

- TRANSLATION-

TISCO FINANCIAL GROUP PUBLIC COMPANY LIMITED (“TISCO”)

MINUTES

THE SHAREHOLDER ORDINARY GENERAL MEETING  
FOR THE YEAR 2015

The meeting was convened in the Conference Room, 12<sup>th</sup> floor, TISCO Tower, North Sathorn Road, Silom, Bangrak, Bangkok, on April 23, 2015, at 14.00 hours.

The directors, Management Committee and auditors present at the meeting were:

**Directors**

- |   |  |
|---|--|
| 1. Mr. Pliu Mangkornkanok               | Chairman and Independent Director  |
| 2. Ms. Oranuch Apisaksirikul            | Director, Chairperson of Executive Board and Group Chief Executive                             |
| 3. Assoc. Prof. Dr. Angkarat Priebjivat | Independent Director and Chairperson of the Audit Committee                                    |
| 4. Prof. Dr. Pranee Tinakorn            | Independent Director and Chairperson of Nomination and Compensation Committee                  |
| 5. Ms. Patareeya Benjapolchai           | Independent Director, Chairperson of Corporate Governance Committee and Audit Committee Member |
| 6. Ms. Panada Kanokwat                  | Independent Director and Corporate Governance Committee Member                                 |
| 7. Prof. Dr. Teerana Bhongmakapat       | Independent Director and Audit Committee Member  |
| 8. Mr. Sathit Aungmanee                 | Director and Corporate Governance Committee Member   |
| 9. Mr. Yasuro Yoshikoshi                | Director, Executive Board Member and Nomination and Compensation Committee Member              |
| 10. Mr. Chi-Hao Sun (Mr. Howard Sun)    | Director and Executive Board Member  |
| 11. Mr. Suthas Ruangmanamongkol         | Director, Executive Board Member, Chief Operating Officer and TISCO Bank President             |

## **Management Committee**

(\* positions seconded to manage in subsidiary companies)

1. Mr. Sakchai Peechapat Senior Executive Vice President  
(\* Senior Executive Vice President – Retail Banking  
TISCO Bank Public Company Limited)
2. Mr. Pitada Vatcharasiritham Senior Executive Vice President  
(\* Senior Executive Vice President – Corporate Banking  
TISCO Bank Public Company Limited)
3. Mr. Metha Pingsuthiwong First Executive Vice President  
(\* First Executive Vice President – Retail Banking  
TISCO Bank Public Company Limited)
4. Ms. Araya Thirakomen First Executive Vice President  
(\* President ,  
TISCO Asset Management Company Limited)
5. Mr. Chalit Silpsrikul First Executive Vice President  
(\* First Executive Vice President – Wealth Management Business  
TISCO Bank Public Company Limited)
6. Ms. Yutiga Sonthayanavin Executive Vice President
7. Mr. Chatri Chandrangam Executive Vice President - Risk and Financial Control

## **Auditors (EY Office Limited)**

1. Ms. Ratana Jala
2. Ms. Yuppadee Satchawannakul

There were also representatives from the Bank of Thailand observing the meeting.

Mr. Pliu Mangkornkanok, Chairman of the Board of Directors, chaired the meeting and thanked the shareholders for attending. He stated that Notice of the Shareholder Ordinary General Meeting for the year 2015 had been duly sent out before the date of the meeting, in compliance with TISCO's Articles of Association and other relevant laws. In addition, TISCO had publicly informed shareholders of the meeting's agenda on February 17, 2015 through the dissemination channels of the Stock Exchange of Thailand (SET) and on TISCO's website to allow adequate time to study meeting material.

The Chairman also informed the meeting that TISCO had provided a period from August 29, 2014 - December 31, 2014 for all shareholders to propose any matter which they may deem significant and appropriate to be included on the agenda of the ordinary general meeting. However, no shareholders proposed any matters to be included on the meeting agenda.

The Chairman noted that 1,286 shareholders holding 577,231,959 shares, or 72.09% of the total paid-up shares, were present, either in person or by proxy, thereby constituting a quorum as specified under TISCO's Articles of Association. The Chairman hence declared the meeting duly convened.

The Chairman informed the meeting that in accordance with TISCO's Articles of Association regarding voting, every shareholder present in person or being represented by proxy is entitled to one vote per share, with the exception of voting for the election of directors. For this specific agenda, TISCO has implemented a cumulative voting procedure. In addition, to accommodate shareholders in voting, shareholders could cast their votes in advance by completing the details of voting on the Registration and Voting Form which had been sent out together with Notices of shareholders' meeting. For those who intended to vote at the meeting, TISCO had made voting forms available prior to the meeting. He added that shareholders who had not cast their votes in advance and intended to vote "Against", "Abstain", or split the votes (in case of foreign shareholders with custodians in Thailand) on any of the agenda items could complete the voting forms, and then submit them to the Company's officer to calculate the voting result for each agenda item. For cases in which shareholders have appointed a proxy and assigned their proxy to vote as directed, their votes would be recorded in the computer system for calculation on each agenda item.

The Chairman also informed the meeting that for shareholders, who wished to leave the meeting before the meeting adjourned, shall return "Registration Receipt" and unused "Voting Form" (if any) to the Company's officer at the entrance of the meeting room.

