

(Translation)

**Minutes of the 2012 Annual General Meeting of Shareholders  
of  
PTT Public Company Limited**

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**Date, time and place of the Meeting**

The 2012 Annual General Meeting of Shareholders (the **Meeting**) was held on Tuesday 10 April 2012, at 9.30 a.m., at Plenary Hall 1-3, Queen Sirikit National Convention Centre, No. 60, New Ratchadaphisek Road, Klongtoey, Bangkok.

**Before the Meeting**

PTT Public Company Limited (**PTT**) presented a safety-instruction video and asked shareholders to turn off their mobile phones.

**Beginning of the Meeting**

As the Meeting started, a total of 4,357 shareholders and proxies were present, consisting of 1,747 shareholders attending the Meeting in person and 2,610 shareholders by proxy, representing 2,004,521,214 shares, equivalent to 70.18 percent or more than one-third of the total 2,856,299,625 issued and outstanding shares of PTT. A quorum was therefore constituted according to PTT's Articles of Association. The registration for the Meeting continued outside the meeting halls.

Mr. Norkun Sitthiphong, Chairman of PTT's Board of Directors, presided over the Meeting as Chairman of the Meeting and declared the Meeting duly convened. He thanked all shareholders for their continued patronage and reiterated PTT's commitment to its integrated energy business operation as Thailand's leading energy company with good management, transparency and accountability, while enhancing its operational performance and increasing its competitive capabilities to bring the highest benefits to shareholders and all stakeholders. The Chairman then introduced the 12 directors present at the Meeting and three management members on stage, and apologized for the 3 directors who were attending Collection of the Royal Relics and Ashes of Her Royal Highness Princess Bejaratana Rajasuda Sirisobhabannavadi.

**Present**

- |     |                             |  |
|-----|-----------------------------|--|
| 1.  | Mr. Norkun Sitthiphong      | Chairman of the Board of Directors   |
| 2.  | Mr. Chulasingh Vasantasingh | Independent Director / Chairman of the Audit Committee                               |
| 3.  | Mr. Surapon Nitikraipot     | Independent Director / Chairman of the Corporate Governance Committee                |
| 4.  | Mr. Krairit Nilkuha         | Director / Member of the Remuneration Committee / Member of the Nomination Committee |
| 5.  | Mr. Krairit Euchukanonchai  | Independent Director / Member of the Audit Committee                                 |
| 6.  | Mrs. Benja Louichareon      | Director / Member of the Remuneration Committee                                      |
| 7.  | Mr. Sihasak Phuangkitkeow   | Independent Director   |
| 8.  | General Warawat Indradat    | Independent Director   |
| 9.  | General Prin Suvanadat      | Independent Director   |
| 10. | Mr. Waroonthep Watcharaporn | Independent Director   |

11. Mr. Chitrapongse Kwangsukstith Director
12. Mr. Pailin Chuchottaworn Director and Secretary to the Board of Directors / Member of the Nomination Committee / President & Chief Executive Officer

**Absent due to the Collection of the Royal Relics and Ashes of Her Royal Highness Princess Bejaratana**

13. Mr. Arkhom Termpittayapaisith Independent Director / Chairman of the Remuneration Committee / Member of the Audit Committee
14. Mr. Watcharakiti Watcharothai Independent Director / Chairman of the Nomination Committee / Member of the Corporate Governance Committee
15. Mr. Montri Sotangkur Independent Director

**Executive Officers**

1. Mr. Tevin Vongvanich Chief Financial Officer
2. Mr. Wichai Pornkeratiwat Chief Operating Officer, Upstream Petroleum and Gas Business Group
3. Mr. Nuttachat Charuchinda Chief Operating Officer, Downstream Petroleum Business Group

Other executive officers present at the Meeting and prepared to provide further information included Senior Executive Vice Presidents, Executive Vice Presidents and executive officers from PTT Group. Independent directors would act as proxies for minority shareholders.

**PTT's Auditors and Legal Advisors present at the Meeting**

The Chairman introduced 3 representatives from the Office of the Auditor General of Thailand, PTT's auditors, i.e. Mrs. Klednati Sasikan, Miss Mayuree Chantamart and Miss Metawee Suaysom, and 4 legal advisors i.e. Miss Piengpanor Boonklum and Miss Sawita Pitawan of Weerawong, Chinnavat & Piengpanor Limited and Mr. Akrapol Pichedvanichok and Miss Manunya Thitinuntawan of Allen & Overy (Thailand) Co., Ltd., who would monitor the vote counting.

The Chairman informed the Meeting that the documents used at this Meeting had been published on the Company's website and reported to the Stock Exchange of Thailand (**SET**) since 9 March 2012. PTT had also posted an announcement on its website from 1 October 2011 to 30 December 2011, inviting shareholders to propose additional agenda and/or to nominate qualified persons to be elected as directors, consistent with the Company's criteria. However, no shareholder proposed any agenda item and/or nominated any person in accordance with the specified criteria. In order for the Meeting to proceed smoothly, the Chairman asked the Company Secretary, Mrs. Sumon Rungkasiri, to clarify the Meeting procedures.

Mrs. Sumon Rungkasiri, the Company Secretary, informed the Meeting of the voting procedures as follows:

- A shareholder had a number of votes equal to the number of shares he/she or a proxy grantor held. A shareholder may cast votes of approval, disapproval or abstention on each agenda item, equal to the number of shares held by him/her or the person who granted him/her proxy, using the ballot received on registration.

- Only the votes of disapproval and abstention would be counted. Those who disapproved or abstained in each agenda item must raise their hand to signify Meeting staff for ballot collection. Disapproval or abstention votes would then be deducted from the total number of votes of shareholders present at the Meeting; the rest shall be treated as approval for that agenda. If the majority of the votes cast approval and were in accordance with PTT's Articles of Association regarding voting, it shall be deemed that the Meeting agreed or approved that agenda item, except agenda item 6 i.e. election of directors to replace the retiring directors. In agenda item 6, disapproval or abstention ballots would be collected first, followed by approval ballots, and the

votes shall be cast for each candidate on an individual basis, in line with best practice in managing a shareholders' meeting. Shareholders wishing to leave early or absent during any agenda item may exercise their rights by handing in their ballots in advance to the staff of their row.

