

(Translation)

**The Minutes of 2013 Annual General Meeting of Shareholders  
Thai Oil Public Company Limited**

The Meeting was held on Tuesday, April 2, 2013, 2.00 p.m. at Bangkok Convention Center, 5<sup>th</sup> Floor, Central Plaza Department Store, Ladprao, located at 1695 Phaholyothin Road, Chatuchak Sub-District, Chatuchak District, Bangkok 10900, Thailand.

**Directors Attending the Meeting**

- |                               |  |
|-------------------------------|--|
| 1. Mr. Norkun Sitthiphong     | Director and Chairman of the Board   |
| 2. Mr. Chaikasem Nitisiri     | Independent Director and Chairman of the Audit Committee   |
| 3. Mr. Apisit Rujikeatkamjorn | Independent Director and Member of the Audit Committee   |
| 4. Mr. Tanawat Ampunant       | Independent Director and Member of the Audit Committee   |
| 5. Mr. Somchai Poolsavasdi    | Independent Director and Chairman of the Nomination and Remuneration Committee                                     |
| 6. Gen. Jiradej Mokkhasmit    | Independent Director and Member of the Nomination and Remuneration Committee                                       |
| 7. Mr. Wisan Wuthisaksilp     | Independent Director and Member of the Nomination and Remuneration Committee                                       |
| 8. Gen. Trisak Indararusmi    | Independent Director and Member of the Corporate Governance Committee  |
| 9. Mr. Thosaporn Sirisumphand | Independent Director and Member of the Corporate Governance Committee  |
| 10. Mr. Somkeirt Hudthagosol  | Director   |
| 11. Mr. Apisak Tantivorawong  | Independent Director and Chairman of the Risk Management Committee   |
| 12. Mr. Nuttachat Charuchinda | Director and Member of the Risk Management Committee   |
| 13. Mr. Veerasak Kositpaisal  | Director/ Member of the Risk Management Committee<br>Secretary to the Board/ Chief Executive Officer and President |

**Directors Absent from the Meeting**

- |                              |   |
|------------------------------|---|
| 1. Mr. Somchai Sujjapongse   | Independent Director and Member of the Audit Committee                  |
| 2. Pol.Gen. Adul Sangsingkeo | Independent Director and Chairman of the Corporate Governance Committee |

**Auditor Attending the Meeting**

- |                          |   |
|--------------------------|---|
| 1. Mr. Winid Silamongkol | Certified Public Accountant Registration No. 3378 |
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### **Executives Attending the Meeting**

1. Mr. Chaiwat Damrongmongkolgul Executive Vice President- Special Project
2. Mr. Somchai Wongwattanasan Executive Vice President- Strategy
3. Ms. Nitima Thepvanangkul Executive Vice President- Finance and Accounting
4. Mr. Wisnu Wongsomboon Executive Vice President- Corporate Commercial
5. Mr. Abhinant Supatrabutra Executive Vice President- Refinery and Petrochemical
6. Mr. Yuthana Pasurapunya Assistant Executive Vice President- Manufacturing
7. Mr. Mitri Reodacha Assistant Executive Vice President- Operation Excellence
8. Mr. Viroj Meenaphant Assistant Executive Vice President- Corporate Governance

Before the meeting convened, all meeting participants were shown a safety briefing VDO presentation.

### **Meeting Convened:** 2.00 p.m.

Mr. Norkun Sitthiphong, Chairman of the Board, presided over the meeting (the “Chairman” hereinafter) introduced the Directors and Auditor attending the meeting as the name listed above.

The Chairman reported to the meeting that the Company had 2,040,027,873 common shares in total with a par value per share of 10 Baht and a paid-up registered capital of 20,400,278,730.00 Baht. As the meeting started, there were 1,681 shareholders attending in person and 530 proxies presented at the meeting totaling up to 2,211 attendees, representing 1,455,014,350 shares or 71.32 percent of the total issued share capital which was more than one-third of the total issued share capital. This constituted a quorum according to Section 103 of the Public Company Limited Act B.E. 2535 (1992) and Section 35 of the Articles of Association of the Company. The Chairman, therefore, called the 2013 Annual General Meeting of Shareholders to consider matters under the agenda stated in the invitation notice for this meeting.

The Chairman informed the meeting of the voting process that complies with the Articles of Association of the Company and for the order of the meeting as follows:

- Section 37 of the Articles of Association of the Company stated that one share was entitled to one vote. Shareholder who had conflict of interests on any issue had no rights to cast their vote except to vote for election of director.
- In the voting resolution, the Chairman would ask and count only the disapproved and abstained votes. These votes would be deducted from all the qualified votes at the meeting of which the remainder would be counted as in favour votes. If there were no disapproved and abstained votes, the resolution would be considered as approved with unanimity.

The Chairman then invited a volunteer from the shareholders to be a witness in the vote counting. The volunteer introduced herself to the meeting participants that her name was Mrs. Paveena Sarojwisut (Shareholder). The Chairman then invited shareholders to question on the voting process, requesting that they were to precede the questions with their names. There were no questions; therefore, the Chairman preceded the meeting with the following agenda.

## **Agenda Item 1**

### **To Certify the Minutes of the 2012 Annual General Meeting of Shareholders Held on April 5, 2012**

The Chairman informed the objectives and reasons of the agenda to the meeting that the 2012 Annual General Meeting of Shareholders was held on April 5, 2012 which the minutes of meeting was reported to the Stock Exchange of Thailand and Securities and Exchange Commission within 14 days as well as submitted to the Ministry of Commerce as required by laws. The minutes of the meeting was posted on the website of the Company since then. According to Section 96 of the Public Company Limited Act B.E. 2535 (1992), public company had to produce minutes of shareholder meeting and according to good governance practice of public company, minutes of shareholder meeting had to be approved at the following meeting.

Accordingly, the Board found it appropriate to propose to the AGM to certify the minutes of the 2012 Annual General Meeting of Shareholders. The minutes was sent to all shareholders together with the AGM invitation notice.

The Chairman invited the shareholders to question and comment relevant issues requesting that they preceded their questions and comments with their names and status. Issues raised were as follows:

#### **▪ Mr.Chatchai Khun-ngam– Shareholder**

Suggested that hard copies of the Company's annual report should be sent to the shareholders who have submitted a requisition form before the AGM date, since some may find it inconvenient to read it on the CD ROM and study data ahead of the meeting. Also, recommended that a choice of dates should be given to shareholders who applying for refinery site visits.

#### **Chairman**

*(Assigned the CEO/President to respond.)*

#### **CEO/President**

For 2013, Thaioil has scheduled two refinery site visits: June 4 and June 5, each with 100 visitors. Applications are due by April 19. The names of those eligible for the visits and those on the waiting list will be announced on Thaioil's website on May 7. The other recommendation will be taken up for consideration.

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda.