In addition, TISCO assigned DIA Audit Company Limited to monitor and oversee the shareholder meeting in order to ensure transparency and compliance with the law and TISCO's Articles of Association. DIA Audit Company Limited assigned an officer as an observer to the registration and vote counting throughout the meeting.

However, for each agenda item, if shareholders had any questions or suggestions, they were asked to provide their names to the meeting for the purpose of the meeting minutes.

The Chairman proposed that the meeting consider the following agenda:

<b>Agenda 1: To certify the minutes of the Shareholder Ordinary General Meeting for the year 2014</b>
---

The Chairman proposed that the meeting certify the minutes of the Shareholder Ordinary General Meeting for the year 2014, convened on April 22, 2014. Copies of the minutes had been sent to shareholders along with the Notice of this meeting.

To continue the meeting without taking up more time, the Chairman proposed that shareholders proceed to the next item on the agenda while waiting for voting results. No objections were raised by shareholders.

No shareholders objected or requested that the minutes be amended otherwise. The meeting considered the matter and cast votes.

(The voting on this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and cast their votes.)

**Resolution:** The shareholders **certified** the minutes of the Shareholder Ordinary General Meeting for the year 2014 as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	574,292,918	99.47
• Against	500	0.00
• Abstain	3,078,942	0.53
• Void	5,500	0.00

**Agenda 2: To ratify the Board of Directors' business activities conducted in 2014 as described in the Annual Report**

The Chairman summarised the Board of Directors' business activities conducted in 2014 and proposed to the meeting to ratify the activities. Details were described in the "Report from the Board of Directors" on pages A1-A2 of the Annual Report, which had been sent to shareholders along with the Notice of this meeting.

Mr. Chalermphol Waitayangkul, a shareholder, asked questions and the Management explained the issues as follows:

Question: The reason why the capital increasing activity of TISCO Bank in 2014 was not recorded in the Minutes of TISCO Shareholders Meeting for year 2014

Answer: Ms. Oranuch Apisaksirikul, The Chairperson of Executive Board and Group Chief Executive, explained that TISCO Bank's capital was increased by revaluation of TISCO Tower Building as presented in Minutes of Shareholders' Meeting for year 2014 of TISCO Bank, which is a subsidiary of TISCO.

Question: The reason why the consumer loan increased by 4.6%, while the hire purchase loan, which was the majority products of TISCO, decreased by 9.6%.

Answer: Ms. Oranuch Apisaksirikul explained that the decrease of Hire Purchase in year 2014 was due to the greater rate of loan repayment compared with new loan origination. The increase in consumer loan was from Top-up Loan product, which extend credit to current customers who have good record and collateral placed with TISCO, and the newly launched "Somwang Ngen Sung Dai" or car registration pledge loan product which has good growth potential.

Question: Any significant difference if statistics of car sales in Thailand during 2010-2014 in Annual Report 2014 will be presented sales by value instead of units as Eco-Car has gained more popularity.

Answer: Ms. Oranuch Apisaksirikul stated that car price was 800,000 Baht per unit on average, or 20-30% declined from the past.

Question: After AEC, the country's borders or neighbor countries will be potential market. Does TISCO have the business expansion plan to those areas?

Answer: Ms. Oranuch Apisaksirikul explained that TISCO have no immediate plan to expand abroad since TISCO does not provide Trade Finance product and can serve corporate clients abroad well through existing channels. For retail

customers, despite high potential business, TISCO cannot expand much along borders except in specialized territory such as Thai-Loa border as we consider lending only to customers with proven residence and reliable collateral.

In securities businesses, TISCO provides customers with Global Trade service as well as mutual funds which invested in foreign assets.

Question: Proposed to add a role of risk management oversight as one of the Audit Committee's responsibility.

Answer: Ms. Oranuch Apisaksirikul explained that the current role of the Audit Committee included providing assurance on risk management process which followed proactive approach in risk management.

The Chairman showed appreciation to the question and further informed that the Audit Committee played important role in supervising of TISCO risk management process.

Assoc. Prof. Dr. Angkarat Priebjivat, the Chairperson of the Audit Committee, stated that the Audit Committee acknowledged risk issues reported from responsible units, and oversaw risks to be contained under acceptable level. Besides, TISCO also established other committees to comprehensively govern risk management and report to the Audit Committee to provide assurance on effectiveness of risk management process.

Mr. Chatchai Khunngam, a shareholder, asked a question and the Management explained the issues as follows:

Question: Benefit from Eco-Car Phase 2 Program approved by the BOI.

Answer: Mr. Sakchai Peechaphat, Senior Executive Vice President, informed that TISCO Bank has studied the Eco-Car Phase 2 Program closely. Thanks to conservative credit criteria, the Eco-Car which represented approx. 40% of Hire Purchase portfolio was of high credit quality and good potential for cross-selling.

The Eco-Car Phase 2 Program should result in lower car price and less pollution emission, and benefit our portfolio in terms of growth and diversification. TISCO Bank will continue our conservative credit policy with this group of customers with focus on their income and actual down payment for best loan quality.

Mr. Sitthichoke Boonvanich, a shareholder, asked a question and the Management explained the issues as follows:

Question: Strategy to compete against large banks with lower cost of deposit.

Answer: Ms. Oranuch Apisaksirikul explained that large banks served customers who need liquidity from their current or saving accounts, thus have to provide large number of branches and ATMs for customers' convenience and thereby can offer very low deposit rate.