Before casting a vote for each agenda item, the Chairman would allow shareholders to ask questions relevant to that agenda item. Shareholders who wished to ask questions were requested to stand at the microphone and state their name and surname before asking or giving opinion. Their questions or opinion should be brief and relevant to the agenda to allow other shareholders to speak and to manage time. Questions irrelevant to the agenda item should be asked in the last agenda item of the Meeting.

PTT prepared interpreters for English translation in case questions were in English. Directors/executive officers would answer in Thai for full understanding of the Meeting. Interpreters would translate the answers only to person(s) who asked/commented.

After the Meeting, PTT would collect all ballots from shareholders as evidence. Shareholders were requested to fill in the questionnaire distributed upon registration and return it to the staff at the exit. PTT would review the feedback to improve the organization of the next general meetings. The Chairman then proceeded with the Meeting.

The Chairman then asked the Meeting to consider the matters in the 7 agenda items as follows:

**Agenda Item 1 To certify the Minutes of the 2011 Annual General Meeting of Shareholders held on 20 April 2011**

The Chairman informed the Meeting that PTT had sent the Minutes of the 2011 Annual General Meeting of Shareholders, held on 20 April 2011 (the **Minutes**), to SET, published on its website within 14 days and sent the Minutes to all shareholders together with the Notice of the Meeting. The Chairman asked the Meeting to consider and certify the Minutes, and asked if shareholders would like to ask or comment. As there was no question and comment from shareholders, the Chairman asked the Meeting to vote on this agenda item.

**Resolution:** The Meeting certified the Minutes by a majority of the total number of votes cast by the shareholders present at the Meeting and eligible to vote as summarized below:

<b>Votes</b>	<b>Number of votes cast (1 share = 1 vote)</b>	<b>Percentage of voting rights exercised by the shareholders present</b>
1. Approved	2,018,836,856	99.82
2. Against	14,581	0.00
3. Abstained	3,722,400	0.18

**Remark:** While the Meeting was considering this agenda item, additional shareholders were present with 18,052,596 shares.

**Agenda Item 2 To acknowledge the 2011 operating results and approve the 2011 financial statements for the year ended 31 December 2011**

The Chairman informed the Meeting that PTT had sent the 2011 Annual Report, Financial Report and Corporate Sustainability Report to all shareholders in advance and would now present a twenty-minute video presentation on the 2011 operating results, followed by a summary report of additional important information by the President & CEO, after which the floor would be open for questions and comments.

**President & CEO** stated that 2011 was a record year as PTT's profit was registered the highest since its listing on SET in 2001 with the operating results of PTT and its subsidiaries (**PTT Group**) in comparison with those in 2010 as follows:

- Sales revenue of Baht 2,400,000 million, the highest since PTT's listing on SET, representing 28 percent increase from 2010.
- EBITDA of Baht 210,748 million, a 24 percent rise over 2010.
- Net profit of Baht 105,296 million, 45 percent or 47,246 million of which was a result of PTT's operation where the remaining 55 percent or Baht 58,050 million was from PTT Group's operation according to the shares ratio. The 25 percent increase in the net profit from 2010 was due to the following factors:
  - Sale prices of oil, natural gas and petrochemical products of PTT increased in line with the global market, plus an increase in sales volume of other products in every business, particularly the gas separation business as the Ethane Separation Plant and the Gas Separation Plant Unit VI began operation in July 2010 and January 2011, respectively.
  - Much improved 2011 operating result of PTT Group was due to:
    - Improved operating results of PTTEP from an increase in the average selling prices of its products in line with global oil prices.
    - Improved operating results of affiliated companies in the olefins, aromatics petrochemical, and refining businesses, for example:
      - Increase in olefins sales from production start-up of Ethane Cracker, HDPE and LDPE plants of PTTGC in early 2011;
      - Higher spread margin of olefins in most categories corresponding to rising global demand;
      - Higher oil crack spread according to rising oil demand; and
      - Rising aromatics spread margin from higher demand, particularly paraxylene.
  - Gains from foreign exchange rates of Baht 1,266 million of PTT Group.
  - The financial positions of PTT Group as at 31 December 2011 were as follows:

Total assets of Baht 1,400,000 million, a 14 percent rise over 2010, due to the following factors:

    - : Baht 381,157-million current assets, representing a 5 percent rise, due to:
      - Baht 49,548-million trade account receivable and short-term loan against a decrease of Baht 30,491-million in cash and cash equivalent and temporary investment.

- : Baht 601,341 million of property, plant and equipment, representing a 21 percent increase, mainly due to:
  - Net assets used in petroleum exploration and production of PTTEP increased by Baht 89,890 million from the purchase of 40-percent shares in Canada Oil Sands KKD Project;
  - Various projects of PTT including offshore gas compressor station and onshore gas pipeline no. 4, totalling of Baht 7,829 million; and
  - Jetty and Liquefied Natural Gas Terminal Construction Project of PTTLNG, amounting to Baht 3,835 million.
- : Baht 758,464-million of total liabilities, a 13 percent rise from:
  - Baht 39,435-million rise of current liabilities from an increase in trade accounts payable and outstanding expenses of Baht 41,553 million; and
  - Long-term loans (including long-term loans due in one year) of Baht 392,403 million, mainly resulting from bond issuance and long-term loans of PTTEP of Baht 41,701 million.

During the repayment of Baht 19,357-million bonds and debentures of PTT, the shareholders' equity was Baht 643,949 million, a 16 percent increase over the end of 2010, mainly due to higher net profits in 2011.

- : PTT's financial structure apparently remained strong, with
  - Net debt to equity ratio at 0.40 : 1, comparing to lower-than-one policy;
  - Net debt to EBITDA was 1.3 times while the policy was lower than 2; and
  - Interest coverage ratio (ICR) was 12.1 times, 1 time better than 2010.

Remark: The financial ratios were calculated according to those of the Securities and Exchange Commission (SEC).