#### **Resolution**

The AGM, by the majority votes of the shareholders who attended the meeting and casted their votes, resolved to acknowledge the Minutes of the 2012 Annual General Meeting of Shareholders held on April 5, 2012 be approved with the following votes:

Approved	1,459,752,414	votes,	or	100.00%
Disapproved	17,600	votes,	or	0.00%
Abstained	374,900	votes		

## **Agenda Item 2**

### **To Acknowledge the Company's 2012 Operating Results and to Approve the Audited Financial Statements for the Year Ended December 31, 2012**

The Chairman informed the objectives and reasons of the agenda to the meeting that Section 112 of the Public Company Limited Act B.E. 2535 (1992) and Section 41 of the Articles of Association of the Company stated that public company had to prepare annual performance report and financial statements to be approved by the shareholders at the annual general meeting.

The Company's performance report and financial statements as of December 31, 2012 which were audited and certified by the Auditor and reviewed by the Audit Committee, details on page 149-247 of 2012 annual report were distributed to the shareholders with the AGM invitation notice and was presented via a 12-minute video presentation for conciseness.

The Chairman then invited shareholders to question and comment. Issues raised were as follows:

#### **▪ Mr. Chatchai Khun-ngam –Shareholder**

1. What business is Sak Chaisidhi Co., Ltd., involved in?
2. As Singapore's gross refining margin (GRM) was USD 6.9 per barrel, what GRM would give Thairoil a decent profit?
3. The crude price lately has seen substantial rises. Is it correct, then, to say that for the first quarter, Thairoil should not experience stock losses?
4. Are spreads for aromatics, for instance paraxylene and toluene, for exports to China at profitable levels?
5. Over the past two years, stocks of energy companies have underperformed, and analysts have advised against investment in them. Does the future hold brighter prospects for such investment? Please elaborate on future years' investments.

#### **Chairman**

*(Assigned the CEO/President to respond.)*

#### **CEO/President**

1. Sak Chaisidhi's major shareholder is Thairoil, which acquired it 4-5 years ago. Engaged in a solvent business, the company's plant is located in Map Ta Phut Industrial Estate, Rayong. Thairoil Group is the market leader in the solvent business, with a steady growth outlook. Most solvents serve as raw materials for paint, so their business outlooks very much fall in line with those of industries needing paint, like the automotive industry and the construction industry. Solvents find applications in other industries; on the whole, this is a good business with a promising outlook, yet it is a much smaller industry than Thairoil's business.
2. Of late, GRMs have averaged USD 5-6 per barrel, with an upside of about USD 7 per barrel, which is lucrative for refineries. On the other hand, GRMs of less than USD 5 per barrel would result in capacity reduction by many refineries. Singapore's GRM calculation differs from Thairoil's method, since they incorporate refinery fuels. As a rule, Thairoil's GRMs exceed Singapore's GRMs because our refinery was designed to convert low-value products into maximum-value products, with business extension to the aromatics and lubricating oil businesses. Another key factor is our refinery operating expenses, which are USD 1.8-1.9 per barrel (including the costs of funds of about 40 cents per barrel), ranked in the first quartile among industry peers—a critical factor in times of high competition, which must be kept most efficient.

3. Crude oil prices are determined by demand and supply. World demand is expected to rise by about 800,000 barrels a day from the present level of about 90 million barrels a day, whereas world oil supply looks set to exceed the rising demand. Organization of the Petroleum Exporting Countries (OPEC) serves as the keeper of the equilibrium by lowering its overall output to maintain the price levels desired of about USD 100 per barrel under normal circumstances.
4. Most aromatics come from oil refineries, which is a constraint for raising capacities. As for users, typically producers of PTA, which finds its applications in textiles and PET plastics for the most part, still command promising demand growth. In short, the margin for aromatics should stay at USD 400-500 per ton under normal circumstances.
5. Long-term shareholding for investment does preserve share values. The Board of Directors and the management, meanwhile, ensure that performance is good. Another factor to keep in mind is the retention of a good credit rating. Today, Thaipol's robust credit rating is on a par with that of the country. It is essential that this status must be upheld through financial discipline, a point well recognized by the Board and the management. On the whole, this will match Thaipol share prices with its performance results. Anyway, the management is confident that Thaipol shares are sound ones, and fit for long-term investment.

▪ **Mr. Kwaen Sitathani– Shareholder**

Why is the profit of 2012 less than that of the previous year despite the higher sales revenue? Which business accounted for this drop?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

By law, in operating its business, Thaipol needs to stock about 8 million barrels of crude oil and petroleum products. Every time the accounting book is closed, the company must assess the value of its inventories at prevailing prices. If such prices exceed those at the beginning of the accounting period, Thaipol would realize a stock gain, and vice versa. It turned out that Thaipol realized a stock gain in 2011 and a stock loss in 2012. By excluding such gains and losses, Thaipol's operating results would prove comparable for both years.

▪ **Mr. Prasan Aniwatsathit– Shareholder**

Asked about business details and market shares of warm mixed asphalt.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Warm mixed asphalt for road-paving is suitable for road repairs, which do not call for extreme heat, and suits applications in remote areas. Low-heat applications yield low vapor releases. In its production, process ambience must be adjusted for low-temperature applications. Thaipol is currently developing its marketing.

▪ **Mr. Songsak Rongwiriyanich– Shareholder**

Asked about an update on product value addition projects, raised at the last AGM, Of these projects, which one looks likely to lower production costs or add value to products?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

The completed project is PxMax, which turns low-value toluene into higher-value paraxylene. Being successfully operated under the designed budget, with a maximum

safety record, the project came on stream in the second half of 2012. Several other projects are ongoing, the main ones having to do with product value addition and process efficiency improvement (debottlenecking), like the installation of the Deep Cut vacuum distillation unit to allow distillation of a greater volume of higher-value products from heavy oil; this is planned for completion in 2014. Another project is the improvement of heat-exchange systems of crude distillation units, designed to cut energy consumption. Another is the two SPP power plants for Thairoil's own consumption and the rest for sale to the Electricity Generating Authority of Thailand (EGAT). Yet another is the solvent capacity expansion project, underway and due for completion in 2014. In short, every single project has registered good progress.

▪ **Mr. Wicha Chokephongphan– Shareholder**

Suggested a focus on the power business and the asphalt business, the demand of both of which look set to rise for domestic consumption.

**Chairman**

Thank you for the suggestion.

▪ **Ms. Wipa Suwanich– Shareholder**

The financial statements show the ratio of cost to income in 2012 as higher than that of the previous year, while the operating expenses have risen by about 1.75%. Why are these costs and expenses higher?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

The Company takes operating expenses so seriously that it has joined a benchmarking exercise with other refineries. Out of about 70 regional refineries, Thairoil ranks in the first quartile for efficiency. Still, there are certain expenses beyond our control, like fuel costs, which fluctuate with the market and account for the higher expenses this year than last.

▪ **Mr. Kitiya Palakawong Na Ayudhya– Shareholder**

Why is the profit of 2012 lower than that of 2011 despite the higher crude oil prices in 2011 (USD 150 per barrel), the key component of the costs?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

The profit in 2012 drop resulted from stock gains and losses. Stocks are required by law for operational flexibility. The operating results of 2012 showed a stock loss because the inventory oil prices of the end of the period proved lower than at the beginning—a different story than in 2011. Again, by omitting these gains and losses, performance during both years was quite comparable.

