



# THAI MILITARY BANK

PUBLIC COMPANY LIMITED

3000 PHAHON YOTHIN ROAD, CHATUCHAK, BANGKOK 10900, THAILAND  
P.O. BOX 9 SAMSENNAI BANGKOK 10400 TB. 299-7020 BOR. MOR. JOR. REG. NO. 248  
TELEFAX : 273-7121-4 TELEEX : 82324, 87697-9 MILITBK TH

## Minutes of The 1999 Annual Extraordinary Shareholders' Meeting Of Thai Military Bank Public Company Limited

No.1/1999

Held on Monday 13 September, 1999  
Head Office, 3000 Phahonyothin Road,  
Chatuchak District, Bangkok

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**The Meeting opened at 14.12 hrs.**

There were 212 shareholders holding 438,507,424 shares representing 43.20 percent of the total paid-up shares attended the meeting to form a quorum.

General Wimol Wongwanich, Chairman of the Board of Directors presided over the Meeting declared the Meeting opened with following agenda. :-

**Agenda 1** To consider and approve The Minutes of the General Shareholders' Meeting For 1999 on 27 April, 1999.

The Chairman informed the Meeting to amend the Minutes of General Shareholders' Meeting held on 27 April, 1999, Page2, Agenda3, the last paragraph of page 2 from 66 "The deposits increased by Baht 49,000,000,000.- at the same time the Bank had paid in the foreign deposits up to Baht 26,000,000.-" to "The deposits increased by Baht 49,000,000,000.- at the same time the Bank had paid in the foreign deposits up to Baht 26,000,000,000.-" and informed the Meeting that the Minutes of General Shareholders' Meeting held on 27 April, 1999, containing 29 pages, which had already sent to shareholders together with notice for meeting.

The Chairman requested the Meeting to consider the Minutes of the General Shareholders' Meeting for 1999 held on 27 April 1999.

The Meeting unanimously approved and adopt The Minutes of the General Shareholders Meeting of for 1999 held on 27 April 1999 and the amendment of the Minutes on page 2 Agenda 3 last prograph of page 2 from "The deposits increased by Baht 49,000,000,000.- at the same time the Bank had paid in the foreign deposits up to Baht 26,000,000.-" to "The deposits increased by Baht 49,000,000,000.- at the same time the Bank had paid in the foreign deposits up to Baht 26,000,000,000.-"

**Agenda 2** To Consider the Reduction of the Registered Capital from Baht 16,148,676,000.- to Baht 10,149,672,000.- by cutting the portion of Common Shares that have notbeen issued and sold amounting to 598,000,000 shares with the face value of Baht 10.- per share and cutting class A Preferred Shares that have not been issued and sold amounting to 900,400 shares with the jace value of Baht 10.- per share and cutting Class B Preferred Shares amounting to 1,000,000 shares with face value of Baht 10.- in compiance with the Public Limited Company's Act in order to further increase the capital of the Bank.



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The Chairman informed the Meeting that the Board of Directors proposed in Agenda 2 to reduce the registered capital of the Bank by cutting the portion of Common Shares that had not been issued and sold amounting to 598,000,000 shares with the face value of Baht 10.- and cutting Class A Preferred Shares that had not been issued and sold amounting to 900,400 shares with the face value of Baht 10.- and cutting Class B preferred Shares amounting to 1,000,000 shares with face value of Baht 10.- in order to further increase of registered capital in Agenda 4 according to the law.

The Meeting was requested to consider this matter.

The Meeting resolved unanimously to reduce the registered capital from Baht 16,148,676,000.- to Baht 10,149,672,000.- by cutting the portion of Common Shares that had not been issued and sold amounting to 598,000,000 shares with the face value of Baht 10.- per share and cutting Class A Preferred Shares that had not been issued and sold amounting to 900,400 shares with the face value of Baht 10.- per share and cutting Class B Preferred Shares amounting to 1,000,000 shares with the face value of Baht 10.- per share in compliance with the Public Limited Company's Act in order to further increase the capital of the Bank.