As shareholders learned of 2011 operating results of PTT from the 2011 Annual Report, financial statements and financial reports sent to shareholders along with the Notice of the Meeting, as well as the summary presented through video presentation and additional explanation by President & CEO, the Meeting was asked to acknowledge the report on the 2011 operating results of PTT and to consider and approve the financial statements for the year ended 31 December 2011, as well as the auditor's report, certified by the auditor in accordance with the generally accepted accounting principles as further detailed in the 'Financial Report' as part of the 2011 Annual Report.

**The Chairman**

asked if any shareholder would like to ask or comment. The questions and comments were summarised as follows:

**Mr. Phuwanat Na Songkla, Right Protection Volunteer, Thai Investors Association:**

said that PTT's operating result was satisfactory to investors and would like to ask about NGV as follows:

1. Directions of PTT management to solve the loss in NGV business after the government has increased NGV sale price but PTT still has accumulated loss.
2. Was it true that PTT was ready to sell NGV business to any interested party?

**Mr. Rittichai Yibcharoenporn, a shareholder:**

asked the following questions:

1. Most investment projects of PTT require high capital e.g. gas pipeline construction. He would like to know PTT's expected tangible return on investment of each project for shareholders' information and performance assessment of PTT in the future.
2. PTT announced accumulated loss from NGV sale while recorded hundred-million-baht profit. He would like PTT to clarify NGV cost for public information, possibly in white-paper form, explaining NGV cost e.g. gas pipeline construction cost, etc. This would enhance corporate image and inform shareholders absent from the Meeting of the fact.
3. PTT's investment portfolio was diversified for risk management. Some businesses e.g. natural gas exploration and production, coal mining may yield high return. He would like to know the directions in additional investment in high-return businesses.

**President & CEO**

explained as follows:

1. At present, PTT still absorbed the loss from NGV retail business for transportation sector; however, he believed that the energy price float policy, e.g. NGV, LPG, of the Ministry of Energy would reduce the loss to PTT. PTT as the national oil company had a duty to secure energy supply stability and economic wealth of the country.
2. PTT had no policy to sell NGV business.
3. PTT had investment criteria. Business units would submit their proposals to respective screening committees and finally propose for the approval of the Board of Directors. Return on investment must be higher than PTT's hurdle rate.

With the government as a major shareholder, PTT's investment projects must take into account social contribution. PTT was also required to submit its operating result to the Ministry of Finance via the Performance Agreement (PA) system and undergo many audit processes, especially by the Office of the Auditor General of Thailand, PTT's auditor.

4. NGV cost structure was transparent and can be verified through websites of such government agencies as Ministry of Energy. At present, the Ministry of Energy engaged Chulalongkorn University to study the cost of natural gas, of which result would be made known to the public shortly.
5. As for the investment in exploration and production and coal mining businesses, please be informed that PTT separated business into two parts: (i) those for energy supply stability, which was a duty of PTTEP to explore energy sources in other countries. Coal mining also needed exploration as it was energy reserve for Thais in the future. PTT's target was to have energy reserve at least for the next 10 years for our descendents. He, therefore, would like shareholders to rest assured that we would have sufficient energy for the next 10 years; and (ii) other businesses e.g. oil, petrochemical and refinery, all of which increased our value which can be seen from various publications with clear explanation of PTT.
6. PTT acknowledged shareholders' suggestion and would prepare a document to clarify the cost of natural gas, as previously seen in some media. The investment criteria would be included in report for shareholders' information next year.

**Mr. Jaturawit  
Kochanum, a  
shareholder:**

would like to know the vision or plan of Mr. Pailin Chuchottaworn, the new President & CEO, to move PTT forward.

**President & CEO:**

explained the vision of PTT corporate management as follows:

The most important issue for a large organisation like PTT at the moment was not how to maximise profits only but how to maximise long-term profits for all stakeholders. Sustainability and stability were, therefore, the most important for PTT, comprising three components: (i) it must be a big business; (ii) the business must have a long value chain; and (iii) the business must have a strong management system. These three components were called Tri Pillars, each of which was independent but interrelated and PTT shall adhere to this principle. The three pillars were related and balance out. In addition, as the national oil company, PTT must also take other factors into account. PTT's operation had been resource-based but resources were limited and running out. It's time for PTT to change to knowledge base and such knowledge must also be environmental friendly. President & CEO proposed that PTT shall be a technologically advanced and green national oil company (TAGNOC). As to the management, the most prioritized was to be strong. To be on a par with other Fortune 100 companies, PTT needed to improve many management systems. PTT was a state-owned enterprise as defined by certain laws. As a state-owned enterprise, shareholders, stakeholders and the society did not expect PTT to make profit. What owners or the public expected from a state-owned enterprise were: (i) transparency or good governance (CG), or being a good corporate citizen from inside out; (ii) operation in strict compliance with rules and regulations, procedures and laws; (iii) service mind; and (iv) unanimous approval from society and communities around business areas or corporate social responsibility (CSR). In brief, corporate social responsibility means we must prove to the public and locality that economic prosperity of a business entity was in parallel with social improvement and environmental preservation. In order to concurrently develop business, society and environment, he proposed a three-component principle by modifying CSR to Care, Share and Respect. If PTT cannot make communities, society and environment in the operation area understand how PTT cared and was ready to respect and share, trust would not be gained. No consensus would be entrusted or there would be no license to operate. In conclusion, in order for PTT to become a high performance organisation (HPO), the three parts i.e. HPO, CSR and CG or the three angles of a triangle must coexist. Once accomplished, PTT would be a business entity that can bring profits to shareholders, be sustainable and acceptable to the society.

**Mr. Rittachai  
Yipcharoenporn, a  
shareholder:**

asked if there are KPIs for the Big Long Strong vision.

**President & CEO:**

The KPIs were stated on the presentation slide as follows:

Big: Becoming one of the first 100 companies on Fortune 500;

Long: Being ranked in Dow Jones Sustainability Index (DJSI) by 2013; and

Strong: Having a return on investment at the same rate as the Top Quartile companies in the same industry.