▪ **Mr. Somsak Kaensuwan– Shareholder**

Asked about the company's additional projects for 2013 and noticed that in agenda item 8, Thairoil's objectives are to be amended and added to.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Thairoil focuses on key, core businesses, including efficiency improvement of distillation units and the value addition of products—many projects of which are under investigation. Another focus is on ASEAN market investigation to find out how Thairoil can establish investment there.

▪ **Mr. Basant Kumar Dugar –Shareholder**

Complimented Thairoil’s business management, particularly its financial strength, seen in its modest debt-to-capital ratio. Recommended that Thairoil’s focus should be on businesses that contribute to its profits, namely the refining, lubricating oil, and aromatics businesses. Finally, commended Thairoil’s 101% refinery capacity utilization, which is superior to other refineries which is the key factor for Thairoil’s profitability rise.

**Chairman**

Thank you for the comments.

▪ **Mr. Jiraphan Buabucha –Shareholder**

Questions for the Audit Committee

1. Page 9 of the annual report, item 4 (Review of internal control system) says: “Monitored to ensure constant process amendment as recommended in the audit report and comments of audit processes”. Please exemplify what process amendment Thairoil has undertaken.
2. Page 9 of the annual report, (Supervision of internal audits) says: “Provided helpful recommendations for efficiency improvement of the internal audit process.” Please exemplify this.
3. Noted that, in their profiles, none of the four members of the committee had any accounting academic background.

**Chairman**

*(Assigned the Chairman of the Audit Committee to respond.)*

**Mr. Chaikasem Nitisiri**

1. In ensuring amendment to such processes as recommended in the audit report, the committee mainly reviews audit criteria or approaches laid down by the internal audit unit and decides their suitability. Once the committee has provided its recommendations to the management for implementation, it monitors updates and outcomes for actual efficiency.
2. As for the recommendations for efficiency improvement of internal audits, these related to the first question. To elaborate, the committee lays down the main audit criterion that audits must not be fault-finding, but rather provide suitable approaches which the management can apply to efficiently ensure employees’ performance. An instance is safety. Assorted safety rules are reviewed for suitability to prevent safety-related errors.
3. As for the remark about the qualifications of this audit committee that none had any accounting academic background, all members had indeed been exposed to and are experienced in accounting matters, not to mention their successful passing of Thai Institute of Directors (IOD) training courses. In particular, Mr. Somchai Sujjapongse, who had an economics academic background. He is highly knowledgeable, skilled, and experienced in audit matters. So, in appointing audit members, not only academic qualifications are taken into consideration, but also experience, knowledge, and skills.

▪ **Mr. Ritthichai Yipcharoenporn– Shareholder**

Concerning Thairoil’s investment consideration, were risk factors taken into account, including contingency measures, and how? To illustrate, in expanding its fleet, if vessels could be acquired at modest prices, investment should prove smart, since their prices are unlikely to drop. Besides, Thairoil would be able to lower risks of freight cost fluctuations. On the other hand, for the solvent business, if Thairoil expands its production capacity for export, it should take into account competitors’ capability, transport costs, and marketing margins.

**Chairman**

*(Assigned the CEO/President to respond.)*

## **CEO/President**

In tackling potential investments, Thaioil generally looks at various matters. For example, would a given investment provide long-term, sustainable returns? Would it align with Thaioil's strategies? Would the returns be comparable to what Thaioil desires? At the end of the day, each investment project—whether that related to the refinery or that in Thaioil's assorted other businesses—undergo risk assessment through reviews by the risk management committee. Thanked the shareholder for his inquiry about issues of interest and his support to fleet expansion. Since the vessel market was at its trough in decades, Thaioil invested in VLCC vessels (very large ones) at a very opportune time. Thaioil had a need for such vessels, so the project truly aligned with its strategies.

### ▪ **Ms. Suparat Wuthinarongtrakul– Shareholder**

Why has Thaioil chosen to produce low-cost asphalt instead of trying to upgrade it to higher-value products like jet fuels? Which grades of asphalt are being produced? Is Thaioil's goal to export them or sell them to domestic users? Do the government's infrastructure projects need these products?

## **Chairman**

*(Assigned the CEO/President to respond.)*

## **CEO/President**

Thaioil produces the so-called "60/70 asphalt", mostly for domestic sales. Asphalt is a byproduct of lube base oil production. Value addition by way of production of warm mixed asphalt yields higher prices. The government's planned infrastructure projects will likely need the asphalt in case of building more roads.

### ▪ **Mr. Arun Niramolparadee – Shareholder**

Asked about Thaioil's subsidiaries: Maesod Clean Energy (MCE) and Ubon Bio Ethanol (UBE), what businesses are these in? Why are they experiencing annual losses? What is Thaioil's policy on reversing these losses? Also, asked about expenses on employees' compensation: Why is it lower than last year, whereas the compensation for executives keeps rising?

## **Chairman**

*(Assigned the CEO/President to respond.)*

## **CEO/President**

MCE and UBE, featuring Thaioil as a minor shareholder, produce ethanol for automotive gasohol blending. Located at Amphoe Mae Sot, Tak province, MCE's plant produces ethanol from sugarcanes, whereas UBE's plant was just recently completed and started up—so its recent performance has been less than outstanding. MCE's plant has suffered from local sugarcane supply shortage due to drought; inadequate raw materials have depressed its performance over the last 1-2 years—but this situation is expected to gradually improve. Thanks to the government's abolishment of 91-octane gasoline, ethanol demand is expected to rise from about 1.5 million liters a day to 2.3-2.4 million liters a day. As for your question about the rising compensation for executives and the declining compensation for the rank and file, this is because some employees were promoted to executives. As a result, executive compensation has risen at the expense of employee compensation.

### ▪ **Mr. Wicha Chokephongphan– Shareholder**

Suggested about vessel naming that auspicious names should be chosen and supported the production of asphalt to accommodate the abundant domestic demand

## **Chairman**

Thank you for the suggestion



▪ **Mr. Ritthichai Yipcharoenporn –Shareholder**

Aromatics and solvent prices tend to be volatile. How is Thairoil tackling investment risks in these businesses so as to survive?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

In assessing investment risks, besides reviewing assorted risk factors as mentioned before, Thairoil considers project competitiveness, which is another key factor. Competitive projects usually accompany modest operating expenses, giving them advantages during precarious times and greater profits during good times. So there you have them: our principles for ensuring that all Thairoil investments have undergone careful, complete risk assessment.

▪ **Mr. Khanet Rangsiaphramanakul– Shareholder**

Page 150 of the annual report, (Temporary investment of 17 billion baht): The notes to the financial statements say this money is a fixed deposit. Why are you investing in fixed deposits, which yield lower returns than other investments?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Thairoil’s investment comes in several portions, of which fixed deposits are one. Interest rates are an item of consideration. Thairoil carefully weighs the necessity of its capital requirement for given periods. While the interest rates for fixed deposits are lower than other investments, the returns are regarded as fairly good.

▪ **Mr. Wikit Prompesachsakul– Shareholder**

Is it possible to convert the LPG output into higher-value products, since LPG prices are government-controlled?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

The domestic price of LPG is controlled at about USD 330 per ton. However, for the ex-refinery price, the government has structured its price by tying it to the market price, that is, 76% market-based and 24% controlled price. Of all refinery products, LPG accounts for about 5%. Thairoil has monitored the tendency for ex-refinery price determination to be based entirely on market prices. Meanwhile, the public sector has tried to amend LPG prices to best align with market prices. In the future, with the upcoming liberalization under the ASEAN Economic Community, this is bound to happen.

