



Energy for life

บริษัท ผลิตไฟฟ้า จำกัด (มหาชน)  
222 อาคารเอ็กโก ชั้น 14,15 หมู่ที่ 5  
ถนนวิภาวดีรังสิต แขวงทุ่งสองห้อง  
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No. EGCO 110/365

Date : May 2, 2018

Attn : President of the Stock Exchange of Thailand  
Subject : Minutes of Shareholders' 2018 Annual General Meeting on the Company's website

With reference to the Shareholders' 2018 Annual General Meeting on April 19, 2018 at 2.00 p.m. at Vibhavadee Ballroom, Centara Grand at Central Plaza Ladprao Bangkok Hotel, No.1695, Phaholyothin Road, Chatuchak, Bangkok, the Electricity Generating Public Company Limited (EGCO) has submitted the minutes of said meeting to the Stock Exchange of Thailand (SET) already.

EGCO would like to inform the SET that the Minutes of Shareholders' 2018 Annual General Meeting was posted on the Company's website at <http://www.egco.com> on May 2, 2018 onward for the shareholders' consideration.

Yours sincerely,

Jakgrich Pibulpairoj  
President

Corporate Secretary Division  
Tel. 0 2998 5025-5



**Minutes of Shareholders' 2018 Annual General Meeting  
of  
Electricity Generating Public Company Limited**

The Shareholders' Annual General Meeting ("AGM") was convened at 2.00 p.m. on April 19, 2018 at the Vibhavadee Ballroom, Centara Grand at Central Plaza Ladprao Bangkok Hotel, No.1695, Phaholyothin Road, Chatuchak, Bangkok. One thousand four hundred and sixty (1,460) shareholders attended the meeting which comprised four hundred and eighteen (418) attending in person and one thousand and forty-two (1,042) by proxies, representing 402,416,043 shares which accounted for 76.4374% of the total outstanding shares, which was not less than one-third of the total issued shares. Then, the meeting constituted a quorum according to the Company's Articles of Association. Mr. Sombat Sarntijaree, Chairman of the Board of Directors of the Electricity Generating Public Company Limited ("Company" or "EGCO"), chaired the meeting.

Before calling the meeting to order, shareholders were informed about the emergency fire exits for safety purpose.

The Chairman then declared the meeting open and introduced directors who attended the AGM to the shareholders as follows:

- |    |              |                |  |
|----|--------------|----------------|--|
| 1. | Mrs. Jaruwan | Ruangswadipong | Lead Independent director and Chairman of the Audit Committee ("AC")   |
| 2. | Mr. Chotchai | Charoenngam    | Independent director, Chairman of the Corporate Governance and Social Responsibility Committee ("CC"), and member of the Nomination and Remuneration Committee ("NRC") |
| 3. | Mr. Shunichi | Tanaka         | Director, NRC Chairman and member of Investment Committee ("IC")   |
| 4. | Mr. Paisan   | Mahapunnaporn  | Independent director and AC member   |
| 5. | Mr. Hiromi   | Sakakibara     | Director   |
| 6. | Mr. Takao    | Onuki          | Director and IC member   |
| 7. | Mr. Yoichiro | Matsumoto      | Director   |
| 8. | Mr. Anya     | Khanthavit     | Independent director and AC member   |
| 9. | Mr. Bordin   | Rassameethes   | Independent director, NRC member and CC member   |

10.	Mrs.Nualnoi	Treerat	Independent director, NRC member and CC member
11.	Mr. Wisak	Watanasap	Director and CC member
12.	Mr. Kornrasit	Pakchotanon	Director and IC member
13.	Mr. Saharath	Boonpotipukdee	Director and NRC member
14.	Mr.Jakgrich	Pibulpairoj	President, IC member and CC member

Mr. Jakgrich Pibulpairoj, President, then introduced the following senior executives attending the meeting with the purpose of clarifying any arising questions.

1.	Mr.John	Palumbo	SEVP – Business Development (International)
2.	Mr.Niwat	Adirek	SEVP – Business Development (CLMVT)
3.	Mr.Gumpanart	Bumroonggit	SEVP – Strategy and Asset Management
4.	Mr.Danuja	Simasathien	Chief Financial Officer

The Chairman informed the Meeting that Mr.Vichien Khingmontri, the Company's auditor from PricewaterhouseCoopers ABAS Ltd. ("PwC"), was invited to attend the AGM and answer inquiries on the financial statements. For shareholders' confidence on the Company's compliance with laws and regulations, the Company engaged Baker & McKenzie Legal Consultants Ltd., represented by Mr. Preeda Meksrisuwan as the AGM inspectors to review the shareholders' document checking process, the meeting quorum, the voting procedures, the vote counting and processing. Moreover, the Company still used the AGM voting service covering shareholder/proxy registration, voting record and processing provided by Inventech Co., Ltd., aiming to facilitate and shorten the registration and voting procedures. Additionally, Ms. Pornthip Kanjanasart, proxy, volunteered to witness the voting procedures. To provide the shareholders with significant information, the Company arranged a mini exhibition in front of the meeting room to provide information on business activities, investment projects, investor relation activities, social and environmental activities and tax credit on dividend payment.

After that the Chairman informed the meeting of voting procedures via video and informed how to raise questions and comments during the meeting which could be summarized as follows:

Each shareholder had the voting rights equal to the number of shares held in the Company where one share equaled to one vote. Shareholders or proxies had to cast one vote only for the followings: "in favor", or "against" or "abstention". The general agenda required the majority votes of shareholders who attended and cast their votes. Exception was made for agenda 6 regarding the consider amendment of articles of association and 8 regarding the election of directors to replace the retiring directors which required at least

four-fifths of the total votes of shareholders attending the meeting and having the rights to vote and agenda 7 regarding directors' remuneration which required at least two-thirds of the shareholders attending the meeting. In case of an equality of votes the Chairman of the meeting should cast his or her vote for final resolution.

There were 2 cases of voting as follows:

1. Shareholders: only shareholders voting against or abstention in each agenda would show their hands to vote while shareholders with no show of hand would be considered voting in favor of the proposal.

2. Proxy Holders:

Proxy Form A Proxies would vote in the same manner as the shareholders attending the meeting in person.

Proxy Form B If shareholders cast their votes in the proxy form, such votes would have been recorded and proxy holders would not be required to vote in the meeting room. In the case that shareholders did not vote in advance, proxies would vote in the same manner as the shareholders who attended the meeting in person.

Proxy Form C This form was designed for foreign shareholders with the custodian in Thailand, in accordance with the announcement made by the Department of Business Development, the Ministry of Commerce, and that voting would be the same as Proxy Form B where proxy holders would not vote in the meeting room if shareholders casted their vote in advance.

It was further informed that ballots were used for voting. In case of any amendment, erasure or cross-out on any voting marks without signature or initial of shareholders or proxy holders, the ballots were considered totally or partially voided. Although the votes for director election would be counted for each individual nominee, the ballots with the vote in favor, against and in abstention would be all collected at one time while only the ballots with the vote against or abstention would be collected for other agendas to deduct from total registered voting shares. The remaining ballots, however, would be collected at the end of the meeting to ensure accuracy of the vote counting process which was in line with the AGM's Checklist recommended by the Thai Investors Association, Thai Listed Company Association and the Securities and Exchange Commission ("SEC"). In this regard, shareholders and proxies who had to leave early were requested to hand the exit card and the ballots to the Company's officers, so that the votes of leaving shareholders would be deducted from record.

The voting result of each agenda would then be announced by the Chairman and that the barcode system was used to speed up shareholders' registration and vote counting. For the benefit of correct records in the minutes of meeting, the Chairman requested shareholders and proxies to identify themselves before asking questions.

In addition, for equitable treatment of shareholders, EGCO offered the right for minor shareholders to propose meeting agenda and nominate the qualified director candidates in advance for 2018 AGM on EGCO's website from September 1 – December 31, 2017.

After the due date, there was neither proposal of AGM agenda nor qualified director nomination.

The Chairman then convened the meeting in accordance with the following notified agendas.

**Agenda 1**     **To Consider and Approve Minutes of the Shareholders' 2017 Annual General Meeting**

The Chairman proposed to the Meeting to consider the minutes of the AGM of the year 2017 held on April 19, 2017 which had been posted on EGCO website (www.egco.com) since May 2, 2017. It was noted that 2017 was the ninth year that the Company delivered the hard copies of the draft minutes of meeting to all shareholders for their review.

After that, the Chairman invited questions/ recommendations from shareholders. There being no questions/recommendations, the Chairman called for the voting to approve the minutes of the 2017 AGM held on April 19, 2017. The resolution required the majority of votes of shareholders present and voting.

