raised by the shareholders:

- In case there are shares unsubscribed from the allocation to the existing shareholders as mentioned, the Company will re-allocate those unsubscribed shares to specific shareholder (Private Placement). Will it be re-allocated to other shareholder besides Fairfax? The Chairman explained that to be sure that the capital increase completing in time frame and fully receive the increased capital, the allocation shares in the private placement in agenda 5.2 and unsubscribed shares from right-offering in 5.1 will be offered to Fairfax only.
- Why does the Company not allocate all capital increased shares to existing shareholders first and then allocate to Private Placement for unsubscribed shares? The Director and Chief Executive Officer explained that this capital increase is not normal circumstance but to solve Company's critical situation within a limited time frame. The Chairman and Director and Chief Executive Officer met with Fairfax's Chairman asking for 2 supports; that were liability transfer which was not normal business practice, and capital increase. Both issues got well supported and all parties agreed to solve flood claim problem at

once. Fairfax was pleased to be the transferee of liability and buy all Private Placement and unsubscribed right-offering shares to make sure that the capital increase would be successful and fully subscribed.

The Chairman then requested the meeting to resolve and asked if any shareholders disapproved or abstained. The resolution in this agenda shall be approved by majority votes of the shareholders attending the meeting and casting their votes excluding the votes of interested shareholders, namely HWIC Asia Fund and its related person(s).

The meeting considered and resolved to approve the allocation of up to 351,249,486 newly issued ordinary shares of the company at the par value of Baht 1 per share to HWIC Asia Fund with the following votes:

Approval	1,396,013,131	equivalent to 99.90% of shareholders attending and having right to vote
Disapproval	1,452,466	equivalent to 0.10% of shareholders attending and having right to vote
Abstention	12,938,590	
Invalid	- None -	equivalent to 0.00% of shareholders attending and having right to vote

Agenda 6: To consider and approve the issuance and offering of the newly issued ordinary shares of the Company at the offering price that lower than 90 percent of the Market Price

The Chairman assigned the Company Secretary to propose to the meeting.

The Company Secretary reported that as the Company will issuing new ordinary shares to HWIC Asia Fund at the offering price of Baht 3.00 per share as mentioned in agenda 5.2 which is the offering of share with the offering price lower than 90 percent of the Market Price, as a result the Company has to request for the approval from the shareholders' meeting to issue and offer newly issued ordinary shares of the company to HWIC Asia Fund at the offering price that lower than 90 percent of the Market Price as detailed in agenda 5.2. Details concerning the issuing of newly issued ordinary shares as Private Placement are appeared in Enclosure 3. "Market Price" means the weighted average of the Company's share price trading on the SET, fifteen consecutive business days prior to the date on which the Board of Directors has the resolution, equaling to Baht 3.45 per share.

The offering of newly issued ordinary shares of the Company as stated in agenda 5.2 at the offering price that lower than 90 percent of the Market Price will have the impacts on the shareholders in terms of Price Dilution at 2.17% and Control Dilution at 16.67% as per the calculation in Page 9 of the invitation letter..

The allocation of new ordinary shares of the Company as mentioned in agenda 5.2 at the offering price that lower than 90 percent of the Market Price is reasonable and necessary as detailed in Enclosure 3. The Company deems appropriate to propose to the meeting to consider and approve the issuance and offering of the newly issued ordinary shares of the Company at the offering price that lower than 90 percent of the Market Price.

The Chairman inquired the meeting whether there would be any shareholder inquiring or stating otherwise opinion or not.

There was no enquiry or other opinion.

The Chairman then requested the meeting to resolve and asked if any shareholders disapproved or abstained. The resolution in this agenda shall be approved by not less than three-fourths of the total number of votes of the shareholders attending the meeting and having right to vote, excluding the votes of interested shareholder namely HWIC Asia Fund and its related person (s) and there must not be an aggregate of 10% of total vote of shareholders attending the meeting vote opposition.

The meeting considered and resolved in all respects to approve the issuance and offering of the newly issued ordinary shares of the Company at the offering price that lower than 90 percent of the Market Price with the following votes :

Approval	1,396,161,631	equivalent to 98.98% of shareholders attending and having right to vote
Disapproval	1,452,466	equivalent to 0.10% of shareholders attending and having right to vote
Abstention	12,938,590	equivalent to 0.92% of shareholders attending and having right to vote
Invalid	- None -	equivalent to 0.00% of shareholders attending and having right to vote

Agenda 7: To consider and approve the connected transactions between the Company and the major shareholders

The Chairman assigned the Executive Vice President and Company Secretary to propose to the meeting.

