

## Minutes of the Extraordinary General Meeting of Shareholders no.1/2018 of Thai Rayon Public Company Limited

**Date of the meeting:** Friday, 21 September 2018  
**Venue of the meeting:** at Pimarn Siam Hall, Level 29, Hotel Building, The Athenee Hotel, a Luxury Collection Hotel, Bangkok, No.61 Wireless Road (Withayu), Lumpini, Pathumwan, Bangkok 10330  
**Chairman:** Dr. Bir Kapoor, Director  
**Secretary to the meeting:** Mrs. Suwanna Chalermwat, Company Secretary  
**The meeting started:** 15.00 hrs.

Mrs. Suwanna Chalermwat, company secretary, welcomed all shareholders and proxies attending the Extraordinary General Meeting of Shareholders no.1/2018 (EGM no.1/2018) of Thai Rayon Public Co.,Ltd. (“the Company”). She also requested the safety in charge of the meeting venue to explain the evacuation guidance in case of emergency to all attendees.

After completion of the counting of shareholders and proxies, Mrs. Suwanna announced that there were 87 shareholders attending in person and 102 shareholders attending by proxy, totaling 189 shareholders representing 135,471,770 shares equivalent to 67.1983% of the issued and paid-up capital. Additional shareholders representing 64,970 shares attended after the commencement of meeting. Thus, the total numbers of shareholders attending in person were 103 shareholders and attending by proxy were 118 shareholders, totaling 221 representing 135,562,510 shares equivalent to 67.2433% of issued and paid up share capital of the Company. The quorum was thus constituted in accordance with the law and Article 34 of the Articles of Association of the Company.

As per the Company’s Articles of Association under Article 34 “In the shareholders' meeting, the Chairman of the Board shall preside over the meeting. If the Chairman is not present or does not attend the meeting, the Vice-Chairman, if available, shall preside over the meeting. If there is no Vice-Chairman or the Vice-Chairman is unable to perform his duty, the meeting shall elect one of the shareholders attending the meeting to preside over the meeting”. Mr. Kumar Mangalam Birla, Chairman of the Board of Directors could not attend the meeting while there was none of the Vice-Chairman appointed; she requested the meeting to select one of the shareholders attending the meeting to preside over the meeting. Mr. Prabhu Narain Mathur, a shareholder and independent director, then proposed Dr. Bir Kapoor, a proxy shareholder, to be elected as the Chairman of the Meeting. The meeting thereafter elected Dr. Bir Kapoor to be Chairman of the meeting.

Dr. Bir Kapoor, Chairman of the meeting, then welcomed the shareholders to the meeting and declared the meeting open.

The Chairman then introduced the directors and senior management to the meeting as follows:

1. Mr. Shyam Sundar Mahansaria Independent Director / Chairman of Audit Committee
2. Mr. Prabhu Narain Mathur Independent Director / Member of Audit Committee
3. Dr. Bir Kapoor Director / Group Executive President

Director's name who did not attend the meeting.

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| 1. Mr. Kumar Mangalam Birla | Chairman of the Board                            |
| 2. Mrs. Rajashree Birla     | Director   |
| 3. Mr. Vinai Sachdev        | Independent Director / Member of Audit Committee |
| 4. Mr. Dilip Singh Gaur     | Director   |

The Chairman then introduced management team to the meeting as follows:

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|--------------------------------|--|
| 1. Mr. Prasan Sipani           | President                              |
| 2. Mr. Pramod Khandelwal       | Vice President (Finance & Commercial)  |
| 3. Mr. Mahendra Ganeriwal      | Assistant General Manager (Commercial) |
| 4. Ms. Maetawee Tungthammachit | Manager (Marketing)                    |
| 5. Mr. Himanshu Dhone          | Executive Assistant                    |
| 6. Ms. Vinati Gupta            | Assistant General Manager (Compliance) |
| 7. Mrs. Suwanna Chalermwat     | Company Secretary                      |

The Chairman of the meeting with limitations in Thai language, proposed that the meeting should be conducted in Thai language for the maximum benefits of majority of the shareholders and proxies attending the meeting and accordingly requested Mrs. Suwanna Chalermwat, company secretary, to help the Chairman in conducting the meeting in Thai language.

