



No. PTTEP 13143/00-2080/2019

Corporate Secretary Division
Tel: 0 2537 4749

12 April 2019

Subject: Minutes of the 2019 Annual General Shareholders' Meeting

To: Shareholders

Attachment: Copy of the Minutes of the 2019 Annual General Shareholders' Meeting

In reference to the 2019 Annual General Shareholders' Meeting (AGM) held by PTT Exploration and Production Public Company Limited (PTTEP) on 29 March 2019, enclosed herewith are the Minutes of the meeting which has been posted on PTTEP website on 12 April 2019.

If you wish to submit any amendments or objections to these Minutes, please contact PTTEP no later than 14 May 2019 in order for PTTEP to have sufficient time to collect all such amendments and objections (if any) for further consideration. If no such input is received, it shall be deemed that all shareholders approve these Minutes as written.

Yours sincerely,

PTT Exploration and Production Public Company Limited

(Translation)

Minutes of the 2019 Annual General Shareholders' Meeting

PTT Exploration and Production Public Company Limited

29 March 2019 at 14.00 hrs.

Bangkok Convention Center, 5th Floor, Central Plaza Ladprao (Plaza Zone)

1695 Phaholyothin Road, Chatuchak, Bangkok 10900

Before the Meeting

Meeting participants were initially shown the Corporate Governance video with regards to the promotion of the Corporate Governance in shareholders' meetings of listed companies, and the Nine Principles of Best Practices for shareholders issued by the Stock Exchange of Thailand. The purpose of the video was to raise the knowledge and awareness of shareholders regarding their rights, benefits, roles, and duties at shareholders' meetings. Moreover, for safety reasons, all fire exit locations were pointed out to meeting participants.

Opening of the Meeting 14.00 hours

Mr. Prajya Phinyawat, Chairman of the Board of Directors, was the Chairman of the Meeting in accordance with the Company's Articles of Association (AoA). He announced that there were 1,340 shareholders attending in person and 514 proxy holders, totaling 1,854 persons, which was equivalent to 4,464 shareholders. This represented 3,282,627,891 shares, which corresponded to approximately 82.6862% of the total number of shares sold, constituting a quorum pursuant to the Company's AoA. The Chairman then declared the Meeting open. Directors and the Management attending the Meeting are as follows:

Directors attending the Meeting

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|-----|-----------------|--------------------|---|
| 1. | Mr. Prajya | Phinyawat | Chairman of the Board of Directors and Chairman of the Independent Directors |
| 2. | Mr. Achporn | Charuchinda | Independent Director, Chairman of the Audit Committee, and Chairman of the Remuneration Committee |
| 3. | Mr. Chansin | Treenuchagron | Director |
| 4. | Admiral Tanarat | Ubol | Vice Chairman of the Independent Directors, Chairman of the Corporate Governance Committee, and Member of the Remuneration Committee |
| 5. | Mr. Bundhit | Eua-arporn | Independent Director and Chairman of the Nominating Committee |
| 6. | Ms. Panada | Kanokwat | Independent Director, Member of the Audit Committee, and Member of the Corporate Governance Committee |
| 7. | Ms. Penchun | Jarikasem | Director and Member of the Risk Management Committee |
| 8. | Mr. Patchara | Anuntasilpa | Director and Member of the Remuneration Committee |
| 9. | Mr. Sethaput | Suthiwart-Narueput | Independent Director, Chairman of the Risk Management Committee, Member of the Audit Committee and Member of the Nominating Committee |
| 10. | Mr. Dechapiwat | Na Songkhla | Independent Director and Member of the Audit Committee |

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|-----|--------------------------------|----------------|--|
| 11. | Mr. Wirat | Uanarumit | Director and Member of the Risk Management Committee |
| 12. | Mr. Pitipan | Tepartimargorn | Director, Member of the Corporate Governance Committee, and Member of the Risk Management Committee |
| 13. | Mr. Twarath | Sutabutr | Director and Member of the Risk Management Committee |
| 14. | Major General Nimit Suwannarat | | Independent Director, Member of the Nominating Committee and Member of the Risk Management Committee |
| 15. | Mr. Phongsthorn | Thavisin | Director and President and Chief Executive Officer |
| 16. | Ms. Pranot | Tirasai | Secretary to the Board of Directors |
- (All 15 directors attended the meeting accounted for 100%.)

Management attending the meeting

- | | | | |
|-----|---------------|----------------|--|
| 1. | Mr. Vuthiphon | Thuampoomngam | Chief Operating Officer, Production Asset and Supply Chain Management Group |
| 2. | Mr. Sumrid | Sumneing | Executive Vice President, Finance and Accounting Group |
| 3. | Mr. Montri | Rawanchaikul | Executive Vice President, Strategy and Business Development Group |
| 4. | Mr. Kanok | Intharawijitr | Executive Vice President, Geosciences, Subsurface and Exploration Group |
| 5. | Mr. Chayong | Borisuitsawat | Executive Vice President, Business and Organization Transformation Group and Acting Vice President, Digital Center of Excellence |
| 6. | Mr. Suksant | Ongvises | Acting Executive Vice President, Engineering Development and Operations Group |
| 7. | Ms. Natruedee | Khositaphai | Acting Executive Vice President, Corporate Affairs and Assurance Group |
| 8. | Ms. Nat | Lohsuwan | Senior Vice President, General Affairs and Protocol |
| 9. | Ms. Ladawan | Siamharn | Senior Vice President, Legal Division |
| 10. | Ms. Sujinda | Phloi-Montri | Senior Vice President, Human Resources Division and Acting Vice President, HR Operations Department |
| 11. | Ms. Kanita | Sartwattayu | Senior Vice President, assigned as Project Head of Asset Transition Project, Engineering, Development, and Operations Group, and additional assigned as Acting Senior Vice President, Development Project Division and Acting Vice President, M3 Development Project |
| 12. | Mr. Nopasit | Chaiwanakupt | Senior Vice President, Thai Offshore Asset, Production Asset Group |
| 13. | Mr. Kitchai | Pitiwiwat | Senior Vice President, Corporate Strategy Division |
| 14. | Mr. Dittapon | Soothi-O-Soth | Senior Vice President, Safety, Security, Health and Environment Division |
| 15. | Ms. Yaninee | Wajeepratubjit | Acting Senior Vice President, Internal Audit Division |
| 16. | Mr. Yongsith | Kosawititkul | Company Secretary and Acting Senior Vice President, Corporate Secretary Division |

Auditors attending the Meeting

Representatives of the State Audit Office of the Kingdom of Thailand (SAO):

- | | | | |
|----|----------------|---------------|--|
| 1. | Ms. Pasutnicha | Jumpathes | Deputy Auditor General |
| 2. | Mr. Prawit | Tantrajin | Director of Financial and Procurement
Audit Office No. 15 |
| 3. | Ms. Suntimee | Tapheanthong | Auditor, Senior Professional Level |
| 4. | Ms. Pavinee | Wongsilpaisan | Auditor, Professional Level |
| 5. | Ms. Supasuta | Chutimawong | Auditor, Practitioner Level |

The Company appointed Ms. Veeranuch Thammavaranucupt as an independent and external legal advisor from Weerawong, Chinnavat & Partners Ltd. (Weerawong C&P). Two independent persons were invited to witness the vote counting procedures. One of whom was an external legal advisor from Weerawong C&P and the other was a representative from the shareholders. Names of the independent persons are as follows:

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|----|-------------|------------|---------------|
| 1. | Ms. Pimkwan | Subprasert | Legal Advisor |
| 2. | Ms. Pranee | Supakit | Shareholder |

The Chairman invited Ms. Pranot Tirasai, the Secretary to the Board of Directors, to elaborate on the Meeting practices guidelines to meeting participants as follows:

1. The sequence of agenda items of today's Meeting would be in the same order as set out in the Notice of the Meeting. Supporting documents of each agenda item would also be presented and meeting participants would be given an opportunity to ask questions or raise issues related to their agenda items by raising their hands. Upon receiving the Chairman's permission, the participant must be at the appointed microphone and state their names to the Meeting before making enquiries. Meeting participants would be allowed to ask questions or raise issues irrelevant to the Meeting's agenda items after Agenda item 7.
2. In order to achieve an effective meeting and to save time for others, questions and issues raised by meeting participants must be relevant to the Meeting's agenda items. For this purpose, PTTEP would like to reserve the right to conduct the Meeting as appropriate.
3. The voting process of each agenda item shall be administered in a transparent manner. Meeting participants who vote against or abstain from voting on each agenda item shall mark their votes on the ballot and raise their hands in order for the staff to collect the ballots. Ballots collected after the vote closing announcement shall be considered as voting agree.
4. For the vote counting process of each agenda item, the staff will exclude the "against" and "abstain" votes as well as voided ballots (if any) from the total number of votes of each agenda item. The remaining votes shall be counted as "for" votes.
5. In pursuant to the Public Company Limited Act B.E. 2535 and the Company's AoA the vote counting process can be classified into two categories as follows:
 - 5.1 Agenda items, which required a majority of the total number of votes cast by shareholders who were present at the Meeting and voted, were Agenda items 2, 3, 4 and 6. The "abstain" vote will not be counted for the purpose of determining such total number.
 - 5.2 An agenda item, which required no less than two-thirds (2/3) of the total number of votes cast by the shareholders present was Agenda item 5. All votes from shareholders present shall be counted for the purpose of determining such total number.