**Agenda 3** To consider the Amendment of Article 4 of the Memorandum of Association on the subject of the Registered Capital to be in line with the Reduction of the Registered Capital by replacing the existing statements with the new statements as follow :-

#### Article 4

Registered Capital of Baht 10,149,672,000.-		(Baht Ten thousand one hundred forty-nine million six hundred and seventy-two thousand)
Divided into	1,014,967,600 shares	(One thousand fourteen million nine hundred sixty seven thousand and six hundred shares)
Value per share	Baht 10.00	(Baht Ten)
Separated into :		
Common Shares	1,014,867,600 shares	(One thousand fourteen million five hundred sixty seven thousand and six hundred shares)
Class A Preferred Shares	99,600 shares	(Ninety-nine thousand and six hundred shares)

The Chairman informed the Meeting that the Meeting resolved unanimously to reduce the registered capital from Baht 16,148,676,000.- to Baht 10,149,672,000.- to be in line with the reduction of registered capital and proposed to consider the Amendment of Article 4 of the Memorandum of Association.

The Meeting was requested to consider this matter.



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The Meeting resolved unanimously to amend the Bank's Memorandum of Association Article 4 as follows :-

## Article 4

Registered Capital of Baht 10,149,672,000.-		(Baht Ten thousand one hundred forty-nine million six hundred and seventy-two thousand)
Divided into	1,014,967,200 shares	(One thousand fourteen million nine hundred sixty seven thousand and two hundred shares)
Value per share	Baht 10.00	(Baht Ten)
Separated into :		
Common Shares	1,014,867,600 shares	(One thousand fourteen million eight hundred sixty seven thousand and six hundred shares)
Class A Preferred Shares	99,600 shares	(Ninety-nine thousand and six hundred shares)

**Agenda 4** To consider the Increase of the Registered Capital from Baht 10,149,672,000.- to Baht 30,649,672,000.- by issuing Common Shares of 50,000,000 shares with the Face Value of Baht 10.- and Class B preferred Shares of 2,000,000,000 shares with the face value of Baht 10.- in order to comply with the rules of the Bank, Article 3 (Ter) which will be amended Later.

The Chairman informed the Meeting that as mentioned earlier to the shareholders about raising funds to strengthen Tier I capital, which will strengthen the Bank and would be a key factor in expanding business operations. Therefore, the Board of Directors requested the Meeting to consider and approve the increase of the registered capital from Baht 10,149,672,000.- to Baht 30,649,672,000.- by issuing Common Shares in the amount of 50,000,000 shares with the face value of Baht 10.- and Class B Preferred Share in the amount of 2,000,000,000 shares with the face value of Baht 10.- per share in order to comply with the rules of the Bank's Article 3 (Ter) which will be amended later.

Dr.Thanong Bidaya, the President further, explained that the Board of Directors approved the increase of registered capital for Baht 20,500,000,000.- as for the following objectives :

1. To make 100% Provisions before the deadline specified by the Bank of Thailand.
2. To strengthen the Bank's capital funds.
3. To strengthen the Bank's ability to extend businesses.

The Meeting was requested to consider this matter.

The Meeting unanimously approved the increase of the registered capital from Baht 10,149,672,000.- to Baht 30,649,672,000.- by issuing Common Shares in the amount of 50,000,000 shares with the face value of Bath 10.- per share and Class B Preferred Shares in



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the amount of 2,000,000,000 shares with the face value of Baht 10.- per share in order to comply with the rules of the Bank's Article 3 (Ter) which will be amended later.

**Agenda 5** To consider the Amendment of Article 4 of the Memorandum of Association on the subject of the Registered Capital to be in line with the Increase of the Registered Capital by replacing the existing statements with the new statements as follows:-

## Article 4

Registered Capital of Baht	30,649,672,000.-	(Baht Thirty thousand six hundred forty nine million six hundred seventy two thousand)
Divided into	3,064,967,200 shares	(Three thousand sixty four million nine hundred sixty-seven thousand and two hundred shares)
Value per share	Baht 10.00	(Baht Ten)
Separated into :		
Common Shares	1,064,867,600 shares	(One thousand sixty four million eight hundred sixty-seven thousand and six hundred shares)
Class A Preferred Shares	99,600 shares	(Ninety-nine thousand and six hundred shares)
Class B Preferred Shares	2,000,000,000 shares	(Two thousand million shares)

The Chairman informed the Meeting that the Meeting had approved the increase of share capital for another Baht 20,500,000,000.- and requested the Meeting to amend Article 4 of the Memorandum of Association to be in line with the registered capital in this Agenda.

The Meeting was requested to consider this matter.

