

**Purposes and reasons
to support the Board of Directors' opinions**

Agenda 1 To consider certifying the minutes of the Extraordinary General Meeting of Shareholders No.1/2015 held on February 10, 2015

The Company Secretary had prepared the minutes of the Extraordinary General Meeting of Shareholders No.1/2015 held on February 10, 2015 which was subsequently considered by the Board who agreed that the said minutes correctly contained complete information and the resolutions of such meeting, The questions, answers and clarifications from the Board and the management were also attached to the minutes. Apart from having been delivered to the Stock Exchange of Thailand within 14 days from the date of the meeting, the minutes has also been posted on the Company's website at www.gmmgrammy.com for the shareholders to acknowledge and check its accuracy within an appropriate period. No shareholder raised an objection or requested an amendment to the minutes. (Please see details in Enclosure 2) Therefore, it was deemed appropriate to present the minutes of the Extraordinary General Meeting of Shareholders No.1/2015 to the Meeting for certifying.

Required Resolution:

According to the Company's Articles of Association, a resolution under this agenda can be passed with a simple majority vote of the shareholders who attend the meeting and cast the vote.

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Agenda 2 To acknowledge the Company's 2014 operational results and 2014 Annual Report

The report by the Board and management with respect to the Company's business performance for the year 2014 ended December 31, 2014 has been produced portraying the operational results of the Company during 2014. The Board, having considered and deemed it correct and sufficient, hereby proposes that the Meeting acknowledge the Company's business performance during 2014 and as contained in the 2014 Annual Report which were delivered to the shareholders together with this Invitation Letter.

Required Resolution:

This agenda does not require any vote as this is to inform the Meeting for acknowledgement.

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Agenda 3 To consider approving the Statement of Financial Position and the Income Statement for the fiscal year ended December 31, 2014

In accordance with Section 112 of the Public Limited Companies Act B.E.2535 (and as amended) ("the Public Act"), the Company has to prepare the latest Statement of Financial Position and the Income Statement as at the end of the Company's fiscal year, to be presented and approved

at the Annual General Meeting. The Company's Statement of Financial Position and Income Statement for the year as of December 31, 2014, had been reviewed by the Board and the Audit Committee, having considered and deemed them correct, complete and sufficient pursuant to the generally accepted accounting standards, and was duly audited and certified by auditors from **EY Office Limited**, who is the auditor of the Company. Details from the Statement of Financial Position and the Income Statement as of December 31, 2014 appears in the 2014 Annual Report and a printed summary of key financial information from the 2014 Annual Report is also attached to this Invitation Letter (Enclosure 3)

Required Resolution:

According to the Company's Articles of Association, a resolution under this agenda can be passed with a simple majority vote of the shareholders who attend the meeting and cast the vote.

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Agenda 4 To consider approving the omission of profit apportionment as statutory reserve fund from the 2014 operational results

According to Section 116 of the Public Act and the Company's Articles of Association, Clause 38 which stated "The Company has to allocate not less than 5% of annual net profits as statutory reserves, net of accumulated losses (if any), until the value of statutory reserves is not less than 10% of registered capital unless the Company has another rule or regulation that otherwise specifies a higher reserve."

Nonetheless, according to the Company's performance in 2014 (Separate financial statements), it recorded a net loss of 3,963.28 million baht. The Company therefore could not be able to allocate the profit as statutory reserve fund.

Required Resolution:

According to the Company's Articles of Association, a resolution under this agenda can be passed with a simple majority vote of the shareholders who attend the meeting and cast the vote.

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Agenda 5 To consider approving the omission of dividend payment from the 2014 operational results

The Company has a policy paying the dividends to shareholders at a rate of not less than 40% of the net profit after corporate income tax each year, based upon the separate Company's financial statements. According to Section 115 of the Public Act and the Company's Articles of Association Clause 37 which stated that "The Board of Directors may consider to allocate interim dividend payments to shareholders if the Company has adequate profits and shall report these payouts at the next shareholders' meeting."

