

**(Translation)**  
**The Minutes of 2017 Annual General Meeting of Shareholders**  
**Thai Oil Public Company Limited**

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Thai Oil Public Company Limited (“the Company”) held 2017 Annual General Meeting of Shareholders on Friday, April 7, 2017, 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. Kurujit Nakornthap        | Director/ Chairman of the Board   |
| 2) Ms. Chularat Suteethorn       | Independent Director / Chairman of the Audit Committee / Member of the Nomination and Remuneration Committee                |
| 3) Mrs. Suvimol Chrityakierne    | Independent Director / Member of the Audit Committee  |
| 4) Mr. Siri Jirapongphan         | Independent Director / Member of the Audit Committee  |
| 5) Gen. Thanakarn Kerdnaimongkol | Independent Director / Member of the Audit Committee  |
| 6) ACM Suttipong Inseepong       | Independent Director / Chairman of the Corporate Governance Committee   |
| 7) Mr. Yongyut Jantararotai      | Director / Member of the Corporate Governance Committee   |
| 8) Mr. Thosaporn Sirisumphan     | Independent Director / Chairman of the Nomination and Remuneration Committee / Member of the Corporate Governance Committee |
| 9) Mr. Sarun Rungkasiri          | Director / Chairman of the Risk Management Committee / Member of the Nomination and Remuneration Committee                  |
| 10) Mr. Noppadol Pinsupa         | Director / Member of the Risk Management Committee  |
| 11) Mrs. Sriwan Eamrungraj       | Director  |
| 12) Mrs. Nitima Thepvanangkul    | Director  |
| 13) Ms. Nantika Thangsuphanich   | Director  |
| 14) Mr. Atikom Terbsiri          | Director / Member of the Risk Management Committee / Chief Executive Officer and President / Secretary to the Board         |

**Directors Absent from the Meeting** - None-

**Auditor Attending the Meeting**

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|-----------------------------------|---|
| 1) Mr. Waiyawat Kosamarnchaiyakij | Certified Public Accountant Registration No. 6333 |
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### **Independent Legal Advisors Attending the Meeting**

- 1) Mrs. Veeranuch Thammavaranucupt Senior Partner, Weerawong, Chinnavat & Partners Ltd.
- 2) Ms. Kulnisha Srimontien Associate, Weerawong, Chinnavat & Partners Ltd.

### **Executives Attending the Meeting**

- 1) Mr. Bandhit Thamprajamchit Senior Executive Vice President  
- Refinery and Petrochemical
- 2) Mr. Chatapong Wungtanagorn Executive Vice President - Corporate Commercial
- 3) Mr. Chawalit Tippawanich Executive Vice President - Organization  
Effectiveness
- 4) Ms. Pattaralada Sa-ngasang Executive Vice President - Finance and Accounting
- 5) Mr. Surachai Saengsamran Executive Vice President - Operation Excellence

Before the meeting convened, all meeting participants were shown a safety briefing VDO presentation of Bangkok Convention Center, 5<sup>th</sup> Floor, Central Plaza Department Store, Ladprao.

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

Mr. Kurujit Nakornthap, Chairman of the Board, presided over the meeting (the “Chairman”) introducing the Directors, attending all 14 members equaling 100% of the members of the Board, as well as Executives, Auditor, and Independent Legal Advisors attending the meeting as the name listed above before starting the Meeting.

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 Baht. As the meeting started, there were 888 shareholders attending in person and 438 proxies presented at the meeting totaling up to 1,326 attendees, representing 1,464,119,045 shares or 71.7696% of the total issued share capital which was more than 680,009,291 shares or one-third (1/3) of the total issued share capital. This constituted a quorum according to Section 103 of the Public Company Limited Act B.E. 2535 (1992) (as amended) and Section 35 of the Articles of Association of the Company. The Chairman, therefore, called the 2017 Annual General Meeting of Shareholders (AGM) to consider matters under the agenda stated in the 2017 Annual General Meeting of Shareholders invitation notice for this meeting.

The Chairman informed the Meeting about the voting process and meeting procedures 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 states that one share is entitled to one vote. Shareholder who has conflict of interests on a given matter has no rights to cast their vote except to vote for election of director.
- The Chairman has informed voting criteria to the Meeting. In each agenda, he will ask and count only those who disapprove and abstain from voting. If there were no disapproving or abstaining votes, the resolution would be considered as approved with unanimity. Should any shareholders wished to disapprove and abstain from voting, they are to mark on the given voting ballot. If corrections need to be made, they are requested to countersign such corrections and raise their hands so that officers may collect such ballots and put them together at the central vote-tallying unit for further announcement of the voting result.

- For the agenda item that needs the majority voting of shareholders attending the meeting and casting their votes, the ballots stating abstention and invalid ballots are not included as part of the total votes. For the agenda item that needs two-thirds voting and three-fourths voting of attending eligible shareholders, such ballots stated above are to be included as part of the total votes.
- Since shareholders and proxies tend to register for and leave the meeting at different times, it is only natural for the number of attending shareholders and proxies for each agenda item to fluctuate.
- For verification purposes, the Company is to collect Approve voting ballots for all agenda items at the end of the meeting. Voting is to be done openly. Collection of voting ballots from all shareholders and proxies is done for voting transparency.
- If shareholders or proxies wish to express their views or ask questions on each agenda item, they are asked to use the prepared microphones. For accurate and complete recording of the minutes, they are requested to state their names, last names, and attending status (shareholders or proxies).
- In the event that the shareholders have questions or comments, in addition to the considered agenda, please ask or make comments in the last agenda at the end of the meeting. The shareholders are also urged to keep their comments and questions concise and to refrain from asking or commenting on redundant points so as to allow other shareholders to exercise their rights and help manage the meeting time.
- Should foreign shareholders or proxies ask questions in English, the Company has officers to translate their questions into Thai for directors and executives to answer in Thai for accurate understanding by the majority of participants. The officers are to translate the replies into English for the inquiring shareholders or proxies.
- The Company had publicized the 2016 AGM minutes (held on April 7, 2016) on its website since April 20, 2016, and mailed it to all shareholders since April 29, 2016, for review or correction by May 31, 2016. Since by that date, no shareholders had asked to amend such minutes, it is regarded that the minutes of meeting is certified by the shareholders.

The Chairman then invited Ms. Kulnisha Srimontien, Associate from Weerawong, Chinnavat & Partners Ltd. and Mr. Wuttichai Sangbuth, a proxy who volunteered from the shareholders to be a witness in the vote counting. 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 Acknowledge the Company’s 2016 Operating Results and to Approve the Audited Financial Statements for the Year Ended**

The Chairman informed the objectives and reasons of the agenda to the Meeting that according to Section 112 of the Public Company Limited Act B.E. 2535 (1992) (as amended) and Section 41 of the Articles of Association of the Company, the Company had to prepare annual performance report and financial statements to be approved by the shareholders at the AGM.

The Board of Directors prepared the Company’s performance report and financial statements as of December 31, 2016 which were audited and certified by the Auditor and reviewed by the Audit Committee, details on 2016 annual report as distributed to the shareholders with the AGM invitation notice, had been prepared and were presented via 8 minutes video presentation for conciseness.