6. PTTEP will vote as according to the indication in Proxy C; however for case that the proxy did not indicate the vote and the proxy holder did not cast a vote, PTTEP shall consider the vote as abstain.
7. In voting, a ballot is considered voided when, but not limited to, a shareholder cast on more than the permitted number of votes or when there was no signature of meeting participants ratifying the strikethrough information on the ballot. Splitting a vote on a ballot shall also invalidate a ballot, with the exception given to the custodians.
8. The resolution of each agenda item would be announced on the following agenda item, in which the resolution was divided into four categories, including “for”, “against”, “abstain” and “voided”. Each category will be presented in percentage based on the total required number of votes respective to each agenda item. The total number of meeting participants with voting rights may vary as some shareholders left early or arrived after the Meeting was declared open. For an agenda item with regard to the appointment of directors, the resolution shall be presented individually.
9. Before leaving the Meeting room, meeting participants were requested to return the remaining ballots to the staff for the voting review of an agenda item regarding the appointment of directors.

The Chairman reported to the Meeting that, from 14 September – 17 December 2018, PTTEP made an announcement on the website and in newspaper inviting shareholders to propose any matters that they considered important to be included in the Meeting agenda. Moreover, shareholders were given an opportunity to nominate qualified candidates for the PTTEP director elections as well as to send in questions regarding the Meeting agenda or other related information before the Meeting date. Shareholders have sent enquiries in advance and PTTEP already preliminary replied and summarized the explanation to inform the Meeting in each related agenda. The Meeting agenda items would be conducted in the same order as posted on the Company’s website on 27 February 2019 and as stated in the Notice of the Meeting distributed to shareholders in advance on 8 March 2019. In addition, the information presented to the Meeting was in both Thai and English. Moreover, to demonstrate a fair and equal treatment to all shareholders, the Company also arranged a translator for foreign shareholders who attended the Meeting. The Chairman then conducted the Meeting in accordance with the Meeting agenda as follows:

Agenda Item 1: To acknowledge the 2018 performance results and the 2019 work plan of the Company

The Chairman invited Mr. Phongstorn Thavisin, President and Chief Executive Officer (CEO), to present to the Meeting on the Company’s performance. CEO reported that the Company has disclosed its 2018 performance in the 2018 Annual Report and the 2018 Sustainability Report, both of which have been distributed to all shareholders. Subsequently, the summary of the Company’s 2018 performance and the 2019 work plan was presented via a 9-minute video.

After the video presentation, the Chairman informed the Meeting that since this Agenda was related to Agenda item 2, which was the approval of the financial statements for the year ended 31 December 2018, he would like Mr. Phongstorn Thavisin to present Agenda item 2 before allowing shareholders to ask questions or raise issues. Moreover, since this Agenda item was for shareholders to acknowledge the 2018 performance and the 2019 work plan, the Agenda could be concluded as follows:

Resolution: The Meeting acknowledged the Company’s 2018 performance and the 2019 work plan as proposed.

Agenda Item 2: To approve the financial statements for the year ended 31 December 2018

The Chairman asked Mr. Phongstorn Thavisin, President and Chief Executive Officer (CEO), to present the 2018 financial statements to the Meeting. Following the VDO presentation on 2018 PTTEP performance and 2019 work plan, CEO then summarized the overall strategy and work plan as follows.

In 2018, PTTEP strived to pursue continuous and sustainable growth with coming home strategy. Key achievements were acquisition of additional 22.2222% share in Bongkot Project and winning the 2018 Thailand petroleum bidding round for the Bongkot and Erawan fields which are major producing fields in the Gulf of Thailand. PTTEP signed the Production Sharing Contract (PSC) for G1/61(Erawan field) and G2/61 (Bongkot field) on February 25, 2019. This success resulted in a significant increase of petroleum reserves to ensure production continuity for Thailand gas supply.

PTTEP emphasized on profitability and returns to shareholders by focusing on merger and acquisition or investment in near producing or producing project. Through the first quarter of 2019, PTTEP acquired more participating interest in Sinphuhorm Project and acquired Murphy Oil Corporation's interest in Malaysia. Murphy held 6 projects in exploration, development and production phases and was the 5th producer of oil and gas and the 3rd holder of recoverable resources in Malaysia. This Murphy's acquisition would increase 60,000 - 100,000 barrels of oil equivalent to PTTEP production and generate immediate cash flow.

In order to increase petroleum reserves in longer term, PTTEP was successful in bidding 6 exploration blocks, 2 of which in familiar area of Malaysia. The others 4 blocks in Mexico and United Arab Emirates, PTTEP had jointly invested with world class and experienced strategic partners.

To be prepared for business growth and disruptive technology, PTTEP had transformed in several aspects through organization restructure, change in ways of working, capability developments, new technology application to improve E&P Business i.e. AI and Robotics, and seeking opportunity from related new business e.g. Gas to Power and LNG.

For the agenda on the approval of the financial statements for the year ended 31 December 2018, CEO presented as follows.

Average sales volume in 2018 was 305,522 barrels of oil equivalent per day (BOED), increasing 6,316 BOED or 2% from 299,206 BOED in 2017. The increase was primarily due to the acquisition of additional 22.2222% participating interests of the Bongkot Project as well as higher gas nomination from Contract 4 and MTJDA Projects.

Average selling price in 2018 was 46.66 US dollars per barrels of oil equivalent (BOE), increasing by 19% when compared to 2017 average selling price of 39.2 US dollars per BOE which was in line with the movement of global oil prices.

Total revenue for the year 2018 amounted to 5,459 million US dollars, increased 936 million US dollars or 21% from the total revenue of 4,523 million US dollars in 2017 mainly due to higher sales revenues and higher revenue from pipeline transportation.

In total, PTTEP and its subsidiaries (PTTEP Group) reported recurring net profit in 2018 of 1,215 million US dollars, increased 379 million US dollars or 45% from 836 million US dollars in 2017. This was achieved primarily from higher average selling price in line with global oil price while petroleum royalties and remuneration as well as income tax expense from petroleum profit increased in line with sales revenue. Moreover, an increase of capital investment in various projects resulted in higher depreciation, depletion and amortization expenses.

For non-recurring loss of 95 million US dollars in 2018, it has lower loss by 147 million US dollars or 61% in comparison to non-recurring loss of 242 million US dollars in 2017. The three main reasons are:

1. In 2017, there was impairment loss recognized amounted to 558 million US dollars in Mariana Oil Sands Project in Canada due to the revision of Development plan as well as Final Investment Decision (FID) postponement while there is no recognition of an impairment in 2018.
2. Increase of income tax expense in 2018 as a result of less currency appreciation of Thai Baht against US dollar than 2017 (Baht appreciation of 0.23 against US dollar in 2018; Baht appreciation of 3.15 against US dollar in 2017).
3. Loss on Montara field divestment in 2018

Most of these non-recurring losses were accounting recognition with no impact to the cash flow of PTTEP Group.

In summary, for the year 2018, PTTEP Group had net profit of 1,120 million US dollars or 0.27 US dollar per share, comparing with net profit of 594 million US dollars or 0.13 US dollar per share in 2017.

As at 31 December 2018, PTTEP Group had total assets in the amount of 19,571 million US dollars, an increase of 351 million US dollars or 2% when compared with the total assets of 19,220 million US dollars as at 31 December 2017, primarily due to an increase in assets from the acquisition of additional participating interests of the Bongkot Project as well as other project investment, mainly from S1 and Zawtika Projects.

As at 31 December 2018, PTTEP Group had total liabilities of 7,551 million US dollars, a decrease of 152 million US dollars or 2% when compared with total liabilities of 7,703 million US dollars as at 31 December 2017. The decrease in total liabilities was primarily due to redemption of debentures and long-term loan repayment while an increase in liabilities was from deferred considerations acquired through business acquisition of the Bongkot Project and income tax payable.

