

March 14, 2018

- Subject : Invitation to the 2018 Annual General Meeting of Shareholders
- Attention : Shareholders of Bangkok Airways Public Company Limited.
- Enclosure
1. The copy of minutes of the 2017 Annual General Meeting of Shareholders held on April 18, 2017
  2. The 2017 Annual Report in CD-ROM Version which consists of the Annual Report of Board of Directors and the Financial Statement for the year ended December 31, 2017.
  3. The curricula vitae of the persons nominated for appointment as new Directors in replace of the Directors retiring at the expiration of term.
  4. Information of the Independent Directors nominated by the Company as proxies of shareholders and the definition of "Independent Director"
  5. Proxy Forms A, B, and C
  6. Documents and evidence required to be presented by attendees of the meeting prior to attending the meeting, instruction for the appointment of proxy, and the guidelines for the registration and the voting procedures
  7. Articles of Association of the Company with respect to the shareholders meeting and the voting procedures
  8. Map of the venue for the 2018 Annual General Meeting of Shareholders

Whereas the Board of Directors' Meeting of Bangkok Airways Public Company Limited (the "Company") No. 2/2018, held on February 22, 2018, resolved to schedule the 2018 Annual General Meeting of Shareholders (the "Meeting") on Wednesday of April 18, 2018, at 14.00 hrs, at Grand Ballroom, Miracle Grand Convention Hotel, No. 99 Kamphaeng Phet 6 Rd., Talad Bangkhen Sub-district, Laksi District, Bangkok, to consider the following agendas:

Agenda 1 Matter to be notified to the Meeting by the Chairman

Agenda 2 To certify the minutes of the 2017 Annual General Meeting of Shareholders held on April 18, 2017

**Facts and Reasons:** The Company has prepared the minutes of the 2017 Annual General Meeting of Shareholders held on April 18, 2017, in which a copy is attached in Enclosure No. 1.

**Opinion of the Board of Directors:** The Board of Directors considered that the minutes of the 2017 Annual General Meeting of Shareholders have been accurately recorded pursuant to the resolutions of such meeting; therefore, it is deemed appropriate to propose to the Meeting to certify such minutes.

**Agenda 3**      **Matter to acknowledge**

To acknowledge the Report of the Board of Directors for the year 2017

**Facts and Reasons:** The Company summarized the Report of the Board of Directors and the Company's operating results for the year 2017 which appears in Enclosure No. 2.

**Opinion of the Board of Directors:** The Board of Directors resolved to submit the above-mentioned 2017 Report of the Board of Directors and business operation to the 2018 Annual General Meeting of Shareholders for acknowledgment.

**Agenda 4**      **Matters to be considered and approved**

**Agenda 4.1**      To consider and approve the financial statements consisting of the Balance Sheet, and the Profit and Loss Statement for the year ended December 31, 2017

**Facts and Reasons:** According to the Public Limited Company Act B.E. 2535 (including any amendment thereto), the Company is obligated to prepare an audited balance sheet and profit and loss statement at the end of each fiscal year that are both certified by the Company's auditor and propose such documents to the its annual general meeting of shareholders for approval.

**Opinion of The Board of Directors:** The Board of Directors resolved to propose the audited financial statements of the Company and its subsidiaries consisting of the Balance Sheet, and Profit and Loss Statement for the year ended December 31, 2017, both certified by the Company's auditor from EY Office Limited and received an approval from the Audit Committee to the Meeting for its consideration. The following is a summary of the position of the Company's financial statements and statement of comprehensive income for the year 2017.

(Unit: Millions of Baht)

Item	Consolidated	The Company Only
Total Assets	57,941.59	53,690.46
Total Liabilities	29,556.00	27,123.79
Shareholders' Equity	28,385.59	26,566.67
Total Revenue	28,493.35	26,065.94
Expenses	26,151.24	23,151.18
Net Profit	846.36	802.72
Profit per share (Baht)	0.38	0.38

**Agenda 4.2** To consider and approve profit allocation and dividend payment

**Facts and Reasons:** The Company's dividend payment policy is to pay dividends of not less than 50% of the net profit of Company according to its financial statement (After Tax and various reserved fund(s)), which can be changed depending on the business expansion and funding requirement of the Company each year, or any other necessity and appropriateness as the Board of Directors deems fit, provided that the dividend payment is subject to the approval by the meeting of shareholders.

According to the Company's financial statement for the year 2017, the Company derived a net profit of THB 802,716,835 (eight hundred and two million, seven hundred and sixteen thousand, eight hundred and thirty-five Baht) and the Board of Directors considered to propose the dividend payment from the operation of the year 2017 in the amount of THB 0.30 per share, totaling THB 630,000,000 (six hundred and thirty million Baht), which is approximately 78% of the net profit of the Company according to its financial statement after deduction of statutory reserve, and such amount is in compliance with the Company's dividend payment policy. However, the right to receive dividend is uncertain because it has not been approved by the Annual General Meeting of Shareholders. The comparison of dividend payment rates is set out below.