The Meeting resolved unanimously to amend Article 4 of the Memorandum of Association as follows :

## Article 4

Registered Capital of Baht	30,649,672,000.-	(Baht Thirty thousand six hundred forty nine million six hundred seventy two thousand)
Divided into	3,064,967,200 shares	(Three thousand sixty four million nine hundred sixty-seven thousand and two hundred shares)
Value per share	Baht 10.00	(Baht Ten)
Separated into :		
Common Shares	1,064,867,600 shares	(One thousand sixty four million eight hundred sixty-seven thousand and six hundred shares)



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Class A Preferred Shares	99,600 shares	(Ninety-nine thousand and six hundred shares)
Class B Preferred Shares	2,000,000,000 shares	(Two thousand million shares)

**Agenda 6** To Consider and approve the allocation of newly-issued Class B Preferred Shares in the amount of 2,000,000,000 shares with the face value of Baht 10.- per share for sale to the Ministry of Finance and/or investors specified by the Ministry of Finance and/or selected investors and/or 17 types of institutional Investors according to the relevant announcement of Securities and Exchange Commission both within and outside the country.

In the event that there are remaining shares from sale to the selected investors and/or 17 types of institutional investors according to the relevant announcements of the Securities and Exchange Commission, the Bank's Board of Directors or Board of Executive Directors or the Chairman or the President will have the power to consider and allocate the remaining shares to be sold to the general public and/or selected investors and/or 17 types of institutional investors according to the relevant announcements of the Securities and Exchange Commission as deemed appropriate. In addition, they would have power to apply for relaxation in holding shares exceeding the amount prescribed under the Commercial Banking Act and the Securities and Exchange Act.

In selling the Bank's Class B Preferred Shares at this time, there will be no application for permission and registration for sale of securities to the general public abroad. Also the shares will not be sold in the foreign countries which have laws and regulations on applying for permission or registration for sale of securities in those countries except in the countries which will not require permission or registration for sale of securities in the mentioned countries. In this regard, the Board of Directors or the Board of Executive Directors or persons authorized by the Board of Directors or the Board of Executive Directors or the Chairman of the Board of Directors or the President will use the judgement and will be authorized not to allocate the above mentioned class B Preferred Shares to any buyer if the mentioned allocation will or may cause the Bank to break the laws or regulations of foreign countries or will require permission or registration to sell securities to the general public in the mentioned countries except in the countries which will not require permission to sell securities to the general public in the mentioned countries.

In addition, the Board of Directors or the Board of Executive Directors or persons authorized by the Board of Directors or the Board of Executive Directors or the Chairman of the Board of Directors or the President will be authorized to set or amend details and conditions of sale, e.g. the price, period, method of allocation and sale including selling shares above the face value, selling shares all at one time or several times, or any other necessary action as deemed appropriate. They will be authorized to appoint financial advisors, legal and accounting advisors and/or underwriters, to enter, sign, amend, negotiate, to execute contracts and/or various documents including to contact, provide information, present documents to Ministry of Finance, the Securities and Exchange Commission, Bank of Thailand, Stock Exchange of Thailand, the Financial Restructuring Advisory Committee (FRAC) or persons



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specified by FRAC and/or any other unit related to the sale of preferred shares for capital increase at this time.

The Chairman requested the Bank's staff to read the statement as proposed by the Chairman and to conclude the important issues for the Meeting.

Later the meeting was requested to consider the allocation of new shares as proposed by the Chairman including the designation of the Board of Directors or the Board of Executive Directors or the persons who had been assigned by the Board of Directors or the Board of Executive Directors, the Chairman or the President in determining the details of sale such as pricing, period of sale or method of sale and any other details concerning the issuance and sale of shares for capital increase as mentioned.

The Meeting was requested to consider this matter.

The Meeting unanimously approved the allocation of newly-issued Class B Preferred Shares in the amount of 2,000,000,000 shares with the per value of Baht 10.- per share to be sold to the Ministry of Finance and/or investors specified by the Ministry of Finance and/or selected investors and/or institutional investors.

**Agenda 7** To consider and give concurrence to matters which are inter-related. In case of the offer to sell the newly-issued Class B Preferred Shares at this time to the major shareholder (the shareholders who hold shares directly or indirectly over 10% of the Bank's paid-up capital including the shares held by involved person) i.e. Royal Thai Army who are now holding shares 20.67% and/or Tor. Tor. Bor. 5 Co., Ltd. is now holding 13.52% of paid-up capital and to propose Shareholders' Meeting to consider this matter.