As at 31 December 2018, the total equity were in the amount of 12,020 million US dollars, an increase of 503 million US dollar or 4% when compared with total equity as at 31 December 2017 of 11,517 million US dollars. Such increase was primarily contributed from net profit net of dividend payment.

At the end of 2018, interest bearing debt to equity ratio stood at 0.16 times, and net debt to equity ratio of minus 0.17 times. A decrease from last year was due to redemption of debentures and long-term loan repayment represented the strong PTTEP Group's capital structure to support the future investment opportunities.

Apart from good performance and financial strength, PTTEP had received several awards, demonstrated recognitions from various domestic and international organizations. These were derived from systematic management with transparency and good standard of corporate governance including anti-corruption policy. In 2018, PTTEP had reiterated the importance of good Corporate Governance and Business Ethics (CG & BE) and communicate to counterparties and business partners. The E-Learning on the Anti-corruption policy had been developed to share knowledge on PTTEP Anti-corruption policy to all counterparties. Moreover, PTTEP had been listed for the Dow Jones Sustainability Index (DJSI) for the fifth consecutive year and received ASEAN Corporate Governance Award, NACC Integrity Award from NACC as well as other CSR awards.

The Chairman asked CEO to inform the Meeting of advance enquiries and brief answer from PTTEP.

- CEO informed that Mr. Rittichai Yibcharoenporn, a shareholder, sent enquiries on the 2018 Thailand petroleum bidding round for the Bongkot and Erawan fields which can be summarized as follows:
 - (1) The proposed selling price, the profit sharing with the government and the rationale behind the bidding
 - (2) Net Profit Margin, EBITDA Margin
 - (3) The price and profit structure of the Erawan and Bongkot projects under the Production Sharing Contracts (PSC) and under Concession regimes
 - (4) Additional investment in Bongkot and Erawan

PTTEP clarified as follows:

The criteria that the government applied in the bidding of Bongkot and Erawan consists of:

- (1) Price Constant in the gas price formula
- (2) Percentage of profit sharing with the government (after deducting expenses)
- (3) Bonus

116 THB/MMBTU is the price constant in price formula which is different from the actual gas selling price. The actual gas selling price will be calculated according to the formula which includes other factors such as oil price, exchange rate, consumer inflation index, and oil & gas machinery index in order to obtain gas prices at that time. Therefore, from the price formula, the gas selling price can possibly be higher or lower than the price constant. For example, if oil price is around 60-80 USD per barrel when PTTEP starts production in the next 3 years, the gas selling price will be approximately 130 – 150 THB/MMBTU.

The proposed profit sharing with the government (after deducting expenses), under the PSC, results in government's take around 80%, while under concession regime (Thailand I), government's take is around 60 – 65%.

Being an operator in both Bongkot and Erawan fields not only allows PTTEP to fulfill its obligations as a national petroleum exploration and production company that takes into account the country's energy security but also to seek an opportunity for cost synergy. PTTEP also considers the impact on all stakeholders, including

- (1) Public sector who sets priority in the continuity of gas production to ensure electricity supply and revenues in terms of tax and royalty.
- (2) Investors and shareholders to whom PTTEP still provides an appropriate return on investment. This bidding result will enable PTTEP to grow in terms of the production volume, reserves and operating cash flow from both fields without additional funding.
- (3) People who will receive direct benefits from saving up to 17 satang per unit of electricity for at least 10 years with a total value of more than 500,000 million Baht as a result of the lower gas.

PTTEP is able to provide synergy from being an operator of both fields, which would result in significant cost reduction. Hence, even with lower gas price and higher profit sharing to government in the bidding proposal, PTTEP's profitability is still intact.

Although the gas price and the revenue after profit sharing with the government will drop by 30-40 percent, overall profits from Bongkot and Erawan in the PSC would not be lower than the concession regime due to cost synergy and 70% increase in sales volume. Currently, the production volume from the Bongkot field is about 870 MMSCFD. In the future, the production volume from Bongkot and Erawan will be about 1,500 MMSCFD.

The net profit margin that PTTEP will receive from the PSC is similar to the concession. Main reasons are (1) lower production costs and (2) different revenue recognition methods of the concession and PSC. For the PSC, the company will not recognize revenue in the part that belongs to government, while in the concession, the company will recognize revenue for the total production.

Additional investment will primarily be to maintain the production volume, in which CAPEX will be approximately 400-500 MMUSD per field during the first 3 years before PSC, and after the PSC becomes effective, the annual investment of Bongkot field and Erawan field will utilize its own generated cash flow, which will require approximately 450 - 550 MMUSD and 600-650 MMUSD respectively.

The Chairman added that the Board of Directors gave priority to the bidding of Bongkot and Erawan, especially Bongkot which is a major source of revenue for the Company. Failure to win Bongkot bidding would have been a risk to PTTEP's sustainable growth. In addition, PTTEP Board of Directors put a great emphasis on the benefits of all stakeholders in considering bidding proposals. CEO explained that the government will benefit from higher taxes and profit sharing, investors will not receive less benefits in spite of lower margin which is compensated by an increase of production volume, and lastly people will receive benefits from the cheaper price of electricity.

The Chairman informed the Meeting that there are additional advance enquiries from Ms. Arunee Chaiviriya and Ms. Chantorn Saopayon, shareholders, as follows:

1. Ms. Arunee Chaiviriya enquired whether PTTEP plans to increase capital as the Company has acquired numerous capital-intensive investment projects.
2. Ms. Chantorn Saopayon made 2 enquiries as follows;
 - (1) After winning the Bidding, does PTTEP have the agreement with previous concessionaires on decommissioning of facilities which will be transferred to PTTEP and utilized in the future.
 - (2) Does the event of Anti-Government terrorist group attack has any impact on Mozambique offshore area I where PTTEP has participating interest? What does Shell as an operator do to cope with the situation?

The Chairman asked CEO to answer the above enquiries and CEO explained as follows:

At present, PTTEP has expanded its investment with available cash of approximately 4,000 million US dollars, low debt to equity ratio of 0.16 and debt headroom of another 4,000 million US Dollar. Hence, PTTEP has no plan to further increase the capital.

Pursuant to Petroleum Act, former concessionaires are obliged to transfer all facilities which will be further utilized to the Government and decommission the remaining. Joint venture partners will be responsible for certain part of decommissioning cost in proportionate of their remaining reserves. In PSC system, contractors are required to jointly consider with Department of Mineral Fuels (DMF) on facility selections. Currently, PTTEP has begun the discussion with former concessionaires and is considering together with DMF on which facilities should be decommissioned or further utilized.

For the situation in Mozambique, PTTEP holds 8.5% in the Mozambique offshore area 1 with Anadarko as an operator. Following PTTEP close monitoring, the Anti-government terrorist situation had happened from time to time and not targeted specifically at the Mozambique Offshore Area 1 Project. Due to the recent attack, the operator prohibited access to the project area and coordinated with the Government for security measurement. The operator has now continued the development plan and secured sufficient LNG sales agreements for Final Investment Decision. The official FID will soon be announced and PTTEP will also be able to recognize additional reserves from this project.

The Chairman then opened the floor to the meeting participants for questions, which can be summarized as follows:

1. Mr. Rittichai Yipcharoenporn, shareholder, thanked for answering questions that have been asked in advance and enquired on the following issues.
 - (1) How EBITDA Margin and profitability of PTTEP will be after 2022, given the differences between gas price constant of 116 Baht/MMBTU and current gas price of 190 Baht/MMBTU?. Mr. Rittichai also gave the view that Coming Home Strategy might not be appropriate to PTTEP.
 - (2) How much is PTTEP risk on drilling with no petroleum discovery or discovery but sub- commercial?

- (3) What is the impact on PTTEP's gas price which is linked to HSFO after the announcement of the cancellation of the use of High Sulfur Fuel Oil (HSFO) by the International Maritime Organization (IMO)? What is PTTEP's view on future HSFO prices?
- (4) Will there be any impact on future gas price due to LNG oversupply from many investment on LNG projects during the past 5-6 years?
- (5) The service costs of exploration and production activities have been decreased in line with the declining on price during the past 3-4 years. What is PTTEP's view on service cost in 2019-2020.