The Executive Vice President reported to the meeting the summary of transferring the liability to TIG, as prior explained by Director & CEO before agenda 3 that transferring of liability in this agenda were the final agreed amount of loss at Baht 5,879 million claimed by 2 Japanese companies. The said loss amount was also agreed to pay by installments in 5 years without interest. The sum of Baht 2,586 million already paid and the remaining balance is Baht 3,293 million which has not yet been fully recorded in Company's book. So the transfer of liability under the Insurance Agreements to TIG will consist of 2 parts; that is to transfer the recorded claims of Baht 2,141 million and unrecorded claims of Baht 1,152 million.

The Company Secretary then reported to the meeting that as the Company will enter into the following transactions: (a) the allocation of newly issued ordinary shares to HWIC Asia Fund as mentioned in agenda 5.2 ("Transaction 1") and; (b) the transfer of liability under the Insurance Agreements to TIG with the consideration of not exceeding Baht 1,100 million as mentioned in agenda 3 ("Transaction 2"), the Transaction 1 and Transaction 2 are considered as connected transactions between the Company and major shareholders under notifications on Connected Transactions.

Transaction 1 is considered as the connected transaction since HWIC Asia Fund is a major shareholder of the Company, holding 791,349,998 ordinary shares (equal to 22.53 percent of total issued shares of the Company). The Transaction 2 is considered as the connected transaction since TIG and HWIC Asia Fund, which is the major shareholder of the Company, are the company and the fund in a group of Fairfax Financial Holdings Limited. In addition, the purpose of these transactions is mainly to solve the claim liability with the two insurance companies (total claim amount to the Company at Baht 9,209.09 million). The Company had negotiated with these companies from year 2011 until the Company, finally, has Fairfax Financial Holdings Limited ("Fairfax") which is the major shareholder of the Company to participate with the Company in the negotiation with the two insurance companies and finally reach the conclusion which is the reason of these transactions. Detail of the liabilities transfer can be summarized as follows:

- Loss reserve and outstanding claims already recorded in the Company's book, as of June 16, 2014, amounts to approximately Baht 3,048.38 million
- Unrecognized claims not yet recorded in the Company's book of approximately Baht 2,136.99 million (not yet recorded as it is in the negotiation process and/or pending for the completion of certain conditions) results from the difference between the claims from these 2 insurance companies of approximately Baht 9,209.09 million (excluding other expenses in relation to the claims) and the claims before reinsurance that the Company already recorded of Baht 7,072.10 million.

The transaction with TIG will help the Company to be able to transfer liabilities under its book and unrecognized claims to TIG, a company under group of Fairfax with details as follows:

1) To transfer of loss reserve and outstanding claims already recorded in the Company's book of Baht 3,048.38 million (based on management financial statement as of June 16, 2014). The Company has reinsurance assets relevant to this liability of approximately Baht 906.95 million resulting the net loss reserve and outstanding claims of the Company equals to Baht 2,141.43 million. The Company will transfer these Baht 2,141.43 million liabilities to TIG in which TIG will be responsible to make payment to the 2 insurance companies. However, these 2 insurance companies has obligations to indemnify the Company under retrocession agreement of Baht 305.51 million (the Company entered into retrocession agreement with these 2 insurance companies) so when the Company will transfer the liabilities to TIG, the Company will make payment to TIG for the transfer of liabilities at the net amount of Baht 1,835.92 million; and

2) To transfer of unrecognized claims in relation to these 2 insurance companies not yet recorded under the Company's book of approximately Baht 2,136.99 million (the Company has relevant reinsurance assets of Baht 912.46 million) making the net claims of approximately Baht 1,224.53 million. So when the Company will transfer such claims of Baht 1,224.53 million to TIG in which TIG will make payment to these 2 insurance companies, provided that Fairfax will act as guarantor, the Company will also pay cash as a fee to TIG in the amount of not exceeding Baht 1,100 million. However, the Company has verified and jointly negotiated with such 2 insurance companies which result in the decrease of the unrecognized claims of the Company from Baht 1,224.53 million to Baht 1,151.76 million and the fee payable to TIG from Baht 1,100 million to Baht 1,024 million. As a result, the Company will benefit from the transactions in amount of approximately Baht 127.76 million which is from the

decrease of claim amount. The aggregate size of Transaction 1 and Transaction 2 is equal to 169.16 percent of the Company's net tangible assets, which is higher than 3 percent of the net tangible assets of the Company (calculated by using the consolidated financial statements of the Company as of March 31, 2014). Details connected transactions concerning the Transaction 1 and Transaction 2 are appeared in Enclosure 4 and Enclosure 5.

As a result, the Company has a duty to disclose information of the transactions to the SET and take the following actions:

(a) To obtain approval from the meeting of the shareholders of the Company with a vote of not less than three-fourths of all the votes of the shareholders attending the meeting and having the right to vote, excluding the votes of shareholders having a conflict of interest, namely HWIC Asia Fund;

(b) To appoint an independent financial advisor in order to perform relevant duties and give opinions as stipulated in the notification relating to the connected transactions. In this regard, the Company appointed Discover Management Company Limited as independent financial advisor to perform the duties as mentioned above. Details of the opinion of the independent financial advisor concerning the connected transactions are appeared in Enclosure 6.