The Chairman informed the Meeting that this agenda is offered to the Meeting in order to make the Bank comply with the rules of Stock Exchange of Thailand (SET). Consequently, Royal Thai Army (RTA) or Tor. Tor. Bor. 5 Co., Ltd. or person or other juristic person holding the Bank's shares over 10% of the paid-up capital and wishing to purchase Class B Preferred Shares can perform as afore-said without breaching the rules of SET.

There shall be the vote in giving the concurrence to inter-related matters for at least 3/4 of whole of shareholders or their proxy who attend the meeting and have the right of voting excluding the votes of the interested shareholders. RTA, the major shareholder and Tor. Tor. Bor. 5 Co., Ltd. being the interested shareholders, have no right to vote in the Meeting.

The Meeting then was requested to consider on this matter. The Meeting considered and unanimously approved the inter-related matters as the Board of Directors proposed. The proxy of RTA and Tor. Tor. Bor. 5 Co., Ltd. did not vote on this agenda.

**Agenda 8** To consider the amendment of the Articles of Association of the Bank in the Article 3 ter by replacing existing statements with the new statements in order to determine rights and status of new Class B Preferred Share in accordance with the Attachment 1 and to consider the amendment of Article 3 Quarter in order to



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stipulate the way in case of capital decrease resulting from Article 3 ter (2) in accordance with the Attachment 2 and to make the amendment of the Article 9 by replacing the existing statements with the new statements.

In this connection, the Bank's Board of Directors or the Board of Executive Directors or the person assigned by the Board of Directors or the Board of Executive Directors or Chairman of the Board or President has power to amend the statements of such article or to act any matters subject to the apprehension or suggestion or order of the Financial Restructuring Advisory Committee (FRAC) or the person assigned by FRAC in order to comply with the Tier I Recapitalisation Program and/or the Register of Ministry of Commerce and/or other concerned officers.

The Chairman of Meeting informed the Meeting that the proposal for the amendment of the Articles of Association of the Bank, Article 3 ter, Article 3 Quarter and Article 9 in accordance with the Attachment 1, 2 and 3 which were duly sent with the letter of invitation to Shareholders. The Chairman then asked officer of the Bank to read the Article 3 ter, Article 3 Quarter and Article 9. to the Meeting again.

The Chairman of the Meeting asked the Meeting to consider the amendment as proposed.

The Meeting resolved unanimously to amend the Bank's Articles of Association, Article 3, Article 3 ter, Article Quarter, as follows :-

**The preferred rights of Class B Preferred Shares are as follows :-**

(I) The right of the dividend in the class B preferred share is more superior than the one in the common shares as follows :

- (1.1) When the Company gains profit in any year after duly setting aside for their any other required provision according to law and has no accumulated loss and is able to maintain the adequate capital after the dividend payment, the Company shall be prior pay the dividend to the Class B Preferred share for the percentage equal of the government bond which will issue to the company under the Tier-I capital raising project plus 1% per annum of the price of the price of Class B Preferred Shares sold to the Ministry of Finance.
- (1.2) The Class B Preferred Share will receive the full amount of dividend prior to the common share subject to the (1.1), then the dividend shall be paid to the common share.
- (1.3) In any year, if the Company pay dividend to the common share in the higher rate than the one of the Class B Preferred share subject to the (1.1), the Company shall pay dividend to the class B preferred share until to the dividend equals to the same rate as paid to the common shareholder.
- (1.4) In case the profit is not enough to be paid to the Class B Preferred share at the rate subject to the (1.1), the Company shall pay dividend to the Class B Preferred



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Share according to the existing profit which can be proportionately paid to the amount of preferred shares held by each preferred shareholder.

(1.5) The Class B Preferred Shares is non-accumulated in its dividend.

(2) In case of capital decrease due to the loss resulting from the assets existing before the Ministry of Finance's capital increase and it is necessary to decrease capital, the Company shall decrease capital in the portion of common share, preferred share, and the premium of preferred share, which is a part of instrument in writing qualified to Tier-I and debentures before decrease capital in Class B preferred share but in the amount not exceeding the accumulated loss on the date of Ministry of Finance increased its capital plus the damages which may incur later from that scheme.