Details of dividend payment	2017 (proposed)	2016
Annual profit of the Company according to its financial statements (million Baht)	802.72	1,680.93
Paid-up shares (million shares)	2,100.00	2,100.00
Profit per share	0.38	0.80
Dividend allocation (Baht/share)	0.30	0.75
Total amount of dividends paid (million Baht)	630.00	1,575.00
Proportion of dividends after deduction of statutory reserve to the Company net profit (%)	78.48	99.05

According to section 116 of Public Company Limited Act B.E.2535 (including any amendment thereto), and the Company's Articles of Association, item 40, the Company must allocate part of its annual profit as a legal reserve in the amount of not less than 5 percent of its annual net profit less the sum of accumulated loss brought forward (if any) until this legal reserve reaches an amount of at least 10 percent of the Company's registered capital. Accordingly, the Company's legal reserve reached the amount of THB 210,000,000; therefore, it was not necessary for the Company to allocate the profit as a legal reserve.

**Opinion of The Board of Directors:** The Board of Directors resolved to propose to the 2018 Annual General Meeting of Shareholders to approve the dividend payment for the operation results for the period of January 1 – December 31, 2017, at THB 0.30 per share, which are the whole profits derived from the business not being granted investment promotion from the BOI (Non-BOI), to shareholders whose names appear on the Record Date, which was scheduled on March 9, 2018. The dividend payment shall be made on April 27, 2018, and the remaining net profit shall be allocated as the Company's retained earnings.

**Agenda 4.3** To consider and appoint the directors who are due to retire by rotation

**Facts and Reasons:** According to the Public Limited Company Act B.E. 2535 (including any amendment thereto), and the Company's Articles of Association, at every annual general meeting, one-third of the directors shall retire by rotation in proportion. The directors retiring by rotation from office in the first and second years shall be selected by a process of drawing lots. In the subsequent years, the director who has held office for the longest period of time shall retire. A director who retires office as mentioned may be re-elected. At the 2018 Annual General Meeting of Shareholders, 4 directors who are due to retire by rotation are as follows:

- |                 |                   |   |
|-----------------|-------------------|---|
| 1. Mr. Prasert  | Prasarttong-Osoth | Vice Chairman                               |
| 2. Gen. Vichit  | Yathip            | Independent Director and<br>Audit Committee |
| 3. Mrs. Narumol | Noi-Am            | Director                                    |
| 4. Mr. Somboon  | Kitiyansub        | Independent Director                        |

**Opinion of The Board of Directors:** With the recommendation of the Nomination and Remuneration Committee, the Board of Directors resolved to propose to the 2018 Annual General Meeting of Shareholders to re-elect the above-mentioned 4 directors for another term. For the nomination process, the Board of Directors, excluding the nominated directors, considered the qualifications of such directors in many respects, including education, experiences, expertise in various fields, leadership, morality, blemishes to work experience and ability to independently give opinions including the performance of the directors in the previous period.

Further, the Company provided an opportunity to the shareholders to nominate qualified candidates without any prohibited characteristics for election as the Company's directors under the nomination procedure as disclosed on the Company's website. However, no persons were nominated.

The information of the candidates nominated to be re-elected as directors for another term is provided in Enclosure No. 3 and the definition of "the Company's Independent Director" is provided in Enclosure No. 4.

**Agenda 4.4** To consider and fix the remuneration and bonuses of Board of Directors

**Facts and Reasons:** with the recommendation of the Nomination and Remuneration Committee, the Board of Directors carefully considered the remuneration for the appropriateness and considered the economic situation, the growth in revenue and profit of the Company including the number of directors at present, compared with that of the companies within the same industry, which consists of the following:

(Unit: Million Baht)

	2017	2016	change
<b>Consolidated Income Statements</b>			
Airline Revenues	20,490	20,713	-1.07%
Total Revenues	28,493	26,766	6.45%
Profit before income tax expenses	1,318	2,776	-52.51%
Adjustment in respect of current income tax of previous year	25	506	-95.00%
Income tax expenses	329	370	-10.90%
Net profit for the year	846	1,837	-53.93%
Profit attributable to equity holders of the Company (Baht per share)	0.38	0.84	-54.76%
<b>Benefit to shareholders</b>			
Dividend (Baht per share)	0.30*	0.75*	-60.00%
Par value (Baht)	1	1	-
Number of directors (person)	12	12	-