In 2016, the world economy faced fluctuation and could grow at a slower pace. This was in line with the crude oil and petroleum market, which initially was pressured by surplus before the price gradually increased at the end of the year, due to the agreement reached among OPEC member countries to curtail oil production, resulting in a slight drop of Gross Refinery Margin (GRM) in Southeast Asia (SEA) region. Thailand's petroleum product demand growth was around 2.3% due to stably low retail price. On the other hand, aromatics business overview picked up the pace since the supply had decreased due to the turnaround of aromatics plants and postponement of commercial operation date of the new ones, as well as the rising of downstream product demand. However, the lube base business was stagnant due to surplus in the market.

Despite the market condition in 2016, the Company prevailed and outstandingly performed. This results from three major factors. Firstly, the Company could maintain the production rate at 108%, which is considered higher than that of other refineries both in the country and in the SEA region. Moreover, domestic market share increased to 87%. Secondly, the Company executed measures to increase profits and reduce operating costs. The measures are, for example, the measure to improve the operation along the whole supply chain, the measure to reduce operating cost, and the measure to improve value of hydrocarbon. These help reduce operating cost by 527 million Baht and increase the profit by 3,102 million Baht, totaling profit increase of 3,629 million Baht. Thirdly, the Company, in 2016, profited from two completed projects which are able to start commercial as planned: Linear Alkyl Benzene plant of LABIX Co., Ltd, the first plant to produce intermediate of surfactant and detergent, and Small Power Plants (SPP) of TOP SPP Co., Ltd. The three aforementioned factors resulted in the Company's outstanding performance with the revenue of 274,739 million Baht and the profit of 21,222 million Baht. Apart from the projects that has been commercialized, there have been ongoing projects, for example, Sriracha Logistics Development project, Jetty Expansion Project, and also the project under study, such as Clean Fuel Project (CFP). As of December 31, 2016, the Company's total asset was 217,731 million Baht, total liabilities 106,134 million Baht, and total equity 111,597 million Baht. In addition, the Company prioritizes research and development projects for further commercial implementation, as well as business operation based on social and environmental responsibilities and good corporate governance. These evidence with all honorable rewards received in the year 2016 including the fourth consecutive year of Dow Jones Sustainability Indices and energy industry group leader for the third consecutive year.

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

*Mr. Jiraphan  
Buabucha,  
shareholder*

1. Based on the Report of the Audit Committee, page 17, the 2016 annual report, under the "Internal Controls" topic, did the committee review the effectiveness of the internal control system of Thaioil and Subsidiaries under the framework of the practical guidelines of The Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), using only the Company's evaluation for internal control system sufficiency? If not, what are its review approaches?
2. In what form is the Company's evaluation for internal control system sufficiency done against COSO? Survey or other form?

3. Based on the Report of the Audit Committee, page 17, the 2016 annual report, under the “Internal Systems Audit Supervision”, what are the outcomes of the Continuous Control Monitoring System (“CCMS”), phase 1, from the procurement and purchase to the payment processes using SAP system and the Governance, Risk and Compliance (“GRC”): Process Control Module, implemented since October 31, 2016? Was any irregular reporting detected?
4. Based on page 122 of the 2016 annual report, under the “Business Disruption Risk” topic, incorporating incidents causing community complaints, what is the Company’s operating approach to prevent the environmental impacts of oil spills? How long would it take to get rid of oil stains?

*Chairman*

Assigned Ms. Chularat Suteethorn, Chairman of the Audit Committee, to address queries about the Audit Committee’s report.

*Ms. Chularat  
Suteethorn,  
Chairman of the  
Audit Committee*

1. The current Audit Committee is considered highly efficient due to the presence of a certified public accountant and several experts in different fields.
2. Besides the COSO framework for internal control, the Committee applied SEC’s audit guidelines, with five aspects and 17 sub-plans encompassing corporate internal control, risk assessment, operating control, ICT system, and monitoring systems in its audit of internal control efficiency.
3. Following the implementation of CCMS, phase 1, from the procurement and purchase to the payment processes using SAP system and the GRC: Process Control Module, the Company has detected no significant violations. As for communication through the information system, the Company has implemented such system in daily work, including communication via the internet and internal bulletins, new staff orientation, and IT-based meeting arrangement. For the seventh consecutive year, the Company earned ISO/IEC 27001 certification for information security standards. Therefore, shareholders may rest assured that the Audit Committee takes most seriously the internal audit system and the security of IT applications while constantly monitoring them.

*Chairman*

The Company has experienced no oil spills during its product transport. Nevertheless, its measures against such risks are in place. Assigned Mr. Sarun Rungkasiri, Chairman of the Risk Management Committee, to elaborate.

*Mr. Sarun  
Rungkasiri,  
Chairman of the Risk  
Management  
Committee*

Since the best risk management practice for marine oil spills is to prevent them, Thaioil regularly inspects product transport equipment for its readiness for use and constantly trains personnel to operate based on international standards. To cope with potential spills, the Company and nearby petroleum producers have jointly prepared relevant equipment. Should spills occur, the Company deploys booms to contain spilled oil, deploys spilled oil collectors, and neutralizes oil stains. The Company also works with countries such as Singapore to borrow essential equipment for aggravated cases. Finally, the Company

annually undertakes emergency drills with neighboring companies and various government agencies.

*Mr. Surasak  
Koprakong,  
shareholder*

1. Based on the financial statements, the Company grew its investment in Indonesia, Vietnam, and Myanmar, citing sale of solvents in Vietnam. What forms of investment exist in Indonesia and Myanmar?
2. What is the current ratio of revenue derived from overseas investment? Based on the Company's plans, how much such revenue can be expected of the total in the future?
3. Based on the financial statements, the Company provided 90 million Baht as a short-term loan to Maesod Clean Energy Co., Ltd., ("MCE") in 2015-2016. When is MCE due to go commercial? Does the Company plan to provide additional short-term loans to it? If so, how much? When does the Company expect MCE to begin generating profit?

*Chairman*

Assigned Mr. Atikom Terbsiri, CEO and President, to address this query.

*Mr. Atikom Terbsiri,  
CEO and President*

To grow investment and enhance its business growth, the Company devised overseas investment plans with a primary focus on growing Southeast Asian investment. Today, TOP Solvent (Vietnam) LLC. is the Company's subsidiary to distribute solvents and chemicals in Vietnam, generating the revenue of around 1.8 billion Baht per year (or 0.7% of Thaioil and Subsidiaries' total revenue). As for its investment in Indonesia and Myanmar, the Company is investigating investment forms. Its preliminary focus will be more on product distribution than assets investment and plants establishment, because both countries are high-potential markets.

*Chairman*

Formed with the cooperation among the Company, Mitr Phol Group, and Padaeng Industry Plc., Maesod Clean Energy Co., Ltd., has conducted commercial operation for several years. Note that the Company has sold all its shares in MCE to its former investors since February 2017.