In case of capital decrease due to the loss resulting from the assets existing after the Ministry of Finance's capital increase, the Company shall proportionately decrease according to the shareholding-portion of the common share and Class A and Class B Preferred share.

The existing assets before the Ministry of Finance's increase of capital means the assets in the financial statements and any obligation in advance of the Company before the day which the Ministry of Finance bought the Class B Preferred Share of the Company as well as the loan approval or increase the obligation for existing debtors within 180 days after the Ministry increased the Company's capital.

The day the Ministry of Finance increased the Company's capital and/or the day the Ministry will buy the Class B Preferred Share of the Company which means the day the Ministry pay the Class B Preferred share for the first time.

(3) In case the Company in liquidated, the Class B Preferred share has the right prior to the common share, but in the equal with the other class of preferred shares to receive the remaining return before the common share.

(4) The preferred right duration of the Class B Preferred Share is 10 years starting from the day which the Ministry of Finance pay the Class B Preferred share for the first time. After such preferred right being terminated, the preference of the Class B Preferred Share will be automatically terminated and its right will be equal to the common share. The Class B Preferred share will be transformed to be the common share.

In case the Class B Preferred Shareholders are entitled to lawfully transformed the Class B Preferred Share to be the common share, the Company shall transform the Class B Preferred Share to be the common share subject to the rules and conditions of the laws.

(5) In changing the Class B Preferred Share to common share, the holders of the Class B Preferred Shares are to submit the applications together with the certificate of preferred shares to the Company at the time specified by the Company.

(6) Each Class B Preferred share shall carry the right to one vote at any meeting of the shareholders of the Company.



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**Article 3 Quarter**

Process and method in order to decrease capital are as follows :-

(1) In case the company which generated the loss from its operation resulting from the assets existing before the Ministry of Finance's capital increase or decrease when necessary, the Company has to firstly decrease the capital in the portion of common share. If the loss still exists, the Company will operate following the statement stated in the major agreement and/or any operate in order to make the preferred share and the premium of preferred share, which is a part of instrument in writing qualified to Tier-1 and debenture which is a part of Tier-1 received the loss occurring after the capital decrease of common shares, but not exceeding the accumulated loss on the date of Ministry of Finance increased its capital plus the damage which may occur later from that scheme.

(2) In case of the loss from its operation resulting from the assets existing after the Ministry of Finance's capital increase, it shall operate by the Article 3 ter (2) paragraph 2.

The existing assets before or on the date the Ministry of Finance's increase of capital and/or the date the Ministry of Finance will buy the Class B Preferred Share mean by the definition stated in the Article 3 ter.

The major Agreement means the major Agreement in the investment of Capital Augmented Preferred Shares (CAPS) No.5 of Thai Military Bank Public Company Limited and also including the regulation of such Capital Augmented Preferred Shares' rights.

**New Article**

**Article 9** : The shares of the company can be transferred without any restriction, except.

- (1) The transferring will make the Company lose the right and benefits as the Company shall have according to the law or
- (2) That transferring causes the person who is not the Thai nationality to hold shares exceeding 12.5% (this 12.5% is the expected percentage that on the date the Bank closed the share register of the Bank in order to exercise the right to attend in this Extraordinary Shareholders Meeting of shareholders who are not Thai nationality shall hold the shares not exceeding 12.5%) of the total sold amount of shares of the company, except specified in (3) or (4). However, it will not affect the right of person who is not Thai nationality holding shares of the Company before register to amend this Article.
- (3) The person who is not the Thai nationality shall obtain the common shares in the total amount exceeding 12.5% of the total sold amount of shares, by the following cases :-

(A) In case the reserve for buying Class B Preferred Share for capital increase which the Company offering for sale to specific investors and/or 17 types of institutional investors pursuant to the relevant notification of the Securities and Exchange



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Commission resulting from the resolution of the Extraordinary Shareholder Meeting No.1/1999 hold on 13 September 1999 or

(B) In case the obtaining of the shares by the Ministry of Finance sold Class B Preferred Shares or common share converting from Class B Preferred Share which held by the Ministry of Finance relating to the announcement of Ministry of Finance under the Tier-1 capital raising project or

(C) In case the obtaining of the shares by exercising the right convert of Class B Preferred Share and/or exercising the right by warrant of class B preferred share issued by Ministry of Finance, as the case may be or

(D) In case the person who is not the Thai nationality obtained the Class B Preferred Share from the person who is not Thai nationality in every step of transfer.