The Chairman explained that the Coming Home Strategy is an appropriate strategy for the Company since PTTEP has expertise and strong track records in the areas of Thailand and Southeast Asia e.g. Myanmar and Malaysia. However, for investment opportunities in other petroleum prolific areas, PTTEP will join with strategic partnerships who has expertise in such areas. And asked Ms.Penchun Jarikasem, Director, to clarify on the gas price structure of Erawan and Bongkot. The clarification can be summarized as follows.

Ms. Penchun Jarikasem explained that:

- (1) The calculation of the return on Concession and Production Sharing Contract (PSC) is similar which started from the base price set by the government. Under the Concession regime, a large amount of initial investment on production facilities were required. Although the price constant has decreased, PSC required less initial investment compared to the Concession regime since the facilities are transferred from previous concessionaires **who had already invested in production facilities**. This will result in lower unit cost compared to Concession regime from lower depreciation.
- (2) In order to calculate profit margin under Concession regime, the profit can be calculated by sales revenue deducted by all expenses while sales revenue under PSC will be less than concession system due to profit sharing to government. However with lower unit cost in PSC, EBITDA Margin remains the same level between these two systems.
- (3) PTTEP focused on long term sustainability by taking into account of all stakeholders. This bidding will not only provide profit sharing to the state but also allow people to use electricity at lower price. For profitability overview, this PSC scheme may result in a lower margin for PTTEP compared to Concession regime but it can be compensated by incremental sales volume from both fields; Bongkot and Erawan. Besides, the return on investment or Return on Capital Employed (ROCE) will increase due to lower investment capital.

CEO gave further clarification as follows:

- (1) The geological structure in the Gulf of Thailand is quite complex with small reservoir pockets. However, given a lot of experiences and knowledge from more than 1,000 wells drilled in Bongkot and Arthit project, PTTEP has confidence that the geological risk is manageable. In addition, the expertise of PTTEP in the Gulf of Thailand has been recognized by Petronas as PTTEP was selected to be a joint venture partner with Petronas in the production sharing contracts of two exploration blocks in Peninsula basin which has a similar structure of the Gulf of Thailand that Petronas has never developed.
- (2) The cancellation of the use of HSFO by IMO effective from 1 January 2020 will definitely affect HSFO price. PTTEP expects that this will reduce HSFO demand, lower HSFO price by around 20 US Dollar/BBL, and impact to gas price in the Gulf of Thailand as the price formula is linked to HSFO. PTTEP attempts to engage buyers to discuss on the amendment of GSA formula but there seems to be complications since many retail customers are involved. However, PTTEP has mitigated the impact by hedging the spread. For Erawan and Bongkot fields, there will be no impact from HSFO after 2022 since the gas price formula (gas price constant of 116 Baht/MMBTU) is linked to Dubai instead of HSFO.

- (3) The impact of LNG on gas price trends given the oversupply on LNG has been quite high. However, during the next 2-3 years, LNG supply is likely to be lower than demand. One of the indicators is the development of the Mozambique Offshore Area 1 project in which buyers have signed the long term LNG sales agreements 5 years before the production is on stream.
 - (4) The contractor service rate during the past period has slightly increased, however according to the market view, the contractor service fee is unlikely to rise sharply. Additionally, PTTEP will maintain the unit cost relatively at the same level, therefore it should not affect PTTEP's operational performance.
2. Ms. Vipa Suvanich, a shareholder, enquired about 2018 Financial Statements as follows:
- (1) The “Other information” in the auditor report addressed that management is responsible for the other information. The State Audit Office of the Kingdom of Thailand (SAO)’s opinion does not cover the other information and will not express any form of assurance conclusion thereon. In case of SAO concludes that there is a material misstatement therein, SAO is required to communicate the matter to those charged with governance. The questions are what is the definition of the “Other information”? How is important ? And why SAO does not express assurance on the other information?
 - (2) “Cash and cash equivalents” in the notes to financial statements presents that interest rate on fixed deposits during the year 2017 was between 0.2% - 12.09% per annum, Why do interest rate vary? and which bank provided the interest rate 12.09% to PTTEP?

The Chairman asked representative from the SAO to answer.

Mr. Prawit Tantrajin, Director of Financial and Procurement Audit Office No. 15, explained that annual report comprises financial statements and information prepared by management. The other information does not include in the financial statements but include in the annual report. Therefore, the auditor is not responsible for the other information. However, the auditor has responsibility to consider the consistency of the other information and the audited financial statements. In case of inconsistency, shareholders, users of the financial statements or annual report may inappropriately use the information. If that is a case, SAO will report to PTTEP’s Audit Committee to proceed with the Company’s part. However, there is no any impact to the financial statements.

Mr. Sumrid Sumneing, Executive Vice President, Finance and Accounting Group, explained about the variation of the interest rate that PTTEP has fixed deposit in several countries, therefore the interest rate has variousness. The interest rate that was questioned by the shareholder is from Citibank in Brazil. PTTEP has fixed deposit with this bank around 6 million US dollars (in equivalent) at the rate of 6% per annum for 2018 and 12% per annum for the previous year.

3. Mr. Anu Wongsarakit, a shareholder, congratulated PTTEP for being successful in the bidding of Bongkot and Erawan fields. The wining of such bidding benefits interest of all Thai people as a whole, and is regarded as income distribution in form of tax and reduction of electricity price for all Thai people. Then, Mr. Anu made an enquiries on the following issues:
- (1) An update on the status of operations in other countries in which PTTEP has invested such as Algeria, Vietnam, and Australia.
 - (2) Since PTTEP has spent significant amount of investment fund in the countries mentioned above, would those projects contribute to an increase of petroleum reserves for PTTEP, and to what extent?
 - (3) Since interest rate tends to be increasing, why PTTEP has recently repaid long-term loans earlier than the schedule and, instead, decided to maintain short-term loans while, under the same circumstance, the other businesses would prefer to issue more debentures or procure longer-term loans so as to maintain the current interest rate.

CEO clarified on the first and second issues that, as previously disclosed through the Stock Exchange of Thailand, PTTEP is ready to commence petroleum operations in development phase in Algeria. Petroleum reserve procured in both Mozambique and Algeria will be recorded as increased petroleum reserve for PTTEP, which will be regarded as an important indicator showing that PTTEP has become more strengthened and procured sufficient petroleum reserve for further development and production to ensure its sustainable growth.

For PTTEP operations in Australia, after the sale of Montara project in 2018, PTTEP currently holds another project called Cash Maple, which is anticipated to carry petroleum reserve of approximately 3.5 trillion cubic feet. At the present, PTTEP is in the process of preparation to find joint venture and, in the meantime, considers the other options for PTTEP's and the shareholders' best benefit.

For PTTEP operations in Vietnam, PTTEP has been trying to drive the project into development phase. However, there is still a pending issue to be confirmed that PTTEP will be eligible to receive money in USD currency since the receipt of money in local currency in each country in which PTTEP operates could impose risk to the Company.

All in all, the fact that PTTEP can push forward all those projects into development phase will help PTTEP to increase its production capacity and petroleum reserve to be further recorded. In addition to the projects mentioned above, PTTEP will also record petroleum reserve in Murphy project according to the proportion of shares held by PTTEP, and subsequently record petroleum reserve in Erawan and Bongkot projects.

Mr. Sumrid Sumneing clarified on the third issue that, actually, PTTEP processed to make repayment of loans as usual. From PTTEP's financial statement, it can be observed that PTTEP has slightly changed its financial structure by establishing a Treasury Center. PTTEP's indebtedness remains the same, and loan repayments were processed according to the usual steps. In taking any additional loans, PTTEP will consider not only the necessity but also market situation and all other opportunities that could be beneficial to the Company. In 2018, PTTEP repaid approximately 1,000 million Baht of loans and in 2019 PTTEP will make additional repayment of loans of approximately 1,000 million Baht as being a usual loan repayment process.

4. Mr. Wiwat Kusakul, a proxy of Mr. Alongkot Kusakul and Ms. Ratchadapron Kusakul, enquired on the following issues:
- (1) Having considered the note number 18.2 (Investments in Subsidiaries) to PTTEP's financial statement, it shows that PTTEP has invested in 21 subsidiaries registered in the Cayman Islands. Was the State Audit Office appointed to be an auditor of any such subsidiaries?
 - (2) What was the actual value of financial statement of PTTEP subsidiaries registered in the Cayman Islands and at which portion such value represents out of the 635,087 million Baht total assets indicated in PTTEP's consolidated financial statement?