According to the 2014 separate Income Statement, the Company recorded a net loss of 3,963.28 million baht, therefore, it should not be able to pay the dividend.

Details comparing the past 3 years for the dividend payments are shown as follows:

Details of dividend payment	2014 (separate)	2013 (separate)	2012 (separate)	2011 (separate)
Net Profits/(Loss):Million Baht	(3,963.3)	254.2	380.8	532.3
Retained Earnings/(Deficit):Million Baht	(3,015.2)	948.1	647.2	266.4
Earnings /(Loss) per Share:Baht	(6.02)	0.45	0.72	1.00
Rate of Dividend Payment				
· Interim Dividend Payment (Baht/Share)	-	-	-	0.54
· Annual Dividend Payment (Baht/Share)	None	-	-	-
Total Dividends Payment (Baht per Share)	-	-	-	0.54
Number of Shares (Million Share) - previous	-	-	530.3	530.3
Number of Shares (Million Share) - new	819.9	636.3	-	-
Total Dividend Payouts (Million Baht)	-	-	-	286.3
Dividend Payout Ratio (%)	-	-	-	53.8

Required Resolution:

According to the Company's Articles of Association, a resolution under this agenda can be passed with a simple majority vote of the shareholders who attend the meeting and cast the vote.

Agenda 6 To consider appointing the Company's directors to replace those who are due to retire by rotation

Pursuant to the Public Act and Clause 14 of the Company's Articles of Association, one-third of all directors shall be retired by rotation each year. At this 2015 Annual General Meeting of Shareholders, there are 4 directors (from 11 directors) due to retire by rotation, namely:

Name	Position in the Board	Position in the Sub-Committees
Miss Boosaba Daorueng	Director (Vice Chairman)	Member of the Risk Management Committee Member of the Group Executive Committee
Mrs. Saithip Montrikul Na Audhaya	Director	Member of the Risk Management Committee Member of the Group Executive Committee
Miss Suwimon Chungjotikapisit	Director	Member of the Nomination and Remuneration Committee
Miss Suvabha Charoenying	Independent Director	Member of the Audit Committee Member of the Corporate Governance and Ethics Committee

With respect to the Company's Good Corporate Governance Policy, the shareholders were given the opportunity to nominate the names of qualified persons for being considered to be elected as directors in advance for the 2015 Annual General Meeting of Shareholders via the Company's website www.gmmgrammy.com, from November 7, 2014 to February 6, 2015. However, there was no shareholder nominating the qualified persons to the Company.

Nonetheless, the Company received a letter dated February 16, 2015 from Miss Suvabha Charoenying, a director who due to retire by rotation at this Meeting, stated her intention not to be considered for a renewal of directorship term due to the dramatically increase of current responsibilities that would impact her ability to perform the duties of director (as well as members of other sub-committees). Hence, the Nomination and Remuneration Committee (the "NRC") at the Meeting No.1/2015 held on February 27, 2015 had deliberately considered, taking into account the individual directors' qualifications in various aspects based on the best interest of the Company under the policy, criteria and nomination process of the Company, and found that all the 3 directors are fit to work for the Company as the directors for another term by reason of their qualifications that meets the requirements of the Public Act and related regulators, as well as their knowledge, abilities, experience, vision, and working performance including their devotion and support to the Company's business operation in the past years. In addition, the NRC had searched and selected a qualified person by the process and procedure of the Company to replaced Miss Suvabha Charoenying, and that the NRC passed a resolution to propose Mr. Suvit Mapaisansin a candidate to be elected as an independent director of the Company.

The Board (except those 3 retired directors who have conflicts of interest in this agenda), agreed with the NRC to propose the Meeting to endorse the appointment of the 4 aforementioned candidates as the Company's directors. Their profiles and other supporting information are set out in Enclosure 4.1-4.4.