**Mr. Asawin  
Suthiwichianchote,  
a shareholder:**

asked if natural gas price was floated, PTT had calculated or estimated the percentage of the increased profit.

**President & CEO:** As for price adjustment of natural gas or NGV, PTT did not aim to make profit from NGV. PTT operated this business to return to the Thai society. The price adjustment only relieved PTT from absorbing the loss from this business operation.

**Mr. Jirapan Buabucha, a shareholder:**

would like to ask the Audit Committee as follows:

1. Referring to page 21, item 3 of the Annual Report, stating that in 2011, the Company had assessed the internal control system according to the regulations of the Office of the Auditor General of Thailand re: Internal Control Standard B.E. 2001, with the cooperation of the higher number of executives filling in the internal control assessment form than the past years. Please specify percentage of the executives who filled in the assessment form. Was there a follow up to check why other executives did not fill in the form? What was the opinion of the Audit Committee towards the executives who did not fill in the assessment form?
2. What was the cause of the substantial rise in expenses by nature, particularly utilities expenses stated in page 146 of the Financial Report, Notes to Financial Statements No. 35 and how to reduce such expenses?

**Mr. Chulasingh Vasantasingh, Chairman of the Audit Committee:**

thanked shareholders for paying attention to and reading the Audit Committee Report and would like to clarify that in 2011, 135 out of 137 vice presidents filled in the assessment form, equal to 99 percent, representing a 1 percent increase from 2010 when 134 out of 137 vice presidents did, equal to 98 percent. The vice presidents who failed to fill in the assessment form were working overseas and could not make it by the deadline. However, the Audit Committee took note of shareholders' comments and, next year, would try to get vice presidents to fill in the assessment form regardless of where they are.

**Mr. Surasak Korprakhong, a shareholder:**

would like to ask about the loss due to impairment of assets on page 11 of the 2011 Annual Report, Cash Flow. Which business incurred the loss and was the amount of the loss high? Would PTT continue to invest in such business and had PTT taken a step to hedge against the risk of investment in other countries?

**Chief Financial Officer:**

clarified as follows.

1. The over-Baht-6-billion loss on impairment of assets was mainly in natural gas pipeline in Egypt, due to the unrest there, thereby affecting the investment in natural gas pipeline from Egypt to Israel. The assets i.e. natural gas pipeline were not damaged but the gas volume distributed under the contract was substantially reduced. After the assessment, PTT was of an opinion that the situation would last for a period of time and therefore the impairment of assets in this project was necessary. The decision on this issue was discrete in accordance with the accounting discipline. There may be impact today but it does not mean PTT would accept the situation. Currently, PTT by PTT International Co., Ltd. is demanding for the damages through the justice system.
2. To ensure risk management, PTT's investment would consist of both high yield and low yield for the most satisfactory return to shareholders.
3. The utilities expense increase was from fuel and electricity cost, resulting from the full capacity operation of Gas Separation Plant Unit VI in 2011.
4. Regarding return on investment, PTT invested in several businesses, each of which had a different level of risk and return on investment. PTT would consider return on investment that is consistent with risk level, particularly in natural gas pipeline under the supervision of the Energy Regulatory Commission to ensure the 10-



percent return on investment for investors' confidence of higher yield than the cost of capital. However, the yield would not be so high that it affected utilities expenses charged to the public. PTT tried to balance out. For PTT Group on the whole, return on equity in 2011 was 20 percent, higher than 18 percent in 2010 and return of asset was 8 percent, higher than 7.2 percent in 2010.

5. President & CEO further explained about floating energy price, especially LPG retail price for the public, that LPG manufacturers, either PTT or refineries, did not gain any benefits from this. What refineries and PTT gain was from ex-refinery or ex-gas separation plant prices. Currently, the ex-gas separation plant price was fixed at USD 333 per tonne while the ex-refinery price was adjusted since the beginning of 2011 to match global market price. However, the Oil Fund would absorb the difference between the ex-refinery prices or the ex-gas separation plant price and the retail price. In addition, the Oil Fund was subsidising for imported LPG, which was higher than domestic retail price. The Ministry of Energy, thus, had a policy to increase retail price in some sectors, e.g. industrial sector, transportation sector to match the real cost of LPG in order to reduce the burden imposed to the Oil Fund.

**Mr. Kitiya Palakawongse Na Ayudhya, a shareholder:**

would like PTT to clarify why oil prices in Thailand are higher than neighbouring countries. There were news reports that oil prices at the well were the same in all countries but the sale price in each country differed due to different tax rates collected by the government. Please also explain oil price structure so that all stakeholders are aware of the cause of the oil price increase.

**The Chairman:**

clarified that the domestic oil price structure started from the calculation at refineries where prices are referred to Singapore market. The government then added excise tax, municipal tax and VAT on top which made up a wholesale price. Then oil was sold to retailers who add Oil Fund and Energy Preservation Fund charges, including marketing margin and VAT before setting a retail price. This price structure was announced daily on the website of the Ministry of Energy, [www.eppo.go.th](http://www.eppo.go.th). However, the government had a policy not to collect excise tax on diesel.

**President & CEO:**

Oil prices in Thailand were not the most expensive and oil price at each well was not the same. Oil prices in each country were determined by the global market, except those oil-exporting countries e.g. the middle east where oil prices were relatively low. In ASEAN, at present, only two countries namely Malaysia and Brunei exported oil and their oil prices were cheaper than others. Oil prices in other countries were the same as the global market.

**Mr. Somwang Poolsombat, a shareholder:**

asked about oil prices in the neighbouring countries that were cheaper than those in Thailand due to government subsidy.

**Mr. Chatchai Khun-Ngam, a shareholder:**

would like to admire the Nomination Committee for well nominating the President & CEO and congratulate Mr. Pailin Chuchottaworn. He asked shareholders to give a big applause to welcome him. He also hoped PTT to overcome obstacles regarding burden on natural gas price including LPG and NGV. He was curious to know PTT's business expansion plan into Burma apart from that of PTTEP as Burma is opening its country.

