

**Invitation to the 2019 Annual General Meeting of  
Shareholders  
Nok Airlines Public Company Limited**



**Thursday 25 April 2019 at 02:00 p.m.**

Registration starts at 12:00 p.m.

At the Jupiter Room, 3rd Floor,  
Miracle Grand Convention Hotel,  
No. 99 Kamphaeng Phet 6 Road,  
Talat Bangkhen Sub District,  
Lak Si District, Bangkok Metropolis







## Agenda 3

### To consider and approve the statements of financial position and the statements of profit or loss and other comprehensive income for the fiscal year ended December 31, 2018

#### Facts and Rationale:

The Company has prepared the statements of financial position and the statement of profit or loss and other comprehensive income of the Company for the fiscal year ended December 31, 2018, which have been already audited by the auditor, reviewed by the Audit Committee and approved by the Board of Directors.

In addition, in order to be in accordance with the Section 112 of the Public Limited Company Act B.E. 2535 (1992) (as amended) (the “**Public Limited Company Act**”) and the Article 39 of the Articles of Association of the Company which prescribes that the Company has to prepare the statements of financial position and statement of profit or loss and other comprehensive income at the end of each fiscal year for proposing to the annual general meeting of shareholders to consider and approve such financial statements; therefore, the board of directors deems appropriate to propose to the shareholders’ meeting to consider and approve the statements of financial position and the statements of comprehensive income of the Company for the year ended December 31, 2018, as detailed in **Enclosure 1**, which has been sent to the shareholders together with this invitation.

In this regard, the key summaries of the statements of financial position and the Statement of Profit or Loss and Other Comprehensive Income of the Company are as follows:

List in the Financial Statements	Consolidated Financial Statements		Separate Financial Statements	
	For the fiscal year ended (Million Baht)			
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<b>Statement of Financial Position</b>				
Total Assets	14,074.06	14,522.63	10,820.14	11,543.88
Total Liabilities	17,105.69	13,831.63	11,345.08	9,663.99
Shareholders’ Equity - Owners	(3,031.63)	691.00	(524.94)	1,879.89
Retained Earnings (Deficit) – Unappropriated	(8,122.00)	(5,339.40)	(7,185.33)	(4,780.49)



List in the Financial Statements	Consolidated Financial Statements		Separate Financial Statements	
	For the fiscal year ended (Million Baht)			
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
<b>Statement of Comprehensive Income</b>				
Total Revenue	19,740.23	20,376.71	13,884.16	14,786.66
Loss before Income Tax	(3,975.45)	(1,899.67)	(2,404.84)	(1,825.68)
Loss Attributable to the Parent Company	(2,786.76)	(1,854.30)	(2,404.84)	(1,825.68)
Comprehensive Loss Attributable to the Parent Company	(2,782.57)	(1,854.30)	(2,404.84)	(1,825.68)
Basic Loss Per Share	(1.23)	(1.63)	(1.06)	(1.60)
Diluted Loss Per Share	(1.23)	(1.52)	(1.06)	(1.50)

**Opinion of the Board:** The board of directors deems appropriate to propose to the shareholders' meeting to consider and approve the statements of financial position and the statements of profit or loss and other comprehensive income of the Company for the year ended December 31, 2018, which have been already audited by the auditor, reviewed by the Audit Committee and approved by the board of directors. Details are appeared in **Enclosure 1**.

**Remark:** Resolution in this agenda shall be approved by the majority votes of the shareholders attending the meeting and casting their votes.

**Agenda 4** **To consider and approve the suspension of the allocation of profit as a legal reserve from the Company's operational results for the fiscal year ended December 31, 2018 and the suspension of dividend payment from the Company's operational results for the fiscal year ended December 31, 2018**

**Facts and Rationale:** According to Section 116 of the Public Limited Company Act and Article 44 and 45 of the Articles of Association of the Company which specifies that the Company must allocate its annual net profit in the amount of not less than five percent of the total net profit of the year deducting by the accumulated losses amount (if any) as the reserve fund until this reserve fund attains an amount of not less than 10 percent of the registered capital.