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda.

**Resolution**

The AGM, by the majority votes of the shareholders who attended the meeting and casted their votes, resolved to acknowledge the Company’s 2012 operating results and to approve the audited financial statements for the year ended December 31, 2012 with the following votes:

Approved	1,460,552,816	votes,	or	99.99%
Disapproved	106,100	votes,	or	0.01%
Abstained	591,300	votes		

### **Agenda Item 3**

### **To Approve the Dividend Payment for the Company's 2012 Operating Results**

The Chairman assigned Mr. Veerasak Kositpaisal, CEO/President to present the details to the AGM.

The CEO/President informed the objectives and reasons of the agenda to the meeting that Section 115 of the Public Company Limited Act B.E. 2535 (1992) and Section 43 of the Articles of Association of the Company stated that payment of dividend shall be approved by the shareholder meeting; the Board of directors may pay interim dividend to the shareholders from time to time if the company have the profits to justify such payment; after the interim dividend have been paid, the matter shall be reported to the shareholders at the next shareholder meeting.

For the year 2012, the Company and its subsidiaries had earned a consolidated net profit of 12,320 million Baht which was equivalent to 6.04 Baht per share.

The Board of Directors considered it appropriate to propose the AGM to consider the followings:

(1) Approve the dividend payment from the Company's operating results from January 1 to December 31, 2012 which will be paid to shareholders of total 2,040,027,873 shares at Baht 2.70 per share, totaling approximately Baht 5,508 million. After deduction of the interim dividend payment for the first half of 2012 performance at Baht 0.50 per share, totaling approximately Baht 1,020 million paid on September 21, 2012, the Company will pay the remaining dividend at Baht 2.20 per share, totaling approximately Baht 4,488 million. The Dividend will be paid from the retained earnings with 30%, 23% and 0% Corporate Income Tax at the rate of Baht 0.92, 0.22 and 1.06 respectively. Whereby, shareholders paying personal income tax shall be entitled to a tax credit for the received dividend in accordance with Section 47 bis of the Revenue Code of Thailand as follows:

- The dividend of Baht 0.92 per share, paid from the net profit with 30% Corporate Income Tax, can be credited at 30/70 of the dividend.
- The dividend of Baht 0.22 per share, paid from the net profit with 23% Corporate Income Tax, can be credited at 23/77 of the dividend.
- The dividend of Baht 1.06 per share, paid from dividend which is exempted from calculated income tax, cannot be credited.

The Board has set the Record Date to entitle rightful shareholders who may receive the dividend on March 1, 2013; to aggregate rightful shareholders list under Section 225, Securities and Stock Exchange Act B.E.2535 (Amended B.E. 2551) by share registration closing on March 4, 2013; and to pay the dividend on April 29, 2013.

(2) Acknowledge the interim dividend payment approved by the Board on August 23, 2012 at the rate of Baht 0.50 per share, totaling approximately Baht 1,020 million, which was paid on September 21, 2012.

The Chairman then invited shareholders to question and comment. Issues raised were as follows:

▪ **Mr. Chakraphan Sae Li –Shareholder**

Proposed that Thaioil should consider paying either 2.20 baht per share in dividend out of the profit money subject to 30% tax or from the entire profit exempted from juristic income tax under BOI's investment promotion measure. This way, shareholders will be exempted from the withholding tax.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

The retained earnings, subject to 30% income tax, are still intact, which Thaioil

gradually repays shareholders. Thaipol's perennial principles and guidelines are that dividend payment comes from retained earnings, which are subject to tax at various rates. The Company tries to ensure that the average tax rates on retained earnings, to be paid to shareholders, are no lower than Thaipol's average tax rate for a given year. Shareholders who hold on to Thaipol's shares are bound to gradually receive these dividends.

▪ **Mr. Wiwat Khusakul –Shareholder**

Agreed with the previous shareholder, since this method leverages past, accrued earnings made from shareholders' money, to be paid to shareholders that will buy new shares so as to benefit from the tax credit.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

If Thaipol chose to pay dividends from its profit, which is subject to 30% tax, today such retained earnings would have been depleted. In other words, today's shareholders will not benefit from tax credit. Instead, Thaipol thinks that by gradually paying out dividends (as practiced now), we will benefit long-term shareholders. If Thaipol had no retained earnings, which qualify for tax credit, left, its share price could be affected.

▪ **Mr. Thanawat Pinrod –Shareholder**

How many more years will Thaipol's retained earnings, subject to 30% tax, be gradually paid out?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

About 3 or 4 more years.

▪ **Ms. Somsri Jongrungrueng–Shareholder**

Do you mean these retained earnings are subject to 30% tax paid to the state treasury?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

A part of Thaipol's profits go to the treasury in the form of corporate tax. Retained earnings have been tax-deducted, so when they are paid out as dividends, shareholders may file for tax credit.

▪ **Mr. Wiwat Khusakul –Shareholder**

Objected to the reason given by Thaipol, since some shareholders may sell off their shares and lose their benefits from tax credit.

**Chairman**

Thank you for the comments

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda.

**Resolution**

The AGM, by the majority votes of the shareholders who attended the meeting and casted their votes, resolved to approve the dividend payment for the Company's 2012 operating results and to acknowledge the interim dividend payment as proposed with the following votes:

Approved	1,460,043,124	votes, or	99.98%
Disapproved	280,180	votes, or	0.02%
Abstained	974,212	votes	

#### **Agenda Item 4 To Approve the 2013 Remuneration for the Company's Directors**

The Chairman assigned Mr. Somchai Poolsavasdi, Chairman of Nomination and Remuneration Committee to present the details to the AGM.

Mr. Somchai informed the objectives and reasons of the agenda to the meeting that under the Section 90 of the Public Company Limited Act B.E. 2535(1992) and Article 23 of the Articles of Association of the Company defined that directors were eligible for remuneration in forms of reward, meeting fee, pension, bonus or other remunerations according to the resolution of the Meeting by not less than two-thirds (2/3) of the shareholders presented at the meeting and have the rights to vote.

The Board of Directors considered the remuneration of the Board of Directors and the Board- Committees carefully, by taking into account various relating factors e.g. comparison with other companies within the same industry of similar size, the Company's performance, responsibilities of the Board of Directors and the Board- Committees, including overall business situations and found it appropriate to propose that the AGM to consider the remuneration of the directors with the following details:

##### 1. Retainer Fee

###### 1.1 Retainer Fee for Directors

- Chairman<sup>(1)</sup> 75,000 Baht / month
- Vice Chairman (if appointed)<sup>(1)</sup> 67,500 Baht / month
- Directors 60,000 Baht / month

###### 1.2 Retainer Fee for Board Committees i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee and Risk Management Committee

- Chairman of the Committee<sup>(1)</sup> 31,250 Baht / month
- Directors of the Committee 25,000 Baht / month

The fixed remuneration above is at the same rate as last year.