**Mr. Anant Pattanathanet, a shareholder:**

would like to commend PTT for better operating results than previous years and agreed with the vision of Mr. Pailin Chuchottaworn.

**Mr. Mano Pantumawanich, a shareholder:** asked why there was no Chinese lunch this year and wanted to be clarified on the disruption of gas from Burma as it seemed a third country is snatching our portion.

**Mr. Kampol Posapiwat, a shareholder:** asked why there was no Chinese lunch this year when 2011 operating result was higher than 2010, and please explain the rules of food coupon provided to the Meeting attendants only, which was different from other companies.

**Shareholder from the Break Out Room:** praised the Board of Directors on their capabilities, and was considerate with the Board regarding proper organisation of the meeting to satisfy all shareholders. He thought that the Chinese lunch budget should be turned into dividend so that all shareholders get equal benefit. He also would like to know the number of shareholders who attended in person and by proxies, including the total number of shares of the participants who attended in person and by proxies.

**President & CEO:** explained that organising Chinese lunch became more difficult because of the increasing number of shareholders who attended the meeting every year. At one point, there may not be a big-enough or convenient-enough place. Also PTT cannot estimate the number of participants, which would result in left over, insufficient food. Other limitations included different lunch time for each participant, the food was not hot, common spoon was not used, etc. Therefore, this year, PTT provided a food box for each shareholder while the volume and the quality were comparable to the Chinese lunch, including variety. And as PTT cannot estimate the amount of food and the size of the area needed, PTT provided snack and lunch boxes only to shareholders or proxies who attended the meeting so that PTT can smoothly manage the meeting. As for shareholders who were proxies of other shareholders, they would receive oil card of 500-Baht value, which can be used as evidence of participation to the proxies.

**The Chairman:** asked if any shareholder had question or comment on agenda item 2. As there was no further question or comment, the Meeting was asked to vote on this item.

**Resolution:** The Meeting acknowledged PTT's operating results of 2011 financial year, and approved the financial statements for the year ended 31 December 2011, by a majority of the vote of the total number of shares cast by the shareholders present at the Meeting and eligible to vote, as detailed as follows:

<b>Votes</b>	<b>Number of votes cast (1 share = 1 vote)</b>	<b>Percentage of voting rights exercised by the shareholders present</b>
1. Approved	2,452,565,760	99.70
2. Against	26,181	0.00
3. Abstained	7,428,561	0.30

**Remark:** While the Meeting was considering this agenda item, additional shareholders were present with 437,446,665 shares.

### **Agenda Item 3 To approve the appropriation of the 2011 net profit and dividend payment**

The Chairman asked the President & CEO to explain this matter to the Meeting.

**President & CEO:** explained as follows:

In 2011, PTT had the net profit of Baht 105,296 million from its performance and set aside Baht 30 million as a reserve for non-life insurance fund, with no additional statutory reserve because PTT's existing statutory reserve was already equal to 10 percent of its registered capital as required by law. The net profit after the appropriation of reserve funds was thus Baht 105,266 million.

- PTT's 2011 net profit was Baht 105,296 million, equivalent to Baht 36.91 per share, an increase of 25 percent, compared to the net profit of Baht 83,992 million in 2010, equal to Baht 29.58 per share. PTT Board, therefore, proposed the payment of dividend for the 2011 operating results at Baht 13 per share, divided into:
  - interim dividend payment for the first half of 2011 operating results, at Baht 6 per share, amounting to Baht 17,126 million, paid on 23 September 2011; and
  - dividend payment for the second half of 2011 to PTT shareholders whose names were in the share register book on the record date set for determining the shareholders' entitlement to dividend payment on 8 March 2012, at Baht 7 per share, amounting to Baht 19,994 million, due on 30 April 2012.
- The payout ratio was equal to 35.2 percent of PTT's net profit whereas PTT's policy on the payout ratio was not less than 25 percent. The dividend yield rate was equal to 4.09 percent of the price of PTT shares at the end of 2011, i.e. Baht 318 per share.
- PTT, consequently, paid the interim dividend at Baht 6.00 per share from the accumulated operating profit as follows: (i) Baht 5 per share paid from the operating profit which is subject to 30 percent tax, and (ii) Baht 1.00 per share paid from the operating profit which is subject to 0 percent tax.
- The dividend for the second half of 2011 at Baht 7.00 per share would be paid from the accumulated operating profit as follows: (i) Baht 5.75 per share paid from the operating profit which is subject to 30 percent tax, and (ii) Baht 1.25 per share paid from the operating profit which is subject to 0 percent tax.

**The Chairman:** asked if anyone had question or would like to give opinions. The questions and comments were summarised below:

**Mr. Surasak Korprakong, a shareholder:** Since the government announced a new corporate income tax rate and PTT's dividend payout for this year was from the accumulated profit subject to 30 percent tax and 0 percent tax, PTT should consider paying dividend from accumulated profits that were subject to 30 percent tax within this year.

**Mr. Chatchai Khun-Ngam, a shareholder:** would like the Board of Directors to consider using a closing price on the date before the Meeting or the average price of three to seven days before the Meeting as a basis for dividend calculation and paying dividend at a higher rate than inflation.

**The Chairman:** asked Mr. Tevin Vongvanich, Chief Financial Officer, to clarify this matter.

**Chief Financial Officer:** explained as follows:

1. As for dividend, despite the decrease in the corporate income tax rate, shareholders can still use the tax credit paid at the rate of 30 percent. Appropriation of PTT's

dividend this year was balanced since most dividend was from the accumulated profits that were subject to 30 percent tax and PTT pays a dividend at a minimum rate of 25 percent of net profit. Since PTT's listing in SET in 1991, PTT has been paying a dividend at the average rate of 30 percent, which was higher than 25 percent of net profit. This year, PTT paid dividend at 35.2 percent of net profit calculated from the consolidated financial statements. Compared with the separate financial statements, the payout would be at 80 percent which was relatively higher than other comparable listed companies.

2. Regarding dividend payout, the Board would use the share price at the end of the year and would not use all accumulated profits to pay dividend because part of the profits was required to be reserved for business expansion in order to develop business and generate income in the long run.