In this regard, since the Company has operated at loss; therefore, the board of directors deems appropriate to propose to the shareholders' meeting to consider and approve the suspension of the allocation of profit as the legal reserve.

Furthermore, as the Company has the dividend policy to pay not less than 25 percent of the net profit as recorded in the Company's separate financial statements after deductions for income tax and all legal reserves each year. In the consideration of each dividend payment, the Company would consider



various factors to maximize the shareholders' benefit, such as the operational result and the financial position of the Company, and investment plan of each period, as the board of directors deems appropriate, and the dividend payment must not materially affect the normal operation of the Company.

However, as according to the statements of financial position, the statements of income and the statements of comprehensive income of the Company for the year ended December 31, 2018, the Company has a net loss of Baht 2,404,840,513, as a result, the Company is unable to distribute the dividend to the shareholders of the Company since Section 115 of the Public Limited Company Act prescribes that the payment of dividend from any sources other than profit is prohibited, and in the case that the Company has accumulated loss, the Company is prohibited from dividend payment. Therefore, the board of directors deems appropriate to propose to the shareholders' meeting to consider and approve the suspension of the dividend payment from the operational result of the Company for the fiscal year ended December 31, 2018.

The comparisons of the dividend payment rate are detailed as follows:

Details of the dividend payment	2019 (proposed)	2018
1. Net profit (Loss)	Baht (2,404.8) million	Baht (1,825.7) million
2. Total Issued shares of the Company	3,108,515,756 shares	2,271,999,764 shares
3. Dividend per share (Baht)	Suspended	Suspended
4. Total dividend (Baht)	Suspended	Suspended
5. Dividend payment ratio	Suspended	Suspended

**Opinion of the Board:** The board of directors deems appropriate to propose to the shareholders' meeting to consider and approve the suspension of allocation of the profits from the operating results of the Company from the fiscal year ended December 31, 2018 to be the legal reserve, as the Company has operated at loss, and the suspension of the dividend payment for the fiscal year ended December 31, 2018, as the Company has operated at loss in the amount of Baht 2,404,840,513.

**Remark:** Resolution in this agenda shall be approved by the majority votes of the shareholders attending the meeting and casting their votes.

**Agenda 5** **To consider and approve the appointment of directors to replace the directors who will retire by rotation**

**Facts and Rationale:** According to Section 71 of the Public Limited Company Act and Article 17 of the Articles of Association of the Company, in each annual general meeting of shareholders, one-third of the total number of the directors must retire. In the case that the number of directors cannot be divided into 3 proportions, a number of directors closest to one-third shall retire. Directors retiring by rotation may be re-elected.

There are four directors who shall retire by rotation in the 2019 Annual General Meeting as follows:

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1.	Mrs. Nalinee	Ngamsettamass	Position	Director and Member of the Executive Committee
2.	Mr. Chavalit	Uttasart	Position	Director
3.	Mr. Wiwat	Piyawiroj	Position	Director
4.	Mrs. Heather	Mary Suksem (OBE)	Position	Independent Director and Member of the Corporate Governance Committee

The Company gave an opportunity for the shareholders to propose agenda to be considered at the shareholders' meeting and the names of the persons to be consider to be appointed as the director from 3 January 2019 to 1 February 2019; however, no shareholders proposed any new agenda or other persons to be consider to be appointed as the director.

The Nomination and Remuneration Committee has considered the qualification of the directors who shall retire by rotation in the 2019 Annual General Meeting and viewed that the four directors who shall retire by rotation are knowledgeable, capable, experienced and skillful which will benefit the Company's operations and have qualification and do not have any prohibited characteristics under the Public Limited Company Act, the Securities and Exchange Act, B.E. 2535 (1992) (including the amendments thereof) and other relevant regulations. Moreover, the person who would take a position of Independent Director (No.4) can freely express her opinion, falls within relevant rules and regulations, and is the person who possesses the qualifications of the Independent Director as prescribed in the definition of the Independent Directors of the Company which is equal to the definition prescribed in the regulation of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand and Stock Exchange of Thailand, as appeared in the **Enclosure 7**, which has been sent to the shareholders together with this invitation.