The Company is also under negotiation with 2 insurance companies for final agreement. So it deems appropriate for the meeting to consider and approve the empower to the Chairman and Chief Executive Officer to enter into negotiation, agreement and execution of relevant documents / agreements and empower to process any necessary and appropriate action for this transaction for Company's most benefit.

From the above, the Board would propose to the meeting to consider and approve the connected transaction between the Company and major shareholder.

The Chairman assigned the Director and Chief Executive Officer to summarize the benefit to the Company for the above transaction. Director and Chief Executive Officer reported the benefit to the meeting as follows:

1. Under the RBC framework, these flood claim liabilities are subject to risk charges. The transfer of liabilities will relieve the Company of the burden to raise a huge amount of funds of over Baht 3 billion to be maintained as reserves for such flood loss.
2. The Company can save Baht 124 million for transfer of liability.

The Chairman inquired the meeting whether there would be any shareholder inquiring or stating otherwise opinion or not.

A shareholder inquired whether the shareholder meeting would be convened for approval if the negotiation with the last insurance company already concluded. The Director and Chief Executive Officer informed that shareholder meeting will not be convened since the negotiation already concluded. We are just waiting for the Japanese company to propose the figures to its board of directors for approval which expect to have their reply very soon. This capital increase is already prepared for the additional loss from this company.

The Chairman then requested the meeting to resolve and asked if any shareholders disapproved or abstained. The resolution in this agenda shall be approved by not less than three-fourths of the total number of

votes of the shareholders attending the meeting and having right to vote, excluding the votes of interested shareholder namely HWIC Asia Fund and its related person (s).

The meeting considered and resolved to approve the connected transactions between the Company and the major shareholders with the following votes:

Approval	1,396,161,631	equivalent to 98.98% of shareholders attending and having right to vote
Disapproval	1,452,466	equivalent to 0.10% of shareholders attending and having right to vote
Abstention	12,938,590	equivalent to 0.92% of shareholders attending and having right to vote
Invalid	- None -	equivalent to 0.00% of shareholders attending and having right to vote

Agenda 8: To consider and approve the waiver from making a tender offer to purchase all securities of the Company (Whitewash)

The Chairman assigned Company Secretary to present to the meeting.

The Company Secretary proposed to the meeting that as the Company will allocate the newly issued ordinary shares of the Company to HWIC Asia Fund pro rata according to its shareholding as mentioned in agenda 5.1 and on a private placement basis as mentioned in agenda 5.2, as a result, when combining with the existing shares held by HWIC Asia Fund, they will hold not exceeding 1,493,848,970 ordinary shares of the Company (equal to 35.44 percent of the total issued shares of the Company) based on the assumption that none of the shareholders subscribes for the newly issued ordinary shares under their rights. As a result, HWIC Asia Fund has to make a tender offer for all of the Company's securities pursuant to the Securities and Exchange Act B.E. 2535 (as amended) and the notification of the Market Supervisory Board No. TorJor. 12/2554 Re: Rules, Conditions and Procedures for Acquisition of Securities for Business Takeover.

HWIC Asia Fund, however, has notified the Company that it does not wish to make such tender offer for all of the Company's securities. Therefore, HWIC Asia Fund wishes to seek for a waiver from making a tender offer for all Company's securities by virtue of the resolution of the shareholders' meeting of the Company (Whitewash) as detailed in Enclosure 7. Initial details of the Whitewash are as follow:

1. Name of Whitewash Waiver applicant
HWIC Asia Fund
2. Names and total number of votes of shareholders who are not entitled to vote on the agenda item of approving the Whitewash Waiver

The shareholders who are not entitled to vote are as follow:

- a. HWIC Asia Fund with an aggregate number of votes of 791,349,998 votes

b. Related person(s) of HWIC Asia Fund : None

3. Methods of determining offering price of securities and the reason for the said offering price

The Company will offer the newly shares issued and allocate to private placement scheme, HWIC Asia Fund, at the offering price of Baht 3.00 per share which is the same offering price offered to the existing shareholders but it is considered to be lower than 90% of the Market Price, equaling to Baht 3.45 per share.

This offering of the newly issued shares through private placement will enable the Company to raise fund from existing shareholders of Baht 1,053.75 million and be able to raise fund from private placement at least another Baht 1,053.75 million achieving the total new capital of at least Baht 2,107.50 million which can use to support its insurance business.

4. Right of shareholders to object the waiver from making a tender offer for all securities of the Company

The number of securities to be acquired by the Whitewash Waiver applicant will not reach or cross 50 percent of the total voting right of the company. Therefore, this agenda of approving the Waiver from making a tender offer for all securities of the Company must be approved by resolution of not less than three-fourths of total number of votes of shareholders who attend the meeting and are entitled to vote, excluding the votes of interested shareholders namely HWIC Asia Fund and its related person(s).