**RESOLUTION:**

Having considered the matter, the shareholders approved with the majority of votes of shareholders present and voting the minutes of the Shareholders' 2017 Annual General Meeting as follows:

<u>Voting result</u>	<u>No. of votes</u>	<u>%</u>
Favor	404,379,672	100.0000 of all votes of shareholders who attended the meeting and cast their votes
Against	0	0.0000 of all votes of shareholders who attended the meeting and cast their votes
Abstention	200	-
Voided ballot	0	-
Total voting shares	404,379,872	-

**Agenda 2**     **To Acknowledge the Company's Performance in 2017**

The Chairman reported to the Meeting that starting from 2004, the annual report was presented in a CD-ROM format to reduce paper consumption and save cost while the printed version would be available on request. The incurred cost saving for year 2017 of 2,132,187 baht was donated on behalf of "EGCO's shareholders" to the "Thai Forest Conservation Foundation" which had the objective to conserve the environment.

After that, the Chairman presented the Company's 2017 performance and 2018 annual business plan video to the Meeting as detailed in 2017 Annual Report submitted to shareholders with the notice to 2018 AGM.

## **1. Significant Events in 2017**

### **1.1 Completed construction and commercial operated projects in 2017**

- Klongluang Power Plant ("KLU"), a wholly owned subsidiary of EGCO, located in Klong Nueng Sub-District, Klong Luang District, Patumthani Province, is a combined cycle (cogeneration) power plant with an installed capacity of 121 MW. KLU entered into a 90-MW Power Purchase Agreement ("PPA") with the Electricity Generating Authority of Thailand ("EGAT") for 25 years whereas it sold 12 MW electricity output and 13-ton/hour steam to an industrial user for 7 years, under the power purchase agreement and steam purchase agreement which could be renewable for 2-year term. After KLU completed the construction, it commenced its commercial operation as scheduled in the PPA with EGAT on July 20, 2017.
- Banpong Utilities Company Limited (BPU), EGCO's wholly owned subsidiary which is located in Thapha Sub-District, Banpong District, Ratchaburi Province, has operated with 2 blocks of gas-fired cogeneration (combined cycle) with the installed capacity of 128 MW for each unit. BPU sells its 180 MW electricity output to EGAT based on the 25-year PPAs under Small Power Producer scheme (SPP). Under 20-year contract with industrial users, the excess electricity of 23 MW output from Unit 1 and 17 MW output from Unit 2 and the process steam of 40 tons/hour from Unit 1 and 60 ton/hour from Unit 2 are sold. Completed its construction, BPU started its commercial operation on October 1, 2017.

### **1.2 New investment projects in 2017**

- On March 31, 2017, Star Energy Geothermal (Salak – Darajat) B.V. ("SEGSD"), a joint venture of EGCO (20.07% indirect ownership interest), Star Energy Group Holdings Pte. Ltd. and AC Energy Holdings, Inc. completed the transfer for all shares in geothermal business from Chevron Corporation Group. The Project is composed of assets and operations of the Salak and Darajat geothermal fields in West Java, Indonesia, with the aggregate capacity of 235 MW equivalent of steam and 402 MW of electricity. The Project has the PPA and Steam Purchase Agreement with PT PLN (Persero).
- On July 14, 2017, SEGSD entered into Share Sale and Purchase Agreements with PT Austindo Nusantara Jaya Tbk ("ANJ") to acquire 95% share of PT Darajat Geothermal Indonesia ("DGI"). The share transfer was completed on September 27, 2017. DGI holds the participating interest of 5% in Darajat

Geothermal Project Unit 2 and Unit 3, which have total capacity of 216 MW. The transaction increases SEGSD's indirect ownership interest in Darajat Geothermal Project Unit 2 and 3 from 95% to 99.75% while SEGSD remains to hold 100% indirect ownership interest in Darajat Geothermal Project Unit 1.

- On September 4, 2017, EGCO entered into a Shareholders' Agreement of Nam Theun 1 Power Company Limited ("NT1PC") in order to develop the Nam Theun 1 Hydropower Plant Project, located on the Nam Kading River in Bolikhamxay, Laos PDR. NT1PC's shareholding structure consists of Phonesack Group Co., Ltd., EGCO, and EDL-Generation Public Company in the proportion of 60%, 25% and 15%, respectively. Additionally, on September 23, 2017, NT1PC has entered into a 514 MW PPA with EGAT and a 130-MW PPA with Electricité du Laos ("EDL"). Both PPAs will last for 27 years starting from the Commercial Operation Date in 2022. Also, on December 6, 2017, NT1PC entered into the financial agreements with Thai Commercial Banks to fund the development and construction of Nam Theun 1 Hydroelectric Power Plant.

## **2. Operating result 2017**

In 2017, excluding the effects of Foreign Exchange (FX) gains (losses), Deferred Tax, Lease Income, Income from Service Concession and Impairment, the profit from operation in 2017 was recorded at 9,268 million baht, increasing by 111 million baht from the 2016's.

The increase of profit from operation mainly came from the profit of 747 million baht, contributed by the whole year operation of Khanom Unit 4 and Chaiyaphum Wind Farm in 2017 after the completion of their construction in 2016 and the operation of Klongluang and Banpong which finished their construction in 2017. The other contribution to the higher profit was the profit of 491 million baht from the whole-year operation of MPPCL in which EGCO acquired an additional 8.05% ownership interest in 2016 and the profit from Salak and Darajat geothermal power plants in which EGCO acquired 20.07% of ownership.

However, the earnings from all existing power plants dropped by 171 million baht mainly due to BLCP's higher O&M expenses than in 2016, SEG's higher financial cost from acquisition of Salak and Darajat geothermal power plants and SEG's expenses on corporate income tax. Moreover, EGCO realized more interest expenses from its financing for investment. Besides, BLCP's and GPG's electricity income received from the Availability Payment reduced by 353 million baht in accordance with the tariff structure in the PPA. The profit from Khanom 2 and Khanom 3 was decreased by 603 million baht owing to the expiry of their PPAs.

The profit from operations comparing to the previous 4 years from 2013-2017 were gradually increase by 6.25% per year.

As of December 31, 2016, EGCO Group realized the total asset of 200,332 million baht, increasing by 3,077 million baht or 1.56%, mainly due to the increase in the investment in Salak and Darajat geothermal power plants, Nam Therun 1 hydropower plant and Xayaburi power plant, and the addition of the share of profit after dividend from associates and joint ventures. EGCO Group recognized the total liabilities of 113,476 million baht, a decrease of 1,181 million baht or 1.03% mainly from repayment of long-term loans. The Group appreciated the higher retained earnings after dividend, increasing the shareholders' equity of the Company by 4,265 million baht or 5.20% from that of 2015, and making the total shareholders' equity in 2017 amounted to 86,238 million baht.

### **3. Social Responsibility and Sustainable Development**

In 2017, EGCO Group initiated 3 special projects in occasion of EGCO's 25<sup>th</sup> anniversary as follows:

- 1) Youth Development Project aimed at improving capabilities among youth surrounding EGCO Group power plants covering 3 major areas: promotion of sanitation of youth for good learning; promotion of learning and development of energy and environment skills; and awareness raising on energy and environmental conservation.
- 2) Khanom Power Plant Learning Center Project aimed at promoting knowledge and understanding of electricity generation processes and environment for youth and interested organization. It was expected to be completed by 2018.
- 3) Conservation of Watershed Forest Project arranged by Thai Rak Pa Foundation to support and preserve environment and watershed forest. In 2017, Thai Rak Pa extended areas to preserve from the north through the North East and the South.

### **4. Corporate Governance**

In 2017, EGCO Group implemented on corporate governance as follows:

- 1) The Board of Directors reviewed and revised good corporate governance principles and practice guidelines in comparison with CG Code 2017, CGR's criteria, and ASEAN CG Scorecard as follows:
  - Criteria and procedures for nomination of the President
  - Disclosure policy and practice guidelines
  - Code of Conduct for Investor Relations
  - Appointment of Lead Independent Director
- 2) Arranged CG Roadshows to enhance knowledge on good corporate governance principles for the Directors and EGCO Group's employees
- 3) Supported EGCO Group's companies to apply for membership of the Collective Action Coalition Against Corruption ("CAC"). In 2017, KEGCO applied for



membership of CAC and it was now under the consideration for certification of membership.

- 4) EGCO was rated as “Excellent” in Corporate Governance Rating (CGR) with the score of 96 out of 100 by the Thai Institute of Directors (IOD).
- 5) EGCO received the Thailand Best Sustainability Investment Award (THSI) from the Stock Exchange of Thailand with outstanding performance in environment, social responsibility and good governance.