Thus, the Nomination and Remuneration Committee has unanimously resolved to propose to the board of directors to consider and propose for the four directors to be re-appointed to the position of the director of the Company for another term, which the board of directors has considered and agreed that the four proposed directors has the qualifications that suitable for the operation of the Company, thus, the board of directors deems appropriate to propose to the shareholders' meeting to consider and appoint the following persons to be the directors of the Company:



List of the proposed directors to be appointed to replace the directors who will retire by rotation	Position	Number of Board of Directors' meeting attendance in year 2018	Number of Sub-committee meeting attendance in year 2018	Term of directorship of the Company
Mrs. Nalinee Ngamsettammas	- Director - Executive Committee	17/18	13/21	2 years 2 months
Mr. Chavalit Uttasart	- Director	15/16	-	1 year 2 months
Mr. Wiwat Piyawiroj	- Director	3/5	-	7 months
Mrs. Heather Mary Suksem (OBE)	- Independent Director - Member of the Corporate Governance Committee	11/13	5/5	11 months

In this regard, information of the 4 proposed directors are appeared in **Enclosure 2**, which has been sent to the shareholders with this invitation.

**Opinion of the Board:** The board of directors deems appropriate to propose to the shareholders' meeting to approve the appointment of the four directors to replace the directors who will retire by rotation as follows:

1. Mrs. Nalinee Ngamsettammas Director and Member of the Executive Committee
2. Mr. Chavalit Uttasart Director
3. Mr. Wiwat Piyawiroj Director
4. Mrs. Heather Mary Suksem (OBE) Independent Director and Member of the Corporate Governance Committee

**Remark:** Resolution in this agenda shall be approved by the majority votes of the shareholders attending the meeting and casting their votes (when considering the appointment of directors to replace those who retire by rotation, the Company shall propose to consider and approve on person-by-person basis).

**Agenda 6** **To consider and approve the remuneration of directors and sub-committees of the Company for the year 2019**

**Facts and Rationale:** According to Section 90 of the Public Limited Company and Article 22 of the Articles of Association of the Company, the directors of the Company are eligible to receive the remuneration from the Company in a form of reward, meeting allowance, pension, bonus, or in other forms as decided by the shareholders' meeting. Such distribution of remuneration may be specified in a fixed amount or in principle or prescribed the remuneration criteria applicable from time to time or applicable until the shareholders' meeting



resolves to be otherwise. Moreover, the directors shall be entitled to receive any other welfare according to the Company's rules.

The Nomination and Remuneration Committee has thoroughly considered the appropriateness of the remuneration of the directors and the sub-committee of the Company proposed on various factors, i.e. from the operation results of the Company, size of the Company's business and duties and responsibilities of the directors and the sub-committee of the Company, by comparing with the remuneration rate of directors and the sub-committee of the Company in the companies that are of similar size and in the same industry. as the Company, thus, propose to the shareholders' meeting to determine the remuneration of the directors and the sub-committee for the year 2019 in the amount of not exceeding Baht 8,630,000, with the details as follows:

Position	2018 (existing)	2019 (proposed)
<b>1. Remuneration of the directors</b>		
<u>Monthly remuneration</u>		
- Chairman of the board of directors	Baht 30,000 per person/month	Baht 30,000 per person/month
- Director	Baht 20,000 per person/month	Baht 20,000 per person/month
<u>Meeting allowance of the directors</u>		
- Chairman of the board of directors	Baht 30,000 per person/attendance (Should there be more than 1 meeting per month, the Chairman will receive meeting allowance of Baht 30,000 only)	Baht 30,000 per person/attendance (Should there be more than 1 meeting per month, the Chairman will receive meeting allowance of Baht 30,000 only)
- Director	Baht 20,000 per person/attendance (Should there be more than 1 meeting per month, each Board member will receive meeting allowance of Baht 20,000 only)	Baht 20,000 per person/attendance (Should there be more than 1 meeting per month, each Board member will receive meeting allowance of Baht 20,000 only)