*Mr. Thammanoon  
Chulamaneechot,  
proxy*

1. Articles 98 and 101 of the Public Company Limited Act B.E. 2535 (1992) state: The Board must stage an AGM within four months of the end of the company's accounting year..." and "In calling the AGM, the Board is to issue a meeting notice stating the venue, date, time, meeting agenda, and matters for the meeting together with adequate details." Proposed addition of a phrase to the meeting notice: A meeting notice issued at the instruction of the Board. This would make the meeting notice more complete under the above-mentioned act.
2. The meeting timing of the Audit Committee and the Board to verify the financial statements for the year ended on December 31, 2016, seemed too close together, namely February 10 and February 15, 2017. Proposed a longer gap to allow for more complete documentation for the Board's consideration.

3. The present Audit Committee consists of four members, some of whom also serve as members of other committees. Proposed lowering this number to three to give more work efficiency and prevent conflicts of interest.
4. Proposed addition of content details and examples of committee performances for a more complete annual report
5. Referring to page 110 of the 2016 annual report, proposed a performance review of directors whose meeting attendances are below 75%.

*Chairman*

Appreciated the recommendations.

1. Concerning the recommended wording added to the meeting notice, assigned the legal adviser to look into it. Please be assured that the 2017 AGM meeting notice indeed resulted from the Board's resolution.
2. This year the Audit Committee met 10 times, with quarterly reporting to the Board as a minimum, which is procedurally appropriate
3. The Audit Committee currently consists of four independent directors, all of whom perform efficiently and express free views. Shareholders can rest assured about its performance.

*Mr. Basant Kumar Dugar, shareholder*

1. Commended the Company's efficient management and operation, evident in retaining its leadership in sustainable business management in the energy industry group of DJSI (Dow Jones Sustainability Indices), apart from consistent Gold Class leadership of the refining industry, oil and gas marketing, as announced by RobecoSAM Sustainability Award panel.
2. Commended the Company's performance results and healthy financial standing, including rising domestic market shares and low debt-to-equity ratios. This helps increase the Company's potential to gain credit rating of AAA, a good opportunity to lower its cost of funds.
3. Commended the Company's cash flow management, evident in decent cash flow for operating activities despite relatively low cash flow for investing activities. When cash flow from operating activities is deducted by loan obligations, one still finds healthy free cash flow to equity a parameter for assessing the common-share value.
4. Commended PTT Plc., the Company's major shareholder, for its decent performance outcomes and ranking among Fortune 100.

*Chairman*

Appreciated the comments and confidence in the Company's performance.

*Mr. Direk Khunwutwanich, shareholder*

How would the use of electric vehicles affect the Company's performance? How does it propose to sustain such impacts?

*Chairman*

The Board has discussed this very matter with a preliminary conclusion that even if electric vehicles became increasingly recognized, the majority of vehicles today would continue to rely on gasoline. The Company is determined to constantly make its refinery the most efficient. Assigned Mr. Siri Jirapongphan, Audit Committee member and Executive Director of Petroleum Institute of Thailand, to elaborate.

*Mr. Siri  
Jirapongphan, Audit  
Committee Member  
and Executive  
Director of  
Petroleum Institute  
of Thailand*

The world automotive innovation will likely see more electric vehicles used at the expense of conventional vehicles. One question remains: How soon can this social change take place in view of manufacturing technology potential? This year, Tesla Motors (currently the biggest seller of electric vehicles worldwide) can turn out 25,000 vehicles a year, with a goal of 250,000-300,000 vehicles a year, whereas the worldwide manufacturing capacity of gasoline-based vehicles today is 90 million vehicles per year. Obviously, for electric vehicle manufacturing to fully meet consumers' demand, compared with the number of gasoline-based vehicles, there remains a big gap in capacity upgrading and manufacturing volume. Worldwide, experts expect electric vehicles to replace gasoline-based ones within 20-30 years. In short, oil will continue its world's dominance in the long run. The Company plans to restructure its refining for maximum efficiency and highest quality products through the CFP (Clean Fuel Project), adding value to the products. CFP represents an option to meet evolving demand for energy and fuels to strengthen the Company in the long run. In addition, the Company has invested in other alternative energy, notably the power generation business which is, of course, the power for electric vehicles. Shareholders can rest assured that Thairoil is keenly aware of changes in technology and future market conditions while remaining committed to producing products with maximum quality and efficiency, as well as competitive ones. Finally, Thairoil is prepared to expand investment in other businesses to enhance corporate stability in the long term.

*Ms. Janejira  
Sombatcharoenwong,  
shareholder*

1. Commended the Company's organization of this AGM.
2. Since the Company's values include social responsibility, in order to ease global warming, recommended that the annual report be made smaller and slimmer, and that the sustainability report be printed on lower-quality paper. Also, recommended that recycled paper and soy ink be used to stay environmentally friendly. This is meant to not only reduce resource consumption, but also reduce corporate expenses.
3. Wished to see the Company's share price reach 80 Baht per share.

*Chairman*

Appreciated the praise and recommendations. Assigned the management to take the annual report issue up for consideration.



*Mr. Prasert  
Kaeoduangthian,  
shareholder*

1. Based on the financial statements, page 202, the 2016 annual report, under the separate financial statements, the Company posted 13.97 Baht per share in profit, whereas under the consolidated financial statements, it posted 10.40 Baht per share in profit—a drop of about 3.57 Baht per share. Could this have resulted from losses suffered by subsidiaries? Hoped that from next year onward, the consolidated financial statements will better than the separate financial statements.
2. Based on the statement of cash flows, page 208, the 2016 annual report, the Company bought and sold current investments and long-term investments. Were these moves made in the normal course of business? How has the Company benefited? If the investment buying and selling were not made, how would the Company have suffered?

*Chairman*

Assigned Mr. Atikom Terbsiri, CEO and President, to address these queries.

*Mr. Atikom Terbsiri,  
CEO and President*

1. The Company's consolidated financial statements contain booked equity profits or equity losses faced by the Company in subsidiaries. Separate financial statements contain booked investment at cost; therefore, the Company books only dividend increments. In 2016, all subsidiaries posted profits and paid out relatively high dividends. To optimize cash flows of Thaioil and Subsidiaries, some subsidiaries paid out more dividends than their profits. This makes profits under separate financial statements higher than those under consolidated financial statements.
2. Buying and selling of current investments and long-term investments are simply financial statements terms for liquidity management. By depositing cash in savings and fixed-deposit accounts, one records in the statement of cash flows "current investment". By doing the same in fixed-deposit accounts of one year or more, one records in the statement of cash flow "long-term investment."

*Mr. Somchai  
Janesathiraphan,  
shareholder*

Based on the financial statements, this year the Company posted 21,222 million Baht in net profit. Of this, how much were oil stock gains or losses? For this coming year, will this happen again? And why?

*Chairman*

The Company's net profit of the year 2016 amounted to 21,222 million Baht, of which 6,138 million Baht came from oil stock gains.

*Mr. Atikom Terbsiri,  
CEO and President*

The above-mentioned net profit included the stock gains mentioned by the Chairman together with NRV (the profit resulting from the net value to be received from the oil stock in the Company's tanks). This is because in December 2016, the oil price averaged 52 USD per barrel, which exceeded the average price of the same month in 2015 (34.60 USD per barrel). The discrepancy represents the Company's stock gains in 2016. For 2017, therefore, stock gains or losses are subject to the same discrepancy between 2016 and 2017. Suppose the average oil price of December 2017 exceeds that of December 2016 (52 USD per barrel), the Company will post a stock gain. On the other hand, if it is less, the Company will face a stock loss. The

average crude oil price in March 2017 stands at 52.2 USD per barrel, so currently the Company has neither a stock gain nor a stock loss.