In addition, the Board of Directors meeting No.3/2014 held on June 26, 2014 has appointed Discover Management Company Limited, which is listed as the SEC approved financial advisors as the advisor of shareholders to express opinion on the Whitewash. Details of the opinion of the advisor of shareholders on the Whitewash are available in Enclosure 6.

According to the above mentioned details, the Company would like to propose to the meeting to consider and approve the waiver from making a tender offer to purchase all securities of the Company by the resolution of shareholders' meeting for HWIC Asia Fund according to the Notification of the Office of the Securities and Exchange Commission No. SorChor. 36/2003 Re: Rules for the Application for a Waiver from the Requirement to Make a Tender Offer for All Securities of the Business by Virtue of the Resolution of the Shareholders' Meeting of the Business dated November 17, 2003 and propose to authorize the Board of Directors or Executive Board or authorized directors of the Company as appeared in the Company's affidavit to proceed with any relevant proceeding in relation to the foregoing as well as to have the power to communicate, provide information, submit documents to any competent governmental agencies together with proceed with any proceeding necessary to successfully implement what described in this agenda.

The Chairman inquired the meeting whether there would be any shareholder inquiring or stating otherwise opinion or not.

There was no enquiry or other opinion.

The Chairman then requested the meeting to resolve and asked if any shareholders disapproved or abstained. The resolution in this agenda shall be approved by not less than three-fourths of the total number of votes of the shareholders attending the meeting and having right to vote, excluding the votes of interested shareholder namely HWIC Asia Fund and its related person (s).

The meeting considered and resolved to approve the waiver from making a tender offer to purchase all securities of the Company (Whitewash) with the following votes:

Approval	1,391,474,531	equivalent to 98.65% of shareholders attending and having right to vote
Disapproval	6,139,566	equivalent to 0.43% of shareholders attending and having right to vote
Abstention	12,938,590	equivalent to 0.92% of shareholders attending and having right to vote
Invalid	- None -	equivalent to 0.00% of shareholders attending and having right to vote

Agenda 9: Other matters (if any)

Followings were inquiries of the shareholders:

- The shareholders requested an elaboration on the last Japanese insurance company's claim of more than 6,000 million baht. The Director and Chief Executive Officer explained that there were a large number of insureds making claims for losses incurred from the massive floods and coming from various places under a diverse type of contracts. The shareholders who are interested in this matter could ask for more information from the Company. They could rest assured that the Board of Directors and personnel from all departments had worked hard and exercised due care for the utmost benefit to the shareholders.

- After the capital increase, HWIC Asia Fund's shareholding in the Company would be scaled up. Did Fairfax have any policy to sell some of the shares for profit-taking and to change the Board of Directors? The Director and Chief Executive Officer explained that Fairfax had made a long-term strategic investment in the Company. It was therefore believed that Fairfax would unlikely sell the shares and had no policy to change the Board of Directors' structure.

- What approach would the Board of Directors take to clean off the retained loss of more than 7,000 million baht? The Director and Chief Executive Officer explained that the Company would wipe off the retained loss with the premium on shares and profit from operation and believed that the retained loss could be cleaned off by next year.

- When did the Board of Directors expect S&P's to upgrade credit rating on the Company, by this or next year? The Director and Chief Executive Officer explained that S&P's had its own credit rating process to follow. In general, a credit rating upgrade was slower than a downgrade. The Company was currently rated BBB+ with a negative outlook, which was four notches lower than its pre-flood rating of A- with a stable outlook. Therefore, an

upgrade would more likely be made step by step, starting with BBB+ with a stable outlook, and it would take not less than two years to return to the pre-flood level.

- What were the Company's measures to prevent insurance companies from overpaying compensation to clients, since this was the cause of prolonged and problematic negotiations with some insurance companies over the past three years? The Director and Chief Executive Officer explained that all problems had now been solved and should not be brought up again. As informed all along to the shareholders, the Company had altered the way it was doing the business by scaling down the highly competitive and unprofitable property reinsurance over the past seven years, leading the proportion of property reinsurance to minimize from more than 50% to only 5% at present. The Company had then concentrated more on personal lines, which helped to cope with the previous problems.

There was no one proposing any other matter for consideration. The Chairman expressed his thanks to all shareholders who have devoted their time for attending this meeting today and committed to bring the company to a sustainable growth and declared closing of the Extraordinary General Meeting of Shareholders No.1/2014.

Meeting was closed at 12.00 hrs.

- Signed -

(Mr. Suchin Wanglee)

Chairman of the Board of Directors

- Signed -

(Mr. Surachai Sirivallop)

Director and Chief Executive Officer