##### 2. Annual Bonus 37 million Baht <sup>(2)</sup>

###### Remark:

- (1) The Remuneration of Chairman of the Board and Chairman of Board-Committees shall be 25% higher than Directors'. The Remuneration for the Vice Chairman (if appointed) shall be 12.5 % higher than Directors'.
- (2) Bonus for 2012 operating results will be paid to directors who served the Company in 2012, including those who completed the term and/or retired during 2012, in total amount of 37 million baht or 0.30 % of Net Profit. The bonus portion is calculated based on the term of each director. Chairman and Vice Chairman of the Board shall receive 25% and 12.5% higher than directors respectively.

The Chairman gave shareholders opportunity to question and comment on relevant issues. Questions and comments were as follows:

- **Mr. Somsak Kaensuwan– Shareholder**  
Asked if Thaioil have a policy on a limit of number of directorship in other companies for the Board, concerned that directors that are government officials may be unable to manage their time.

**Chairman**

*(Assigned the Chairman of the Nomination and Remuneration Committee to respond)*

**Mr. Somchai Poolsavasdi**

Thanked the shareholder for his comment. One reason for the appointment of government officials to the Thaioil Board is to coordinate policies with the public sector while looking after state enterprises in which the Ministry of Finance holds shares. Under a Cabinet resolution, there is already a limit of three on state-enterprise directorship or directorship in companies in which state enterprises hold shares.

- **Mr. Kitiya Palakawong Na Ayudhya– Shareholder**

Besides the proposed compensation for directors, are they entitled to other benefits like credit cards, free gasoline, and company cars, all of which are not stated?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

There are no other benefits besides what is being tabled for approval.

- **Mr. Thanawat Pinrod– Shareholder**

Recommended that Thaioil should send the complete version of the Company's Articles of Association to shareholders with the meeting invitation notice, and suggest that the bonuses paid to directors should be in the form of annual special pays, set as a percentage of the dividend payment, as in the case of PTT Plc.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

The directors' bonus compensation as mentioned by the Chairman of Nomination and Remuneration Committee, is tied to the net profit, which under Thaioil's guidelines is fixed at 0.3% of the net profit or up to 50 million baht—perennially practiced and varying with operating results. If such results prove good, the bonus will rise proportionally. For last year, Thaioil's net profit came to 12,320 million baht, of which 0.3% comes to 37 million baht, which is less than the ceiling of 50 million baht. The bonuses for other companies' directors differ slightly with business sizes, and the Company's Board has given its blessings to the proposed amounts. As for Thaioil's regulations, everything has been sent to the shareholders, as seen in agenda item 12 of the meeting invitation notice.

- **Mr. Songsak Rongwiriyanich– Shareholder**

Remarked on directors' retainer fee, Based on their profiles, some directors attended only 60% of the meetings, so may I propose that directors should consider their readiness for job performance?

**Chairman**

Thank you for the suggestion

- **Mr. Basant Kumar Dugar– Shareholder**

Commented on the structure of directors' compensation. First, the retainer fee are rather lower than those at other companies. However, the annual bonuses, which vary with operating results, should be changed from a ceiling of 50 million baht or 0.3% of the net profit to either 0.5% or 1%--to reflect the practices of leading companies

worldwide. This guideline would encourage the board to drive Thailoil toward better results.

- **Mr. Athiwat Patanachaipuwanon– Shareholder**  
Agreed with the retainer fee’s rate. As for the bonuses, the Board should compare them with peer businesses in ASEAN to keep up with the upcoming AEC liberalization. Besides the proposed compensation, are Thailoil directors paid share options as in Singaporean or US companies? Finally, the Company should disclose to shareholders the total compensation of individual directors.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Directors’ compensation follows what has been outlined in the proposal to shareholders, consisting of retention fees and annual bonuses at 0.3% of net profits—with no other items, including share options.

- **Mr. Pruethanan Sriwongliang –Proxy**

Asked about the criteria for the proposed compensation and advocated cumulative voting for directors’ election.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Decisions on compensation are based on a comparison with PTT Group companies, regarded as businesses of comparable sizes. Thailoil has never adjusted directors’ retention fees ever since listed in SET, which still applies this time. Thanked the proxy for the proposed voting method; however, the annual appointment of directors whose terms are expiring are the authority of the shareholders.

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda.

**Resolution**

The AGM, by *not less than two-thirds* of the total number of votes casted by the shareholders attended the meeting and had the rights to vote, resolved to approve the 2013 Remuneration for the Company’s Directors as proposed.

The resolution comprised the following votes:

Approved	1,459,666,074	votes,	or	99.89 %
Disapproved	458,980	votes,	or	0.03 %
Abstained	1,172,562	votes,	or	0.08 %

**Agenda Item 5**

**To Approve the 2013 Annual Appointment of Auditors and Determination of their Remuneration**

The Chairman assigned Mr. Chaikasem Nitisiri, Chairman of the Audit Committee to present the details to the AGM.

Mr. Chaikasem informed the objectives and reasons of the agenda to the meeting that Section 120 of the Public Company Limited Act B.E. 2535 (1992) and Article 38 of the Company’s Articles of Association, the annual general meeting shall appoint an auditor

and determine the auditing fee of the company every year. In appointing the auditor, the former auditor may be re-appointed.

The Board of Directors, with recommendation from the Audit Committee, found it appropriate to propose to the AGM to appoint auditors from KPMG Phoomchai Audit Ltd., which was also the audit office of the Company's subsidiaries. One of the following auditors may audit and provide opinions on the Company's 2013 financial statements.

1. Mr. Winid Silamongkol Certified Public Accountant Registration No. 3378
2. Mr. Charoen Phosamritlert Certified Public Accountant Registration No. 4068
3. Mr. Vairoj Jindamaneepitak Certified Public Accountant Registration No. 3565

The nominated auditors do not have any relationship and/or conflict of interest with the Company, subsidiaries, managements, major shareholders or related persons of the said parties.

The Board also found it appropriate to propose to the AGM to approve the remuneration for 2013 quarterly review and annual audit as details below:

**1. Audit Fee**

- Annual audit fee and quarterly review fee at the amount of 2,540,000 Baht
- Other expenses which cover miscellaneous expenses during work period such as traveling, documentation and facsimile expenses, etc.

**2. Non-Audit Fee**

- Fee for reviewing the compliance with conditions of the BOI promotion certificate at the amount of 75,000 Baht per certificate

The Chairman gave shareholders opportunity to question and comment on relevant issues. Questions and comments were as follows:

▪ **Mr. Somsak Kaensuwan– Shareholder**

Since the profit in 2012 is lower than that of the previous year, the audit fees of KPMG Phoomchai Audit Limited should remain the same as in 2012.

**Chairman**

*(Assigned the Chairman of the Audit Committee to respond.)*

**Mr. Chaikasem Nitisiri**

As a rule, audit fees depend not on companies' performance or profit, but on the volume of audited work. As for the proposed fee, Thaioil Group in conjunction with PTT Group companies had staged a round of bidding for auditors. Four leading auditors were invited to this, at the end of which the panel settled on KPMG Phoomchai as the auditor for 2013. The selection process and procedures have been completely and properly followed.