Required Resolution:

A resolution for electing directors can be passed according to the method and procedure as stated in Clause 13 of the Company's Articles of Association (Enclosure 6).

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Agenda 7 To consider approving the Board of Directors' remuneration and the Sub- Committees' remuneration for the year 2015

For the 2015 Annual General of Shareholders, the NRC and the Board considered the Board's remuneration and the Sub-Committees' remuneration for the year 2015 according to the Company's the guidelines and procedures by considering various factors in support of their determination, including the scope of responsibilities, contributions, work performance of the Company's directors, business expansion, a comparison with other companies in the same industry and similar nature of business, as well as the report of the 2014 Survey on Directors' Remuneration of Listed Companies in the Stock Exchange of Thailand conducted by Thai Institution of Directors (IOD). It was apparent that the Company's Board of Directors' and Audit Committee's remuneration

was not different from the overall market average rate. Therefore, it was deemed appropriate to propose to the Meeting as the followings:

1. The Board of Directors' Remuneration

It was deemed appropriate to propose the Meeting to approve the Board of Directors' remuneration for the year 2015 as follows:

1.1 Monetary Remuneration

It was deemed appropriate to approve the Board of Directors' remuneration at the amount of 6,000,000 baht (Six million baht) comprising of the meeting allowance and annual bonus, as detailed below:

(Unit: baht/year)

Remuneration	2015 (Proposed)	2014	2013
The Board of Directors	6,000,000	6,000,000	6,000,000

- **Meeting Allowance** (Being paid to a director who attends the meeting only)

(Unit: baht/person/time)

Position	2015 (Proposed)	2014	2013
Chairman of the Board	13,000	13,000	13,000
Independent Director	13,000	13,000	13,000
Director	3,000	3,000	3,000

- **Annual Bonus**

Total annual bonus for the Board is being paid under the rest amount of remuneration after deducting all meeting allowances paid to all the directors. The annual bonus will be allocated according to individual meeting attendance records by consideration of Chairman of the NRC, with the Chairman of the Board of Directors is apportioned twice of his meeting attendance.

1.2 Non-Monetary Remuneration / Other Benefits

-None-

2. The Sub-Committees' Remuneration

It was deemed appropriate to propose the Meeting to approve the Sub-Committees' remuneration which were appointed by the Board as follows:

The Audit Committee
2.1 Monetary Remuneration

It was deemed appropriate to approve the Audit Committee's remuneration for 2015 at the amount of 650,000 baht (Six hundred and fifty thousand million baht) which is the same amount as the previous year, as detailed below:

(Unit: baht/person/year)

Position	2015 (Proposed)	2014	2013
Chairman of the Audit Committee	200,000	200,000	200,000
Member of the Audit Committee (3 members)	150,000	150,000	150,000

2.2 Non-Monetary Remuneration / Other Benefits

-None-

Other Sub-Committees

Other sub-committees, namely the Nomination and Remuneration Committee, the Risk Management Committee, the Corporate Governance and Ethics Committee, and the Group Executive Committee received no remuneration.

The Board of Directors and the Audit Committee's remuneration payment in 2014 (by individual)

In 2014 and 2013, the Company compensated the Board of Directors and the Audit Committee in a total of 6,650,000 baht for each year. Details on remuneration for each director in 2014 are as follows:

Name	Title	The Board's Remuneration (Baht)				Total remuneration for 2014
		Meeting allowance	Annual bonus after deducting meeting allowance	Remuneration for the Audit Committee		
1. Mr. Paiboon Damrongchaitam	Chairman	91,000	868,966	-	959,966	
2. Dr. Naris Chaiyasoot	Independent Director Chairman of Audit Committee	91,000	434,483	200,000	725,483	
3. Mr. Dej Bulsuk	Independent Director Member of Audit Committee	104,000	496,552	150,000	750,552	
4. Mr. Weerawong Chittmitrapap ¹	Independent Director Member of Audit Committee	65,000	310,345	87,500	462,845	
5. Mr. Kudun Sukhumananda ²	Independent Director Member of Audit Committee	13,000	62,069	62,500	137,569	