In contrary, TISCO served customers who focus on return and offer slightly higher deposit rate than large banks while lend in same rate. Our key competitive advantage was from pro-active risk management strategy and lower total cost.

Mr. Suthas Ruengmanamongkol added that each bank has its own strength, strategy and capital structure to differentiate and compete.

Question: The plan to manage domestic excess liquidity such as investing in foreign market or assets

Answer: Ms. Oranuch Apisaksirikul stated that foreign investment is governed by the SEC regulations, which allowed investing only in secondary market, for example, REIT fund. TISCO Asset Management has offered opportunities to customer to invest in such market.

Mr. Suthas Ruengmanamongkol opined that excess liquidity should be invested in infrastructure development projects domestically rather than abroad, hence reduce the country's need to borrow offshore.

Question: Which economic factor is lead indicator for financial institution downturn?

Answer: Ms. Oranuch Apisaksirikul stated that financial institution status strongly tied to economic conditions. For example, the shrinking loan portfolio was resulted from decreased domestic investment. NPL was in manageable level, though went up slightly due to the decreasing asset base. TISCO plans to expand fee-based products to compensate the decrease in interest income.

Mr. Suthas Ruengmanamongkol opined that the economic has bottomed out and should recover in long term given the political stability and more investment in the future.

Question: Will TISCO offer pledge on moveable assets other than car such as airplane and vessel?

Answers: Ms. Oranuch Apisaksirikul explained that TISCO focus on business which we have expertise. Key concerns in pledging an asset are its marketability and secondary market for which airplane and vessel are clearly disadvantageous compared to cars.

Mr. Suthas Ruengmanamongkol added that airplane and vessel have very long life if properly maintained. It is possible for TISCO to lend against their pledge if the interest received covers their storage and maintenance cost.

Mr. Surachate Viriyakoon, a Right Protection Volunteer of Thai Investors Association, asked a question and Directors and Management explained the issues as follows:

Question: Plans to extend the anti-corruption practices to business partner after TISCO became certified company of Thailand's Private Sector Collective Action Coalition Against Corruption (CAC).

Answer: The Chairman clarified that TISCO has started to extend practices to business partners which TISCO has bargaining power over them and will continue

progressive implementation of the Anti-Corruption Program. The shareholders were welcomed to ask the progress in the next shareholders meeting.

Ms. Oranuch Apisaksirikul added that TISCO joined the CAC because TISCO realized the long-term benefit of the project. TISCO has committed highest integrity and ethical standard for long-time. The program done included incorporating Integrity as one of our corporate's core value, improving procedure and control based on anti-corruption risk assessment, communicating anti-corruption policy and guidelines to more than 500 staff, and providing reporting channel which protect whistle-blower's identity. For business partners, TISCO communicated our policy to vendors and is studying to extend to other areas.

Ms. Patareeya Benjapolchai, the Chairperson of Corporate Governance Committee, stated that the Board of Directors was aware of the importance of the member status of CAC. Therefore, the Corporate Governance Committee was assigned by the Board to oversee and monitor TISCO Anti-Corruption Policy implementation and ensure effectiveness of the program.

The meeting considered the matter and cast votes.

(The voting on this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and cast their votes.)

**Resolution:** The shareholders **ratified** the Board of Directors' business activities conducted in 2014 as described in the Annual Report as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	584,325,848	99.66
• Against	500	0.00
• Abstain	1,962,422	0.33
• Void	5,500	0.00

<b>Agenda 3: To adopt TISCO Financial Group Public Company Limited and its subsidiary companies' Statement of Financial Position and Statement of Comprehensive Income for the year ended December 31, 2014</b>
---

The Chairman proposed that the meeting adopt the Statement of Financial Position and Statement of Comprehensive Income for TISCO Financial Group Public Company Limited and its subsidiary companies for the year ended December 31, 2014. The Audit Committee agreed with the auditors that the Statement of Financial Position and Statement of Comprehensive Income presented a fair and comprehensive performance and financial position of TISCO Group, in compliance with generally accepted accounting principles. Details were published in the Annual Report, which had been sent to shareholders along with the Notice of this meeting. The Chairman invited Ms. Oranuch Apisaksirikul, the Group CEO, to summarize the details of Agenda 3-4 to the meeting.

Ms. Oranuch Apisaksirikul summarized the financial statements and invited Mr. Chatri Chandrangam, Executive Vice President – Risk and Financial Control, to present the details of the financial statements.

Mr. Chatri Chandrangam presented the meeting with the details and analysis of the Statement of Financial Position and Statement of Comprehensive Income.

Mr. Chatchai Khunngam, a shareholder, asked a question and the Management explained the issue as follows:

Question: Reasons for the decrease in Return on Equity (ROE) from 21% in 2013.

Answer: Ms. Oranuch Apisaksirikul informed that ROE has been targeted at 15%. ROE had exceeded 20% for the past several years, but decreased to 17.4% in 2014 due to increased reserve from new regulation. However, the average ROE still remained at 20%.

The Chairman suggested that comparison with peers should be also presented to shareholders for information in the next year.

Mr. Chalernpol Waitayangkul, a shareholder, asked a question and the Management explained the issues as follows:

Question: Reasons for a significant decrease in Income and Expense from business promotion relating to the hire purchase business, presented in Statement of Comprehensive Income for the year 2014 compared to 2013.