*Mr. Rittichai  
Yipcharoenporn,  
shareholder*

1. According to the research showed that crude oil falls into sweet and light crude (high quality, with higher price than the reference price) and heavy and sour crude (low quality, with lower price than the reference price). Can the Company refine heavy and sour crude?
2. According to the 2016 annual report, the average crude oil price stood at 41.3 USD per barrel. What was the Company's cost of crude oil this year?
3. According to the 2016 annual report, the Company was investigating the CFP (Clean Fuel Project), restructuring of the refining units that convert fuel oil into more diesel and jet fuels. In short, more high-valued products, while the capacity rises from 275 KBD to 400 KBD. What is the project feasibility study outcome? If it is going ahead with this project, what is the start date?
4. Based on 2016 financial statements, if one excluded oil-stock impacts, the Company would post a lower gross profit than last year. Should CFP be implemented, would the Company post a gross profit from the Company's production, excluding oil-stock impacts?
5. According to the 2016 annual report, the Company posted the lowest operating cash cost of only 1.8 USD per barrel. Why is this cost so low? Compared with other refineries, how superior are its processes?
6. According to the Company, domestic sales of products accounted for 87% of its total capacity. Was the profit from domestic sales higher or lower than that from exports? If it is higher, can the Company raise the proportion of domestic sales?
7. My research showed that lorry loading of oil products is more costly than pipeline transport. Does the Company have an investment plan for product pipeline transport?

*Chairman*

1. Sweet and light crude yields more high-priced products like diesel, gasoline, and jet fuels. Heavy and sour crude yields more low-priced products like fuel oil and bitumen, with high ratios of sulfur and naturally costs less.
2. The Company's crude oil purchase is referenced to the Dubai crude price, since about 79% of its throughput is imported from the Middle East.
3. The Company's processes rely on advanced, evolving technologies. In its early days, it had only a hydroskimming unit that yielded products proportional to the throughput volume. Later, with the installation of the cracking and reforming units, it increased high-valued outputs, thus raising the Gross Refining Margin ("GRM"). CFP implementation would represent progress catapulting the Company into a refining business leader in Thailand and the region, while supporting its GRM by raising the volumes of high-valued products and enhancing its capability for taking crude oil from more diverse sources.

4. Since domestic products are higher-priced than exports, the Company wants to maximize domestic sales. Yet, the proportion of product sales hinges primarily on domestic demand. Should fuel prices rise or should consumers gain access to more alternative fuels, domestic oil consumption would plunge, in which case the Company would need to export its diesel and gasoline.
5. The Company has 9.2% equity in Thai Petroleum Pipeline Co., Ltd., which engages in the business of petroleum product pipeline transport and has a project to expand its lorry loading capacity that envisages capacity expansion from 10 to 15 million liters a day. This would meet rising demand while improving distribution flexibility and speed as reported in the 2016 annual report.

*Mr. Atikom Terbsiri,  
CEO and President*

1. Sweet and light crude yields high-priced products with predominantly low sulfur contents and low viscosity. On the other hand, heavy and sour crude yields low-priced products with high sulfur contents, high viscosity and have a lower price than sweet and light crude. The Company will incur higher sulfur-removal costs while getting relatively low-priced products. Therefore, design of various production processes is mainly subject to the sourcing ability for crude oil.
2. Today, the Company's refining capacity is 275 KBD, turning out about 37% diesel, 21% jet fuels, and 9% fuel oil. Sale of this fuel oil is at a negative price against the reference crude oil price. So, the Company plans to execute the CFP by developing the efficiency of existing units (aged over 50 years) to raise its fuel-oil refining ability for higher-valued products matching market demand. Also, it is to raise the ability to accommodate more diverse crude oil grades, as well as to cut production-process energy consumption to in turn trim the unit cost. Moreover, to achieve the economies of scale for lower unit cost and greater competitiveness. The CFP feasibility study breaks down into several steps. Our initial studies have indicated investment viability for the reasons previously mentioned. The project is currently under Front End Engineering Design ("FEED") to best estimate the investment value before reviewing its viability, taking into account the investment value along with market conditions and future prices of crude oil and petroleum products. It is likely that at the end of this coming year, the Company will be entering the contractor bidding process.
3. Our production cost is made up of the operating cash cost (including energy, plant overhead, and labor costs). For the Company, this component is currently about 1.8 USD per barrel. Another cost is the cash cost, which includes about 0.60 USD per barrel in assorted interest payments. Also, the actual cost is one of the production costs which is based on depreciation. All these components result in about 3.4 USD per barrel in production cost.

- Mr. Thammanoon Chulamaneechot, proxy*
1. Recommended AGM arrangement in late March since many other companies are doing the same in April.
  2. Recommended inclusion of separate financial statements and consolidated financial statements in the meeting notice. This would help shareholders to search information more conveniently instead of flipping through the bulky annual report.
- Chairman*
- Appreciated your recommendations, which would be taken up for consideration by the management. Added that the Company's various schedules align with regulators' directives.
- Mr. Prasert Kaeoduangthian, shareholder*
- As expressed by a shareholder, the annual report is bulky and costly to produce. My view is that shareholders in general study the statement of financial position, statement of comprehensive income, and statement of cash flows. So, if the Company prepares the full Financial statements for only the regulators and requesting shareholders, it could forego substantial expenses while helping shareholders' perusal of financial data.
- Chairman*
- Appreciated your recommendations, which would be taken up for consideration by the management. Since shareholders' annual report data needs indeed vary, all recommendations will be reviewed and acted on for maximum corporate governance.
- Ms. Janejira Sombatcharoenwong, shareholder*
- Thanked the previous shareholder (Mr. Prasert) for supporting the annual report idea.
- Mr. Yutthana Kanjanawisut, proxy*
- Recommended the Chairman's collection of irrelevant queries to deal with at the end of the AGM to keep it more concise and efficient
- Chairman*
- Appreciated your recommendation.
- Mr. Jiraphan Buabucha, shareholder*
1. Based on the Notes to the financial statements, page 245, the 2016 annual report, the Company set up personal asset management funds, administered by several independent asset management companies. What% age is the return on investment for each such fund? Which asset management companies provided benefits lower than the Company's goal?
  2. Based on the Notes to the financial statements, page 283, the 2016 annual report, the marine transport business posted 24 million Baht in profit, a decline of 173 million Baht. Why did the profit plunge against the 17 million Baht rise in operating expenses?
- Chairman*
- Assigned Mr. Atikom Terbsiri, CEO and President, to address this query
- Mr. Atikom Terbsiri, CEO and President*
1. It was only recently that the Company invested in personal asset management funds. The purpose was to administer liquidity efficiently.
  2. In 2015, the Company rented vessels for sub-rental to other customers, deriving income from the price difference between rental and sub-rental. This contract ended in 2016, so the Company did not book any income. Besides, with falling freight

rates, the Company would incur losses if it continued this sub-rental. In short, such income did not impact the Company, since this matter concerned vessel contract administration in the course of normal business.