For ensuring productivity and smoothness of the meeting in alignment with relevant rules and regulations, Mrs. Suwanna informed that the EGM no.1/2018 of the Company should be conducted as per the Notice of EGM sent out to all shareholders to hold on Friday, 21 September 2018, at 15:00 hrs. to conduct the following agenda :

- Agenda 1 To approve the minutes of the annual general meeting of shareholders for the year 2018 held on 18 July 2018.
- Agenda 2 To consider and approve the removal of foreign shareholding limit from 49% to no limitation and amendment to Article 6 of the Company's Articles of Association to reflect such removal of foreign shareholding limit.

It was informed to meeting that shareholder should ask questions related to each agenda only. For the benefit of all concerned, it was requested that the speakers should give their names before asking questions or clarifications or expressing opinions.

Before starting discussions on agenda, company secretary informed the rules for conducting shareholders meeting which are summarized as follows:

1. In case of votes on any agenda in the meeting, it will be based on one share for one vote in equivalence. The shareholder is able to vote "Approve" or "Disapprove" or "Abstain" in accordance with his or her voting rights except for the case of custodian.
2. In case of proxy, the proxy could exercise their votes in line with the authorization given in the relevant proxy only.
3. The voting cards will be provided for each agenda. When the discussion for each agenda is over, voting cards will be collected from shareholders who "Disapproved" or "Abstained" on agenda for voting counting and result announcement.
4. For the shareholders who have given the proxy form to independent directors to attend the meeting and to vote for them, the voting results will include their voting intention.

5. The Company will calculate the results by counting only the “Approved” and “Disapproved” votes of the shareholders who attend the meeting. If the votes are equal, the Chairman reserves the right to exercise one more decisive vote.
6. The following voting cards will be regarded as void cards:
  - 6.1 The voting cards with more than one mark except for custodian who can divide their votes into different choices.
  - 6.2 The voting cards which show conflicting intention.
  - 6.3 The voting cards with cross out but no valid signature.
  - 6.4 The voting cards which do not match the particular agendas.
7. The Company uses the barcode system for vote counting.
8. After vote counting is over, the results will be displayed on the screen and the same will be announced.
9. The number of shareholders and votes for each agenda could be different because there might be additional shareholders or proxy holders joining the meeting or some might be leaving the meeting in between.

Dr. Bir Kapoor, the Chairman, commenced the meeting and requested Mrs. Suwanna Chalermwat, company secretary, to conduct the meeting in Thai language for agenda 1.

**Agenda 1 To approve the minutes of the annual general meeting for the year 2018 held on 18 July 2018**

Mrs. Suwanna Chalermwat, requested the meeting to approve the minutes of the annual general meeting of shareholders for the year 2018 which was held on 18 July 2018 as disclosed on pages 8-35 of the notice of the meeting which had been sent to the shareholders together with the notice of this meeting as per the Enclosure No.1.

The Chairman invited the shareholders to ask questions about incomplete or inaccurate information, if any, in the minutes. The issues or observations made by some shareholders are summarized as below:

- 1) A shareholder (name not announced) mentioned that in Thai version of agenda 1 of notice of EGM no.1/2018, the word AGM was mentioned instead of EGM which could be due to printing mistake.
- 2) Mr. Basant Dugar, a shareholder, made following comments:
  - 2.1 The minutes should mention the names of directors attending the meeting as well as the names of directors who are absent in the meeting.
  - 2.2 The minutes has not covered his comments very explicitly relating to the Company’s compliance on ESG (Environment, Social and Governance), increase in useful life, lower depreciation and higher salvage value of assets, and disclosure on directors remuneration.
  - 2.3 The devaluation word on INR and CNY currency should be replaced with depreciation or decline in currency value.
  - 2.4 The Company should send minutes of the meeting to shareholders through TSD from good corporate governance point of view.