Answer: Ms. Oranuch Apisaksirikul explained that these two items were almost equalled in principle, with a small difference from time lag. Their size varied by hire purchase business volume. High hire purchase business volume shall result in high value of income and expense.

Question: Reasons for losses on revaluation of assets in Statement of Comprehensive Income for the year 2014.

Answer: Ms. Oranuch Apisaksirikul explained that revaluation of assets for the year 2013 resulted in an increase in assets. However, there was no revaluation of assets for the year 2014 and the decrease in book value of assets was a result from mark to market.

Question: Effects from the changes in accounting standards during the year 2014 to 2015.

Answer: Ms. Oranuch Apisaksirikul explained that the changes in accounting standards affected preparation process and readability of financial statements with the most impact on Investment classification, SWAP, and preparation of consolidated financial statements. Ms. Oranuch Apisaksirikul requested Assoc. Prof. Dr. Angkarat Priebjrivat to give further explanation to the meeting.

Assoc. Prof. Dr. Angkarat Priebjrivat, the Chairperson of the Audit Committee, explained that the change in accounting standards regarding consolidated financial statements has resulted into the deconsolidation of TISCO Tokyo Leasing Company Limited (TISCO Tokyo Leasing). As defined in the new standard, TISCO Group has no authority over the administration of TISCO Tokyo Leasing and must deconsolidate TISCO Tokyo Leasing. Although the changes in accounting standards had been declared to be effective in the year 2015, TISCO Group had early adopted them since 2014 and restated financial statements for the year 2013 for comparison. The change had no impact on the Company profit.

Question: Changes in the relationship between TISCO Group and TISCO Tokyo Leasing.

Answer: Assoc. Prof. Dr. Angkarat Priebjrivat informed that TISCO Tokyo Leasing will become associated company and be presented in TISCO Group's financial statements on one-line consolidation basis.

Question: Criteria to determine authority over the administration.

Answer: Ms. Oranuch Apisaksirikul explained that according to the changes in accounting standards, the criteria for determining authority to control will be defined from main day-to-day operations. As the representative of Tokyo Leasing, the joint venture partner, was appointed as Managing Director, Tokyo Leasing was defined to have more authority over the administration of TISCO Tokyo Leasing than TISCO Group. TISCO Tokyo Leasing therefore was considered to be only an associated company of TISCO Group.

An anonymous shareholder asked questions and Management explained the issues as follows:

Question: Allocation of Bad Debt and Doubtful Accounts among group companies.

Answer: Ms. Oranuch Apisaksirikul informed that Bad Debt and Doubtful Accounts was mainly from TISCO Bank with a small portion from Hi-Way.

Question: The amount of Doubtful Accounts which will become Bad Debt.

Answer: Ms. Oranuch Apisaksirikul explained that the expected Bad Debt recovery was 50-60% for Hire Purchase Business. For accounting record, losses from sales of repossessed car will be expensed out and reversed later in case of recovery. The Doubtful Accounts presented was the overdue accounts which have to be classified as NPL according to regulatory requirement, not the actual Bed Debt.

The meeting considered the matter and cast votes.

(The voting on this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and cast their votes)

**Resolution:** The shareholders **adopted** the Statement of Financial Position and Statement of Comprehensive Income for TISCO Financial Group Public Company Limited and

its subsidiary companies' for the year ended December 31, 2014 as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	584,321,282	99.66
• Against	566	0.00
• Abstain	1,966,922	0.34
• Void	5,500	0.00

**Agenda 4: To approve the appropriation of profit arising from year 2014 operations as statutory reserve, dividend and others**

Ms. Oranuch Apisaksirikul informed the meeting that TISCO shall appropriate 5% of its annual net profit as statutory reserve until the statutory reserve attains an amount of 10% of the Company's registered capital. Thus, TISCO appropriated Baht 100,100,000 from the annual profit amount as statutory reserve in 2014. In compliance with the Public Limited Companies Act, the dividend payment shall be paid based on a separate financial statement. Consequently, the remaining unappropriated retained earnings based on the separate financial statement available for the dividend payment was detailed as follows.

	<b>Baht</b>
Beginning Unappropriated Retained Earnings 2014	2,350,581,970
Dividend payment from profit arising from 2013 operations	(1,601,294,256)
Net Profit for year 2014	2,000,727,499
Required Statutory Reserve	(100,100,000)
Actuarial Gain/Loss	(4,570,685)
Adjust non-cash items	1,505,977
<b><i>Unappropriated Retained Earnings available for dividend payment for year 2014</i></b>	<b><i>2,646,850,505</i></b>

Total unappropriated retained earnings available for dividend payment for the year ended 2014 is Baht 2,646,850,505 after appropriation of Baht 100,100,000 as statutory reserve.

TISCO Group has a policy to pay dividends at the appropriate rate based on operating performance of the group while also maintaining a sufficient Capital Adequacy Ratio (BIS Ratio) for group business expansion. Also, such dividend payments shall have no impact on the status of TISCO's subsidiary as a Qualified Bank under the criteria defined by the Bank of Thailand.

The Board therefore recommends the shareholders consider and approve the dividend payment from the net profit arising from year 2014 operations at Baht 2.00 per share for common shareholders and preferred shareholders. The proposed dividend payment amount will be approximately Baht 1,601 Million, equivalent to a dividend pay-out ratio of 37.7% on a consolidated basis, compared to a dividend pay-out ratio of 37.7% for year 2013. The remaining net profit from year 2014 operations after statutory reserve and dividend payment, on a consolidated basis, will be appropriated as capital fund.