*Ms. Pattaralada  
Sa-ngasang,  
Executive Vice  
President, Finance  
and Accounting*

Since the Company began investing in personal asset management funds in late 2016, it did not book this income. Nevertheless, during the first quarter of the year 2017, the Company booked income from three personal asset management funds' returns on investment, averaging 1.66%, which exceeded interests earned from bank deposits of 1.2-1.4%. The set up of personal asset management funds therefore added benefits and liquidity for the Company.

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 Meeting, by the majority votes of the shareholders who attended the meeting and cast their votes, resolved to acknowledge the Company's 2016 operating results and to approve the audited financial statements for the year ended December 31, 2016 with the following votes:**

Approved	1,465,113,456	votes,	or	99.9996%
Disapproved	6,000	votes,	or	0.0004%
Abstained	2,971,615	votes		
Voided Ballots	0	votes		

**Agenda Item 2**    **To Approve the Dividend Payment for the Company's 2016 Operating Results**

The Chairman assigned Mr. Atikom Terbsiri, CEO and President, to present the details of this agenda item to the Meeting.

Mr. Atikom informed the Meeting of the objectives and reasons of this agenda item, explaining that according to Section 115 of the Public Company Limited Act B.E. 2535 (1992) (as amended) and Section 43 of the Articles of Association of the Company, the payment of dividend shall be approved by the AGM; and the Board of Directors may pay an interim dividend to the shareholders from time to time if the Company has profits to justify such payment; and after the interim dividend has been paid, the matter shall be reported to the shareholders at the next AGM.

Mr. Atikom reported that currently the Board approved the policy on dividend payment of no less than 25% of the net profit of the consolidated financial statements after deducting all legal reserves, as indicated in the Company's Articles of Association and in line with the related laws. The dividend payment depends on the Company's cash flow and the investment plan of Thailoil and its subsidiaries each year, as well as other necessary and suitable factors that the Board deems appropriate.

From January 1 to December 31, 2016, the Company and its affiliates had a consolidated net profit of 21,222 million Baht, which was equivalent to 10.40 Baht per share.

The Board of Directors had considered all relevant factors such as the Company's cash flow, investment plan and retained earning, and found it appropriate to propose that the Meeting consider the approval of the dividend payment, with the following details:

(1) Approve the dividend payment from the Company's operating results from January 1 to December 31, 2016 which will be paid to the shareholders holding a total 2,040,027,873 shares at 4.50 Baht per share, totaling approximately 9,180 million Baht. After the deduction of the interim dividend payment for the first half of 2016 at 1.50 Baht per share, totaling approximately 3,060 million Baht paid on September 23, 2016, the Company will pay the remaining dividend for the second half of 2016 at 3.00 Baht per share, totaling approximately 6,120 million Baht. The dividend will be paid from the net profit which is exempted from income tax according to the Board of Investment (BOI) privilege. However, shareholders paying personal income tax cannot be credited for the received dividend in accordance with Section 47 bis of the Revenue Code of Thailand. The Company will, therefore, pay the dividend to the shareholders who are entitled to receive the dividend on March 1, 2017 by closing the share register book on March 2, 2017, and will pay the dividend on April 28, 2017.

(2) Acknowledge the interim dividend payment approved by the Board on August 26, 2016 at the rate of 1.50 Baht per share, totaling approximately 3,060 million Baht, which was paid on September 23, 2016.

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

*Mr. Thammanoon  
Chulamaneechot,  
proxy*

Inquired about the Company's dividend payment criterion (dividend policy)

*Chairman*

Assigned Mr. Atikom Terbsiri, CEO and President, to address this question.

*Mr. Atikom Terbsiri,  
CEO and President*

The Company bases its consideration of dividend payment on the profit under its consolidated financial statements in conjunction with the previous payout ratio. The policy is to pay out no less than 25% of the net profit of the consolidated financial statements, set in the days of the first IPO. Throughout the years, the Company has paid out 40-45% of the net profit of the consolidated financial statements, which is in excess of the amount stipulated in its policy, and the Company has tried to maintain this payout rate. In addition, the Company takes into account each year's return on equity (ROE) on the basis of the share price traded on the SET. To elaborate, if a shareholder held shares through the 2016 calendar year, these shares averaged 66.70 Baht per share. Then, on December 31, 2016, the closing price was 72.25 Baht per share, giving an average yield of 6.7% for the year. Supposing that the shares were acquired on December 31, 2016, in this case the shareholder would enjoy a 6% yield in contrast with the average yield of most stocks traded on the SET in 2016 (3.0-3.4%) and with the average yield of government bonds for the past 12 months (1.0-1.2%). Thus, the dividend rate proposed by the Company is regarded as suitable, and the payout is

made from the Company's separate financial statements as required by the related laws.

*Mr. Prasert  
Kaeoduangthian,  
shareholder*

Because these dividend payments came from the consolidated financial statements. The question is: in 2016 the separate financial statements showed 13.97 Baht per share in profit, so when combined with the profits of the subsidiaries, Thaioil's earnings per share should exceed 13.97 Baht per share. Why does the consolidated financial statements show a profit of only 10.40 Baht per share?

*Chairman*

Assigned Mr. Atikom Terbsiri, CEO and President, to address this question

*Mr. Atikom Terbsiri,  
CEO and President*

The consolidated financial statements show booked profits or losses faced by subsidiaries against the Company's equity shares. If the Company has 100 Baht in profit and a subsidiary has 20 Baht in profit, and if the Company wholly owns this subsidiary, it will then book 20 Baht in profit for a combined 120 Baht. On the other hand, if it owns only 50%, its booked profit would amount to just 10 Baht for a combined 110 Baht. In separate financial statements, the Company books its investment as cost, for which it books dividend income only. This year, the Company's subsidiaries paid out fairly high dividends. Some may pay out even higher dividends than the profit by allocating some money from retained earnings in order to optimize the Company and its subsidiaries' cash flow management mainly through management in the Company, and increases the subsidiaries' ROEs and ROICs from decreased equity. As a result, the profit under the 2016 separate financial statements exceeded that under the consolidated financial statements as the Company booked higher dividends than its equity profit shares.

*Mr. Thammanoon  
Chulamaneechot,  
proxy*

As explained by Mr. Atikom Terbsiri, CEO and President, the dividend is based on the consolidated Financial statements. This year, the Company is proposing 43% in dividend payout. The question is that the registrar at the Department of Business Development announced on April 25, 2007, that all listed companies must pay dividends under separate financial statements. This rule must be observed by the Company. At the 43% payout rate under the 2016 separate financial statements in line with this procedure and corporate governance, the Company should therefore pay out 6 Baht per share. After deducting the interim payment of 1.50 Baht per share, the Company should therefore pay out an additional 4.50 Baht per share. It is requested that the Company give this matter careful consideration in compliance with the law. It is also requested that the Company prepare the dividend payment information based on the profit separate and consolidated financial statements side-by-side to enable shareholders to efficiently apply them to their dividend review.