- 3) Mr. Rittichai Yibcharoenporn, a shareholder, mentioned that answer to his question relating to impact on the Company's performance, if any, due to ongoing trade war between USA and China has not been covered in the minutes and requested management to make suitable explanation on this.

The Chairman invited the shareholders for further questions or observations. No further question being raised.

The Chairman then asked the meeting to vote for approving the minutes of the annual general meeting for the year 2018 held on 18 July 2018.

Mrs. Suwanna Chalermwat, company secretary then asked the meeting to vote for this agenda, if there are shareholders who "Disapprove" or "Abstain", then they should raise their hands for the Company's staff to collect the filled voting cards for vote counting.

Mrs. Suwanna Chalermwat, company secretary, meanwhile informed that 28 more shareholders representing 28,630 shares are attending the meeting now resulting in total 135,500,400 shares or 67.2125% of paid up share capital of the Company.

After due consideration, the meeting then passed the resolution to approve the minutes of the annual general meeting of shareholders for the year 2018 which was held on 18 July 2018 by the majority voting as follows:

Approved	135,500,300	votes, equivalent to	99.9999%
Disapproved	100	votes, equivalent to	0.0001%
Abstained	-	votes, equivalent to	0.0000%

of the total votes of shareholders attending the meeting and entitled to vote.

And then Dr. Bir Kapoor, the Chairman, requested Mrs. Suwanna Chalermwat, company secretary, to conduct the meeting in Thai language for agenda 2.

**Agenda 2 To consider and approve the removal of foreign shareholding limit from 49% to no limitation and amendment to Article 6 of the Company's Articles of Association to reflect such removal of foreign shareholding limit**

Mrs. Suwanna Chalermwat, company secretary, informed the meeting that the Board has considered appropriate to propose to the extraordinary general meeting of shareholders to approve the removal of foreign shareholding limit from 49% to no limitation and amendment to Article 6 of the Company's Articles of Association to reflect such removal of foreign shareholding limit and the authorization as detailed below relating to removing the restriction on foreign shareholding limit.

Current Article 6 of the Articles of Association

"The Company's shares may be transferred without any restriction, unless:

- (1) the said transfer would cause the Company to lose the rights and benefits it should receive under the law, or
- (2) the said transfer would result in the Company having shareholders with Thai nationality less than 51 percent, or would cause shareholders with non-Thai nationality to hold more than 49 percent of the total number of shares."

Proposed revised Article 6 of the Articles of Association

"The Company's shares may be transferred without any restriction."

With liberalization in foreign investment law and progressive policies of the government and increasing interest of foreign investors in ASEAN economies, the restrictive condition of maximum 49% foreign shareholding in the Company would be obstacle as the Company operates in global markets which generates interest of institutional and other large international investors globally. The removal of such foreign shareholding limit will provide equal opportunities to institutional and domestic investors and provide benefit of diversified capital markets to the Company. In order to support this, it is necessary to amend Article 6 of the Company's Articles of Association by replacing the existing wording with the proposed wording as aforementioned. In addition, the Company will also amend corresponding conditions in its investment promotion certificates granted by the Board of Investment and apply for any other relevant approvals required under the Investment Promotion Act B.E. 2520 (as amended) and will seek relevant statutory approvals, licenses and/or permits, as required, from the government agencies (including but not limited to approvals and licenses under Foreign Business Act B.E. 2542).