However, the total amount of common share and Class B Preferred Share of the person who is not the Thai nationality as mentioned above must not exceed 49% of the total sold amount of shares.

- (4) The person who is not the Thai nationality shall obtain the common shares in the amount exceeding 49% of the total sold amount of shares according to (3) unless otherwise stipulated by laws, regulations, or the order of the Bank of Thailand and/or other concerned authorities.

**Agenda 9** To consider the application for assistance under the tier-1 capital raising project according to the announcement of Ministry of Finance on the subject of regulations, procedures and conditions for financial institutions wanting to apply for assistance from Ministry of Finance under the tier-1 capital-raising project and the tier-2 capital-raising project dated 29 September 1998 and the announcement (No.2) on the same subject date 12 June 1999 within the limit of not over Baht15,000.-Million.

Chairman of the Meeting informed the Meeting that above-mentioned application will be advantageous for the Bank because the assistance will stabilize the Bank and provide enough capital for the Bank's operation.

Dr.Thanong Bidaya, President and CEO, explained that there were some shareholders asked him on the advantage and disadvantage of the application for the mentioned assistance, he expounded that there is only the advantage of this program because the assistance belongs to the government through the Ministry of Finance. The amount subsidized by MOF cost any charge because MOF utilize its government bond to purchase Class B Preferred Share of the Bank's Class B Preferred Shares, the Bank have the responsibility for giving the dividend subject to Article 3 for in case the Bank has profit and can pay the dividend

On 10 September 1999, Ministry of Finance informed the Bank in writing that the Minister of Finance had approved in principle of the Bank's assistance application for the Tier 1



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Recapitalization Program. Ministry of Finance will assist the Bank by purchasing the Bank's Preferred Shares not over Bht.15,000 million. Further, Ministry of Finance will assign the Bank to improve the management structure in 4 respects as follows :

1. The Bank shall set up the Audit Committee consisting of Independent Director and appointed proficient third person director. The directors shall the audit result directly to the Board of Directors. The Bank's Audit and Internal Control Department shall report directly to the Audit Committee.

2. The Bank shall procure that the Board of Executive Directors consists of the Independent Director (being free from the Bank's Senior Management) at least half of number of Directors of Board of Executive Directors.

3. Ministry of Finance shall be entitled to jointly consider the appointment or alteration of President and C.E.O. of the Bank.

4. Ministry of Finance will send 2 representatives to be directors of the Bank as shareholders in order to support the Bank to operate banking business like other private banks without interference in the Bank's normal routine practice.

There were the resolution as follows :-

- 1) Regarding the Audit Committee, the Bank had already appointed Mr. Bodi Chunnananda the Chairman of Audit Committee.
- 2) The Board of Executive Directors consists of Commander of three armed forces and Mr. Tawatchai Yongkittikul
- 3) The appointment or alteration of President and C.E.O. and Directors should be also be considered for approval by Ministry of Finance
- 4) The Ministry of Finance will send 2 persons to be directory of the Board of Directors of the Bank as the shareholders. The mentioned appointment of directors is for supporting the Bank to manage the Bank as a private commercial Bank without any interference from the Bank of Thailand.

**Item 1.** With regard to audit Committee, the Bank appointed Mr. Bodi Chunnanonda the Chairman of Audit Committee.

**Item 2.** The Board of Executive Directors conspires of the Chiefs of Three arened-forces and Mr. Twatchai Yongkittikul.

For Item 3. And Item 4. The Ministry of Finance as the new major shareholder should be entitled to appoint or alter the President and C.E.O. of The Bank. In this connection, there is no objection from The Bank's top Management and Dr. Thanong Bidaya.

The Meeting was requested to consider on this Agenda.

The Meeting unanimously approved the Bank's application for the assistance from Ministry of Finance in the Tier I Recapitalisation Program in accordance with the



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announcement of Ministry of Finance on the subject of regulations, procedures and conditions for financial institutions wanting to apply for assistance from Ministry of Finance under the Tier-1 capital-raising project and the Tier-2 capital-raising project dated 29 September 1998 and the announcement (No.2) on the same subject dated 12 June 1999 within the limit of not over Baht 15,000.- Million

**Agenda 10** The Meeting approved allocation of newly-issued 50,000,000 common shares with a par value at Baht 10 as reserve for exercise the warrants to purchase common shares for the Bank's employees.