*Chairman*

The Board has properly observed the regulations and complied with the law in proposing this agenda item for this AGM's approval. The dividend payment also conforms to the Company's own dividend policy given to the SET in July 2007 that its policy is to pay out dividends of no less than 25% of the net profit of the consolidated financial statements. This is why the Company has proposed a dividend for the 2016 performance at 4.50 Baht per share, which is equal to 43% of the net profit and exceeds 2.70 Baht per share previously proposed for last year's performance results. Ms. Suvimol Chrityakierne, Audit Committee member, was assigned to elaborate further.

*Ms. Suvimol  
Chrityakierne, Audit  
Committee Member*

The Company's dividend policy is based on its initial choice between payment from separate and payment from consolidated financial statements. As far as it is concerned, payout from consolidated financial statements is in compliance with corporate governance policy, since the performance results of subsidiaries are considered as those of its internal departments. Therefore, page 284 of the 2016 annual report shows the profit of each subsidiary. In the separate financial statements, the Company posts the profit of 28 billion Baht inclusive of dividend received from subsidiaries; while in the consolidated financial statements, the connected transaction of 14 billion Baht between the Company's dividend income and subsidiaries' dividend payment is exempted. Therefore, in the consolidated Financial statements, it seems that a 14-billion-Baht dividend income is missing, leading to a fall in the Company's profit.

*Mr. Prasert  
Kaeoduangthian,  
shareholder*

As Mr. Atikom Terbsiri, CEO and President, explained in principle, the Company's profit from its subsidiaries falls into two categories: dividends and equity profits. A further question is that based on the 2016 earnings per share under the consolidated financial statements of 10.40 Baht per share—a reduction from the earnings per share under the separate financial statements—does this imply losses incurred by some subsidiaries (resulting in lower earnings per share under the consolidated Financial statements)?

*Mr. Surasak  
Koprakong,  
shareholder*

Dividend payment based on consolidated financial statements is unfair to the shareholders. Last year the Company paid out 45% of its net profit, whereas this year it proposed to pay out only 43%. Despite greater amounts this year, the Company should also consider the dividend payout rate. In view of Mr. Thammanoon's previous explanation, based on the separate financial statements, shareholders should receive 6.00 Baht per share dividends. Despite the Company's presentation of 21,222 million Baht in profit (an all-time-high figure and a Thailoil pride), the shareholders would rather see the Company's dividend payout rate among the top 10 SET-listed companies. Mr. Surasak requested that, for the sake of fairness, the Company pay out 60% of its net profit under the consolidated financial statements, or 6.24 Baht per share.



*Chairman* Assigned Mrs. Veeranuch, Senior Partner and lawyer from Weerawong, Chinnavat and Partners Ltd. and Mr. Atikom Terbsiri, CEO and President, to address this query.

*Mrs. Veeranuch,  
Senior Partner and  
lawyer from  
Weerawong,  
Chinnavat and  
Partners Ltd.* The Ministry of Commerce’s announcement on dividend payment is the result of the inquiry to the ministry that if the parent company, which is a public company, is profitable but, combined with subsidiaries’ performance results, would incur a loss, is it obliged to pay out dividends from separate or consolidated financial statements? Conversely, if the parent company should suffer a loss, while its subsidiaries are profitable—which makes for a profitable year under the consolidated financial statements—can the parent company pay out dividends? The ministry therefore issued an additional rule that dividend payment must be made from separate financial statements. Since the Company’s performance results are based on consolidated financial statements, but dividend payment is made from separate financial statements, the Company’s action is legitimate.

*Mr. Atikom Terbsiri,  
CEO and President* As previously explained, the Company bases its dividend payment on the net profit under consolidated financial statements, but pays out the dividends from separate financial statements for the reasons given by Mrs. Veeranuch. In 2015, the separate financial statements resulted in lower earnings per share than the consolidated financial statements, while the opposite was true in 2016. Nevertheless, the Company still relies on the same dividend payment criterion (dividend policy).

*Chairman* The Company regularly pays out dividends. Back in 2014, it experienced 4 billion Baht in performance loss, but continued to pay a dividend from the Company’s retained earnings. Therefore, in proposing a dividend payment, it needs to consider a combination of factors, including its cash flows and its investment plans for a sustained, secure growth. Since the Board has exercised its careful consideration, it confirms that the dividend payout rate for this year of 4.50 Baht per share is both accurate and suitable.

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 Meeting, by the majority votes of the shareholders who attended the meeting and cast their votes, resolved to approve the dividend payment for the Company’s 2016 operating results and to acknowledge the interim dividend payment as proposed with the following votes:**

Approved	1,468,088,349	votes,	or	99.9940%
Disapproved	87,500	votes,	or	0.0060%
Abstained	45,427	votes		
Voided Ballots	21,500	votes		

### **Agenda Item 3 To Approve the 2017 Remuneration for the Company's Directors**

The Chairman assigned Mr.Thosaporn Sirisumphand, Chairman of the Nomination and Remuneration Committee to present the details to the Meeting.

Mr.Thosaporn informed the objectives and reasons of the agenda to the Meeting that according to Section 90 of the Public Company Limited Act B.E. 2535 (1992) (as amended) and Article 23 of the Articles of Association of the Company, 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 present at the meeting and having 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: such as 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 the Meeting to consider the remuneration of the directors for the year 2017 with the following details:

#### **1. Retainer Fee**

##### **1.1 Retainer Fee for Directors**

- Chairman	75,000 Baht / Month
- Vice Chairman (if appointed)	67,500 Baht / Month
- Directors	60,000 Baht / Month

##### **1.2 Retainer Fee for Board Committees**

Audit Committee, Nomination and Remuneration Committee, Corporate Governance Committee, Risk Management Committee and other committees (if any)

- Chairman of the Committee	31,250 Baht / Month
- Directors of the Committee	25,000 Baht / Month

#### **2. Per Attendance Fee for Board of Directors**

##### **(only for director who attends the meeting)**

- Chairman	25,000 Baht / attendance
- Vice Chairman (if appointed)	22,500 Baht / attendance
- Directors	20,000 Baht / attendance

#### **3. Annual Bonus**

Bonus for 2016 operating results will be paid to Directors who served the Company in 2016, including those who completed the term and / or resigned during 2016, in total amount of 50 million Baht or 0.24 % of Net Profit, which in line with the set criteria of 0.30% of the Net Profit and within the capped amount at 50 million Baht. The bonus portion is calculated based on the term of each Director. Chairman of the Board of Directors shall receive 25% higher bonus than Directors'.

#### **4. Other Remuneration -None-**

The aforementioned remuneration adopts the same rate and criteria as that approved by the shareholders in 2016, except for the attendance fee, which is increased to 20,000 Baht per attendance from 15,000 Baht per attendance in 2016. Chairman and Vice Chairman (if appointed) shall still receive the attendance fee of 25% and 12.5% respectively more than other directors.

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 Meeting, by not less than two-thirds of the total number of votes casted by the shareholders attended the meeting and entitle to vote, resolved to approve the 2017 Remuneration for the Company's Directors as proposed.