For the purpose of seeking relevant approvals, licenses and/or permits and registration with respect to the removal of foreign shareholding limit and amendment of the Company's Articles of Association, it is proposed that the meeting approve the authorization to any of Dr. Bir Kapoor, Mr. Prasan Sipani and/or Mr. Pramod Khandelwal or the person(s) designated by authorized directors of the Company to apply for any statutory or regulatory approvals, licenses and/or permits, as required, from relevant government agencies (including but not limited to the Board of Investment under the Investment Promotion Act B.E. 2520 (as amended) and the Ministry of Commerce under Foreign Business Act B.E. 2542 (as amended) and the Stock Exchange of Thailand, to register the amendment to Article 6 of the Company's Articles of Association at the Department of Business Development, the Ministry of Commerce and to amend and/or add any wording to the proposed amendment to Article 6 of the Company's Articles of Association as directed by the registrar and to take all necessary steps and to do all such acts, things and deeds, as may be required to give effect to this resolution.

The Chairman invited the shareholders to ask questions, opinion or any suggestions. The issues or observations made by some shareholders are summarized as below:

- 1) Mr. Rittichai Yibcharoenporn, a shareholder, enquired about the need for removing the foreign shareholding limit and wanted to know how it will affect the Company's operations.
  - Dr. Bir Kapoor, the Chairman, explained that the removal of foreign shareholding shall not have any effect on the Company's core business activities and removal of limit is purely from investment point of view for foreign investors who may have interest in buying the Company's shares.
- 2) Mr. Rittichai Yibcharoenporn further asked about the legal compliance on this matter and wanted to know how the removal of foreign shareholding limit will help existing shareholders considering that the foreign investors can still buy the shares under NVDR. In his opinion, the Company's share price and performance is linked to demand and supply of the product, competition from substitute fiber like cotton and hence restriction on foreign limit should not be changed.

- Dr. Bir Kapoor, the Chairman, explained that getting approval in EGM no.1/2018 is the first step on removal of foreign shareholding limit. All subsequent approvals as required from relevant government agencies shall be taken in due course to ensure compliance of all laws and regulations on this matter.
- 3) Mr. Sathaporn Phangniran, a shareholder, commented on purpose of calling EGM no.1/2018 for this agenda which as per him is not so clear. He expressed his concern that this may not help the existing shareholders considering lower liquidity and share price lower than book value. In his opinion, removal of foreign shareholding limit might benefit foreign shareholders considering higher retained earnings of the Company.
- Dr. Bir Kapoor, the Chairman, explained that the Board is aware of liquidity and lower share price issue as mentioned by shareholder as well and believe that the removal of the foreign shareholding limit may help in addressing the issue of liquidity and share price as more foreign investors will be interested in investing.
  - Mr. Shyam Sundar Mahansaria, Independent Director, explained that mainly because of lower liquidity, the share price is lower than book value with lower fluctuation in share price. Many shareholders have expressed their concern in the past on this issue also. Considering all these issues, the Board felt that the removal of foreign shareholding limit restriction should help in improving flexibility of share trading and increase in transaction volume. He assured the shareholders that the removal of foreign shareholding limit would not have any restriction on the Company's core business and all necessary approvals as per law will be taken on this matter.
- 4) Mr. Sathaporn Phangniran, commented that foreign shareholders can still buy shares in NVDR (Non-Voting Depository Receipt) hence removal of foreign shareholding limit restriction may not help in increasing liquidity and share price. He suggested that the Company should consider paying higher dividend to increase interest in the Company's shares.
- Dr. Bir Kapoor, the Chairman, thanked for valuable suggestions and explained that the Board has carefully considered all aspects including discussion with consultants and feels that removal of foreign shareholding limit restriction should be good for investors.
- 5) Mr. Somchai Suchartcharoenying, a shareholder, congratulated and complimented directors and management on the Company's performance and dividend payments. He suggested that the board should consider other options like split par value of share and increase in dividend for benefits of all shareholders instead of removing foreign shareholding limit restriction.
- 6) Mr. Suebsak Pipopmongkol, a shareholder, suggested that the Company should consider stock dividend in the ratio of 1:1 to all shareholders which does not require cash outflow for increasing liquidity.
- 7) Mr. Pravit Pattarakool, a shareholder, wanted to know whether the change in foreign shareholding limit would result into loss of BOI benefits and any other benefits to the Company.
- Dr. Bir Kapoor, the Chairman, explained that there would not be any impact on the Company's operations including present BOI benefits. However it is difficult to provide assurance for future business operations as it will depend upon government policies, investment atmosphere etc.