▪ **Mr. Somsak Kaensuwan– Shareholder**

Suggested that KPMG's representative should give his view whether the fee can be lowered.

**Chairman**

Addressed that the attending KPMG Phoomchai representative cannot respond to this issue sine he has no authority to negotiate this point.

▪ **Mr. Wiwat Khusakul– Shareholder**

Asked the Audit Committee about its criteria for the selection of auditors from KPMG Phoomchai, since Thairoil’s fee is higher than for Siam Cement Plc, which employs two of three auditors proposed by Thairoil. That company, however, paid an annual audit fee of only 250,000 baht.

**Chairman**

*(Assigned Mr. Winid Silamongkol, the company’s auditor to respond.)*

**Mr. Winid Silamongkol**

For the company cited by the shareholder for comparison, it is merely a holding company with no business of its own—thus having little audited work. Its financial statements contain only investment capital, hardly comparable to Thairoil. To compare apples with apples, one should be comparing with Thairoil’s audit fees the audit fees for all that company’s subsidiaries combined.

▪ **Mr. Basant Kumar Dugar– Shareholder**

Advocated i-Cloud computing for Thairoil’s adoption to shorten work and thus hold AGM sooner. Also, advocated acceleration of accounting periods so as to benefit from tax management.

**Chairman**

Thank you for the suggestion

▪ **Mr. Chaiyasit Thampira– Shareholder**

KPMG Phoomchai’s representative has duly clarified the determination of audit fees. Since the meeting has spent a long time on this matter, advocated time management to the meeting.

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda.

**Resolution**

The AGM, by the majority votes of the shareholders who attended the meeting and casted their votes, resolved to approve the 2013 annual appointment of auditors and determination of their remuneration as proposed.

The resolution comprised the following votes:

Approved	1,460,429,074	votes,	or	99.98 %
Disapproved	294,080	votes,	or	0.02 %
Abstained	574,462	votes		

**Agenda Item 6**

**To Approve the Appointment of New Directors in Replacement of those who complete their terms by rotation in 2013**

Before starting the agenda, the Chairman requested that retiring directors: Mr. Apisak Tantivorawong, Gen. Jiradej Mokkahasmit, Mr. Nuttachat Charuchinda and Mr. Somkeirt Hudthagosol to leave the meeting room. The directors were asked to return to the meeting room after the agenda had been presented.

The Chairman assigned Mr. Somchai Poolsavasdi, Chairman of Nomination and Remuneration Committee to present the details to the AGM.



Mr. Somchai informed the objectives and reasons of the agenda to the meeting that Section 70, 71 of the Public Company Limited Act B.E. 2535 (1992) and Article 17, 18 of the Company's Articles of Association, the Shareholder Meeting elect the directors under the regulations provided by the law and that the terms of one-third of the directors must be complete each year at the annual general meeting. The directors whose terms are completed are eligible for re-election.

At the 2013 Annual General Meeting, there are 5 directors to be retired by rotation namely:

- |                               |                               |
|-------------------------------|-------------------------------|
| (1) Mr. Apisak Tantivorawong  | (2) Gen. Jiradej Mokkahasmit  |
| (3) Pol.Gen. Adul Sangsingkeo | (4) Mr. Nuttachat Charuchinda |
| (5) Mr. Somkeirt Hudthagosol  |                               |

The Company had announced on our website providing an opportunity to shareholders to nominate candidate(s) with qualifications required by the Public Company Limited Act, laws governing securities and stock exchange, and the Company's corporate governance policy to be elected as Directors. There were no director candidates nominated by minor shareholders.

The Nomination and Remuneration Committee sought qualified candidates according to the nomination procedure and proposed a list of qualified candidates to the Board of Directors. After due consideration, the Board, abstained by directors with conflicts of interest in this agenda, agreed with the Nomination and Remuneration Committee's proposal and found it appropriate to propose to the AGM to consider the re-election of the 5 retiring directors as follows:

- |                               |                      |
|-------------------------------|----------------------|
| (1) Mr. Apisak Tantivorawong  | Independent Director |
| (2) Gen. Jiradej Mokkahasmit  | Independent Director |
| (3) Pol.Gen. Adul Sangsingkeo | Independent Director |
| (4) Mr. Nuttachat Charuchinda | Director             |
| (5) Mr. Somkeirt Hudthagosol  | Director             |

Biography of each candidate appears in the Company's English version of AGM invitation notice, agenda 6 page 30-39.

The Chairman gave shareholders opportunity to question and comment on relevant issues. Questions and comments were as follows:

- **Mr. Pruethanan Sriwongliang– Proxy**  
What are the selection criteria and qualifications for directors?

**Chairman**

*(Assigned the Chairman of Nomination and Remuneration Committee to respond)*

**Mr. Somchai Poolsavasdi**

As a rule, director nominees must be duly qualified and must not be barred by the Company's regulations and the law, and must be knowledgeable, experienced, and skillful in disciplines that benefit Thaioil. Besides, we take into account the diversity of qualifications, expertise, competencies, and experience of the board as a whole. Our committee tables the list for the Board's concurrence before submitting it to the shareholders.

- **Mr. Songsak Rongwiriyanich– Shareholder**  
Commented that Thaioil should provide more information of director's qualification stated: "knowledgeable, that benefit Thaioil" for the shareholders' consideration.

**Chairman**

Thank you for the suggestion

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda and invited the 5 directors back to the meeting room.

### **Resolution**

The AGM, by the majority votes of the shareholders who attended the meeting and casted their votes, resolved to approve the re-election of the retiring directors:

(1) Mr. Apisak Tantivorawong, with the following votes:

Approved	1,460,482,753	votes,	or	99.99 %
Disapproved	161,501	votes,	or	0.01 %
Abstained	653,362	votes		

(2) Gen. Jiradej Mokkaasmit, with the following votes:

Approved	1,460,281,073	votes,	or	99.98 %
Disapproved	330,181	votes,	or	0.02 %
Abstained	686,362	votes		

(3) Pol.Gen. Adul Sangsingkeo, with the following votes:

Approved	1,431,765,530	votes,	or	98.04 %
Disapproved	28,664,824	votes,	or	1.96 %
Abstained	867,262	votes,		

(4) Mr. Nuttachat Charuchinda, with the following votes:

Approved	1,460,278,013	votes,	or	99.98 %
Disapproved	312,941	votes,	or	0.02 %
Abstained	706,662	votes		

(5) Mr. Somkeirt Hudthagosol, with the following votes:

Approved	1,460,236,353	votes,	or	99.97%
Disapproved	437,901	votes,	or	0.03%
Abstained	623,362	votes		

### **Agenda Item 7**

#### **To Consider and Approve the Issuance of Debentures**

The Chairman assigned Mr. Veerasak Kositpaisal, CEO/President to report the details to the AGM.

The CEO/President informed the objectives and reasons of the agenda to the meeting that Section 145 of the Public Company Limited Act B.E. 2535 (1992) and Article 37 (2) of the Company's Articles of Association, the issuance and offering of debentures of the company must be approved by the Meeting with more than three-fourths (3/4) of shareholders present at the Meeting and have the rights to vote.