CEO clarified on the first issue that registration of subsidiaries in the Cayman Islands is a normal practice of major oil and gas companies worldwide. For PTTEP, a number of subsidiaries registered in the Cayman Islands was obtained as a result of acquisition of other oil and gas companies holding such subsidiaries registered in the Cayman Islands. Therefore, PTTEP received the transfer of such subsidiaries in the Cayman Islands according to acquisition conditions. Generally, PTTEP pays applicable taxes both in Thailand and in the countries at which PTTEP operates in accordance with the legal requirements. PTTEP has never opened bank account in the Cayman Islands. Rather, PTTEP will only open bank accounts in Thailand and in the countries at which the Company operates. All PTTEP financial transactions have been transacted in accordance with the regulations of the Bank of Thailand or the Central Bank of the countries at which PTTEP operates. PTTEP already dissolved a total 11 subsidiaries registered in the Cayman Islands. Currently, there remain approximately 21 subsidiaries registered at the Cayman Islands. In 2018, PTTEP managed to dissolve 1 subsidiary registered in the Cayman Islands namely PTTEP Rommana Company Limited or PTTEPR. Since 2012, PTTEP has never established new subsidiary in the Cayman Islands but, instead, established subsidiaries in the White List Countries only.

Mr. Sumrid Sumneing clarified on the second issue that the value of financial statement of PTTEP subsidiaries registered in the Cayman Islands represents approximately 7% of the total assets of PTTEP.

5. Mr. Vichai Chirachoenkitkul, a shareholder, enquired about the emission of Nitrogen Oxides (NOx) which is mentioned in PTTEP 2018 Sustainability Report, page 87, that Nitrogen Oxides emission in 2018 was at 0.5 Tons NO₂/thousand tons production, how much was the total emission for a whole year and is it possible to eliminate NOx emission to the atmosphere in order to reduce air pollution?

Mr. Vuthiphon Thuampoomngam, Chief Operating Officer, Production Asset and Supply Chain Management Group clarified that total Nitrogen Oxides emission was approximately at 7,100 Tons NO₂ in 2018 and PTTEP is trying to find the best way to eliminate the emission of this gas.

6. Ms. Siriporn Siripaiboon, a shareholder, made 2 enquiries as follows:
- (1) The State Audit Office of the Kingdom of Thailand (SAO) has ever audited financial statements of PTTEP's subsidiaries registered in the Cayman Islands or not? PTTEP has 7% participating interest in these subsidiaries in the Cayman Islands out of company's total assets which is quite an important number, therefore, SAO should also audit these subsidiaries.
 - (2) How are the operating performances of PTTEP's subsidiaries registered in the Cayman Islands?

Mr. Prawit Tantrajin, Director of Financial and Procurement Audit Office No. 15, representative from SAO, clarified the first question that SAO has audited the financial statements of some PTTEP's Subsidiaries registered in the Cayman Islands. The audits took place in Thailand because all accounting documents were issued and kept in Thailand. Besides, other PTTEP's subsidiaries registered in Cayman use other private auditor.

Mr. Sumrid Sumneing, made further clarification that PricewaterhouseCoopers or PWC is the auditor for the other subsidiaries registered in the Cayman Islands. And then answered to the second question that most of PTTEP's subsidiaries in the Cayman Islands are the holding companies hence their operating performance will be reflected in PTTEP's financial performance.

7. Mr. Basant Kumar Dugar, a shareholder, appreciated PTTEP and the Board of Directors for year 2018 overall performance which also reflected by the Company's admirable stock price under the Stock Exchange of Thailand (SET). He urged that PTTEP keep up this momentum and suggested the following areas:
- (1) The Board of Directors should ensure that the Company's market capital increase by more than 1 percent annually.
 - (2) The fact that PTTEP's Return on Assets (ROA) was higher than Return on Equity (ROE) for year 2018 reveals that the Company was able to utilize its assets very efficiently.
 - (3) The following financial indicators are at very satisfactory level: operational cash flow, investing cash flow, positive free cash flow, net profit growth from year 2017, sales growth higher than total expense growth, cash conversion cycle, and dividend payout rate. Also, PTTEP received awards from domestically and internationally, for instance, from SET and Financial Times.
 - (4) As the Company held a considerably high amount of short-term liabilities during the year 2018, the Company may consider refinancing to secure lower interest rates.

When there were no further enquiries, the Chairman asked Ms. Pranot Tirasai, the Secretary to the Board of Directors, to proceed with the ballot collecting and vote counting. For the vote counting procedures previously mentioned Ms. Pranot Tirasai asked shareholders, who voted “against” or “abstain” that have not cast a vote, to submit the ballots for the vote counting and calculation.

After the vote calculation was complete, the Secretary to the Board of Directors announced the resolution of Agenda item 2 to the Meeting. The voting comprised agreed 3,279,125,574 votes or 99.9998%; disagreed 8,177 votes or 0.0002% abstained 4,895,598 votes; and voided ballots 20 votes.

Resolution: The Meeting, by majority of the total of votes cast by shareholders who were present and voted, approved the financial statements for the year ended 31 December 2018 as proposed.

Agenda Item 3: To approve the dividend payment for 2018 performance.

The Chairman invited Mr. Phongsthorn Thavisin, President and Chief Executive Officer (CEO), to present the Agenda to the Meeting.

As presented in agenda items 1 and 2 regarding the Company’s 2018 performance and financial statements, the Company reported a net income of 1,120 million US dollars. The Board of Directors therefore proposes a dividend payment for the 2018 year of operations at Baht 5.00 per share, equivalent to a total amount of Baht 19,850 million, or approximately US Dollar 617 million. The proposed dividend takes the following factors into consideration:

1. The Company is in a strong financial position, and has achieved a recurring operating profit of US Dollar 1,215 million, and generated cash flows from operations of US Dollar 3,277 million. Furthermore, the Company’s cash cost per unit stands at US Dollar 15.11 per barrel of oil equivalent (BOE), a fraction of the Company’s total unit cost of US Dollars 31.69 per BOE. The cash flow from operations are sufficient for maintaining current production levels and servicing the Company’s debt, while leaving adequate amounts for paying dividends and providing a liquidity cushion for oil price volatility.
2. Shareholder value management is very important to the Company. Therefore, the dividend payments of other Oil & Gas and peer companies, as well as returns on alternative investments such as fixed deposits and government bonds etc. are also taken into account.

The Company has already made an interim dividend payment for the 2018 first-half-year operations on 24 August 2018 at the rate of Baht 1.75 per share from unappropriated retained earnings under the Revenue Code. The remaining 2018 dividend of Baht 3.25 per share will be paid from unappropriated retained earnings under the Petroleum Income Tax Act., and will be paid on 11 April 2019, after receiving approval from the 2019 AGM. The shareholders entitled to receive the dividend are per the shareholder list on the Record Date of 13 February 2019.

At the end of the proposal, the Chairman opened the floor for shareholders to make enquiries as follows:

1. Ms. Karuna Aksarawut, a proxy holder from Ms. Isara Aksarawut and Mr. Tongchai Aksarawut enquired about the reason for the reduction of the dividend payout ratio from 90% in 2017 to 55% in 2018 despite the increased revenue.

Mr. Sumrid Sumneing explained that there are three major factors considered for the dividend payment which are 1) Dividend Yield 2) Payout Ratio and 3) Absolute Dividend amount. The dividend payment at the rate of Baht 5 per share in 2018 is higher than dividend payment in past 4 years, equivalent to payout ratio of 55%. In 2017, the net profit is approximately 500 million dollars which reflected non recurring item of impairment. Comparing the dividend payment with low net income resulted in high payout ratio of 90% in 2017.

The Chairman added that, PTTEP recognized an impairment loss in 2017 which caused the reduction of net income, however this loss was in accordance with the International Accounting Standard with no impact to the cash flow of PTTEP Group. In 2018, PTTEP recognized higher net income and proposed higher dividend payment in consistent with dividend payment policy to pay dividend not less than 30% of net income after tax from consolidated financial statement.

2. Mr. Basant Kumar Dugar, a shareholder, made the following comments:
- (1) The presentation to Annual General Shareholder's Meeting on dividend payment from annual performance should also illustrate net dividend payment receivable by the shareholders after tax deduction.
 - (2) PTTEP's subsidiary establishment in the Cayman Islands was an appropriate tax management scheme as it generated additional revenue to the Company as well as for the nation. PTTEP also disclosed relevant details on subsidiary establishment under the Company's financial report in a transparent and verifiable manner.

The Chairman thanked Mr. Basant Kumar Dugar and since there were no further enquiries or suggestions, the Chairman asked Ms. Pranot Tirasai to proceed with the ballot collecting and vote counting. Ms. Pranot Tirasai asked shareholders who had not yet casted a vote to submit their ballots if they wish to "vote against" or "abstain", for the vote counting.