*Remark : \* The dividend payment is subject to the approval of the 2018 AGM*

Therefore, the Board of Directors, as proposed by the Nomination and Remuneration Committee, deemed it appropriate to recommend the 2018 Annual General Meeting of Shareholders to approve the remuneration of the Company's directors and the directors of the sub-committee to be at the same rates of the previous year, which are as follows:

## (1) Remuneration of the Board of Directors

	Proposed to 2018 AGM (Baht)	2017 AGM (Baht)
<b>1.1 Meeting fee</b>		
- Chairman	120,000 per meeting	120,000 per meeting
- Director (each)	60,000 per meeting	60,000 per meeting
<b>1.2 Director's Bonus</b>	calculated at the rate of no more than 0.15 percent of the consolidated revenues from the Company's financial statements Totaling 25 million Baht	calculated at the rate of no more than 0.15 percent of the consolidated revenues from the Company's financial statements Totaling 36.5 million Baht

The bonus is calculated at the rate of no more than 0.15 percent of the consolidated revenues from the Company's financial statements provided that such bonus is payable only when the Company has a net profit and dividend payment is made to the shareholders which shall be allocated by the Board of Directors among themselves.

## (2) Remuneration of the sub-committee

	Proposed to 2018 AGM (Baht)	2017 AGM (Baht)
<b>2.1 Executive Committee</b>		
- Chairman	120,000 per month	120,000 per month
- Director (each)	60,000 per month	60,000 per month
<b>2.2 Audit Committee</b>		
- Chairman	60,000 per meeting	60,000 per meeting
- Director (each)	40,000 per meeting	40,000 per meeting
<b>2.3 Nomination and Remuneration Committee</b>		
- Chairman	45,000 per meeting	45,000 per meeting
- Director (each)	30,000 per meeting	30,000 per meeting
<b>2.4 Corporate Governance Committee</b>		
- Chairman	45,000 per meeting	45,000 per meeting
- Director (each)	30,000 per meeting	30,000 per meeting

Opinion of The Board of Directors: The Board of Directors resolved to propose to the Meeting to approve the remuneration and bonuses of the Board of Directors for year 2018 as proposed.

**Agenda 4.5** To consider and appoint the Company's auditor and fix the auditor's fee for the year 2018

Facts and Reasons: According to the Public Limited Company Act B.E. 2535 (including any amendment thereto), and the Company's Articles of Association, the annual general meeting of shareholders shall appoint the Company's auditor and fix the auditor's fee every year. Thus, for the year 2018, as approved by the Audit Committee, the Company proposed to appoint 5 auditors as follows:

List of Auditors to be Appointed	CPA License No.	Period to sign in the Company's Financial Statement in past 5 years
1. Mr. Sophon Permsirivallop or	3182	2 years
2. Ms. Roongnapa Lertsuwankul or	3516	1 year
3. Ms. Pimjai Manitkajohnkit or	4521	2 years
4. Ms. Rosaporn Decharkom or	5659	never
5. Ms. Sumana Punpongsanon	5872	never

The abovementioned auditors are from EY Office Limited to be Company's auditors for the year 2018 because they are independent with good working standards, their qualifications are in accordance with the Articles of Association of the Company and the relevant regulations of the Office of Securities and Exchange Commission, they consistently perform their tasks to a high standard and they are also the auditors of the Company's subsidiaries. The auditor fees are as follows:

Details	The Auditor Fee amount for 2018 (Baht) (Proposed)	The Auditor Fee amount for 2017 (Baht)
Review of Financial Statements, 1 <sup>st</sup> Quarter	980,000.-	980,000.-
Review of Financial Statements, 2 <sup>nd</sup> Quarter	980,000.-	980,000.-
Review of Financial Statements, 3 <sup>rd</sup> Quarter	980,000.-	980,000.-
Yearly Auditor Fee	2,160,000.-	2,160,000.-
<b>Total</b>	<b>5,100,000.-</b>	<b>5,100,000.-</b>

**Opinion of The Board of Directors:** The Board of Directors resolved to propose to the 2018 Annual General Meeting of Shareholders to appoint the auditors as detailed above. One of the appointed auditors shall be responsible for conducting an audit of the Company's financial statements and shall provide any comments as appropriate. In the case where such auditors are unable to perform their duties, EY Office Limited shall arrange for another auditor to perform the duties in replacement and fix the auditor's fee for 2018 in the amount of THB 5,100,000, as required by relevant laws.

By this, the proposed auditors have no benefit or relationship with the Company/subsidiary/executives/major shareholders or any related parties.