After due consideration, the Board found it appropriate to propose to the AGM for the approval to allow the Company to offer and issue debentures for domestic and foreign investors in the aggregate amount of USD 1,000 million or its equivalence, (calculating from foreign currency rates at the debenture issuance date) The currency, tenor, interest rate, and other conditions will be determined based upon the prevailing market conditions at the time of issuing the debentures. This is solely for the purposes of financing the long- term capital

investments and expenditures, debt repayment and/or working capital and for the Company's general business purposes. Each debenture issuance will be subject to prior Board's approval.

The Chairman gave shareholders opportunity to question and comment on relevant issues. Questions and comments were as follows:

▪ **Mr. Chatchai Khun-ngam– Shareholder**

Concerning Thairoil's credit rating, for every step of rating upgrading or downgrading, how much interest burden is implied? And after this issuance, approximately what debt-to-equity ratio is expected?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Thairoil's credit rating by S&P is BBB; by Moody's, BAA 1. These rankings are among the highest in Thailand. Earlier this year, Thairoil issued debentures and achieved an excellent coupon rate, with very high subscription. Thairoil's goal is to maintain such prestigious rankings to enable its costs of funds to remain competitive. Depending on market conditions, for every step reduction, such costs would rise by 0.25%.

▪ **Mr. Arun Niramolparadee– Shareholder**

According to page 24 of the Annual Report, Thairoil issued debentures in January 2013. I feel that the coupon rate was rather high and their maturity was rather long. Besides, over the past months, the baht has appreciated, making dollar-denominated debentures rather risky for repayment of the principle if the baht should depreciate further. At today's meeting, Thairoil is coming to us for another issuance of debentures, so please clarify your objectives for it.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Today Thairoil is requesting only an approval for a credit line. Individual issuances of debentures under such credit line require Board approvals. The issuance of USD 1 billion of debentures earlier this year proved very timely, with maturity of 30 years—very rare for Thai companies. This means Thairoil could extend repayment over a longer period, which hugely benefits Thairoil. As for the objective of this approval request, TOP has used up nearly all its previous credit line, thus needing an additional line. Note that for each issuance, Thairoil's reason is necessity. The credit line being sought this time is the same as that previously sought from the shareholders. As for why the issuance, Thairoil is seeking to repay loans, invest, or use working capital. Details for each issuance are considered by the Board.

▪ **Mr. Basant Kumar Dugar– Shareholder**

Recommended issuance of revolving debentures to lower Thairoil's expenses or hybrid debentures to maintain the debt-to-capital ratio. Expressed admiration for Thairoil's debenture issuance, which garnered rather modest interest rates.

**Chairman**

Thank you for the suggestion

▪ **Mr. Sakda Tangsaksthit– Shareholder**

Asked about Thairoil's exchange rate risk management policy, in view of the issuance of dollar debentures and baht appreciation by about one baht per US dollar. How would such baht appreciation result in a recording of gains or losses in the financial statements

of Q1/2013?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

For the issued USD 1-billion debentures, should the baht appreciate, the debt value in the baht denomination would drop, resulting in Thairoil's forex gain. Since Thairoil's business is basically tied to the US dollar (both purchases of crude and sales of petroleum products), its debt burdens in the dollar denomination—at the right proportion—could cushion the impacts of volatile exchange rates.

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda.

**Resolution**

The AGM, by *not less than three-fourths* of the total number of votes casted by the shareholders attended the meeting and had the rights to vote, resolved to approve the offer and issuance of debentures as proposed.

The resolution comprised the following votes:

Approved	1,460,739,003	votes,	or	99.96%
Disapproved	123,901	votes,	or	0.01%
Abstained	434,712	votes	or	0.03%

**Agenda Item 8**

**To Approve the Amendment/Addition of the Company's Objectives and the Memorandum of Association**

The Chairman assigned Mr. Veerasak Kositpaisal, CEO/President to present the details to the AGM.

The CEO/President informed the objectives and reasons of the agenda to the meeting that Section 31 of the Public Company Limited Act B.E. 2535 (1992) and Article 37 of the Company's Articles of Association, the amendment of the Memorandum of Association or Articles of Association of the Company must be approved by the Meeting with more than three-fourths (3/4) of shareholders present at the Meeting and have the rights to vote.

The intention is to achieve clear company objectives that encompass core and related businesses as well as other potential businesses. Such objectives would lend business flexibility and speedy, efficient responses to changes in economic and industrial circumstances, and enable TOP to grow its businesses under favorable, suitable periods on a par with other SET-listed companies in peer industries.

The Board of Directors, with recommendation from the Risk Management Committee, found it appropriate to propose to the AGM to approve the amendment/ addition of the Company's Objectives and the Memorandum of Association, including any changes that may be recommended or required by Department of Business Development, Ministry of Commerce, as detailed in page 41-50 of the meeting invitation notice.

As a consequence of the amendment/ addition of the Company's Objectives, the Company is required to amend Article 3 of the Company's Memorandum of Association regarding number of its Objectives. Therefore, the Board also found it appropriate

to propose to the AGM to approve the mentioned amendment of the Company's Memorandum of Association from: "Clause 3 There are 14 objectives for which the company is established, of which the details are shown in form BorMorJor 002 as attached" to "Clause 3: There are 33 objectives for which the company is established, of which the details are shown in form BorMorJor 002 as attached"

The Chairman gave shareholders opportunity to question and comment on relevant issues. Questions and comments were as follows:

▪ **Mr. Thanawat Pinrod – Shareholder**

Since the proposed amendment to the objectives resembles the existing ones, with just more detailed wording, what is the real rationale? In fact, some items are even redundant. For instance, in item 1, the word "port" is used, whereas in item 4 or 5, the word "terminal" is used. What is the difference?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Thaioil's former objectives have been in use since its listing on SET. So, the Board assigned the management to undertake a review to suit prevailing circumstances, which are radically different today. The management later submitted its findings to the Risk Management Committee and the Board for their endorsement. The amendment clarifies the objectives to pre-empt legal interpretation and to encompass current businesses, as well as future business expansion. To this end, Thaioil compared the objectives of other listed companies of peer industries and found that our former objectives were more vague than other companies' objectives—thus the need for amendment/addition for clarity and flexibility. Besides, the government has put in place promotional measures for research and development (R&D) activities, treating expenses as tax credit. Since R&D is a TOP strategy, it has consistently developed its R&D. Yet, it cannot apply for tax privileges for R&D because the former objectives did not specify the qualifications, which prevented Thaioil from filing for tax credit application. In short, this proposed amendment/addition would benefit shareholders in the long term. Incidentally, the words "port" and "terminal" mean the same thing.

▪ **Mr. Thanawat Pinrod – Shareholder**

Where among the proposed objectives can one find such tax privilege, as just mentioned?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

This can be found in item 14 of the new objectives: "To research, develop, manage, store, collect data, disseminate of statistics, including to be capable to sell or consult, or render services for researching, developing, storing and collecting data, disseminating of statistics relating to all kinds of energy businesses including petroleum business, petrochemical business and other related businesses with respect to industry, agriculture and commerce in order to operate the Company's business for increasing technical and technological knowledge, skills and expertise."