After the vote calculation was completed, the Secretary to the Board of Directors announced the resolution of Agenda item 3 to the Meeting. The voting comprised agreed 3,283,209,818 votes or 99.9998%; disagreed 8,177 votes or 0.0002%; abstained 812,112 votes; and voided ballots 2,020 votes.

Resolution: The Meeting, by majority of the total of votes cast by shareholders who were present and voted, acknowledged the interim dividend payment and approved the dividend payment for the year 2018 at the rate of Baht 5.00 per share. The Company had already made an interim dividend payment for the first half-year operations of 2018 on 24 August 2018 at the rate of Baht 1.75 per share from unappropriated retained earnings under the Revenue Code. The remainder of the 2018 dividend of 3.25 Baht per share from unappropriated retained earnings under the Petroleum Income Tax Act shall be payable on 11 April 2019 to those shareholders who are entitled to receive the dividend as listed on the Record Date on 13 February 2019.

Agenda Item 4: To appoint the auditor and consider the auditor's fees for year 2019

The Chairman requested Mr. Achporn Charuchinda, Chairman of the Audit Committee to present this agenda item to the Meeting. Mr. Achporn Charuchinda presented that The State Audit Office of the Kingdom of Thailand (SAO) shall have the authority and duties to perform the auditing of PTTEP's financial statements according to The Organic Act on State Audit B.E. 2561 and SAO is able to collect audit fee according to section 32 (3) of the Act. PTTEP had consistently appointed SAO as its independent auditor. There existed no conflict of interests between the independent auditor and the Company, managements, major shareholders, or others related parties mentioned herein.

The Board of Directors, with the recommendation of the Audit Committee, considered that the SAO was a reliable institution with a good performance record, having sufficient and capable staff members and a reasonable fee, therefore agreed to propose to the Meeting for the approval of the appointment of SAO as PTTEP's independent auditor for the year 2019 with a fee of 2,800,000 Baht, increasing by 158,000 Baht from year 2018 which was 2,642,000 Baht within the amount of 2,700,000 Baht approved by the 2018 Annual General Shareholders' Meeting. The increasing fee is in line with audit scope due to PTTEP group's investment expansion and comparable with other listed companies.

When there were no further enquiries, the Chairman requested Ms. Pranot Tirasai to proceed with the ballot collecting and vote counting. For the vote counting procedures previously mentioned, Ms. Pranot Tirasai asked shareholders, who voted "against" or "abstain" that had not cast a vote, to submit the ballots for the vote counting and calculation.

After the vote calculation was completed, the Secretary to the Board of Directors, announced the resolution of Agenda item 4 to the Meeting. The voting comprised agreed 3,261,940,598 votes or 99.4532%; disagreed 17,934,892 votes or 0.5468%; abstained 4,156,817 votes; and voided ballot 20 votes.

Resolution: The Meeting, by majority of the total of votes cast by shareholders who were present and voted, approved the appointment of the State Audit Office of the Kingdom of Thailand (SAO) to be the auditor of the Company for the year 2019 with a fee at 2,800,000 Baht as proposed.

Agenda Item 5: To approve the Board of Directors' and the sub-committees' remuneration

The Chairman invited, Mr. Achaporn Charuchinda, Chairman of the Remuneration Committee, to elaborate on the details of the Agenda to the Meeting. Mr. Achaporn Charuchinda presented that this agenda comprised of 2 parts; 1) retainer fee and meeting fee for directors and the sub-committees 2) Directors' bonus.

1. The Remuneration Committee had reviewed the remuneration package of the Board of Directors and Sub-Committees for 2019 with following consideration criteria:
 - 1.1 comparable remuneration package for the board of directors and sub-committees with other leading listed companies (SET 50) and companies within the E&P industry or of similar size in order to align with peers.
 - 1.2 PTTEP performance as reported in agenda item 1 that 2018 financial performance and business operations are better than 2019 and accomplishing as planned. Taking into consideration both short term and long term Company's target, business growth plan not only in E&P business, but also related E&P and new businesses, the increased Board of Directors roles and responsibilities required capable, experienced and dedicated directors to determine policies strategic directions, resolve problems and drive PTTEP's performance for better success.
2. After considering the above criteria, the Remuneration Committee reviewed and deemed it appropriate to propose with the Board of Directors' approval, for the shareholders' consideration, that the remuneration package of the Board of Directors and the Sub-Committees for 2019 to be as follows:
 - 2.1 Retainer fee & meeting fee
 - (1) Retainer fee :remained the same as approved by shareholders since 2012 at 40,000 Baht each per month, paid in full month
 - (2) Meeting fee : increased from 40,000 to 50,000 Baht each per meeting, paid when attending the meeting only
 - (3) The Chairman of the Board shall receive a 25 percent increase of both fees.
This is to be effective from 2019 onwards until shareholders approve otherwise.
 - 2.2 Remunerations for the Sub-Committees according to the Company's Article of Association, which were five standing Sub-Committees; (1) the Audit Committee (2) the Remuneration Committee (3) the Nominating Committee (4) the Corporate Governance Committee and (5) the Risk Management Committee, The Remuneration Committee proposed as follows:
 - (1) Meeting fee : increased from 40,000 to 45,000 Baht each per meeting, paid when attending the meeting only
 - (2) The Chairman of the Board shall receive a 25 percent increase
This is to be effective from 2019 onwards until shareholders approve otherwise.

3. With reference to shareholders' comments from the past Annual General Shareholders' Meetings to increase Directors' bonus rate without ceiling in order to be in line with net income to motivate the Directors, the Remuneration Committees took aforementioned comments from shareholders to compare with bonus payment rate in PTT Group of Companies, considered various factors and deemed appropriate to propose the shareholders to adjust Directors' bonus as follows:

3.1 Increased the rate of Directors' bonus from 0.1% to 0.2 % of the annual net profit from the Company's consolidated annual financial statements, if there was an annual dividend payment to shareholders, adjusted according to each director's office period. The ceiling still remained at 60 million Baht pursuant to shareholder approval since 2012. This is to be effective from 2018 financial statements onwards until shareholders approve otherwise.

3.2 The Chairman of the Board shall receive a 25 percent increase

The Chairman explained that Directors who were shareholders and independent directors who had been granted proxies by shareholders to cast the vote as they deem fit should only vote "abstain" on this agenda to avoid conflict of interest unless shareholders clearly define their votes in the proxy B or C. The Chairman then opened the floor to shareholders to make enquiries as follows:

1. Ms. Irarom Anan, a shareholder, commented that Bonus payment from the Company's consolidated annual financial statements may be regarded as non-deductible expenses according to Revenue Code and suggested changing wording appropriately. However, she had no objection to the proposal on director's remuneration.

The Chairman accepted to further investigate and consider.

2. Mr. Pornchai Thornatham, shareholder made 3 enquiries as follows:

(1) To determine directors' remuneration, it should consider whether PTTEP is an operating unit or governing unit because directors' remuneration for operating unit is usually higher and linked to revenues and expenses of that unit such as Ministry of Transport, PTT Plc. Whilst policy and governing unit such as Ministry of Justice, director's remuneration would be at a lower amount.

(2) In case that PTTEP reports the decrease of income, would PTTEP directors propose to decrease the directors' remuneration?

(3) Does PTTEP's Board of Directors has ever propose to reduce retainer fee, meeting fee or bonus and is there any company that does so?

Mr. Achaporn Charuchinda explained as follows:

(1) PTTEP is considered an operating unit responsible mainly for exploration and production of petroleum for energy security of the country as well as a unit under PTT group, not a governing unit.

(2) Subject to applicable law and PTTP's Articles of Association, directors' remuneration has to be proposed to the Annual General Shareholder Meeting for approval every year. The directors' bonus is dependent on the Company's performance each year.

(3) PTTEP took into account comparable remuneration package of other listed companies in the same industry or the same size as well as Company's financial performance. In the past, shareholders approved directors' remuneration according to Company's performance.

The Chairman further clarified that in the past when PTTEP reported loss on net income but paid dividend to shareholders, the Board of Directors did not receive bonus. Hence, directors' remuneration is linked to Company's performance according to shareholder's comment.

Mr. Chansilp Treenuchagron, director, added that some companies under PTT group reported loss on net income and under rehabilitation plan, their Board of Directors considered not to receive neither bonus and nor other remunerations until Company's performance improved. Then those companies consider adjusting remuneration package to be in line with market situation and other companies in the same business and size.