- Mr. Shyam Sundar Mahansaria, Independent Director, also explained that the present policies of Government are more liberalized and investors friendly as compared to past. These changes are to welcome more foreign investments in Thailand. Even BOI is also promoting foreign investments and permitting existing companies to have foreign investments. With removal of foreign shareholding limit restriction, the interest of foreign investors may increase in the Company's shares which should then reflect in share price to help existing shareholders.
- 8) Mr. Tara Cholpranee, a shareholder, commented that as per shareholder list as of 8 June 2018 and as of 5 September 2018, there were 1,087 shareholders and 1,272 shareholders respectively which are considered as free float holding around 42.39% of total shares. He wanted to know whether this removal would trigger tender offer which might result into lower number of minority shareholders.
- Dr. Bir Kapoor, the Chairman, explained that it is not possible to make any comment on future events consequent to the removal of foreign shareholding restriction. The board will consider and take action as per law on this matter.
- 9) Mr. Basant Dugar, a shareholder, enquired on the need for removal of foreign shareholding limit restriction and felt that the Company's reputation as premium stock company will be lost after removal of foreign board. The share transaction in foreign board happened many years before. In his opinion, the removal of foreign board may reduce the value of share investments of existing foreign investors.
- 10) Mr. Sakchai Sakulrimontri, a shareholder, enquired about the Chairman and other directors who did not attend the meeting.
- Mrs. Suwanna Chalermwat, company secretary, explained they could not attend the meeting because of some other urgent engagements.

The Chairman invited the shareholders for further questions or observations. No further question being raised.

The Chairman then asked the meeting to vote for approving the removal of foreign shareholding limit from 49% to no limitation and amendment to Article 6 of the Company's Articles of Association to reflect such removal of foreign shareholding limit.

Mrs. Suwanna Chalermwat, company secretary then asked the meeting to vote for this agenda, if there are shareholders who "Disapprove" or "Abstain", then they should raise their hands for the Company's staff to collect the filled voting cards for vote counting.

This resolution is required to be passed by vote of not less than three-fourths of the total number of votes of shareholders and proxies who attended the meeting and are entitled to vote.

Mrs. Suwanna Chalermwat, company secretary, meanwhile informed that 4 more shareholders representing 62,110 shares are attending the meeting now resulting in total 135,562,510 shares or 67.2433% of paid up share capital of the Company.

After due consideration, the meeting passed the resolution for removal of foreign shareholding limit from 49% to no limitation and amendment to Article 6 of the Company's Articles of Association to reflect such removal of foreign shareholding limit by the majority voting as follows:

Approved	135,311,608	votes, equivalent to	99.8149%
Disapproved	247,197	votes, equivalent to	0.1824%
Abstained	3,705	votes, equivalent to	0.0027%

of the total votes of shareholders attending the meeting and entitled to vote.

Mrs. Suwanna Chalermwat, company secretary, informed the meeting that the minutes of the Extraordinary General Meeting of Shareholders no.1/2018 will be submitted to the SET within 14 days after the date of EGM and would be posted on the Company's website at [www.thairayon.com](http://www.thairayon.com) . She also informed the meeting that that a site visit of shareholders to Angthong Plant is scheduled on Thursday, 18 October 2018.

The Chairman subsequently thanked all shareholders attending the meeting and informed that the Board of Directors, executives and employees of the Company would continue to perform their duties and responsibilities at their best for maximum benefit to all shareholders and for the Company's growth.

The Chairman then declared the meeting adjourned at 16.15hrs.

Signed.....Chairman of the Meeting  
(Dr. Bir Kapoor)  
Director