**Chairman**

Thanks to the government's policy of R&D promotion among Thai companies, any company operating R&D work may now triple its tax expenses, but since this matter

was absent from its former objectives, Thairoil has been unable to take advantage of its R&D work. This is where this amendment/addition comes in.

▪ **Mr. Chatchai Khun-ngam– Shareholder**

Has Thairoil undertaken any R&D work before? What are its R&D plans? Since R&D will benefit the country, I support it and commend the CEO/President for valuing this activity.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

It has been a while since R&D work took birth at Thairoil, which currently has assorted projects undertaken with PTT's Research and Technology Institute and with a variety of educational institutions. Incidentally, PTT Group's TAGNOC (Technologically Advanced and Green National Oil Company) policy focuses on developing the group's own technologies. As part of the group, Thairoil has participated, with some employees' patents already filed. In the future, if tax privileges could be leveraged, R&D work could speed up at Thairoil.

▪ **Mr. Thanawat Pinrod – Shareholder**

Why are food outlets, convenience stores, universities, printed forms, and stationery included in the revised objectives?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

It is certainly not the Company's intention to open convenience stores; however, in the future it may operate welfare stores for employees. Thairoil wants its objectives to encompass every matter that its present businesses can engage in. As for universities, PTT Group's policy is to set up a research university, and Thairoil will be among its supporters.

After giving opportunity to shareholders to question and comment and there were no more questions or comments, the Chairman requested the Meeting to consider the resolution for this agenda.

**Resolution**

The AGM, by *not less than three-fourths* of the total number of votes casted by the shareholders attended the meeting and had the rights to vote, resolved to approve the amendment/ addition of the Company's Objectives and the Memorandum of Association as proposed.

The resolution comprised the following votes:

Approved	1,460,654,504	votes,	or	99.96 %
Disapproved	99,500	votes,	or	0.01 %
Abstained	543,612	votes,	or	0.03 %

**Agenda Item 9**

**Others**

The Chairman informed AGM that the Company invited the shareholders to propose agenda for this Meeting in the website from October 1, 2012 to January 31, 2013, however there were no agenda proposals and therefore, invited the shareholders to question and comment on other matters. Issues raised were as follows:

- **Mr. Pruethanan Sriwongliang– Proxy**  
Followed up on a proposal presented to the 2012 AGM on cumulative voting for directors.

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Thaioil's current director election follows its regulations, approved by the shareholders. The Board strictly conforms to these regulations.

- **Mr. Chatchai Khun-ngam – Shareholder**  
Thanked the Chairman for allowing extensive queries from shareholders and fostering a good meeting atmosphere.

**Chairman**

Thank you for the comment

- **Mr. Basant Kumar Dugar – Shareholder**  
Thanked the Board and congratulated the directors whose terms expired and who have been re-elected, particularly Mr. Apisak, who is asked to apply his commercial bank managerial skills to Thaioil management. Besides, advocated the Company's roadshows in the Asian region to inform investors about Thaioil's strengths. Advocated an e-newsletter to keep readers informed about news and information and recommended that the estimated useful lives of assets should be expanded from 20-25 years to 20-40 years for the Company's own benefit.

**Chairman**

Thank you for the suggestion

- **Mr. Jate Nimsuwan – Shareholder**  
Does Thaioil's 101% refinery capacity utilization in the past year mean that it is finding capacity increases more difficult, thus the extension to more downstream businesses? If so, how significant are downstream businesses to Thaioil's bottom line? Also, asked about the cash and fixed deposits of investment funds, amounting to about 28 billion baht, in addition to debentures seeking about USD 1 billion in credit line. How does Thaioil propose to manage these substantial sums of money for higher returns than the yields of fixed deposits?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Thaioil plans to extend its businesses to more and more downstream businesses. Detailed investigation is being made into several projects, which need time. Certainly some projects are sound and leverage the advantages of TOP's upstream businesses. As for its loan management, Thaioil strives for maximum interests to be derived. Amid today's highly volatile economic circumstances, it is essential, however, to carry some cash for advantages in business operation and expansion. The credit line approved by this meeting will be managed to the best of Thaioil's ability via the Board's careful screening for efficient spending in the best interests of shareholders.

- **Mr. Sakda Tangsaksthit – Shareholder**  
Admired the performance of the CEO/President, his management team, and employees that have enabled Thaioil to achieve 30-year debentures, which illustrated Thaioil's solid credit rating. Inquired about Thaioil's business expansion plan, particularly after the liberalization ushered in by the upcoming AEC, which should open up plenty of business opportunities. To illustrate, Thaioil's net debt-to-equity ratio is modest, while

the mobilized interest rates are low. Yet, Thairoil's refinery business may find it hard to expand its capacity. So, is Thairoil planning to raise the capacity of Thai Paraxylene Co., Ltd. (TPX)?

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

Capacity expansion at TPX has been underway. Under investigation are catalyst replacement and modification of certain distillation units. Thairoil has also been digesting additional market information in ASEAN to decide which businesses are feasible, given its capability—which should take some time. The principle is to review businesses where Thairoil has the capability and competitiveness to establish sustainable growth.

▪ **Mr. Sakda Tangsaksthit – Shareholder**

Asked about the performance of Independent Power (Thailand) Co., Ltd. (IPT), which made about 12 billion baht in sales revenue, commanded an 85% capacity utilization rate, but netted only some 400 million baht in profit. Why is this so? If IPT could return to full capacity, what income and profit are expected? Does Thairoil plan to extend investment in the power business in view of rising power demand, while it is financially robust in capital, which could fuel much more of this business expansion. Therefore, need clarity about the market listing of Global Power Synergy Co., Ltd. (GPSC)—amalgamation of IPT and PTT Utility Co., Ltd. (PTTUT).

**Chairman**

*(Assigned the CEO/President to respond.)*

**CEO/President**

The power business, in general, has rather modest profit-to-sales revenue ratios in comparison with other businesses despite its steady stream of revenue. Each power plant bidding is therefore highly competitive. Thairoil's power business falls into two types. First, a power plant directly connected to the refinery, which is most efficient thanks to the cogeneration of both steam and electricity for the refinery; the rest is sold to Electricity Generating Authority of Thailand (EGAT). Second, an independent power plant that sells all its electricity to EGAT. This is in fact the case of IPT, which has now been amalgamated with PTTUT to form a flagship of PTT Group for the power business; Thairoil holds about 30% shares in this new entity. This approach benefits business because of the strengths and skills, particularly in the power business, leading to growth in the power business—which aligns with the shareholder's view.

The Chairman again invited questions and comments from the shareholders but there were no more questions or comments. The Chairman then thanked the shareholders for attending the Meeting. The Chairman, then, announced that the Meeting is adjourned.

As the meeting adjourned, all meeting participants were announced to return the remaining vote tickets.

As the meeting adjourned, there were 1,898 shareholders attending in person and 614 proxies presented at the meeting totaling up to 2,512 attendees, representing 1,461,304,816 shares or 71.63 percent of the total issued share capital

**Meeting Adjourned: 5.50 p.m.**

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(Mr. Nuttachat Charuchinda)  
Director

24/24

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(Mr. Veerasak Kositpaisal)  
Director/Chief Executive Officer  
and President