3. Mr. Basant Kumar Dugar, shareholder, provided comments and suggestions as follows:
 - (1) The Board of Directors' bonus calculated with reference to net profit not dividend, is regarded as a good practice.
 - (2) The Board of Directors's bonus cap of 60 million Baht is considered a small amount. With the consolidated total net profit of PTTEP, the cap should increase to 100 million Baht. The dividend payment could be increased from the rate of 0.1% to 0.5% of net profit. In 2018, PTTEP had an outstanding performance with EBITDA Margin at 73%. The Company conducted many CSR activities and collaborated well with all stakeholders, including the government. All work done with transparency and the Company acted as a role model to other leading companies. With comparison to other companies listed on the Stock Exchange of Thailand (SET 50), some companies have already provided the directors' bonus at 5% of their net profit.
 - (3) According to the Fortune 500 magazine, there is a tendency that the directors' bonus could be considered by referring to both net profit and dividend payment and consider to pay the directors with the higher one.
4. Mr. Thaprasert Pirojpamorn, a shareholder, enquired whether the Board of Directors' remuneration is linked or varied with dividend payment to the shareholders.

Mr. Achaporn Charuchinda informed that the shareholders' dividend payment is in line with overall company performance, as well as other factors earlier mentioned in agenda items 3, while the directors' remuneration is related with the committee's performance in directing the Company business to be in line with strategic plan by linking with the company's net profit.

The Chairman thanked the shareholder for the comments and with no further questions, requested Ms. Pranot Tirasai to proceed with the ballot collecting and vote counting. The voting of Agenda item 5 regarding the approval of the remuneration of the board of directors and the sub-committees included agreed 3,223,732,551 votes or 98.1638%; disagreed 59,381,242 votes or 1.8082%; abstained 916,989 votes or 0.0279%; and voided ballot 2,376 votes or 0.0001%.

Resolution:

The Meeting, by no less than two-thirds (2/3) of the total number of votes cast by the shareholders who were present, approved the remuneration package of the Board of Directors and sub-committees as proposed as follows :

1. The 2019 retainer fee for the Board of Directors shall remain at the same rate as in 2018 at 40,000 Baht/person/month and increase the meeting fee for the board of directors to be 50,000 Baht/person/meeting and sub-committee members to be 45,000 Baht/person/meeting (only when attending the meeting). The Chairman of the Board and Sub-Committee shall receive a 25 percent increase. This is to be effective from 2019 onwards until shareholders approve otherwise.
2. Bonus for the whole Board at the rate of 0.2 percent of annual net profit as stated in the Company's consolidated annual financial statements, with total limit of 60 million Baht as previously approved by the shareholders, if the Company pays dividend to shareholders and adjusted according to each director's office period. The Chairman of the Board shall receive a 25 percent increase. This is to be effective from 2018 financial statements onwards until shareholders approve otherwise.

Agenda Item 6: To approve the appointment of new directors in replacement of those who are due to retire by rotation

To comply with the Good Corporate Governance principle, the Chairman asked all directors due to retire by rotation to temporarily leave the meeting room to abstain from the consideration of this Agenda. These directors were:

1. Mr. Achporn Charuchinda
2. Mr. Sethaput Suthiwart-Narueput
3. Major General Nimit Suwannarat
4. Mr. Wirat Uanarumit
5. Ms. Penchun Jarikasem

The Chairman invited Mr. Bundhit Eua-arporn, the Chairman of the Nominating Committee, to elaborate more details of the Agenda to the meeting.

Mr. Bundhit Eua-arporn presented to the Meeting that one third or five of the directors who were to retire by rotation at every annual general meeting should be those who had been in the position the longest. This year, the five directors due to retire by rotation were:

1. Mr. Achporn Charuchinda
2. Mr. Sethaput Suthiwart-Narueput
3. Major General Nimit Suwannarat
4. Mr. Wirat Uanarumit
5. Ms. Penchun Jarikasem

According to PTTEP's Good Corporate Governance and Business Ethics (CG&BE), Independent Directors must account for at least half of all Directors. The said criteria is stricter than the rule set by the Capital Market Supervisory Board which requires only one-thirds of all Directors to be independent. From 14 September to 17 December 2018, the Company invited shareholders to nominate qualified candidates for the PTTEP director in SET's News Portal, the Company's website, and newspaper. However, no nomination from the shareholders was received by the Company.

The Nominating Committee has thoroughly considered, for maximum benefit of the Company, the current board composition considering their skill mix together with several qualities, namely: (1) qualifications, (2) experience, (3) skills, (4) not assuming a directorship or executive-level position in more than 3 listed companies at once and not assuming a directorship in more than 3 state enterprises or their holding companies in accordance with the Cabinet resolution of 24 January 2011, (5) term of directorship, (6) the list of director's pool of the State Enterprise Policy Office, and (7) the proposal of PTT Public Co., Ltd., a major shareholder of the Company. The Nominating Committee deemed it appropriate to propose the following candidates to the meeting:

1. Mr. Achporn Charuchinda be re-elected for another term because he possesses legal knowledge, expertise and extensive experience. He is keen on good corporate governance and the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET). Thus, he has thorough understanding in the legal scope for listed companies as well as new law development. He can make the best use of his expertise to govern PTTEP which reflects from many of PTTEP's good corporate governance awards to ensure company's sustainable growth.
2. Mr. Sethaput Suthiwart-Narueput be re-elected for another term because he possesses knowledge, capability and specialization in economics. He has various work experiences in banking and other businesses including government sector and leading private companies of both domestic and international. With his business experience, he applies it to set strategic plan and to improve PTTEP's efficiency especially during the low oil price crisis. His knowledge and expertise are beneficial for the company to have suitable organizational management, risk management and also new business opportunities which align with company's strategic direction.

3. Major General Nimit Suwannarat be re-elected for another term because he possesses knowledge, capability and clear understanding on government policies and security and safety strategic planning. He has skill and extensive knowledge on information technology and information management which will be beneficial for PTTEP's operations under the fast-moving technology world. With his alertness for the disruption, PTTEP will be ready for the up-to-date working structure, human resources development, new technology implementation and data storage and information management.
4. Mr. Wirat Uanarumit be re-elected for another term because he possesses knowledge, expertise and vast experience in financial and energy sectors. He has good understanding in energy business for the whole value chain. Being as top executive in PTT, he has business vision in energy strategy and synergizes businesses of the companies in PTT group from upstream, midstream to downstream. With his effort to promote the synergy among PTT group of companies, PTTEP can further its business to new investment in the related fields e.g. LNG and gas to power.
5. Ms. Penchun Jarikasem be re-elected for another term because she has good knowledge, capability and expertise in accounting and finance. She has extensive experience working in the field of accounting and finance for many years. She currently holds the positions as Director of the State Enterprise and Director and the Chairman of the Audit Committee of Thailand's leading companies. Also, she formerly held the positions as financial top executive of PTT and PTTEP, therefore she has deep knowledge and clear understanding on energy business and project investments.

The Nominating Committee was of the opinion that the five directors due to retire by rotation possess knowledge and understanding of petroleum business which is considered a specific type of business. They have great understanding in country's energy strategy and familiar with PTTEP's business operations. They successfully determined PTTEP strategic direction to push the company through the low oil price crisis and under the industry's volatile situation in the past 2-3 years resulting in the outstanding company's performance in 2018. They played important roles to stipulate two winning strategies for acquiring Bongkot's interests from Shell Company and for winning bids for Bongkot and Erawan petroleum concessions. With these two accomplishments, the company's production volume and reserves will be increased in the long term and the company can continuously maintain its production volume to promote Thailand's energy security.

In addition, they support the organization re-structuring in order to make PTTEP to be ready to cope with the fast-changing technologies. They give priority to organization development to make sure that the company has suitable structures and working model. They also determine new business framework for both E&P related business and new business for PTTEP's future sustainable growth. Consideration to propose these 5 candidates for being PTTEP's directors for another term would be beneficial and appropriate in terms of continuity in driving company's business strategy as well as to support the preparation for Bongkot and Erawan operatorship and also to support organization transformation as intended in 2018.

The Board of Directors thoroughly considered this matter and approved the proposal presented by the Nominating Committee. Directors with conflicts of interest in this Agenda did not participate in the Nominating Committee and the Board of Directors meetings. The State Enterprise Policy Committee has also approved the list of the 5 director nominees already on 4 February 2019.