## **5. Overview of Business Investment**

As at March 31, 2018, EGCO Group invested in Asia Pacific region for 5 countries namely, Thailand, Lao PDR, Philippines, Indonesia, and Australia and possessed 26 operating power plants with the total contracted capacity of 4,256.95 MW. It has a capacity of 79.50% of fossil fuels and 20.50% of renewable energy.

Apart from the power business, EGCO invested in the other business in the following 4 companies:

- 1) EGCO held 100% stake of EGCO Engineering and Services Company Limited (“ESCO”), which provided operation, maintenance and engineering service to the power plant.
- 2) EGCO indirectly held 100% stake in Pearl Energy Philippines Operating Inc. (“PEPOI”) which provided operation and maintenance services to Quezon power plant through a long-term operation and maintenance agreement.
- 3) EGCO indirectly held 100% stake in Quezon Management Service Inc. (“QMS”) which provided management services to Quezon power plant through a long-term management service agreement
- 4) EGCO indirectly held 40% stake in PT Manambang Maura Enim (“MME”) which owned and operated a coal mining project in Indonesia. EGCO Group sold 18.72% of shares in Eastern Water Resources Development and Management Public Company Limited (“EASTW”) to Manila Water Company Inc., Philippines, in the total amount of 5,226 million baht, which was completed on March 14, 2018.

The installed capacity of 3 under construction projects was 544 MW which commercial operation date would be in 2019-2022.

- 1) Xayaburi Hydro Power in Laos 90.60% completed construction
- 2) SBPL Project in Philippines 80.22% completed construction
- 3) NT1PC in Lao 25% completed construction

## **6. Business Direction in 2018**

EGCO targeted to enhance its sustainable growth with emphasis on investment in power business in which EGCO had expertise and experiences as well as operating its business on corporate governance principles with the commitment to social, environment and stakeholders responsibility. EGCO also concerned benefits of shareholders by maintaining the return of equity at least 10%. To achieve the target, EGCO drives its business under the three main strategies covering business aspect, social and environment aspect, and governance aspect. In term of business, EGCO focuses on well managing existing assets to ensure maximum efficiency, monitoring performance of joint venture assets to make sure their highest performance and return as planned, managing aspects under construction to be completed as scheduled and within the planned budget; and seeking new investment opportunities for long-term income generation. Apart from this, EGCO aims to increase its renewable portion on national and international markets up to 30% of its total portfolio in 2026. In the meantime, EGCO targeted to enhance its environmental management and coexistence in harmony with local community under good corporate governance.

Then, the Chairman invited questions/recommendations from shareholders, the discussions of which were summarized as below:

**Question:** Mr. Suchart Kampholkajana, shareholder, asked the question as below:

1. Was the video presentation included in the Annual Report CD?
2. Referring to the Notice of Shareholders' Annual General Meeting, Page 4, and the video presentation, informing the different numbers of operated power plants and contracted equity and shareholding proportion as shown below:

	Notice of AGM	Video Presentation
Operated power plants	28 plants	26 plants
Contracted equity and shareholding proportion	4,574 MW	4,256.95 MW

Therefore, please correct the information accordingly.

3. EGCO divested 2 assets in March, 2018 which were East Water and Masinloc as stated in the presentation, which might be continued from the negotiation in 2017, so would the revenue be counted in 2018?
4. The Notification of the Capital Market Supervisory Board, Tor Jor 20/2008: Rules for Entering into Material Transactions of Acquisition or Disposal of Assets stated that the disposal valued

more than 3% of net tangible asset should be proposed to the shareholders for consideration. With respect to the value of the disposal, did the Company study on this matter?

Answer: The Chairman clarified as follows:

1. The information in video presentation was the operating results in 2017 as well as the operation plan in 2018 which was revised until March 31, 2018 for presenting in the Shareholders' Meeting. Therefore, the video presentation was not included in the CD.
2. The information in the AGM notice was prepared as of 2017 year ended, however, the video presented as of March 2018. EGCO divested 2 power plants during the first quarter of 2018 namely (1) Masinloc Power Plant with contracted capacity of 314 MW and (2) GIDEC Power Plant with contracted capacity of 3 MW.
3. The revenue from disposal of East Water and Masinloc would be counted in 2018.
4. EGCO had studied and complied with the Notification of the Capital Market Supervisory Board, Tor Jor 20/2008 and the Notification of the Board of Governors of the Stock Exchange of Thailand, Bor Jor/Por 21-01, Re: Disclosure of Information and Other Acts of Listed Companies Concerning the Acquisition and Disposition of Assets, mentioned above, the value of disposal must be over than 50% of net tangible asset. However, the transaction sizes of the 2 projects were not reach the 3% of net tangible assets so that EGCO only disclose the transactions via the Stock Exchange of Thailand's portal.

Question: Mr. Songwut Wangthamkum, shareholder, questioned as follows:

1. There were some errors regarding the numbers in financial report comparing financial overview on page 2 and report and analysis of the operating results on page 17 such as:
  - Share of profit (loss) from investments in associates and joint ventures on page 2 showed 5,773 million baht whereas page 17 showed 7,264 million baht,
  - Foreign exchange loss on page 2 showed 1,594 million baht whereas on page 17, showed 3,785 million baht,
  - Net profit attributable to owners of the parent before the effects of foreign exchange gain, deferred tax, impairment, lease income and income from service concession on page 2 showed 9,268 million baht whereas on page 17 showed 9,048 million baht.

2. Considering financial cost from 2013-2015, accrued interest was about billions baht, however, there was negative interest in 2017 that meant there was no payout interest or not? If yes, please clarify such condition; also, would EGCO able to manage the interest in the next year?

Answer:

Mr. Danuja Simasatien, Chief Financial Officer (“CFO”), assigned by the Chairman answered the questions as follows:

1. The 3 different numbers in the report and analysis of the operating results were reported from the different operating results on page 17 was based on proportionate consolidation realizing profit sharing whereas the financial overview on page 2 was the numbers in financial statements presenting net profit proportions including foreign exchange gain (loss) based on accounting standard. Although the lists of each report were different, but the summary were the same net profit. The Company provided segment reports as stated in No.5 of the notes to the consolidated and separate financial statements, and consolidated financial statements on page 217 of Annual Report.
2. There was FX gain of 4,366 million baht in 2017 including financial cost higher than payout interest resulted in positive financial cost as detailed in the note to the consolidated and separate financial statements, No. 35, page 270 of the Annual Report.

Question:

Mr. Supachai Sethasathien, shareholder and proxy, asked the questions as follows:

1. EGCO disposed Masinloc in amount of 850 million US dollars at the end of 2017 and East Water in amount of 5,220 million baht in 2018, totaling 2 transactions or around 30,000 million baht, why did the EGCO divested those assets? What would EGCO manage the revenue from such divestments?
2. He claimed that the power plants in which Power Purchase Agreements were expired as non-profit assets such as Rayong Power Plant and Khanom Power Plant. How would the Company manage those assets?

Answer:

The Chairman and the Management clarified as follows:

1. EGCO was proposed to buy all shares in East Water from the Manila Water Company Inc. whereas SMC Power Holdings Corp. offered high revenue in Mainloc. The profit from divestment of East Water was 17% and 18% which was satisfactory price so that EGCO received the offer. With respect to the divestments, EGCO was considering to invest in many further projects.

2. Mr. Gumpanart Bumroogit, Senior Executive Vice President – Strategy and Asset Management, explained that the wreck of Khanom Power Plant Unit 2 was already sold and Unit 3 was being in selling process. Moreover, the wreck in Rayong Power Plant was proposed to buy and under negotiation process.

Question: Mr. Chirapan Buabucha, shareholder, questioned and gave a notice as follows:

1. Referring to the Annual Report, page 13, the 2<sup>nd</sup> paragraph of the Message of the Chairman, regarding the Company actively encourages both commercial and social innovations to create distinctiveness and competitive advantage for the business as well as to benefit society and the environment alongside, what was the innovation? And how did the Company implement?
2. As EGCO indirect jointly invested 20.07% of shares in Star Energy Geothermal (Salak-Darajat) with Star Energy Group Holdings Pte. Ltd. and AC Energy Holdings, Inc., he believed that the fuel cost should be low and the revenue should be high. Why did Chevron Corporation divest its shares? How much investment cost and percentage of the revenue? Did the revenue return as planned? Additionally, what was the risk of the geothermal power plant?
3. Referring to the Annual Report, Page 146, the Analysis of the Operating Results in Power Generation Business of SEGSD presented cost of sale amounting to 460 million baht and other expenses amounting to 586 million baht, what were other expenses? Comparing with cost of sale, why were the other expenses very high?
4. Referring to the Annual Report, page 154, the Analysis of the Operating Results in Power Generation Business of GIDEC presented the loss before FX, deferred income tax, impairment and impact of lease income amounting to 48 million baht and 29 million baht in 2017 and 2016 respectively, how much investment cost in GIDEC? How much loss since EGCO had started in this project? Would EGCO able to build any profit?
5. Referring to the Annual Report, page 328, Audit Committee's Report, presented the internal control system was properly set to monitor the subsidiaries' operations in order to safeguard EGCO's

and subsidiaries' assets from misuse or unauthorized use by the Directors, the Management or employees, what was such internal control?