An anonymous shareholder asked questions and Management explained the issues as follows:

**Question:** Possibility of dividend payment at Baht 2.50 per share for common shareholders and preferred shareholders.

**Answer:** Ms. Oranuch Apisaksirikul apologized to the shareholders for unable to pay such dividend payment rate and clarified that TISCO Group need to consider the adequacy of capital for group business expansion and maintaining a sufficient Capital Adequacy Ratio under the criteria defined by the Bank of Thailand. The Board therefore recommended the appropriate dividend payment at Baht 2.00 per share, equivalent to a dividend payment rate for year 2013.

Mr. Pliu Mangkornkanok, the Chairman of the Board of Directors, further explained that the current Return on Equity is 17.1% and Dividend Yield is approximately 5%, compared with the current share price, which are fairly high compared with other companies in the Stock Exchange of Thailand.

The meeting considered the matter and cast votes.

(The voting on this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and cast their votes)

**Resolution:** The shareholders resolved the following as proposed:

- **Approved** the appropriation of profit arising from year 2014 operations of Baht 100,100,000 as statutory reserve;
- **Approved** the appropriation of profit arising from year 2014 operations after statutory reserve as dividend payment for common and preferred shareholders at Baht 2.00 per share;
  - The shareholders whose names are shown in the registration book as of May 6, 2015 will be entitled to receive the dividend;
  - Dividend payment shall be made on May 22, 2015; and
- **Approved** the appropriation of profit arising from year 2014 operations after dividend payment, as capital fund according to the Consolidated Supervision guidelines.

with the votes as presented below:

	<b><u>Votes</u></b>	<b><u>%</u></b>
• For	584,567,328	99.71
• Against	500	0.00
• Abstain	1,720,942	0.29
• Void	5,500	0.00

**Agenda 5: To approve the number of directors and the appointment of directors**

The Chairman informed the meeting that since Agenda items 5 and 6 were matters relating to directors, all directors would voluntarily leave the meeting in line with good corporate governance. He proposed the meeting elect a shareholder to conduct the meeting for Agenda items 5 and 6.

The meeting elected Dr. Suwan Valaisathien, a shareholder, to conduct the meeting during discussion of Agenda items 5 and 6. In this regard, Dr. Suwan Valaisathien invited Mr. Pairat Srivilairit, Company Secretary, to explain the detail of agenda 5.

Mr. Pairat Srivilairit informed the meeting that according to TISCO's Articles of Association, the whole Board of Directors shall be simultaneously elected at the general meeting of shareholders each year. Thus, the current Board of Directors was due to retire today.

He further added that consideration of this be made the agenda would be divided into two sections, (1) to approve the number of directors and (2) to approve the appointment of directors.

Pursuant to TISCO's Articles of Association, the shareholders shall, from time to time by resolution of a general meeting, determine the number of directors which shall not be less than five (5), provided that not less than one half of the directors must domicile in Thailand. In addition, the number of directors who are persons of Thai nationality shall be in compliance with related laws, which shall be not less than 75% of the total number of directors.

The Board of Directors with recommendations from the Nomination and Compensation Committee has considered the number of directors which are appropriate according to good corporate governance practices. The candidate's qualifications and the skills each candidate might bring to the Board were also considered. Upon contemplating the board size and composition which is most suitable to the needs of TISCO, the Board proposed that the shareholders approve the number of directors at 12 (twelve).

Mr. Pairat Srivilairit proposed that the meeting approve the number of board members and informed the meeting that shareholders, present in person or represented by proxy, were entitled to one (1) vote per share.

Mr. Pairat Srivilairit further informed the meeting that TISCO's Articles of Association required cumulative voting for the election of directors. This mechanism would increase the opportunity for minority shareholders to nominate persons to become TISCO directors. He further explained details of Cumulative Voting to the meeting.

In addition to those required by law, the Company emphasizes good corporate governance by assigning the Nomination and Compensation Committee to identify and propose the qualified nominees for director positions as deemed appropriate and to ensure the suitable size and composition of the board of directors. TISCO had allowed the time frame during August 29, 2014 - December 31, 2014 for all shareholders to propose qualified candidates for a director's position in advance of the Shareholder Ordinary General Meeting for the year 2014. No shareholder has proposed candidates for a director's position within the specified period.

The Nomination and Compensation Committee shall select qualified candidates by considering their knowledge, experience, sufficient understanding of finance and banking, economics, law or any other related fields based upon the need and maximum benefit of the Company, corporate governance practices, related laws and regulations, in order to attain the most appropriate size and composition of the board.

In addition, a person to be nominated or appointed as an independent director must meet the requirements in TISCO's Corporate Governance Policy, which are more stringent than those of the Securities and Exchange Commission of Thailand (SEC) and the Stock Exchange of Thailand (SET), and shall not have any relationship with the Company, other companies in TISCO Group, and management, in a manner that may cause conflict of interest.

The Board of Directors, after considering the Nomination and Compensation Committee's recommendation on the qualifications of candidates and proposed to shareholders to approve the election of the following qualified candidates as the Company's directors. The candidates' profiles were presented in the Notice which had been sent to shareholders.