Approved	1,410,474,642	votes,	or	96.0655%
Disapproved	57,634,840	votes,	or	3.9254%
Abstained	111,194	votes	or	0.0076%
Voided Ballots	22,200	votes	or	0.0015%

#### **Agenda Item 4 To Approve the 2017 Annual Appointment of Auditors and Determination of their Remuneration**

The Chairman assigned Ms. Chularat Suteethorn, Chairman of the Audit Committee to present the details to the Meeting.

Ms. Chularat informed the objectives and reasons of the agenda to the Meeting that according to Section 120 of the Public Company Limited Act B.E. 2535 (1992) (as amended) and Article 38 (5) of the Company's Articles of Association, the AGM 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 Meeting to appoint auditors from KPMG Phoomchai Audit Ltd., which was also the audit office of the Company's affiliates. One of the following auditors may audit and provide opinions on the Company's 2017 financial statements.

1. Mr. Charoen Phosamritlert Certified Public Accountant Registration No. 4068 or
2. Mr. Vairoj Jindamaneepitak Certified Public Accountant Registration No. 3565 or
3. Mr. Waiyawat Kosamarnchaiyakij Certified Public Accountant Registration No. 6333 or
4. Mr. Natthaphong Tantichattanon Certified Public Accountant Registration No. 8829

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

The Board also found it appropriate to propose to the Meeting to approve the remuneration for 2017 quarterly review as followed:

- 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. per actual but not exceeding 10% of audit fee.

The Audit fee is at the same rate as previous year.

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

*Mr. Thammanoon Chulamaneechot, proxy* How many companies entered the external-auditor selection this year? Were their proposed fees suitable in comparison with other companies?

*Chairman* The proposed external auditor is the same one as last year, as is its proposed audit fee. Assigned Ms. Chularat Suteethorn, Chairman of the Audit Committee, to elaborate.

*Ms. Chularat Suteethorn, Chairman of the Audit Committee* The Company and other PTT Group companies invited the “Big Four” audit companies, namely PricewaterhouseCoopers ABAS Ltd., Deloitte Touche Tohmatsu Jaiyos Audit Ltd., EY Office Ltd., and KPMG Phoomchai Audit Ltd., to enter the bidding. All four proposed their fees and audit fees for PTT Group’s consideration. Having carefully considered competence, reputation, audit methodology, and audit fees, the Company settled on KPMG Phoomchai Audit Ltd. for its audit experience, mastery of the Company’s businesses, independence, and lowest audit fee bid. On December 16, 2016, the Audit Committee endorsed the choice of KPMG. As for the proposed audit fee, in view of the number of The Company’s subsidiaries, nature of work requiring competence, and participation in internal-control audit, the volume of work expands yearly. Nevertheless, KPMG Phoomchai Audit Ltd. continued to propose the same fee and audit fee as previously proposed since 2013. In short, their fees were considered suitable and comparable with those fees of industry peers. Finally, the fees were considered low for their produced quality of work.

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 Meeting, by the majority votes of the shareholders who attended the meeting and cast their votes, resolved to approve the 2017 annual appointment of auditors and determination of their remuneration as proposed.**

Approved	1,459,813,164	votes,	or	99.4327%
Disapproved	8,328,919	votes,	or	0.5673%
Abstained	79,793	votes		
Voided Ballots	21,000	votes		

**Agenda Item 5 To Approve the Appointment of New Directors in Replacement of those who complete their terms by rotation in 2017**

Before starting the agenda, the Chairman informed the Meeting that directors completing their term: Mr. Kurujit Nakornthap, ACM Suttipong Inseepong, Mr. Yongyut Jantararotai and Mrs. Nitima Thepvanangkul will leave the meeting room. The directors were to return to the meeting room after the agenda was presented.

The Chairman assigned Mr.Thosaporn Sirisumphand, Chairman of the Nomination and Remuneration Committee, to preside over and present the details to the Meeting.

Mr.Thosaporn informed the objectives and reasons of the agenda to the Meeting that according to Section 70, 71 of the Public Company Limited Act B.E. 2535 (1992) (as amended) and Article 17, 18 of the Company's Articles of Association, the Meeting elects the directors under the regulations provided by the law and that the terms of one-third (1/3) of the directors must be completed each year at the AGM. The directors whose terms are completed are eligible for re-election.

The directors who complete their terms by rotation at the 2017 Annual General Meeting of Shareholders, namely:

- (1) Mr. Kurujit Nakornthap
- (2) ACM Suttipong Inseepong
- (3) Mr. Yongyut Jantararotai
- (4) Mrs. Nitima Thepvanangkul and
- (5) Vacant position due to the resignation of Mr. Thaworn Phanichaphan

The Company had announced on its website providing an opportunity for shareholders to nominate candidate(s) with qualifications required. There was no director candidate (s) nominated.

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 agreed with the Nomination and Remuneration Committee's proposal and found it appropriate to propose to the 2017 Annual Genreal Meeting to consider the re-election of directors as followed:

- |                               |  |
|-------------------------------|--|
| (1) Mr.Chen Namchaisiri       | Appointed as Independent Director in replacement of Mr. Kurujit Nakornthap   |
| (2) ACM Suttipong Inseepong   | Re-elected as Independent Director   |
| (3) Mr. Yongyut Jantararotai  | Re-elected as Director   |
| (4) Mrs. Nitima Thepvanangkul | Re-elected as Director   |
| (5) Pol.Gen.Aek Angsanant     | Appointed as Independent Director in replacement of vacant position due to the resignation of Mr. Thaworn Phanichaphan |

Biography of the five candidates appears in the Company's English version of Shareholders' Annul General Meeting invitation notice, attachment 4, page 11 - 20.

Mr.Thosaporn invited shareholders to question and comment on relevant issues. Questions and comments were as follows:

*Mr. Thammanoon Chulamaneechot, proxy* The reason for no minor shareholder's nomination of directors is that the required minimum share count is too high. For its best interests, could the Company lower the criterion to enable expert nomination? Since the Company promotes compliance with corporate governance, propriety, and transparency under Article 85 of the Public Company Limited Act, the Nomination and Remuneration Committee should also consider whether director nominees are indeed completely qualified and can fully dedicate their time to the Company's business.

*Mr. Thosaporn Sirisumphand, Nomination and Remuneration Committee member* The Nomination and Remuneration Committee has exercised careful consideration and will take your observation up for additional review. The committee is confident in each director's responsibility. Earning the shareholders' trust, they must perform to the best of their ability for the Company's best interests.

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

Mr. Thosaporn, then, advised an officer to invite the four directors, leaving the meeting room at the beginning of the agenda, to return to the Meeting so that the Chairman would resume presiding over the Meeting and continue the Agenda Item 6.