**Notice**

Referring to the Annual Report, page 46, presented the results of the employee engagement survey in 2016 showed that employees were much satisfied with the organization in the following areas: 1. Safety 2. Corporate Image 3. Work-Life Balance. Employee expectations towards the organization included 1. Talent management 2. Career advancement, and 3. Learning and additional development, he noticed that the satisfaction was not conform to expectation.

Answer:

The Chairman assigned the Management clarified as follows:

1. EGCO had sustainable business policy in order to develop the commercial and social innovations to create success and effectiveness as well as to gain value for the Company and the stakeholders. With respect to this, innovative thinking was set as EGCO's core value by supporting employees to create both new conceptual and productive innovations to apply with their work process for more profit and to drive through corporate sustainability. In 2017, EGCO arranged "Inspiring Innovation" course to gain employees' knowledge and to constantly urge innovative creation. The examples of EGCO's commercial and social innovation were as follows:
  - 1) Half block operation, GCC Power Plant: This process helped reduce heat rate of around 40 BTU/kWh/Year or 7.8 million baht, also, it created more commercial advantage for EGCO.
  - 2) Wastewater treatment from wood yards by Activated Carbon, GYG Power Plant: The plant used activated carbon filtration to absorb color and smell from the treated water instead of EM before disposing to the canal. With respect to this process, it supported implementation on social and environmental advantage.
2. EGCO invested in the SEGSD for 102 million US dollars or 3,506 million baht. Also, the risks of geothermal power plant were amount and pressure of steam as well as geohazard.
3. The other expenses of SEGSD were included financial cost from investment loan in SEGSD.
4. EGCO invested in GIDEC amounted to 200 million baht. There was 175 million baht loss since EGCO entered into the project. However,

EGCO sold all shares in GIDEC to IEC Green Energy Company Limited in March, 2018.

5. EGCO provided and re-checked list of properties as well as reported to the Management annually.

**Question:** Mr. Hungchai Akrawatsakul, from Thai Shareholder Association, asked whether the price per share of selling East Water and how much of 17% profit?

**Answer:** Mr. Gumpanart Bumrooggit assigned by the Chairman clarified that the selling price was 16.78 baht per share amounted to 5,226 million baht with the profit of 4,358 million baht.

There being no other questions/recommendations, the Chairman concluded the resolution of the meeting.

**RESOLUTION:**

With the permission from the shareholders, the Company's performance in 2016 and operation plan in 2017 were noted.

**Agenda 3 To Consider and Approve the Financial Statements for the year ended December 31, 2017**

The Chairman delegated Mr. Jakgrich Pibulpairroj, President, to report the consolidated and Company's Financial Statements for the year ended December 31, 2017 which were audited and certified by Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977, the Company's auditor, with the review of the Audit Committee. The details were summarized as below:

Description	Consolidated (baht)	Company (baht)
Total Assets	200,332,544,867	114,752,338,501
Total Liabilities	113,476,065,423	51,137,885,477
Total Revenues	32,286,170,026	7,952,123,903
Share of Profit from Associate and Joint Venture Entities	5,772,539,998	-
Net Profit of Equity holders of the Company	11,818,280,707	7,858,592,143
Earnings per Share	22.45	14.93

After that, the Chairman delegated Mrs. Jaruwan Ruangswadipong, AC Chairman, to present information of the review on the financial statements. The AC Chairman reported that the AC had reviewed the financial statements of the Company for the correctness and

in compliance with related law and regulations. In addition, the committee had always overseen the Company's appropriate application to the accounting policies and reviewed its quarterly and annual financial statements with the Management and the auditors of the Company whereby the AC asked questions about the correctness and completeness of the financial statements and the adjustment of significant accounts affecting the financial statements. The consideration and recommendations from the AC were made to ensure that the Company's financial statements showing the fair, accurate and reliable financial position, operating income, changes in shareholders' equity and cash flow. The AC needed to ensure that the Company disclosed all material respects, and that such statements complied with the generally accepted accounting principles and all governing rules and regulations. The consolidated financial statements were presented in Annual Report.

After that, the Chairman invited questions/recommendations from shareholders of which the discussions were summarized below.

**Question:** Mr. Somchai Charungthanakij, shareholder, asked whether the profit per share of 22.45 baht included the special gains from the divestment of East Water and Masinloc:

**Answer:** The Chairman clarified that the profit of 22.45 baht per share did not include the profits from the sale of East Water and Masinloc which was completed in 2018.

**Suggestion:** Mr. Somkiat Paisan, proxy, shared a view that the wording "...in all material aspects and reliable manners..." as shown in the AGM notice on page 7/19 under the topic Board of Directors' Opinion, could lead to some understanding that there were any other material aspects apart from the opinion of the Board of Directors, which could be inaccurate. Therefore, it was suggested that the Company adjust the wording clearer for the right understanding of the shareholders.

**Answer:** Mr. Danuja Simasathien, CFO, assigned by the Chairman, explained that the word "material aspects" referred to the aspects which were material in terms of accounting standard.

**Question:** Mr. Wuttisak Udompornpadung, proxy, had the following inquiries:

1. It was inquired about the average remaining years on existing PPAs of EGCO's power plants
2. It was noticed that Company's strategies focused on increasing the portion of renewable energy power plant to 30% in EGCO's portfolio while the Thai Government's policy suspended the electricity purchase from renewable energy power plants temporarily. The shareholder then asked whether and how this situation would affect the Company's strategies and plans in the future.

**Answer:** Mr. Gumpanart Bumroonggit, SEVP – Strategy and Asset Management, assigned by the Chairman, answered the questions which could be summarized as follows:

1. At present EGCO had 26 operating power projects, of which the remaining PPA terms were short or long subject to the current age



of each project. Among EGCO's power plants nowadays, the shortest and longest remaining PPA terms were 3 years and 25 years, respectively.

2. Regarding the Company's goal to reach 30% for renewable energy power projects in the Portfolio, the Management had been seeking such investment opportunities both in domestic and overseas markets. Although there were some limitation in Thailand, EGCO could still find investment opportunities and business expansion on such renewable energy in overseas countries.

Question: Mr. Prawit Wirojwongchai, proxy, had the following questions:

1. Why did EGCO suffer loss in 2016 and 2017 as shown in Annual Report page 150?
2. Why Klongluang Power Plant (KLU), which had just commenced its commercial operation in the middle of 2017, suffered loss as appeared in the financial statements? In a view of Mr. Prawit, most SPPs normally realized the profit immediately after their commercial operation.

Answer: Mr. Danuja Simasathien, CFO, assigned by the Chairman, answered the questions which could be summarized as follows:

1. With regard to Annual Report page 150, the display of EGCO's performance having the loss of 3,373 million baht and 3,567 million baht in 2016 and 2017 respectively, belonged to EGCO individually as a holding company doing the business by investing in various companies for the purpose of power project operation. Thus, for EGCO's individual performance, only expenses would be recorded while the share of profit and dividend from EGCO's power plants and associates would be excluded. That share of profit and dividend was separately disclosed in the performance table of each company. This was the reason why the EGCO's operating result seemed to be loss.
2. In reference to the loss of KLU, since KLU started operating commercially in mid-2017, there was an overlap between construction phase and operation phase of the power plant. KLU had expenses on both phases as well as on machine improvement for the most efficiency of the power plant operation. At present, KLU already resumed its normal operation.

There being no other questions/recommendations, the Chairman asked shareholders to approve the Company's financial statements for the year ended December 31, 2017 which was audited and certified by the Auditor and reviewed by the AC as shown in the Annual Report distributed to shareholders with the notice to the meeting. The resolution required the majority of votes of shareholders who attended the meeting and cast their votes.

**RESOLUTION:**

Having considered the matter, the shareholders with the majority votes of shareholders who were present in the meeting and cast the votes approved the financial statements ended December 31, 2017 as proposed by the Chairman with details as shown below.