<b><u>Name – Surname</u></b>	<b><u>Proposed Position</u></b>
1. Mr. Pliu Mangkornkanok	Independent Director
2. Mr. Hon Kit Shing (Alexander H. Shing)	Director
3. Ms. Oranuch Apisaksirikul	Director
4. Assoc. Prof. Dr. Angkarat Priebjrivat	Independent Director
5. Prof. Dr. Pranee Tinakorn	Independent Director
6. Ms. Patareeya Benjapolchai	Independent Director
7. Ms. Panada Kanokwat	Independent Director
8. Prof. Dr. Teerana Bhongmakapat	Independent Director
9. Mr. Sathit Aungmanee	Director
10. Mr. Yasuro Yoshikoshi	Director
11. Mr. Chi-Hao Sun	Director
12. Mr. Suthas Ruangmanamongkol	Director

Dr. Suwan Valaisathien also asked Mr. Pairat Srivilairit to explain shareholder who did not cast votes in advance to complete the voting forms and submit them to TISCO's officers to calculate voting results. The detail of Cumulative Voting was presented to the Meeting.

Mr. Chalermphol Waitayangkul, a shareholder, asked a question and Dr. Suwan Valaisathien explained the issues as follows.

**Question:** Since The name of director candidate must be reviewed and agreed by the Nomination and Compensation Committee and approved by the Bank of Thailand, could the name of director candidate be proposed in the Shareholders' Meeting or outside the allowed period during August 29, 2014 to October 30, 2014?

Answer: Dr. Suwan Valaisathien clarified that if the name of director candidate was not stated in the Meeting Agenda, the shareholders must obtain a number of voting rights to add new agenda.

Ms. Pensri Chintananon, a shareholder, informed the Meeting that the additional agenda required at least one third of outstanding shares.

Question: Prevention of “takeover” in the case that the shareholders collect one third of outstanding shares, enough to propose the qualified candidate for director nomination in the Shareholders’ Meeting.

Answer: Dr. Suwan Valaisathien explained that in order to protect the Takeover, the company generally collects the number of shares before the Meeting.

Ms. Pairat Srivilairit clarified that the director nomination process as announced on TISCO Website allows shareholders to propose name of qualified candidate during August 29 – December 31, 2014. At the end of period, there have none of candidate being proposed. The candidate profiles must be reviewed and agreed by the Nomination and Compensation Committee and approved by the Bank of Thailand, thus the proposed candidate name in between the Meeting is not allowed.

Mr. Supasak Junlasorn, a shareholder, added that the cumulative 100,000 shares may obtain from single shareholder or group of shareholders as stated in Annual Report 2014 in Part 2 Section 9 Corporate Governance, Page 9-3.

An anonymous shareholder asked questions and Management explained the issues as follows.

Question: If the top ten shareholders collectively have control over 50% of outstanding shares, are they adequate to protect TISCO Bank from takeover?

Answer: Mr. Chatri Chantrangam, Executive Vice President, informed the Meeting that TISCO owned 99.99% of TISCO Bank’s shares, so this will definitely protect TISCO Bank from takeover. However, TISCO is a listed public company and major shareholders are institution investors. In the case that investors are offered attractive share prices, they may sell shares. But most of shareholders normally hold share for long term investment.

An anonymous shareholder proposed to reduce number of directors from 12 directors to 9 directors in order to save head-count and time, and assigned them to oversee subsidiaries instead.

Answer: Mr. Suwan Valaisathien accepted to pass the matter to directors for consideration

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders’ resolution with the majority votes of the shareholders who attended the meeting and cast their votes for the number of director’s part. For the appointment of director part, cumulative voting will be applied according to the Articles of Association)

**Resolution:** The shareholders **resolved** the following issues as proposed:

- **Approved** the number of directors at 12, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	553,290,116	94.37
• Against	31,173,882	5.32
• Abstain	1,824,772	0.31
• Void	5,500	0.00

- **Approved** the appointment of the following director candidates as the Company's directors, with the votes as presented below:

	<u>For</u> <u>(votes)</u>	<u>Against</u> <u>(votes)</u>
1 Mr. Pliu Mangkornkanok	474,812,930	31,031,442
2 Mr. Hon Kit Shing (Mr. Alexander H. Shing)	953,605,850	31,035,842
3 Ms. Oranuch Apisaksirikul	473,326,130	31,031,442
4 Assoc. Prof. Dr. Angkarat Priebjrivat	465,274,290	38,960,882
5 Prof. Dr. Pranee Tinakorn	473,197,730	31,031,442
6 Ms. Patareeya Benjapolchai	473,208,330	31,041,442
7 Ms. Panada Kanokwat	473,183,730	31,031,442
8 Prof. Dr. Teerana Bhongmakapat	473,188,330	31,031,442
9 Mr. Sathit Aungmanee	473,168,330	31,031,442
10 Mr. Yasuro Yoshikoshi	473,172,330	31,031,442
11 Mr. Chi-Hao Sun	953,585,844	31,035,842
12 Mr. Suthas Ruangmanamongkol	473,263,724	31,031,442
<b>Total</b>	<b>6,632,987,548</b>	<b>380,325,544</b>
	<b>Abstain (votes)</b>	<b>22,156,852</b>
	<b>Void (votes)</b>	<b>66,000</b>

**Agenda 6: To approve the directors' remuneration and acknowledge current directors' remuneration**

Dr. Suwan Valaisathien informed the meeting that the Agenda 6 was the approval of the directors' remuneration. In this regard, Prof. Dr. Pranee Tinakorn, the Chairperson of Nomination and Compensation Committee, was invited to present the details of the agenda.