For details of sale, e.g. price, period, method of sale, and other related details including selling shares above the face value, will be authorized to set by the Board of Directors, or the Board of Executive Directors, or persons authorized by the Board of Directors or the Board of Executive Directors or the Chairman of the Board of Directors or the President in order to consider any other necessary action as deemed appropriate and/or in case the period of right exercise come to an end according to the project, if there are remaining newly-issued common shares, the Meeting of Shareholders is entitled to consider for the allocation of such shares.

The Chairman of the Meeting informed that Top Management of the Bank proposed the Board of Directors to approve allocation of newly-issued 50,000,000 common shares to employees. The Board of Directors then approved as the Top Management proposed. Therefore, Chairman of the Meeting then takes this matter for shareholders' Meeting consideration.

Dr.Thanong Bidaya, President and C.E.O., further informed the Meeting that the allocation of 50,000,000 common shares to employees was advised by the Bank's Finance Advisor in order to remunerate their devotion in working for the Bank. Moreover, the allocation will make employees to take part in the Bank's ownership as same as other commercial banks' project.

The Meeting was so requested to consider on this Agenda.

The Meeting unanimously approved the allocation of newly-issued 50,000,000 common shares with a par value at Baht 10 as reserve for exercising the warrants to purchase common shares for the Bank's employees.

The Meeting approved allocation of newly-issued 50,000,000 common shares with a par value at Baht 10 as reserve for exercise the warrants to purchase common shares for the Bank's employees.

For details of sale, e.g. price, period, method of sale, and other related details including selling shares above the face value, will be authorized to set by the Board of Directors, or the Board of Executive Directors, or persons authorized by the Board of Directors or the Board of Executive Directors or the Chairman of the Board of Directors or the President in order to consider any other necessary action as deemed appropriate and/or in case of the period for exercising the warrants according to the project coming to an end, the Shareholders' Meeting



# THAI MILITARY BANK

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will consider for approval in the allocation of remaining common shares which were issued for the purpose of the allocation.

**Agenda 11** To consider and approve the Bank's issuance of warrants to purchase ordinary shares for employees in the amount of 50,000,000 units with the right to purchase 1 common share per 1 warrant without the offer of purchase price in accordance with the Attachment 4.

Chairman of the Meeting informed the Meeting that the purchasing of the warrant for purchasing the common shares in the amount of 50,000,000 units proposed to the Meeting are the matter resulting from Agenda 10. The important feature of the warrants was in accordance with the Attachment 4 sent to shareholders.

The Meeting was requested to consider and approve.

The Meeting considered and unanimously resolved to approve the Bank's issuance of warrants to purchase ordinary shares for employees in the amount of 50,000,000 units with the important features of the warrants as follows :

1. Type of securities : Warrants for ordinary shares
2. Warrant term : Not more than 5 years from the issued date of the warrants, and to be decided later, based on the conditions of the market at the time of offering.
3. Offering price per unit : 0 Baht
4. Number of warrants : 50,000,000 units
5. Offer for sale : Offer for sale under a three-year scheme, not through intermediaries. The first offer shall be proceeded immediately upon obtaining an approval from the Shareholders' Meeting and an approval from the Office of the Securities and Exchange Commission.
6. Allocation Criteria : Offer only to the employees of Thai Military Bank Plc. The Employee entitled to such allocation must be employed by the Bank for 3 years onwards and must maintain the status of employee on 1 February of the allocation year. The numbers of warrants to be allocated shall depend on the years of employment, rank, position, performance, potential and ability of each employee.
7. Right to purchase the : One warrant unit gives the right to purchase one ordinary share ordinary share.
8. Exercise price : 15 Baht per share
9. Conditions and Exercise : - Warrants to be allocated each year to each Period employee shall consist of 4 warrants, each of which can be exercised 25% of the total amount allocated to each employee.  
- Each warrant shall have exercise period as follows:-



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First warrant can be exercised to purchase ordinary shares after 1 years from the issue date until the last exercise date.

Second warrant can be exercised to purchase ordinary shares after 2 years from the issue date until the last exercise date.

Third warrant can be exercised to purchase ordinary shares after 3 years from the issue date until the las exercise date.

Fourth warrant can be exercised to purchase ordinary shares after 4 years from the issue date until the last exercise date.