<b>Position</b>	<b>2018 (existing)</b>	<b>2019 (proposed)</b>
<b>2. Meeting Allowance of the Audit Committee</b> <b>(apart from the remuneration of the board of directors)</b>		
- Chairman of the Audit Committee	Baht 30,000 per person/attendance	Baht 30,000 per person/attendance
- Member of the Audit Committee	Baht 20,000 per person/attendance	Baht 20,000 per person/attendance
<b>3. Meeting Allowance of the Nomination and Remuneration Committee</b> <b>(apart from the remuneration of the board of directors)</b>		
- Chairman of the Nomination and Remuneration Committee	Baht 30,000 per person/attendance	Baht 30,000 per person/attendance
- Member of the Nomination and Remuneration Committee	Baht 20,000 per person/attendance	Baht 20,000 per person/attendance
<b>4. Remuneration of the Risk Management Committee</b> <b>(apart from the remuneration of the board of directors)</b>		
- Chairman of the Risk Management Committee	Baht 30,000 per person/attendance	Baht 30,000 per person/attendance
- Member of the Risk Management Committee	Baht 20,000 per person/attendance	Baht 20,000 per person/attendance
<b>5. Remuneration of the Corporate Governance Committee</b> <b>(apart from the remuneration of the board of directors)</b>		
- Chairman of the Corporate Governance Committee	Baht 30,000 per person/attendance	Baht 30,000 per person/attendance
- Member of the Corporate Governance Committee	Baht 20,000 per person/attendance	Baht 20,000 per person/attendance



Position	2018 (existing)	2019 (proposed)
<b>6. Remuneration of the Executive Committee (apart from the remuneration of the board of directors)</b>		
- Chairman of the Executive Committee	Baht 30,000 per person/attendance	Baht 30,000 per person/attendance
- Member of the Executive Committee	Baht 20,000 per person/attendance	Baht 20,000 per person/attendance

### **Directors' bonus for the 2018 performance**

Since the Company' operation result of the year 2018 is at loss, the Company thus suspends the directors' bonus payment for the 2018 performance.

Furthermore, the board of directors deems appropriate to propose to the shareholders' meeting to authorize the Nomination and Remuneration Committee to allocate such budget to each director and sub-committees within the budget approved by the shareholders' meeting.

**Opinion of the Board:** The board of directors deems appropriate to propose to the shareholders' meeting to consider and approve the remuneration of the directors and sub-committees of the Company for the year 2019 by determining the remuneration of the directors and sub-committees for the year 2019 in the amount of not exceeding Baht 8,630,000. Moreover, as the Company' operation result of the year 2018 is at loss, the Company thus suspends the directors' bonus payment for the 2018 performance. The remuneration of the directors and sub-committees for year 2019 remains the same as per the year 2018. In addition, the board of directors deems appropriate to authorize the Nomination and Remuneration Committee to allocate such budget to each director and sub-committees within the budget approved by the shareholders' meeting.

**Remark:** Resolution in this agenda shall be approved by no less than two-thirds of the total votes of the shareholders attending the meeting.

**Agenda 7** **To consider and approve the appointment of an auditor and the determination of auditor's remuneration for the year 2019**

**Facts and Rationale:** According to Section 120 of the Public Limited Company Act and Article 36 of the Articles of Association of the Company, the annual general meeting of shareholders must appoint the auditors and determine the audit fee of the Company every fiscal year and the existing auditor may be re-appointed.

The board of directors deems appropriate to propose to the shareholders' meeting to consider and approve the appointment of Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. to be the auditor of the Company and the subsidiaries Company for the year ended 31 December 2019, for any of the following auditors to be appointed to audit and give opinion to the financial statements of the Company:

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1. Dr. Supamith Techamontrikul Certified Public Accountant (Thailand) No. 3356 (The auditor who has signed the financial statements of the Company before); and/or
2. Ms. Vimolphon Boonnayansatien Certified Public Accountant (Thailand) No. 4067 (The auditor who has never signed the financial statements of the Company); and/or
3. Dr. Kiadnyom Koontisuk Certified Public Accountant (Thailand) No. 4800 (The auditor who has never signed the financial statements of the Company).

The selection process of auditors for the year 2019 above, the Audit Committee of the Company has considered and selected the auditors from auditing firms who have proposed the audit fee and working scope to the Company. In this regard, having considered the qualification and experience of each auditing firms and the Audit Committee has an opinion that Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. is an independent auditing firms who is skillful in auditing and proposed an appropriate auditing fee. In addition, the 3 auditors do not have any relationship or any conflict of interest with the Company, its subsidiaries, the directors, the executives, or the major shareholders, or related persons of the said persons.