<u>Voting result</u>	<u>No. of votes</u>	<u>%</u>
Favor	404,179,346	99.9997% of all votes of shareholders who attended the meeting and cast their votes
Against	1,200	0.0002% of all votes of shareholders who attended the meeting and cast their votes
Abstention	369,700	-
Voided Ballot	0	-
Total voting shares	404,550,246	-

**Agenda 4 To Consider and Approve the Appropriation of Net Profit and the Payment of Dividend**

The Chairman reported to the shareholders that in the absence of unforeseen circumstances, the Company had a policy to dividend approximately 40% of the consolidated net profit after taxation, or to increase the dividend amount in a steady manner, to the shareholders. It should be noted that the Company's legal reserve had reached the amount of 530 million baht which was 10% of the registered capital as required by law.

Additionally, Article 41 of the Company's Articles of Association stated that the Board of Directors might pay interim dividend if the profit was adequate for doing so and should report the interim dividend payment to the shareholders at the next meeting. With respect to this, the Board of Directors in the meeting no.9/2017 on August 19, 2017 resolved to pay the interim dividend from the first-half year operation at 3.50 baht per share or 1,843 million baht in total and the payment was made on September 15, 2017.

For 2017, the net profit amounted to 11,818 million baht, which was 3,497 million baht higher than the net profit in 2016. Meanwhile, the profit from operation was 9,268 million baht increasing from the 2016's by 111 million baht. Considering the investment plan, the Board of Directors proposed the dividend for the remaining year end at 3.50 baht per share or 1,843 million baht in total. Therefore, the dividend payment for the 2017 operating year was 7.00 baht per share, equivalent to 31% of the net profit. The total payment accounted for 3,685 million baht, which was higher than 2016. As the 2017 annual dividend would be paid at 7.00 baht per share, the retained earnings carried forward in consolidated and separated financial statements were 69,845 and 45,019 million baht, respectively. The final dividend would be paid in April 27, 2018.

The comparison of the dividend payment between 2016 and 2017 was illustrated as follows:

<b>Description</b>	<b>2017</b>		<b>2016</b>	
Net Profit (million baht)	11,818		8,321	
Profit from Operation (million baht)	9,268		9,157	
Number of Shares	526,465,000		526,465,000	
Earnings per share (baht)	22.45		15.51	
Dividend per share (baht)	7.00		6.50	
	3.50	3.50	3.25	3.25
Total dividend amount (million baht)	3,685		3,422	
Dividend Payout Ratio (%)	31		41	

After that, the Chairman invited questions and recommendations from shareholders of which the discussion was summarized below:

**Suggestion:** Mr. Supachai Sethasathien, shareholder and proxy, noticed that in 2017 EGCO had a huge net profit up to 11,818 million baht and capital gains from the asset divestment over 32,000 million baht; and the dividend payout ratio was only 31% while EGCO had the policy to dividend 41% of the consolidated net profit. It was considered that 2017 annual dividend payment was not complied with the Company's policy which was regarded as the commitment to the shareholders. In addition, the Company did not have certain investment projects; as a result, it was not necessary for the Company to reserve such huge amount of money. In order to be in line with the Company's policy on dividend payment and the enormously increasing net profit, Mr. Supachai proposed that EGCO increase the 2017 annual dividend from 7 baht per share to 9 baht per share.

**Explanation:** The Chairman provided the following explanations:

- Though the 2017 dividend payout ratio was 31%, the Company was paying higher amount of dividend. This was also in accordance with EGCO's policy which stated that the Company had a policy to dividend approximately 40% of the consolidated net profit after taxation, or to increase the dividend amount in a steady manner, to the shareholders.
- EGCO needed to reserve the money for investment projects in pipeline, which could not be disclosed due to the high competition nowadays
- The capital gains from the asset divestment would be recorded in 2018. With respect to this, the Chairman took the shareholder's proposal on increasing dividend payment for consideration in the following year.

**Question:** Apart from the reason that the dividend would be paid higher than the last year's, Mr. Somkiat Paisan, proxy, requested additional explanations on 31% payout ratio which was not

aligned with the Company's policy.

Answer:

Mr. Danuja Simasathien, CFO, assigned by the Chairman, made a clarification that providing the dividend payment was mainly calculated on 40% of the consolidated net profit, the Company would not be able to increase the dividend amount in a steady manner to the shareholders. It was because the net profit of each year would also be influenced by the foreign exchange. It could be said that in a year that the Company had a gain from foreign exchange, there would be high net profit; but in a year that having a loss from foreign exchange, the net profit of the Company would be low. Since the dividend payment policy also stated that the dividend amount should be increased steadily, the Company had made an effort to keep the gradual growth of dividend payment in a long term. It was added that the average dividend payout ratio would be maintained at approximately 40%.

Comment:

Mr. Pakpoom Jirarat, shareholder, opined that the explanation of the Company to pay the 2017 annual dividend at 31% of the consolidated net profit in order to reserve such profit for the retained earnings which would be appropriated for higher dividend payment for the shareholders in the following year, was not the correct practice. It was commented that despite low cash amount the Company would obtain a plenty of cash from the asset divestment. Therefore, if the Company did not have any clear investment plans and could not utilize the money to get more gain in the future, it was not necessary to reserve that huge amount of cash for the retained earnings.

Answer:

Assigned by the Chairman, Mr. Anya Khanthavit, independent director and specialized in accounting and finance, clarified as follows:

- The consolidated net profit in the amount of 11,818 million baht was composed of 2 portions, namely
  - 1) Profit from operation amounting 9,268 million baht which was cash and
  - 2) Profit from foreign exchange which was non-cashFor dividend payment to the shareholders, cash would be physically distributed out from the Company to the shareholders; it was not based on the mathematical figures. Therefore, given that the dividend amount was calculated on cash basis, the dividend payout ratio would roughly equal to 40% while the 31% was the dividend payout ratio from the mathematical figures.
- Regarding the capital gains from the asset divestment, the Company was taking into consideration the following 2 action plans:
  - 1) EGCO was studying to adjust its financial structure for the optimal debt to equity ratio in order to obtain lower financial cost and to be able to beat the competitors regionally and globally.
  - 2) EGCO had some investment projects in hand, which

were under consideration based on the Company's investment policy that required the rate of return not less than 10%.

There being no questions/recommendations, the Chairman proposed to the Meeting for acknowledgement of interim dividend payment from the first half year 2017 performance in the amount of 3.50 baht per share and called for the voting to approve the appropriation of net profit and the payment of final dividend from the second half-year operation of 2017 as detailed above. The resolution required the majority of votes of shareholders who attended the meeting and cast the votes.

**RESOLUTION:**

Having considered the matter, the shareholders, with the majority votes of shareholders who were present and cast the votes, acknowledged the interim dividend payment from the first half year 2017 performance in the amount of 3.50 baht per share, accounting for 1,843 million baht in total and paid to the shareholders on September 15, 2017; and approved the appropriation of the 2017 net profit and final dividend payment from the second half-year operation of 2017 at 3.50 baht per share or 1,843 million baht in total with the payment on April 27, 2018. The voting details were as shown below.

<u>Voting result</u>	<u>No. of votes</u>	<u>%</u>
Favor	397,925,671	98.3650% of all votes of shareholders in attendance and casting votes
Against	6,613,900	1.6349% of all votes of shareholders in attendance and casting votes
Abstention	700	-
Voided Ballot	0	-
Total voting shares	404,540,271	-

**Agenda 5 To Consider the Appointment of Auditors and to Determine the Audit Fee**

The Chairman delegated Mrs. Jaruwan Ruangswadipong, Lead Independent Director in capacity of AC Chairman, to present the information of auditor selection to the shareholders. The AC Chairman reported to the shareholders that the Company put priority on the independence of the auditor. In this regard, the AC set the policy to change the statutory auditor of the Company at every five years whereby the auditors from the same office could be appointed. This policy was in consistent with the recommendation of the SEC which was promulgated in 2003. Besides, the Company set the policy to select the Company's auditor from the leading auditing firms based on qualifications and comparison of the auditing fee every 3 years. In the 2016, it was the latest year that the Company considered the auditor selection comparing the qualification and auditing fee.

The Board of Directors and the AC viewed that the auditors from PricewaterhouseCoopers ABAS Limited (“PwC”) were professional, independent, neutral and experienced in accounting audit. Understanding power business and being familiar with business of EGCO group, PwC could smooth its auditing service. Moreover, PwC had rendered good service and useful advice with good time management. Since PwC was a reputable auditing firm which applied the broadly acceptable international auditing standards and had worldwide networks to facilitate the audit work for EGCO’s overseas subsidiaries and joint ventures, auditors from PwC should be appointed as the Company’s auditors for year 2018 by designating one of them as an auditor to perform auditing work and express opinions in the financial statements.

1. Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977 or,
2. Mr. Prasit Yuengsrikul, Certified Public Accountant (Thailand) No. 4174 or,
3. Mr. Pongthavee Ratanakoses, Certified Public Accountant (Thailand) No. 7795

With respect to this, the 2018 audit fee was proposed as follows:

1. The aggregate audit fee for year 2018 was 4,341,600 baht, increasing from that of the previous year by 873,100 baht, due to the increase of the review for business combination from 1 project to 4 projects and the raise of audit fee for quarterly financial statements review of Star Energy Geothermal (Salak – Darajat) B.V. (“SEGSD”) and Nam Theun 1 Power Company Limited (“NT1PC”), new acquired companies in 2017; and
2. The out-of-pocket expenses for audit work in Thailand were not exceeding 175,000 baht. With respect to the overseas audit work, the Company would also be responsible for the auditors’ overseas traveling expenses as appropriate.

It should be noted that PwC and the proposed auditors to serve EGCO and its subsidiaries had neither interest nor relationship with the Company, its subsidiaries, management, major shareholders or other related persons that might deprived their independence in discharging their duties. Then, PwC proposed Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977, who had affixed his signature and provided the opinions on the Company’s financial statements for a year. His service years to EGCO still complied with the SEC’s regulation and resolution of the AC in its meeting no. 3/2003 that the Company had to change its statutory auditor at every five years.

The proposed auditors would be appointed as auditors of the Group Companies except Quezon Power (Philippines) Co., Ltd. (Quezon) and Quezon Management Services Inc., EGCO’s subsidiaries, which appointed auditors from Sycip Gorres Velayo & Co., (“SyCip”) as their auditors since they have worked for those two companies before EGCO’s acquisition. They were experienced and had good acquaintance with Quezon business.

According to the above reasons, the Board of Directors, with the recommendation of the AC, then proposed the appointment of PwC’s Certified Public Accountants, namely Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977 or, Mr.

Prasit Yuengsrikul, Certified Public Accountant (Thailand) No. 4174 or, Mr. Pongthavee Ratanakoses, Certified Public Accountant (Thailand) No. 7795, to be the Company's auditors, anyone being authorized to conduct the audit and provide the opinions on the financial statements of the Company with the audit fee for year 2018 of 4,341,600 baht and the out-of-pocket expenses for audit work in Thailand of not exceeding 175,000 baht while the Company would be responsible for the auditors' overseas traveling expenses. The shareholders should authorize the Board of Directors to appoint alternate certified public accountant from PwC in case of absence of the three auditors as stated above. In addition, the Board of Directors should be authorized to consider and approve the review fee of the financial statements of subsidiary, associated and joint venture companies which would be established or acquired during the year.

After that, the Chairman invited questions/recommendations from shareholders which could be summarized as below:

Suggestion: Mr. Somkiat Paisan, proxy, recommended that the Company should separate the vote in each proposal for the clear voting.

Answer: With respect to the voting in agenda 5. To Consider the Appointment of Auditors and to Determine the Audit Fee, the Chairman explained that the Company had been applying this voting practice as same as the other listed companies'.

Question: Mr. Suchart Kampolkanjana, shareholder, questioned as follows:

1. In the 2016 Annual General Meeting the audit fee for year 2017 had been approved in the amount of 3,344,500 baht while the actual cost incurred was 3,468,500 baht which was higher than the approved amount (as indicated in page 10 of the AGM notice). It was then inquired whether there were any problems with the audit work thanks to such actual cost higher than the approved. In addition, it was asked about the Company's practice when the audit fee increased from the approved amount.

2. What was the non-audit fee comprised of ?

Answer: Mrs. Jaruwan Ruangswadipong, Lead Independent Director in the capacity of the AC Chairman, explained as follows:

1. During the year 2017, EGCO had 2 new investment projects, namely Star Energy Geothermal (Salak-Darajat) B.V. ("SEGSD") and Nam Theun 1 Power Company Limited ("NT1PC"); as a result, it was necessary to engage an auditor to review their respective financial statements prior to combining in the consolidated financial statements. This led to the increase of audit fee for 524,000 baht. The engagement of auditor for such audit work was approved by the Board of Directors which was authorized by the shareholders in 2017 AGM. However, the audit fees as approved in 2017 AGM included the review of 3 new projects whereas only 1 project was completely reviewed, resulting in the decrease of the audit fee for 400,000 baht. In conclusion, compared with the approved amount in the shareholders' meeting last year, the net increasing amount of the audit fee was 124,000 baht.

2. Mostly the non-audit fee would be from Due Diligence services (“Due Diligence”) for the overseas investment projects and advisor services on overseas investment structure, which EGCO had taken from PwC continuously during the year 2017 and 2018. As a result, EGCO already paid for such services in the amount of 23,266,809 baht while the balance to be paid to PwC when the services were completely provided was 2,780,203 baht.

There being no questions/recommendations, the Chairman called for the voting to approve the appointment of the Company’s statutory auditors and the audit fee. The approval of this item required the majority of votes of shareholders who attended the meeting and cast their votes.

**RESOLUTION:**

Having considered the matter, the shareholders approved, with majority of votes of shareholders who attended the meeting and cast their votes. The appointment of the Company’s auditors, namely Mr. Vichien Khingmontri, Certified Public Accountant (Thailand) No. 3977, Mr. Prasit Yuengsrikul, Certified Public Accountant (Thailand) No. 4174, and Mr. Pongthavee Ratanakoses, Certified Public Accountant (Thailand) No. 7795 of PwC, any one being authorized to conduct the audit and express an opinion on the annual financial statements of the Company. The audit fee was approved at 4,341,600 baht plus the out-of-pocket expenses for audit in Thailand at not exceeding 175,000 baht. The Company would also be responsible for the auditors’ overseas traveling expenses. The shareholders also authorized the Board of Directors to consider and approve the alternate certified public auditors of PwC in case of the absence of the above auditors; and to approve the additional quarterly review fees of any subsidiaries, associate companies or joint venture companies, to be incorporated during the year 2018 from business expansion.

Details of voting result were as shown below:

<u>Voting result</u>	<u>No. of votes</u>	<u>%</u>
Favor	378,629,873	93.6350 % of all votes of shareholders who attended the meeting and cast their votes
Against	25,737,809	6.3649% of all votes of shareholders who attended the meeting and cast their votes
Abstention	9,700	-
Voided Ballot	0	-
Total voting shares	404,377,382	-



**Agenda 6 To Consider Amendment of Articles of Association**

The Chairman proposed to the shareholders to consider amending 2 articles of the Company's Articles of Association, namely Article 18 regarding director term of office and Article 29 regarding the right of shareholders to call an extra ordinary general meeting. The agenda was presented separately in 2 sub-agenda items for the shareholders to vote on each amendment of the Company's Articles of Association as follows:

**Agenda 6.1 Amendment of Article 18**

The Chairman informed that the Board of Directors opined that the term of office of President as director should be in compliance with Section 72 of Public Limited Companies Act B.E. 2535 stating that in addition to vacating office on expiration of term of office, directors shall vacate office upon (1) death; (2) resignation; (3) dispossession of qualifications or possession of disqualifications under Section 68; (4) the meeting of shareholders resolving to remove under Section 76; and (5) the court issuing an order to remove.

In this regard, the Board of Directors proposed to the shareholders to consider the amendment of Article 18 by discarding the existing provisions and adopting the proposed ones in order to comply with the obligatory law as follows:

<b>Existing</b>	<b>Amended</b>
<p>Article 18. Apart from retirement by rotation, the Directors shall vacate the office upon:</p> <p>(1) death;</p> <p>(2) resignation;</p> <p>(3) lack of qualifications or possession of prohibited characteristics as provided by law;</p> <p>(4) removal by resolutions of the Shareholders' meeting under the procedure set forth in Article 36 of this Articles of Association;</p> <p>(5) dismissal by court order;</p> <p>(6) the President shall vacate the office upon the annual general meeting which is immediately followed the year in which such President becomes 60 years old.</p>	<p>Article 18. Apart from retirement by rotation, the Directors shall vacate the office upon:</p> <p>(1) death;</p> <p>(2) resignation;</p> <p>(3) lack of qualifications or possession of prohibited characteristics as provided by law;</p> <p>(4) removal by resolutions of the Shareholders' meeting under the procedure set forth in Article 36 of this Articles of Association;</p> <p>(5) dismissal by court order;</p>

After that, the Chairman invited questions/recommendations from shareholders, the discussions of which were summarized as below:

**Question:** Mr. Boonruen Jangbua, shareholder, noticed that EGAT, the major shareholder, originally held 49% of EGCO shares and had the right to propose a nominee for EGCO President. Yet, currently, EGAT held 25.4% of EGCO shares and still had such right. Mr. Boonruen then questioned if the amendment of Article 18 by discarding (6) would result in EGCO itself being able to specifically propose a nominee for the President.