**Resolution**      **The Meeting, by the majority votes of the shareholders who attended the meeting and cast their votes, resolved to approve the re-election of the retiring directors:**

**(1) Mr.Chen Namchaisiri**, with the following votes:

Approved	1,410,766,425	votes,	or	96.1059%
Disapproved	57,161,948	votes,	or	3.8941%
Abstained	299,603	votes		
Voided Ballots	15,000	votes		

**(2) ACM Suttipong Inseeyong**, with the following votes:

Approved	1,408,887,032	votes,	or	95.9800%
Disapproved	59,009,140	votes,	or	4.0200%
Abstained	311,804	votes		
Voided Ballots	35,000	Votes		

**(3) Mr. Yongyut Jantararotai**, with the following votes:

Approved	1,403,348,731	votes,	or	95.6013%
Disapproved	64,568,641	votes,	or	4.3987%
Abstained	310,604	votes		
Voided Ballots	15,000	votes		

**(4) Mrs. Nitima Thepvanangkul**, with the following votes:

Approved	1,403,326,931	votes,	or	95.6013%
Disapproved	64,567,841	votes,	or	4.3987%
Abstained	333,204	votes		
Voided Ballots	15,000	votes		

<b>(5) Pol.Gen.Aek Angsanant</b> , with the following votes:			
Approved	1,408,889,732	votes,	or 95.9787%
Disapproved	59,029,240	votes,	or 4.0213%
Abstained	309,004	votes	
Voided Ballots	15,000	votes	

## **Agenda Item 6 To Consider and Approve the Issuance and Offering of Debentures**

The Chairman assigned Mr. Atikom Terbsiri, CEO and President, to report the details to the Meeting.

Mr. Atikom, informed the objectives and reasons of the agenda to the meeting that Section 145 of the Public Company Limited Act B.E. 2535 (1992) (as amended) 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.

The issuance and offering of debentures is one of many options for the Company's long-term capital investment. Its purpose is to assure that the Company could plan a raising capital with suitable structure, and that the Company could proceed in time when the capital is deemed necessary during the period of increasing interest rate. This will help the Company gain an appropriate financial cost.

After due consideration, the Board of Directors found it appropriate to propose to the AGM for the approval to allow the Company to issue and offer debentures for domestic and foreign investors in the additional amount of USD 1,000 million or its equivalence, (calculating from foreign currency rates at the debenture issuance date) within the year 2022. The issue of debenture shall be solely for the purposes of financing the long - term capital investments and expenditures, business expansion, debt repayment and/or working capital and for the Company's general business purposes. Each debenture issuance as well as any conditions under the aforementioned debenture amount, will be subject to the Board of Directors' approval.

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

*Mr. Thanaprasert  
Phamonphairot,  
shareholder*

1. What is the Company's project investment plan?
2. The Company should state details of investment projects and a summary of investment budget in the meeting notice

*Mr. Atikom Terbsiri,  
CEO and President*

The Company's ongoing projects call for a budget of about USD 300 million, including improvement of public utilities, expansion of lorry loading capacity, new crude tank project for refining security, refining efficiency improving projects as well as other projects under feasibility studies, including the CFP and jetty expansion. The reasons for seeking approval of ceilings for the issuance and offer of debentures are due to, first, rising world market interest rates, and second, the Company's greater bargaining power with financial institutions than borrowing.

*Chairman*

As stated in the annual report, the Company's strategic plan is to achieve sustainable growth and invest domestically as well as abroad. Key investment projects include the CFP, designed to improve refining efficiency through capacity expansion from 275 KBD to 400 KBD. This requires massive capital, which could deplete the Company's cash flow. Issuance of debentures gives the Company a suitable cost of funds for enough cash flows to meet its future capital needs. In reviewing investment projects, the Board exercises corporate governance for the best long-term interests of shareholders.

*Ms. Ratana  
Cholpraphimolrat,  
shareholder*

When and how are these debentures to be issued and offered?

*Mr. Atikom Terbsiri,  
CEO and President*

The Company will consider these when the time is right, with primary regard for the needs for capital and the interest rates. It has not set issuance strategies and will table them for the Board's approval each time.

*Mr. Pruethanan  
Sriwongliang, proxy*

1. Which issue will be the focus of this issuance and offer: long-term investment capital, business growth, debt repayment, working capital, or others?
2. What is the yield for each period?
3. What are the types of the debenture?

*Chairman*

Assigned Ms. Pattaralada Sa-ngasang, Executive Vice President, Finance and Accounting, to address this query

*Ms. Pattaralada  
Sa-ngasang,  
Executive Vice  
President, Finance  
and Accounting*

To issue and offer debentures, the Company primarily focuses on project investment plans. The balance of the money will serve as working capital and loan repayment, traditionally a negligible component relative to investment projects. As for their returns, this is up to market situations, rises in the US interest rates, and the domestic policy interest rates. Debenture yields are tied to the capital market's projections around the issuance period. The Company's policy is to issue unsecured debentures, comparable to those issued by the Company over the past five years.

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

#### **The resolution comprised the following votes:**

Approved	1,468,148,772	votes,	or	99.9934%
Disapproved	40,366	votes,	or	0.0027%
Abstained	57,338	votes	or	0.0039%
Voided Ballots	0	votes	or	0.0000%



## **Agenda Item 7      Others**

The Chairman informed the Meeting that the Company invited the shareholders to propose agenda for this Meeting on the website from October 1 to December 31, 2016, however there were no agenda proposals.

The Chairman then announced the criteria for the submission of agenda items in addition to those set in the meeting invitation notice. According to Section 105, second paragraph of the Public Limited Companies Act B.E. 2535 (as amended), when the Meeting considers agenda items as set in the meeting invitation notice, shareholders together accounting for no less than one-third of the sold shares may ask the Meeting to consider other matters beyond those specified in the meeting invitation notice.

The main condition for a motion to be included among agenda items is that it is supported by a combined one-third or more of the total sold shares, or no less than 680,009,291 shares of the total 2,040,027,873 shares.

Then, the Chairman invited the shareholders to question and comment on other matters. Issues raised were as follows:

*Mr. Pruethanan  
Sriwongliang, proxy*

1. Which factors enabled the Company to pay out such attractive interim and annual dividends?
2. To be able to continue doing so, how does the Company maintain its profit and dividend levels?

*Chairman*

Assigned Mr. Atikom Terbsiri, CEO and President, to address this query.

*Mr. Atikom Terbsiri,  
CEO and President*

This year's outstanding profit came from the following:

- Cost reduction and assorted management efficiency improvements, including crude oil procurement, production planning, and logistical planning, in addition to cost reduction among support units
- Oil stock gains
- Projects that became commercial in 2016, namely those of LABIX Co., Ltd., and TOP SPP Co., Ltd.

These factors gave performance in 2016 prominent growth. As for the dividend payout rate, the Company has consistently posted high payouts. Finally, profits naturally depend on each year's performance. For 2017, the Company will book the revenues and profits of these two projects, together with various cost-reduction projects, fully since the projects were in commercial operation only partially in 2016.

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

As the meeting adjourned, all meeting participants were announced to return the remaining voting ballots.

Also, as the meeting adjourned, there were 1,125 shareholders attending in person or 4,999,145 shares equaling 0.2451%, and 561 proxies presenting at the meeting or 1,463,247,331 shares equaling 71.7268%, totaling up to 1,686 attendees representing, 468,246,476 shares or 71.9719% of the total issued share capital.

Meeting Adjourned: 5.25 p.m.

Recorded by Mrs. Panumas Chuchartchaikulkarn  
Company Secretary

\_\_\_\_\_  
(Adj. Prof. Dr. Thosaporn Sirisumphand)  
Chairman of the Board

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(Mr. Atikom Terbsiri)  
Director /  
Chief Executive Officer and President