Prof. Dr. Pranee Tinakorn, the Chairperson of Nomination and Compensation Committee, presented to the meeting that on April 22, 2014, the Company's Shareholder Ordinary General Meeting for the year 2014 approved the annual directors' remuneration in the form of reward, monthly fee, meeting fee and bonus at the amount of not greater than Baht 2,400,000 for the

Chairman of the Board and not greater than Baht 500,000 for each Board member, provided that the amount of such remuneration so determined shall be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

According to the Company's Articles of Association, the Board of Directors may assign directors to conduct the businesses on behalf of the Board of Directors. In this connection, the remuneration to be paid to such directors for other appointments or special assignments shall be determined by the Board of Directors. Duties and responsibilities of board members who are assigned to other committee are detailed under Part 2, Section 8 Management and Section 9 Corporate Governance in the Annual Report.

The Nomination and Compensation Committee shall consider appropriate remuneration for director and propose to the Board of Directors. The scale and components of remuneration for directors should be appealing enough to attract and retain quality directors, but avoid excessive pays. Remuneration for non-executive directors should be comparable to the general practice in the industry with regard to work experience and commitment, as well as the benefits each director brings. Directors who are assigned with extra work (being members of other committee, for example) should be paid appropriately. The remuneration to be paid to such director or directors will be approved by the board.

Regarding directors' remuneration for companies in TISCO Group, in addition to directors' remunerations paid by TISCO, the Parent Company, there are also remuneration to be paid to directors who do not hold any directorship in TISCO and/or management position in other subsidiary companies in the form of reward, meeting fee, monthly fee, and bonus in the same form and amount to TISCO Board member, to be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors.

In this regard, the Nomination and Compensation Committee had made an annual review of the directors' remuneration to ensure that remuneration is commensurate with their duties and responsibilities. The study suggested that TISCO current remuneration of directors was still in line with the industry.

However, since the meeting fee of the Chairperson of Audit Committee was unchanged since Year 2010. The Board determined to increase the meeting fee from 50,000 to 55,000 baht per meeting, which is considered moderate compared with the growth of Consumer Price Index during year 2010-2014, which is 11.4 per cent.

The Board, with the recommendation from the Nomination and Compensation Committee, recommends shareholders to approve current annual directors' remuneration in the form of reward, monthly fee, meeting fee and bonus at the amount of not greater than Baht 2,400,000 for the Chairman of the Board and not greater than Baht 500,000 for each Board member, to be valid until amended. The Board of Directors, under the authority delegated by the shareholders,

will determine appropriate amount and the exact amount to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors. The Board also recommends the shareholders to acknowledge current director's remuneration and proposed. Details of current and proposed director's remuneration are as follows:

	<i>Current Remuneration</i>		<i>Proposed Remuneration</i>	
	<b>Monthly Fee (Baht/Month)</b>	<b>Meeting Fee (Baht/Meeting)</b>	<b>Monthly Fee (Baht/Month)</b>	<b>Meeting Fee (Baht/Meeting)</b>
<b>Board of Directors</b>				
Chairman	200,000	-	200,000	-
Member	40,000	-	40,000	-
Advisor	40,000	-	40,000	-
<b>Executive Board</b>				
Chairperson	-	40,000	-	40,000
Member	-	35,000	-	35,000
<b>Audit Committee</b>				
Chairperson	-	50,000	-	55,000
Member	-	40,000	-	40,000
<b>Nomination and Compensation Committee</b>				
Chairperson	-	50,000	-	50,000
Member	-	40,000	-	40,000
<b>Corporate Governance Committee</b>				
Chairperson	-	50,000	-	50,000
Member	-	40,000	-	40,000

The payment of such remuneration requires the shareholders' resolution with the votes of not less than two-thirds of the total number of votes of shareholders who attended the meeting. Moreover, the directors who held shares were considered as having a conflict of interest in this matter and were not entitled to vote.

Mr. Chalermphol Waitayangkul, a shareholder, asked a question and the Chairperson of Nomination and Compensation Committee explained the issues as follows.

Question: Difference in directors' remuneration policy of each company.

Answer: Prof. Pranee Tinakorn clarified that the directors' remuneration was considered from disclosed information in Annual Report of the companies which are in finance and banking industry and comparable size of asset as well.

Question: As TISCO Financial Group Public Company Limited is the holding company and TISCO Bank is one of its subsidiaries, how TISCO directors' remuneration was compared to other banks?

Answer: Prof. Pranee Tinakorn explained that TISCO directors' remuneration could be compared to other banks, because the core business of TISCO is banking business.

An anonymous shareholder asked questions and the Chairperson of Nomination and Compensation Committee explained the issues as follows.

Question: Why do other banks, for example Kiatnakin Bank, pay lower monthly fee and meeting fee?

Answer: Prof. Pranee Tinakorn clarified that TISCO paid monthly fee and meeting fee higher than other banks, because TISCO has no policy to pay performance bonus to directors.

Question: Would TISCO change the directors' remuneration policy?