Answer: Mr. Paisan Mahapunnaporn, independent director, assigned by the Chairman, answered that the amendment of Article 18 (6) would result in better continuity of business management and would prevent the case that the President became 60 years old prior to the end of his/her employment contract term. However, for the President nomination, EGCO by the Nomination and Remuneration Committee (NRC) had nomination procedure and criteria which were in compliance with the obligatory law and the Company's Articles of Association. In this regard, the amendment of such Article had no impact on the nomination procedure of President.

Question: Suchart Kampolkanjana, shareholder, queried what the term of office of President was after the amendment of Article 18; and what the reason for such amendment was.

Answer: The Chairman clarified that the office term of President was determined by employment contract and the Company needed to amend this Article in order to provide the President an opportunity to continue his/her duties until the end of his/her employment contract term and to perform efficiently for the Company's optimal benefit.

There being no other questions/recommendations, the Chairman called for the voting on the amendment of Article 18. The resolution required not less than four-fifths of votes of shareholders who were present in the meeting and had voting right.

**RESOLUTION:**

Having considered the matter, the shareholders approved, with the votes exceeding four-fifths of all votes of shareholders who were present in the meeting and had voting right, the amendment of Article 18 as proposed by the Chairman. Details of voting result were as shown below:

<u>Voting result</u>	<u>No. of votes</u>	<u>%</u>
Favor	404,325,191	99.9916 % of all votes of shareholders in attendance and having voting right
Against	33,500	0.0082 % of all votes of shareholders in attendance and having voting right
Abstention	200	0.0000 % of all votes of shareholders in attendance and having voting right
Voided Ballot	0	0.0000 % of all votes of shareholders in attendance and having voting right
Total voting shares	404,358,891	100.0000 % of all votes of shareholders in attendance and having voting right

**Agenda 6.2 Amendment of Article 29**

The Chairman informed that pursuant to the Order of the Head of the National Council for Peace and Order No. 21/2560, Section 100 of Public Limited Companies Act B.E. 2535 regarding the right of shareholders to call an extra ordinary general meeting was amended. The Board of Directors then proposed to the shareholders to consider amending Article 29 of its Articles of Association to comply with the law. Article 29 would be amended as follows:

<b>Existing</b>	<b>Amended</b>
<p><b>Article 29.</b>                      The Board of Directors shall hold an annual ordinary meeting of shareholders within four months from the end of the fiscal year of the Company. The agenda to be transacted at such meeting shall include the following:</p> <ol style="list-style-type: none"> <li>(1) To acknowledge the annual report of the Board of Directors.</li> <li>(2) To consider and approve the balance sheet and the profit and loss statement.</li> <li>(3) To consider appropriation of the profit.</li> <li>(4) To elect Directors in place of those retiring by rotation.</li> <li>(5) To appoint an auditor and specify the remuneration for the auditor.</li> <li>(6) Other businesses. All other shareholders' meeting apart from the above mentioned shall be called extraordinary shareholders' meeting.</li> </ol> <p>The Board of Directors may summon an extraordinary shareholders' meeting any time whenever it deems fit or when shareholders holding altogether not less than one-fifth of the total issued shares or not less than 25 shareholders as shareholders holding altogether not less than one-tenth of all issued shares make a requisition in writing to the Board of Directors to summon an extraordinary meeting by clearly specifying therein a reason for such requisition. In such a case, the Board shall summon an extraordinary shareholders' meeting within one month from the date the shareholders' request is received.</p>	<p><b>Article 29.</b>                      The Board of Directors shall hold an annual ordinary meeting of shareholders within four months from the end of the fiscal year of the Company. The agenda to be transacted at such meeting shall include the following:</p> <ol style="list-style-type: none"> <li>(1) To acknowledge the annual report of the Board of Directors.</li> <li>(2) To consider and approve the balance sheet and the profit and loss statement.</li> <li>(3) To consider appropriation of the profit.</li> <li>(4) To elect Directors in place of those retiring by rotation.</li> <li>(5) To appoint an auditor and specify the remuneration for the auditor.</li> <li>(6) Other businesses. All other shareholders' meeting apart from the above mentioned shall be called extraordinary shareholders' meeting.</li> </ol> <p>Other meeting of shareholders in addition to the meeting under first paragraph shall be called extra-ordinary meetings. The board of directors may convene an extra-ordinary meeting of shareholders any time it deems expedient or one or more shareholders holding the aggregate number of shares of not less than ten percent of the total number of shares sold may, by subscribing their names, request the board of directors in writing to call an extraordinary meeting at any time, but the reasons for calling such meetings shall be clearly stated in such request. In this regard, the board of directors shall proceed to call a meeting of shareholders to be held within forty-five days as from the date the request in writing from the shareholders is received.</p>

	<p>In case the board of directors fails to arrange for the meeting within such period under second paragraph, the shareholders who have subscribed their names or other shareholders holding the required aggregate number of shares may themselves call the meeting within forty-five days as from the date of expiration of the period under second paragraph. In such case, the meeting is deemed to be shareholders' meeting called by the board of directors and the Company shall be responsible for necessary expenses as may be incurred in the course of convening such meeting and the Company shall reasonably provide facilitation.</p> <p>In the case where, at the meeting called by the shareholders under third paragraph, the number of the shareholders presented does not constitute quorum as prescribed in Article 32, the shareholders under third paragraph shall jointly compensate the Company for the expenses incurred in arrangements for holding that meeting.</p>
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After that, the Chairman invited discussion from shareholders about the Amendment of Article 29 but no questions/recommendations were raised in the meeting. The Chairman then asked the shareholders to cast their vote on the Amendment of Article 29. The resolution required not less than four-fifths of all votes of shareholders who were present in the meeting and had voting right.

**RESOLUTION:**

Having considered the matter, the shareholders approved, with the votes exceeding four-fifths of all votes of shareholders who were present in the meeting and had voting right, the Amendment of Article 29 as proposed by the Chairman. Details of voting result were as shown below:

<u>Voting result</u>	<u>No. of votes</u>	<u>%</u>
Favor	403,930,391	99.9999 % of all votes of shareholders in attendance and having voting right
Against	0	0.0000 % of all votes of shareholders in attendance and having voting right
Abstention	200	0.0000 % of all votes of shareholders in attendance and having voting right
Voided Ballot	0	0.0000 % of all votes of shareholders in attendance and having voting right
Total voting shares	403,930,591	100.0000 % of all votes of shareholders in attendance and having voting right

**Agenda 7 To Consider and Determine the Directors' Remuneration**

The Chairman informed that taking into account (1) the Company's performances, (2) directors' performance, (3) responsibilities of the Board, (4) competitiveness with the peer companies, and (5) the motivation to attract and retain quality directors, the Board of Directors with the recommendation of the Nomination and Remuneration Committee proposed to the shareholders to consider the directors' remuneration comprising bonus, monthly retainer fee and meeting allowance, and Board Committees' remuneration as follows:

1. To allocate the 2017 director bonus, to be appropriated at the Board's discretion based on service time each year, at 25 million baht, equaled to 2016's approved amount. Such bonus payment accounted for 0.67% of the dividend payment;
2. To maintain the director fee at the existing rate which included the monthly retainer fee of 30,000 baht and the meeting allowance of 10,000 baht. The Chairman and the Vice Chairman of the Board would receive 25% and 10% additional remuneration, respectively, both in retainer fee and meeting allowance. Any absent directors shall not receive the meeting allowance. Such principle and fee amount had been approved by the shareholders since 2004 and comparable to the peer companies;
3. To maintain the remuneration of the 4 Board's Committees at the same rate as previously approved, taking into account the number of meetings together with the duties and responsibilities of each committee:

Committee	Monthly Retainer Fee (baht)		Meeting Allowance (baht)	
	2018	2017	2018	2017
Audit Committee	20,000	20,000	20,000	20,000
Investment Committee	20,000	20,000	20,000	20,000
Nomination and Remuneration Committee	20,000	20,000	20,000	20,000
Corporate Governance and Social Responsibility Committee	-	-	24,000	24,000

The Chairman of each Board Committee would receive 25% additional remuneration both in retainer fee and/ or meeting allowance.

4. No other benefits provided to the Board of Directors and the Board Committees
5. The remuneration of any Committee newly established or revised during the year should be at the Board's discretion according to appropriateness and responsibility.
6. The President who was the executive director was not entitled to any directors' remuneration.

After that, the Chairman invited discussion from shareholders about directors' remuneration but no questions/recommendations were raised in the meeting. The Chairman then asked the shareholders to cast their vote on directors' remuneration. The resolution required not less than two-thirds of all votes of shareholders who were attending the meeting.