The Chairman asked if any shareholder had questions or comments on the agenda item 3. As there was no further question or comment, the Meeting was asked to vote on this agenda item.

**Resolution:** The Meeting approved the appropriation of the net profits of 2011 and the dividend payout by passing a majority of the vote of the total number of shares cast by the shareholders present at the Meeting and eligible to vote, as detailed below:

<b>Votes</b>	<b>Number of votes cast (1 share = 1 vote)</b>	<b>Percentage of voting rights exercised by the shareholders present</b>
1. Approved	2,457,544,823	99.70
2. Against	37,981	0.00
3. Abstained	7,345,862	0.30

**Remark:** While the Meeting was considering this agenda item, additional shareholders were present with 4,908,164 shares.

#### **Agenda Item 4 To appoint an auditor and to determine the auditor's fees for 2012**

The Chairman declared that the Audit Committee consisted of three independent directors namely:

- |                                 |                                 |
|---------------------------------|---------------------------------|
| 1. Mr. Chulasingh Vasantasingh  | Chairman of the Audit Committee |
| 2. Mr. Arkhom Termittayapaisith | Member of the Audit Committee   |
| 3. Mr. Krairit Euchukanonchai   | Member of the Audit Committee   |

Mr. Chulasingh Vasantasingh, Chairman of the Audit Committee, was asked to present to the Meeting.

**Mr. Chulasingh** explained as follows:

**Vasantasingh,  
Chairman of the  
Audit Committee:**

- Under section 120 of the Public Limited Companies Act, B.E. 2535 (1992), each annual general meeting of shareholders must appoint an auditor and determine the auditing fee. Existing auditors may be re-appointed.
- Under Clause 12.4, Chapter 4 of PTT's regulations on criteria and practices of the Audit Committee, B.E. 2544 (2001), the Audit Committee has the duty to nominate an auditor for further appointment and to propose the auditor's fee.
- Under the Organic Law on State Audit, B.E. 2542 (1999), the Office of the Auditor General of Thailand (the **OAG**) is the auditor of all government agencies, including state enterprises.
- The OAG has been PTT's auditor since PTT was the "Petroleum Authority of Thailand" and became PTT Public Company Limited. In 2011, the annual general meeting of shareholders approved the remuneration for the OAG (i.e. the auditing fee) of up to Baht 3,500,000, excluding work-related travel expenses, overtime and other out-of-pocket expenses, in the amount not exceeding Baht 2,000,000.
- For 2012, the OAG proposed the auditing fee of Baht 3,500,000, the same rate as the previous year, excluding other related expenses, in the amount of not exceeding Baht 2,000,000. The auditor's fee was detailed as follows:
  - Quarterly payment of Baht 600,000 each.
  - Annual payment of Baht 1,700,000.Total auditor's fee was Baht 3,500,000.

The appointment of auditor and the amount of remuneration as stated above have been approved by:

- The Audit Committee meeting No. 13/2554 on 8 December 2011; and
- The Board of Directors meeting No. 12/2554 on 23 December 2011.

Therefore, he proposed the Meeting to consider and approve the appointment of the OAG as PTT's auditor for the financial year ended 31 December 2012 and the auditor's fee of Baht 3,500,000, as considered by the Audit Committee and PTT's Board of Directors.

The Chairman asked if any shareholders wished to ask or give opinions relating to this agenda item. The question is summarised below.

**Mrs. Piyada  
Pipithwanichtham,  
a shareholder:**

What was the actual amount of the expenses in addition to the auditor's fee of 2011 was, for example, travelling expenses for official trips, overtime allowance and other expenses in relation to the audit?

**The Chairman:** explained that the actual reimbursement was Baht 1.02 million and asked if any shareholder wished to ask or give opinion relating to this agenda item. As there was no further question or comment, the Meeting was asked to vote on this agenda item.

**Resolution:** The Meeting approved the appointment of OAG as PTT's auditor and the amount of remuneration for 2012, by a majority of the vote of the total number of shares cast by the shareholders present at the Meeting and eligible to vote, as detailed below:

<b>Votes</b>	<b>Number of votes cast (1 share = 1 vote)</b>	<b>Percentage of voting rights exercised by the shareholders present</b>
1. Approved	2,460,003,106	99.65
2. Against	1,211,704	0.05
3. Abstained	7,339,241	0.30

**Remark:** While the Meeting was considering this agenda item, additional shareholders were present with 3,625,385 shares.

## **Agenda Item 5 To consider the Board of Directors' remuneration for 2012**

The Chairman explained that there were three members in the Remuneration Committee namely:

1. Mr. Arkhom Termpittayapaisith Chairman of the Remuneration Committee
2. Mr. Krairit Nilkuha Member of the Remuneration Committee
3. Mrs. Benja Louichareon Member of the Remuneration Committee

The Chairman asked Mr. Krairit Nilkuha, Member of the Remuneration Committee, to present the details of this matter to the Meeting.

**Mr. Krairit Nilkuha, Member of the Remuneration Committee:**

To determine the directors' remuneration for this year, with the Remuneration Committee's proposal, PTT's Board of Directors relied on the former practice: (i) comparing with other listed companies in the same industry and with the same size of business as PTT, and (ii) considering the operating results, size of business, responsibility of the Board of Directors and the suitability with the economic situation. It was thus proposed that the directors' remuneration for the year 2012 remained the same as that of 2011. The remuneration was divided into two parts as follows:

1. Meeting allowance for 2012 (same as 2011)
  - 1.1 Meeting allowance for PTT Board of Directors:
    - Monthly allowance: Baht 30,000 per month.
    - Meeting allowance: Baht 20,000 per meeting (for those who attend the Meeting only).
  - 1.2 Meeting allowance for meetings of other committees appointed by PTT Board of Directors:
    - 1.2.1 Audit Committee:
      - Monthly allowance: Baht 15,000 per month.
      - Meeting allowance: Baht 15,000 per meeting (for those who attend the Meeting only). The committee secretary is entitled to a monthly allowance of Baht 7,500 per month.
    - 1.2.2 For the other three committees namely the Nomination Committee, the Remuneration Committee and the Corporate Governance Committee, the meeting allowance is Baht 24,000 per meeting (for those who attend the Meeting only).