Subsequently, Mr. Prajya Phinyawat, the Chairman opened the floor to shareholders to make enquiry, which can be summarized as follows:

- Mr. Basant Kumar Dugar, a shareholder, made 2 comments to support the appointment of new directors as follows:
 - (1) Supported the appointment of Mr. Wirat Uanarumit to be PTTEP's director for another term because Mr. Wirat had experience as a Director of PTT International Trading Pte Ltd which is one of the important organizations that drive PTT, PTTEP's major shareholder, to be one of the companies listed in the Fortune 500. Mr. Wirat's experience in trading business will be beneficial for PTTEP Operation.

- (2) Supported the appointment of Mr. Achporn Charuchinda and Mr. Sethaput Suthiwart-Narueput to be PTTEP's directors for another term because their working experiences with the Bank of Thailand and their deep knowledge on finance and foreign currency exchange would help PTTEP to reduce investment and financial risks.

The Chairman thanked Mr. Basant Kumar Dugar for the comments. There was no further enquiry, the Chairman then asked Ms. Pranot Tirasai to proceed with the ballot collecting and vote counting. For the vote counting procedures previously mentioned, Ms. Pranot Tirasai asked shareholders, who voted "against" or "abstain" that had not cast a vote, to submit the ballots for appointment of the five candidates as proposed by the Board of Directors.

Individual results of the vote counting for Agenda item 6 regarding to the appointment of directors retired by rotation were as follows:

Namelist	Agree (%)	Disagree (%)	Abstain	Voided Ballots
1. Mr. Achporn Charuchinda	3,195,893,909 (97.3440%)	87,197,369 (2.6560%)	940,456	1,524
2. Mr. Sethaput Suthiwart-Narueput	3,240,147,983 (98.6901%)	43,005,986 (1.3099%)	879,269	20
3. Major General Nimit Suwannarat	3,214,259,094 (97.9042%)	68,806,569 (2.0958%)	967,575	20
4. Mr. Wirat Uanarumit	3,223,368,022 (98.1822%)	59,679,391 (1.8178%)	985,825	20
5. Ms. Penchun Jarikasem	3,223,483,331 (98.1827%)	59,665,912 (1.8173%)	883,995	20

Resolution: The Meeting, by majority of the total of votes cast by shareholders who were present and voted, approved the election of the five directors as proposed. Three directors (number 1, 2 and 3) are independent directors according to their declaration that their qualifications conform to the PTTEP Definition of Independent Director.

Agenda Item 7: Other Matters

The Chairman informed the Meeting that all seven previous agenda items were completed, and they had now come to Agenda Item 7 – Other Matters. The Chairman then provided an opportunity to shareholders or proxies to propose any matters for the voting. In order to propose a matter, shareholders and/or proxies must hold shares no less than one-third of the all the shares issued, which was equivalent to 1,323,328,467 shares.

When there were no further proposals on Agenda Item 7, the Chairman then gave the opportunity to shareholders to enquire and/or suggest any general matters relevant to the Company which can be summarized as follows:

1. Mr. Anu Wongsarakit, a shareholder, made 2 enquiries as follows:
 - (1) Given that the oil price has risen, what would be the company's investment strategy in the next 4-5 years and whether the coming-home strategy still remain?
 - (2) According to the Draft Amendment to the Labor Protection Act, an employee who has worked for an uninterrupted period of more than twenty years shall be entitled to receive severance payment of not less than his or her last rate of wages for four hundred days. What is the Company's plan to manage the employee benefits in correspondence to such changes, and how would it impact to the Company's financial statement?

CEO explained that the Company continuously focused on merger and acquisition to build up the Company's petroleum reserve and increase production for PTTEP growth by utilizing cash in hand for sustainable shareholders value creation. With regard to the Company's investment strategy, the Company reviewed its readiness knowledge and expertise, and decided to pursue the coming-home strategy by focusing the investment in familiar countries such as Myanmar, Malaysia and Indonesia. The acquisition of Murphy's assets in Malaysia well demonstrated the accomplishment aligned with the strategy as Murphy also adjusted portfolio to focus its investment in the United States. Furthermore, PTTEP has continued its interest in investment in Middle East region which is a key petroleum resources contributing area by joint venture with experienced strategic partners. In the next 4-5 years, PTTEP will continue pursuing investment opportunities in its focused areas.

Mr. Sumrid Sumneing, Executive Vice President, Finance and Accounting Group, explained that as for the Draft Amendment to the Labour Protection Act regarding the severance payment for employee who has worked for an uninterrupted period of more than twenty years, the Company has already disclosed the impacts to the Company's financial statement as liabilities on employee benefits in the amount of approximately Baht 572 million in the footnotes to the Company's financial statement. Following the promulgation of the Act in the Government Gazette, PTTEP will recognize as Company's expenses.

2. Mr. Basant Kumar Dugar, a shareholder, stated to the PTTEP's business operations as follows:
 - (1) Appreciated PTTEP's collaboration with PTT Group in establishment of Vidyasirimedhi Institute of Science and Technology (VISTEC) to support the education development for Thailand.
 - (2) Proposed that the Stock Exchange of Thailand and the Securities and Exchange Commission impose all SET-listed companies to provide Annual Sustainability Report separately from the Annual Report and the Annual Sustainability Report has to be approved by the Shareholders.
 - (3) Proposed for PTTEP's consideration to do business in converting water vapor from the air to change into drinking water which is suitable for Thailand's environment with required moisture content of more than 25%.
 - (4) Requested for PTTEP's Board of Directors to closely monitor PTTEP's share price. Despite PTTEP's excellent financial performance, its share price has not risen proportionately while benchmarked with other E&P companies as well as companies in the Stock Exchange of Thailand during the past period.
 - (5) Appreciated that PTTEP has been awarded 1 out of 50 listed companies in ASEAN countries (top 10 ranking) for ASEAN CG Scorecard for two consecutive years from the Asian Development Bank which will benefit PTTEP's financial reliability in the future.

The Chairman thanked the shareholder and requested the management to take comments for consideration.

3. Ms. Suporn Pathumsuwanvadee, a shareholder, made comments on the following areas;
- (1) Suggested to adjust wording in Agenda Item 7 – Other Matters that the meeting should not only consider other matters that have been informed to shareholders beforehand, but also other matters proposed at the meeting, as shareholders might need to state or provide comments at the meeting.
 - (2) Suggested to reduce expenses i.e. if the Company had already sent annual report to shareholders via registered mail, the Company should not provide annual report again in Annual General Shareholders Meeting.
 - (3) Enquired on the criteria to select shareholders for the Company site visit and commented that the Company should not send the invitation letter to all shareholders if there already is the focused group.
 - (4) Appreciated the meeting arrangement in term of stage, clear monitor as well as concise agenda of meeting and thanked all directors and shareholders for their participation.

The Chairman thanked for the comments and explained that PTTEP welcomed all comments from shareholders after agenda 7 to enquire or suggest any general matters relevant to the Company. However, in case of proposing any matters for the voting, there are required procedure to comply. For the Company visit, the Chairman asked Khun Pranot Tirasai to elaborate in details on selection process.

Ms. Pranot Tirasai, explained that PTTEP use the same criteria in selection of shareholder to participate the company visit. Shareholders who holds more than 100 shares is eligible to participate the company visit by fill in the form sent to shareholders. PTTEP select shareholders by random. In this regards, shareholders who had already joined the activities and would like to join the company visit again, are welcome at their own expenses.

When there were no further questions, comments or suggestions from meeting participants, the Chairman expressed sincere thanks to the volunteer shareholder and requested Mr. Bundhit Eua-arporn, to present a souvenir to the volunteer shareholder. The Chairman thanked the shareholders and the proxies for their participation.

Lastly, the Chairman announced that today there were 1,569 shareholders attending in person and 604 proxy holders, totaling 2,173 persons, equivalent to 4,825 shareholders. This represented 3,284,034,258 shares, which corresponded to approximately 82.7216% of the share capital. The Company would declare the vote results together with the resolutions of all the agenda items after final review through the Stock Exchange of Thailand today. Moreover, the Company would prepare the Minutes of Meeting, which were recorded relevant to the Meeting and the Company in summary would post on the website within 14 days and further send it to all the shareholders. If shareholders would propose for any revision or objections, please inform PTTEP within 14 May 2019 for consideration. In case that there are no objection or revision, It is deemed that the Minutes of Meeting is verified by shareholders. The Meeting was then adjourned.

Closing of the Meeting: 17.13 hours

Recorded by: M.L. Pannalert Vasiksiri
Certified true and corrected by: Mr. Yongsith Kosawititkul
Ms. Pranot Tirasai

Prajya Phinyawat
Prajya Phinyawat
Chairman

Phongsthorn Thavisin
Phongsthorn Thavisin
President and Chief Executive Officer