Exercise period is between 15-30 April and 15-30 October of each year, which the rights can be exercised.

Only employees, the beneficiaries of the employees who have died, and the persons who lose employee status because of retirement or disability can exercise the rights.

Employees who resign can use the rights to exercise the warrants one more time during the next exercise period, subject to the conditions and price as specified.

An employee who loses the status of employee due to his wrongful act shall lose the rights accordingly.

10. Number of shares : 50,000,000 shares which represents approximately reserved for the exercise 4.93% of the Bank's total issued shares which of the warrants comprise of ordinary shares and preferred shares already issued and paid-up in the amount of 1,014,967,200 shares excluding the reserved shares for the exercise of warrants. A number of the reserved shares does not exceed 30% of a number of total issued and paid-up shares.

11. Causes for issuing new : The Bank will change the exercise of right with shares to support changes respect to price and ratio using the method of in the exercise of right calculation to be decided upon later if there is an



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event that a relevant Notification of the Securities and Exchange Commission stipulates. An example is a change in the par value of the shares of the Bank resulting from joining or dividing shares. Another is when the Bank pays dividends to shareholders partly or wholly in new shares. Or any other case which makes any benefits or returns that warrant holders would receive when exercising the warrant less than existing one.

12. Impact on Shareholders : None on the shareholders at the time of issue. The dilution effect will occur when the rights are exercised, which exact dilution will depend on the numbers of the warrants exercised.
13. Employees entitled to allocation at more than 5% of the warrants : None
14. Bank assistance in finding funds for the employee : None
15. Any other material information which affects the shareholder's decision making : None

The Board of Directors or the President or person authorized by the Board of Directors or the President will be authorized to set the price for exercise the right or amend details and conditions related to the sale of warrants including any other necessary action as deemed appropriate within the limit of law. They will be authorized to appoint financial advisors and/or underwriters, to enter, sign, amend, negotiate, to execute contracts and/or various documents including to contact, provide information, present documents to The Office of the Securities and Exchange Commission, The Bank of Thailand, The Stock Exchange of Thailand and/or any other unit related to the sale of warrants at this time.

**Agenda 12** To consider other matters.

The Chairman of the Meeting enquired whether the shareholders had any other matters to be considered by the Meeting. If so, they should propose them to the Meeting.

The shareholder asked whether the Bank's Board of Directors would have the right for allocation of warrants for ordinary shares in the amount of 50 million shares or not.

The Chairman of the Meeting clarified that the allocation of new ordinary shares in the amount of 50 million shares would be allocated to the Bank's employees only not including the Bank's Board of Directors.



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The shareholder enquired whether in conducting the road show to sell the newly issued Class B Preferred Shares in the amount of 2,000 million shares, the Bank had planned to fix the selling price per share at what level.

Dr.Thanong Bidaya, President explained that in conducting the road show, there was no plan to fix the share's selling price. It would depend on the joint investors to propose the purchasing price and after the road show was completed, he would discussed with the Chairman of the Board and the Chairman of the Executive Board to fix the share's selling price at the appropriate level.

The shareholder asked whether, in the present situation, the Bank still maintained the original policy in appraising the collateral (land) value which the customers brought to request loans or not.

Dr.Thanong Bidaya, President replied that the Bank still maintained the same policy in appraising the collateral value of land. There had not been any change in the policy.

The shareholder would like to know the amount of the Bank's losses and how long would the bank be able to pay dividends.

Dr.Thanong Bidaya, President pointed out that the Bank's a large portion of losses in the past year was the result of making porvisions in accordance with the Bank of Thailand's regulations

Concerning dividend payments, if there were no problems in the political front and the economic system, the Bank should be able to make dividend payments to the shareholders at around the year 2002.

The shareholder asked whether the road show would be conducted locally and abroad at the same time or not and would there be any difference or not.

Dr.Thanong Bidaya, President explained that the road show would be conducted locally and abroad at the same time. The shares would be sold at the same price and various rights would be the same.

As there were no shareholders enquiring on other matters, the Chairman of the Meeting declared the closure of the Meeting and thanked the shareholders who had taken the effort to come and attend the Meeting today.

The Meeting closed at 16.15 hrs.

(signed) General Wimol Wongwanich

Chairman of the Meeting

(Signed) Mr.Somphote Parcherat

Assistant secretary to the Board &  
Minutes Taker