In the event that the aforementioned auditors are unable to perform their duties, Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. shall be authorized to appoint any of its auditors to be the auditor of the Company and its subsidiaries.

In addition, the board of directors also deems appropriate to propose to the shareholders' meeting to consider and approve the auditor fee of the Company for the year 2019 in the amount of not exceeding Baht 4,550,000, which is higher than the prior year because of the expansion of the business of the Company and the Company's subsidiaries.

In this regard, the comparison of the auditor fee of the Company and its subsidiaries for the year 2019 and 2018 detailed as follows:

<b>Auditor Fee</b>	<b>2019 (proposed)</b>	<b>2018</b>
Auditor Fee of the Company	2,680,000	2,550,000
Auditor Fee of the Subsidiary Company	1,870,000	1,770,000





## Agenda 9 To consider other matters (if any)

In addition, the Company had published the invitation letter to the shareholders' meeting, together with the enclosures on the Company's website at [http://www.nokair.com/investor\\_relations](http://www.nokair.com/investor_relations). The Company; therefore, hereby invites all shareholders to attend the 2019 Annual General Meeting of Shareholders, on Thursday April 25, 2019, at 14.00 hrs., at the Jupiter Room, 3<sup>rd</sup> Floor, Miracle Grand Convention Hotel, No. 99 Kamphaeng Phet 6 Road, Talat Bangkhen Sub District, Lak Si District, Bangkok 10210. The map of the meeting venue is set out in **Enclosure 9**.

In the event that shareholders are unable to attend the meeting themselves, and they would like to appoint a proxy, those shareholders are requested to fill the details and sign either Proxy Form A or Proxy Form B. In the event that foreign shareholders would like to appoint a custodian, these shareholders shall use Proxy Form C, as set out in **Enclosure 6**.

To protect the rights and benefits of shareholders who are unable to attend the meeting themselves and would like to appoint the independent director of the Company as their proxy to attend the meeting and cast votes on their behalf, the shareholder may grant proxy by using Proxy Form B which appears in the **Enclosure 6**, stating the name of the independent directors whose names and brief profiles are listed in **Enclosure 7**, then submit the Proxy Form B with the supporting documents, as detailed in **Enclosure 4**, to the Investor Relations Department, Nok Airlines Public Limited Company, 17<sup>th</sup> Floor, Rajanakarn Building, No. 3 South Sathon Road, Yannawa Subdistrict, Sathon District, Bangkok 10120, Telephone No.02-627-2748 or 02-627-2678. Furthermore, in order to facilitate the verification of the documents, the shareholders are requested to submit all documentation to the Company by 19 April 2019.

It is recommended that the shareholders study the guidelines for registration, for appointing a proxy, and the documents and evidence required to be presented on the meeting date as set out in **Enclosure 4**, as well as the details on procedures for attendance at the meeting as set out in **Enclosure 5**. The Company will conduct the meeting in accordance with the Chapter 6 of the Articles of Association of the Company regarding the Meeting of Shareholders, as set out in **Enclosure 3**.

In order to facilitate the registration of attendees at the 2019 Annual General Meeting of Shareholders, the Company will allow the shareholder and proxies to register their names from 12.00 hrs. on the date of the meeting, at the Jupiter Room, 3<sup>rd</sup> Floor, Miracle Grand Convention Hotel, No. 99 Kamphaeng Phet 6 Road, Talat Bangkhen Sub-district, Lak Si District, Bangkok 10210. Furthermore, since the Company will use the barcode system in the registration and counting of votes at this meeting, the shareholders and proxies are required to present the registration form as set out in **Enclosure 8** on the date of the meeting along with other documentation as detailed in **Enclosure 4**.

The Company has set the date for determining the names of shareholders who are entitled to attend the 2019 Annual General Meeting of Shareholders (Record Date) to be on March 15, 2019.

Yours faithfully,

-Signed-

(Mr. Prasert Bunsumpun)  
Chairman of the Board of Directors

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