The remuneration payable to the Chairman of the Board of Directors (under clause 1.1) and the Chairman of each committee (under clause 1.2) was 25 percent more than that payable to other directors or members of that committee.

2. Bonus for PTT Board of Directors for the year 2012 (same as 2011)

- The bonus was determined to reflect and relate to PTT's operating results or net profit, i.e. 0.05 percent of the 2012 annual net profit. However, each director was entitled to a maximum bonus of Baht 2 million for the entire year. Payment was calculated based on the period for which each director was in office. The sum payable to the Chairman of the Board would be 25 percent higher than that payable to other directors.

Accordingly, he would like to propose the Meeting to consider and approve the directors' remuneration as detailed above.

**The Chairman:** The Chairman asked whether any shareholders wished to ask or express opinions relating to this matter. The question was summarised below:

**Mr. Surasak Korprakong, a shareholder:** would like PTT to include details of duties performed by directors and the number of meetings attended last year so that shareholders could consider whether the remuneration was appropriate.

**The Chairman:** This information was on page 148 of the Annual Report. The Chairman asked whether any shareholder would like to ask or give opinions relating to this agenda item 5. As no one asked or gave opinions, the Chairman requested shareholders to vote on this matter.

**Resolution:** The Meeting approved that the directors' remuneration for the year 2012 remain the same as the previous year as proposed, by more than two-thirds of the total number of votes cast by the shareholders present, as detailed below:

Votes	Number of votes cast (1 share = 1 vote)	Percentage of voting rights exercised by the shareholders present
1. Approved	2,444,081,163	99.00
2. Against	16,895,589	0.68
3. Abstained	7,743,911	0.32

**Remark:** While the Meeting was considering this agenda item, additional shareholders were present with 166,612 shares.



## **Agenda Item 6 To elect directors to replace those directors retiring by rotation**

The Chairman stated to the Meeting that there were members in the Nomination Committee namely:

1. Mr. Watcharakiti Watcharothai                      Chairman of the Nomination Committee
  2. Mr. Krairit Nilkuha                                      Member of the Nomination Committee
  3. Mr. Pailin Chuchottaworn                              Member of the Nomination Committee
- Under PTT's Articles of Association, at each annual general meeting of shareholders, one-third of the members of the Board of Directors or the nearest number must retire by rotation. This year, there were 5 directors who would retire by rotation, namely Mr. Norkun Sitthiphong, Mr. Watcharakiti Watcharothai, Mr. Surapon Nitikraipot, Mr. Arkhom Termpittayapaisith and Mr. Pailin Chuchottaworn.
  - Under Article 32, Chapter 4 of PTT's Articles of Association, there must be at least 5 but not more than 15 directors, who are elected by the shareholders' meeting.
  - To comply with good corporate governance principles, the 4 retiring directors, including the Chairman, who were regarded as interested parties in this matter must leave the meeting room until the Meeting finished considering this matter. He then asked Mr. Chulasingh Vasantasingh, an independent director and Chairman of the Audit Committee, to act as the Chairman of the Meeting and to continue presenting relevant details to the Meeting.

**Mr. Chulasingh Vasantasingh, Chairman of the Audit Committee acted as Chairman of the Meeting:**

- From 1 October 2011 to 30 December 2011, PTT posted an announcement on its website, inviting shareholders to nominate qualified persons for election as directors of PTT. However, no shareholder nominated any persons who met the specified eligibility criteria.
- Three members of the Nomination Committee proceeded to select persons with suitable qualifications to be nominated for election as PTT's directors.
- At its meeting, the Nomination Committee selected the candidates who met the requirements of PTT's Board of Directors, which consisted of the qualifications, experience and expertise useful for PTT's business, in accordance with the nominating process. The nominated candidates must have full qualifications and be free of any restrictions under the law governing public limited companies, the law governing standard qualifications of directors and employees of state enterprises and other applicable notifications of SEC and SET, including any related cabinet resolutions.
- The Nomination Committee considered, selected and nominated 5 persons to be elected as PTT's directors for the Board meeting's approval. At the Board meeting, the five retiring directors who were regarded interested parties abstained from voting and were not present.

The 5 candidates, who passed the nomination process for the appointment as PTT's directors are as follows:

1. Mr. Norkun Sitthiphong, Permanent Secretary of Ministry of Energy and expert in energy / petrochemical / engineering – being Chairman of the Board of PTTEP Plc. and a director of Thai Oil Plc.
2. Mr. Watcharakiti Watcharothai, Royal Household Department, Bureau of Royal Household and expert in political sciences / management – being a director of Thai Oil Plc. and IRPC Plc.

3. Mr. Arkhom Termpittayapaisith, Secretary-General of National Economic and Social Development and expert in economics / finance and accounting / management – being a director of Airport of Thailand Plc.
  4. Mr. Pailin Chuchottaworn, President & CEO of PTT and expert in energy / petrochemical / engineering / finance and accounting / management – being a director of PTTEP Plc. and IRPC Plc.
  5. Mr. Insorn Buakiew, Advisor to Thai Beverage Plc and TCC Group and expert in political / science / law / jurisprudence / management.
- Brief profiles of the nominated candidates were attached to the Notice of the Shareholder Meeting.
  - Candidate numbers 1-4 namely Mr. Norkun Sitthiphong, Mr. Watcharakiti Watcharothai, Mr. Arkhom Termpittayapaisith and Mr. Pailin Chuchottaworn were the retiring directors who have been nominated for re-election as directors. Candidate number 5, Mr. Insorn Buakiew, was a new candidate.

The Chairman asked whether any shareholder wished to ask or give opinions relating to this agenda item. As there was no question or comment, the Chairman proposed that the shareholders vote on the 5 candidates one by one.