**Agenda 4.6** To consider and approve the amendment to the Articles of Association of the Company

**Facts and Reasons:** The amendment to the Public Limited Companies Act B.E. 2535 (1992) (including any amendment thereto), section 100 by the Order of the Head of the National Council for Peace and Order No. 21/2017 on Amendments of Laws to Facilitate the Ease of Doing Business was published in the Royal Gazette and took effect on April 4, 2017.

Opinion of The Board of Directors: As a result of the amendment to the aforementioned law, a discrepancy occurred in the current Articles of Association which is Article 26. Therefore, the Company has the duty to comply with the amended law and deems it appropriate to propose the matter regarding the amendment to Article 26 of the Articles of Association by making the necessary amendments to paragraph 2 and providing additional paragraph 3 and 4 as follows:

**From:**

“Article 26. The Board of Directors shall convene an annual general meeting of shareholders within the period of four months from the end of each accounting period.

General meetings of shareholders other than that as specified in the first paragraph shall be called extraordinary general meetings. The Board of Directors may call extraordinary general meetings whenever they think appropriate, or the shareholders holding shares in aggregate no less than one-fifth of the total number of issued shares, or shareholders in a number of no less than 25 persons holding shares in aggregate no less than one-tenth of the total number of issued shares, may, at any time, subscribe their names and clearly state the purpose in a letter requesting the Board of Directors to call an extraordinary general meeting. In this case, the Board of Directors shall call the shareholders meeting within the period of one month from the date of receipt of such letter from the shareholders.”

**Amended to:**

“Article 26. The Board of Directors shall convene an annual general meeting of shareholders within the period of four months from the end of each accounting period.

General meetings of shareholders other than that as specified in the first paragraph shall be called extraordinary general meetings. The Board of Directors may call extraordinary general meetings whenever they think appropriate, or any one or more shareholders holding shares in aggregate no less than 10 percent of the total number of issued shares, may, at any time, subscribe

their names and clearly state the business and purpose in a letter requesting the Board of Directors to call an extraordinary general meeting. In this case, the Board of Directors shall call the shareholders meeting within the period of 45 days from the date of receipt of such letter from the shareholders.

In case the Board of Directors fails to call for the meeting within such period under the second paragraph, the shareholders who have subscribed their names or other shareholders holding the required aggregate number of shares may themselves call the meeting within 45 days as from the date of expiration of the period under the second paragraph. In such case, the meeting is deemed to be a shareholders meeting called by the Board of Directors and the Company shall be responsible for the necessary expenses as may be incurred in the course of convening such meeting and the Company shall provide reasonable facilitation.

In the case where, at the meeting called by the shareholders under the third paragraph, the number of the shareholders present does not constitute a quorum as prescribed by Article 29, the shareholders under the third paragraph shall jointly compensate the Company for the expenses incurred in arrangements for holding that meeting.”

The remaining parts of the Articles of Association which are not proposed for the amendment shall be the same.

In this regard, the person appointed by the Executive Committee to register the amendment of the Articles of Association at the Department of the Business Development, Ministry of Commerce, shall be authorised to undertake any necessary act in order to complete the registration, as well as to amend and add the terms in the amended Articles of Association as instructed and/or suggested by the registrar, to be in accordance with the order of the registrar of the public limited companies, without affecting the subject matter of the amendment approved by the 2018 Annual General Meeting of Shareholders.

**Agenda 5 Other matters (If any)**

The Board of Directors invites all shareholders to attend the 2018 Annual General Meeting of Shareholders on Wednesday of April 18, 2018, at 14.00 hrs, at Grand Ballroom, Miracle Grand Convention Hotel, No. 99 Kamphaeng Phet 6 Rd., Talad Bangkhen Sub-district, Laksi District, Bangkok. The map of the meeting venue is attached in Enclosure No. 8.

In the event that a shareholder is unable to attend the meeting in person and wishes to appoint a proxy to attend the meeting and cast votes on his/her behalf, one (only) out of the three proxy forms provided in Enclosure No.5 must be completed.

To protect the rights and benefits of shareholders who are unable to attend the meeting in person and who wish to appoint an Independent Director of the Company as their proxy to attend the meeting and cast votes on his/her behalf, the shareholder can grant a proxy by stating the name of the Independent Directors as listed and detailed in Enclosure No. 4.

All shareholders may register for the meeting at the meeting venue from 12.00 p.m. onwards on the abovementioned date. Please be informed accordingly with most appreciation.

In addition, the Company has set the dates for determining the shareholders eligible for participation at the 2018 Annual General Meeting of Shareholders (Record Date) on March 9, 2018.

Sincerely yours,

On behalf of the Board of Directors of Bangkok Airways Public Company Limited

A handwritten signature in blue ink, appearing to be "S. T.", representing Ms. Tresarun Sitakalin.

(Ms. Tresarun Sitakalin)

Company Secretary

Bangkok Airways Public Company Limited