Answer: Prof. Pranee Tinakorn informed that the directors' remuneration was considered and approved by the shareholders' meeting. The directors' performance bonus policy may be proposed for the shareholders' consideration as well. However, the Nomination and Compensation Committee has determined the policy and opined that the proposed director's remuneration was appropriate.

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the votes of not less than two-thirds of the total number of votes of shareholders who attended the meeting. The directors who held shares were considered as having a conflict of interest in this matter and were not entitled to vote)

**Resolution:** The shareholders **approved** annual directors' remuneration in the form of rewards, monthly fees, meeting fees, and bonuses at an amount not greater than Baht 2,400,000 for the Chairman of the Board and not greater than Baht 500,000 for each Board member, to be valid until amended. The Board of Directors, under the authority delegated by the shareholders, will determine appropriate amounts and exact amounts to be paid each time. Besides, the directors are entitled to receive other remuneration or benefits paid for other appointments or special assignments from the Board of Directors, and **acknowledged** that the Board determined to increase the meeting fee of the Chairperson of Audit Committee from 50,000 to 55,000 baht per meeting, as proposed, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	578,787,012	98.72
• Against	122,600	0.02
• Abstain	1,730,672	0.30
• Void	0	0.00

The shareholders also **acknowledged** the current directors' remuneration as proposed.

After the meeting considered the director-related agenda, all the elected directors re-joined the meeting.

**Agenda 7: To approve the appointment of the auditors and their remuneration for the year 2015**

The Chairman proposed the meeting to consider the appointment of the auditors and their remuneration for the year 2015 and subsequently invited Assoc. Prof. Dr. Angkarat Priebjrivat, Chairperson of the Audit Committee, to summarise this agenda item to the meeting.

Assoc. Prof. Dr. Angkarat Priebjrivat explained that the Company's Articles of Association required that the shareholders approve the appointment of auditors and their remuneration. The Audit Committee, in accordance with the Company's External Auditor Selection Guidelines, had considered proposals for the appointment of the Company's auditors for the year 2015.

The Board of Directors, recommended by the Audit Committee, proposed the shareholders to consider the appointment of auditors from EY Office Limited (formerly known as Ernst & Young Office Limited) to be the Company's auditors for the year 2015 with an audit fee not exceeding Baht 540,000.

- Ms. Ratana Jala CPA License No. 3734 and/or,
- Ms. Rachada Yongsawadvanich CPA License No. 4951 and/or,
- Ms. Somjai Khunapasut CPA License No. 4499

Any one of these auditors is authorized to certify the auditor's report. The approval for the appointment has been obtained from the Bank of Thailand

In addition, to apply the same standard to financial statements of all companies in TISCO Group, auditors of EY Office Limited shall also be appointed as the Company's auditors. Total audit fees for the Company and subsidiaries in TISCO Group will not be exceeding 7,840,000 baht including not exceeding 540,000 Baht for the Company and not exceeding 7,300,000 baht for 10 subsidiaries.

The professional audit fee quoted for 7,840,000 baht increased by 2.9% or 220,000 baht increase from the previous year. The reasons for increased audit fee are based on increasing workload due to additional implementation of new accounting standards and related laws and regulations. The fee increase was in line with additional scope of work of subsidiaries.

The meeting considered the matter and cast votes.

(The voting in this agenda item requires a shareholders' resolution with the majority votes of the shareholders who attended the meeting and cast their votes)

**Resolution:** The shareholders **approved** the appointment of the following auditors of EY Office Limited (formerly known as Ernst & Young Office Limited), with total remuneration not exceeding Baht 540,000 as proposed, as the Company's auditors for the year 2015;

- Ms. Ratana Jala CPA License No. 3734 and/or,
- Ms. Rachada Yongsawadvanich CPA License No. 4951 and/or,
- Ms. Somjai Khunapasut CPA License No. 4499

Any one of these auditors is authorised to certify the auditor's report, with the votes as presented below:

	<u>Votes</u>	<u>%</u>
• For	584,469,520	99.69
• Against	5,600	0.00
• Abstain	1,819,542	0.31
• Void	0	0.00

**Agenda 8: Others, if any**

For a suggestion from shareholder to reduce number of directors from 12 persons to 9 persons, the Chairman and Management explained as follows.

Answer: The Chairman informed the Meeting that directors have high responsibility. Besides the duties as the Board of Directors, each director also assumed position in Board Committee. However, the Chairman thanked the shareholder and took his suggestion for the Nomination and Compensation Committee's consideration.

Ms. Oranuch Apisaksirikul further stated that TISCO Group was governed in accordance with the Bank of Thailand's Consolidated Supervision Guideline, which required TISCO Directors to govern all subsidiaries as a single company.

Prof. Dr. Pranee Tinakorn clarified that the Nomination and Compensation Committee considered the number of directors were appropriate with their work load as directors have to assume position as member of four Board committees namely, Executive Board, Audit Committee, Nomination and Compensation Committee and Corporate Governance Committee. Additionally, their remunerations based on Meeting Fee and Monthly Fee were considered more appropriate than performance-based remunerations.

The Chairman informed the meeting that all agenda items had been considered and invited the shareholders to bring forward any additional matters, issues, or concerns that they might wish to discuss.

There being no other issues, the Chairman thanked the shareholders for attending and adjourned the meeting at 18.00 hours.

Pliu Mangkornkanok

(Mr. Pliu Mangkornkanok)

Chairman of the Meeting and Chairman of the Board