**RESOLUTION:**

Having considered the matter, the shareholders approved with the votes exceeding two-thirds of all votes of shareholders who were present in the meeting as required by law the bonus for 2017, the monthly retainer fee and the meeting allowance for 2018, and the remuneration for Board Committees as proposed by the Chairman. Details of voting result were as shown below:

<u>Voting result</u>	<u>No. of votes</u>	<u>%</u>
Favor	398,738,930	99.2601 % of all votes of shareholders in attendance
Against	2,969,161	0.7391 % of all votes of shareholders in attendance
Abstention	3,000	0.0007 % of all votes of shareholders in attendance
Voided Ballot	0	0.0000 % of all votes of shareholders in attendance
Total voting shares	401,711,091	100.0000 % of all votes of shareholders in attendance

**Agenda 8**            **To Consider and Elect Directors to Replace Retired Directors**

The Chairman reported to the shareholders that Section 71 of the Public Limited Companies Act and Article 17 of the Company's Articles of Association stipulated that one-third of the directors shall retire by rotation at the Shareholders' Annual General Meeting. Upon this meeting, the following 5 directors would retire by rotation.

1. Mrs. Nualnoi Treerat            Independent Director
2. Mr. Chotchai Charoenngam    Independent Director
3. Mr. Bordin Rassameethes    Independent Director
4. Mr. Sombat Sarntijaree        Director
5. Mr. Wisak Watanasap          Director

For transparency and for shareholders' convenience to freely discuss on director election, all retired directors voluntarily excused from the meeting.

The Chairman informed that the Company posted on the Company's website to welcome the shareholders' recommendations on director nominees but no recommendation was received. Since three members of the Nomination and Remuneration Committee would retire by rotation in this Annual General Meeting, the two members did not constitute the quorum of the Nomination and Remuneration Committee. As a result, the Board of Directors excluding the directors having potential conflicts of interest in this election sought the qualified candidates from the director pool based on the Company's director nomination procedure. Considering the candidates' qualifications as required by law, the

Company's Articles of Association and related regulations including the appropriate composition of the Board and required qualifications, skills, experiences and expertise of the candidates to benefit the Company's strategy setting and achievement as well as to strengthen the Company's governance, including their past performance and devotion during their service terms, the Board of Directors proposed as follows:

- To elect 2 new directors, namely
  1. Mr. Pasu Loharjun as an independent director to replace Mr. Chotchai Charoengam and
  2. Mr. Witoon Kulcharoenwirat as a director to replace Mr. Sombat Sarntijaree
- To re-elect the following 3 directors for another term:
  1. Mrs. Nualnoi Treerat,
  2. Mr. Bordin Rassameethes and
  3. Mr. Wisak Watanasap,

According to definition of EGCO independent directors which prescribed that independent directors should hold shares not more than 0.5% of the paid-up capital with the voting right of EGCO, should have neither any relation in Company's business nor participation in Company's administration and should not provide any technical services to the Company, Mr. Pasu Loharjun, Mrs Nualnoi Treerat, and Mr. Bordin Rassameethes, the nominees for independent director, had no shares in EGCO and their qualifications met such definition.

The resume of the proposed directors were presented in Attachment # 5 of the notice to the meeting.

After that, the Chairman invited discussion in each director nominee but no questions/recommendations were raised in the meeting. The Chairman then called for the voting on director election on individual basis. The resolution required not less than four-fifths of votes of shareholders who were present in the meeting and had voting right.

After voting procedure was completed, the Chairman invited all retiring directors back to the meeting.

**RESOLUTION:**

Having considered the matter, the shareholders resolved to elect Mr. Pasu Loharjun as a new independent director replacing Mr. Chotchai Charoengam, and elect Mr. Witoon Kulcharoenwirat as a new director replacing Mr. Sombat Sarntijaree; and re-elect 3 directors, namely Mrs. Nualnoi Treerat, Mr. Bordin Rassameethes, and Mr. Wisak Watanasap for another term. The number of the votes in favor for each director exceeded four-fifths of the votes of shareholders who were present in the meeting and had voting right. Details of voting result for each director were as shown below:

Directors	In Favor (%)	Against (%)	Abstention (%)	Void Ballot (%)	Total (%)
1. Mr. Pasu Loharjun Independent Director	396,717,886 (98.8033)	4,802,585 (1.1960)	2,060 (0.0005)	0 (0.0000)	401,522,531 (100.0000)
2. Mrs. Nualnoi Treerat Independent Director	400,932,920 (99.8531)	372,451 (0.0927)	217,160 (0.0540)	0 (0.0000)	401,522,531 (100.0000)
3. Mr. Bordin Rassameethes Independent Director	387,249,310 (96.4452)	14,271,161 (3.5542)	2,060 (0.0005)	0 (0.0000)	401,522,531 (100.0000)
4. Mr. Witoon Kulcharoenwirat Director	395,287,486 (98.4471)	6,232,985 (1.5523)	2,060 (0.0005)	0 (0.0000)	401,522,531 (100.0000)
5. Mr. Wisak Watanasap Director	395,291,686 (98.4481)	6,228,785 (1.5512)	2,060 (0.0005)	0 (0.0000)	401,522,531 (100.0000)

### **Agenda 9 To Consider Other Matters**

The Chairman informed that the consideration for all general agenda was completed and the meeting came to Agenda 9: To Consider Other Matters. According to Section 105 Paragraph 2 of Public Limited Companies Act and Article 34 Paragraph 2 of the Company's Articles of Association, shareholders holding an aggregate number of shares not less than one-third of the total number of shares sold were able to request the Meeting to consider other matters in addition to those specified in the agenda. No other businesses were proposed by the shareholders and proxies, the Chairman invited questions/recommendations on general issues from the shareholders. The summary of the discussion was as shown below:

**Question:** Mr. Suchart Kampolkanjana, shareholder, questioned what the total number of EGCO's free float was. In addition, he viewed that EGCO's share price was high when compared with other companies' in the same industry, resulting in low trading volume. With respect to this, it was suggested that the Management study splitting the par price to 1 baht to increase the trading liquidity.

Besides, Mr. Suchart provided the recommendation on the site visit activity for shareholders that the staff who was responsible for facilitating shareholders on this activity should be well-prepared with knowledge and information in power generating process in order to respond to the shareholders' inquiries.

**Answer:** Mr. Danuja Simasathien, CFO, assigned by the Chairman, answered the questions that currently EGCO's trading volume was not high as EGCO share was considered as sustainability investment. The shareholders did not want to sell their current holding shares. In reference to the free float, the total numbers



of EGCO's free float as at March 7, 2017 was 42.92 % according to the website of the Stock Exchange of Thailand. Moreover, the idea on par split would be taken into further consideration.

The Chairman acknowledged the recommendation on staff selection for the site visit activity and took the recommendation for further action.

**Question:** Mr. Prawit Wirojwongchai, proxy, questioned what EGCO planned to manage the capital gains and cash inflow and how these profits would be allocated for investment, debt repayment and special dividends.

**Answer:** Mr. Danuja Simasathien, CFO, assigned by the Chairman, answered the questions that EGCO had to calculate how many special profits the Company realized from the capital gains according to the asset divestment. In this regard, EGCO might consider paying special dividend separately; however, it was EGCO's principles to use the earnings from the asset divestment for further investment with the aim to continuously maximize shareholders' return. For the details of investment opportunities, it was still in the negotiation process; therefore, the Company could not disclose the project cost. As such, the Company would like to ensure the shareholders that such earnings would be used to further generate sustainable return.

Having finished the question and answer session, the President informed that the shareholders would be welcome to a site visit to Banpong Power Plant in Ratchaburi province on June 20 and 21, 2018. Interested shareholders could contact the Investor Relations booth in front of the meeting room or visit the Company's web page at [www.egco.com](http://www.egco.com).

There were no other matters raised for consideration, the Chairman then closed the meeting and thanked all shareholders for attending the meeting and providing useful recommendations to the Company.

The meeting adjourned at 4.41 p.m.

After the President declared the meeting open, the shareholders still registered to attend the meeting resulting in the increasing numbers of shareholders and proxies to five hundred and three (503) and one thousand one hundred and nineteen (1,119) shareholders attending the meeting in person and by proxy, respectively, or one thousand six hundred and twenty-two (1,622) in total holding 405,066,541 shares or 76.9408 % of the total outstanding shares. Additionally, there were 15 directors attending the meeting or 100% of all directors.

Signed \_\_\_\_\_ Chairman of the Board

(Mr. Sombat Sarntijaree)

Note: An English version of the Minutes of Shareholders' Annual General Meeting for year 2018 had been prepared from the Thai version. In the event of a conflict or a difference in interpretation between the two languages, the Thai version shall prevail.