**Resolution:**

The Meeting approved the re-appointment of 4 directors retiring by rotation and the appointment of one (1) new director to replace the directors retiring by rotation, by a majority vote of the total number of votes, as detailed below:

**1. Mr. Norkun Sitthiphong, Chairman of the Board of Directors**

Votes	Number of votes cast (1 share = 1 vote)	Percentage of voting rights exercised by the shareholders present
1. Approved	2,459,637,682	99.62
2. Against	2,025,117	0.08
3. Abstained	7,453,891	0.30

**2. Mr. Watcharakiti Watcharothai, Independent Director, Chairman of the Nomination Committee/Member of Corporate Governance Committee**

Votes	Number of votes cast (1 share = 1 vote)	Percentage of voting rights exercised by the shareholders present
1. Approved	2,460,132,347	99.64
2. Against	1,399,029	0.06
3. Abstained	7,585,314	0.30

**3. Mr. Arkhom Termpittayapaisith, Independent Director/ Chairman of the Remuneration Committee/ Member of the Audit Committee**

Votes	Number of votes cast (1 share = 1 vote)	Percentage of voting rights exercised by the shareholders present
1. Approved	2,142,295,169	98.91
2. Against	19,160,669	0.78
3. Abstained	7,660,852	0.31

**4. Mr. Pailin Chuchottaworn, Director and Secretary to the Board of Directors / Member of the Nomination Committee**

<b>Votes</b>	<b>Number of votes cast (1 share = 1 vote)</b>	<b>Percentage of voting rights exercised by the shareholders present</b>
1. Approved	2,444,865,012	99.02
2. Against	16,807,502	0.68
3. Abstained	7,444,176	0.30

**5. Mr. Insorn Buakiew, Independent Director**

<b>Votes</b>	<b>Number of votes cast (1 share = 1 vote)</b>	<b>Percentage of voting rights exercised by the shareholders present</b>
1. Approved	2,460,255,379	99.64
2. Against	1,128,754	0.05
3. Abstained	7,732,557	0.31

**Remark:** While the Meeting was considering this agenda item, additional shareholders were present with 396,027 shares.

## **Agenda Item 7 To consider other matters**

The Chairman stated that since there were no shareholders or no proxies whose total shares were not less than one third of the total number of outstanding shares or 952,415,241 shares proposed other matters, the Chairman asked whether there are any other questions or suggestions from the shareholders on this agenda item. The question and comments were summarised below:

**Mrs. Somporn Boonyong, a proxy:** As an operator of Bangkok Mass Transit Authority (**BMTA**) public vans, she would like to make a suggestion regarding NGV discount card. Because gas stations would avoid giving discounts to drivers, she suggested that this be changed to a discount sticker affixed on the windshield of each van.

**Mr. Jumlong Hongsuchon, a shareholder:** would like to comment on Energy Complex Company Limited (**EnCo**) that after having sent a notice to request EnCo to make a clarification on changes in bidding package for construction of EnCo building which might cause damage to PTT and PTTEP, as joint shareholders, at the amount of Baht 20 to 30 million, EnCo responded at the beginning of June 2012 that there was no damage. He would like the Audit Committee to audit this process again.

**Mr. Kitiya Palakawongse Na Ayudhya, a shareholder:** was proud to be an employee of PTT although he was now retired. He would like to complain about the inappropriate position of the name tag.

**Mr. Chatchai Khun-Ngam, a shareholder:** would like to ask if PTT has projects in countries other than Burma and other than natural gas projects of PTTEP and wished Mr. Tevin Vongvanich, Chief Financial Officer of PTT, who would be the President & CEO of PTTEP, success in all aspects.

**President & CEO:**

1. As to the investment in Burma, PTTEP is one of the successful business operators in Burma since it has been awarded many concessions in several areas. This shows the confidence of the Burmese government towards Thailand. Also PTT has other businesses, for example, PTT is about to launch a gas station business in Burma, including lubricant business.
2. Regarding the overseas investment, PTT's main duty is to establish energy supply stability for Thailand. As Thailand has low level of natural resources in the Thai Gulf, which are almost used up, PTT has to source energy overseas to accommodate the national usage. This is why PTT must invest in other countries. He informed the Meeting further in order to give them confidence that investments in foreign countries are important missions under the specific supervision of the Risk Management Committee.
3. As for consumer and SME care, please be informed that energy is running out and it is getting harder to find energy while the population of the world increases everyday which, as a result, the energy use per head increases also. This causes the energy price to rise. PTT makes an effort to oversee the energy price. Considering PTT's operating results, it is apparent that the oil sold at gas stations yields small profits or even a loss in some period. Regarding NGV and LPG, currently as we know, PTT is selling them at a loss. LPG or Liquefied Petroleum Gas is used for cooking in households and should be controlled so that the price is reasonable. However, this type of energy is used for the wrong purpose or used to replace fuel for cars, as a result, the usage has risen. In terms of safety, this is very dangerous. He ensures the Meeting that PTT is committed to create stability in energy supply and to control the energy expenses as best as we can.

**The Chairman:** Since no more shareholders would like to ask questions or make comments, he, on behalf of the Board of Directors, would like to thank all shareholders present at this Meeting. He asked all shareholders to please complete and return the ballots for PTT to use as evidence in the future and return the questionnaire to the officials at the exit before going to lunch.

After the Meeting began at 9.30 a.m., additional shareholders arrived and registered for the Meeting. At the close of the Meeting, there were 8,301 shareholders attending the Meeting, divided into 3,649 shareholders who attended the Meeting in person and 4,652 proxy holders, amounting to a total of 2,469,376,937 shares, or 86.45 percent of the total issued and outstanding shares. The Chairman thanked the shareholders and declared the Meeting adjourned.

(Remark: PTT reserves the rights to record only questions and comments raised by PTT's shareholders or proxy holders.)

**Closing of the Meeting:** 12.34 hrs.

Recorded by Mrs. Wantanee Jaruke

Proofed by Mrs. Sumon Rungkasiri

Signed \_\_\_\_\_ signed-  
(Mr. Norkun Sitthiphong)  
Chairman

Signed \_\_\_\_\_ -signed-  
(Mr. Pailin Chuchottaworn)  
President & CEO  
Director and Secretary to the Board of Directors