6.	Miss Suvabha Charoenying	Independent Director Member of Audit Committee	104,000	496,552	150,000	750,552
7.	Miss Boosaba Daorueng	Director	21,000	434,483	-	455,483
8.	Mrs. Saithip Montrikul Na Audhaya	Director	18,000	372,414	-	390,414
9.	Mr. Krij Thomas	Director	21,000	434,483	-	455,483
10.	Miss Suwimon Chungjotikapisit	Director	24,000	496,552	-	520,552
11.	Mr. Kreingkarn Kanjanapokin	Director	24,000	496,552	-	520,552
12.	Mr. Sataporn Panichraksapong	Director	24,000	496,552	-	520,552
Total			600,000	5,400,000	650,000	6,650,000

The directors who resigned during the year will receive compensation proportionally depending on the length of tenure and number of meeting attendants as follows.

\1 Mr. Weerawong Chittmittrapap resigned from the independent director, effective August 1, 2014.

\2 Mr. Kudun Sukhumananda was appointed as the independent director, effective August 13, 2014.

Required Resolution:

According to Section 90 of the Public Act, a resolution under this agenda can be passed with a vote of not less than two-thirds (2/3) of the total votes of the shareholders attending the meeting.

Agenda 8 To consider appointing the Company's auditor and fixing the audit fee for the year 2015

Pursuant to the Public Act, shareholders are responsible for the appointment of the Company's auditor's and its annual audit fee. Under the Notification of the Securities and Exchange Commission No. KorChor. 39/2005 (No.20) Re: Rules, conditions and procedures for information disclosure relating to the financial condition and operating results of issuing companies on "Auditor Rotation" whose key points can be summarized as follows: **"Listed companies must ensure the rotation of its auditor if any auditor has been appointed to conduct the audit work for more than five consecutive accounting years. However, the requirement of rotation does not mean a change of the audit firm; in other words, other members working for the same audit firm as the existing auditor may be elected. When the new auditor is employed, the listed company is required to give the previous auditor a leave of at least two fiscal periods before rotating the auditor back into service."**

For the 2015 Annual General Meeting of Shareholders, after due consideration by the Board, with a consent from the Audit Committee, it was deemed appropriate to re-elect **EY Office Limited ("EY")**, the Company's auditor since 1995 (20 years) and being certified by the Office of Securities and Exchange Commission, as the auditor of the Company for the fiscal year ending December 31, 2015. That was because of their good working standard, independence and satisfied performance during the past years. The Meeting was proposed to appoint any one of the individuals below be responsible to review, audit and provide an opinion on the financial statements of the Company:

The Company's Auditors:

1. Mr. Termphong Opanaphan CPA No. 4501 or,
(certified in the Company's financial statements in 2011-2012)
2. Mr. Khitsada Lerdwana CPA No. 4958 or,
(certified in the Company's financial statements in 2013-2014)
3. Mrs. Ponnard Paucharoen CPA No. 5238
(never certify in the Company's financial statements)

In the event that the aforementioned auditors are unable to perform their duties, EY will replace the person with another auditor from its firm to conduct the audit works and give an opinion on the financial statements of the Company. The auditors who certify the financial statements have no relationship in any circumstances and have neither conflict of interest with the Company and its affiliates nor the management, major shareholders or any related persons of the aforementioned.

In addition, the following auditors of EY are the auditors of the Company's affiliates:

The Company's affiliates' Auditors:

1. Mr. Termphong Opanaphan CPA No. 4501 or,
2. Mr. Khitsada Lerdwana CPA No. 4958 or,
3. Mrs. Ponnard Paucharoen CPA No. 5238

The Audit Fee

The Board with the consent from the Audit Committee considered and deemed it appropriate to propose to the Meeting to approve audit fees for the year 2015 of GMM Grammy Plc. at the amount of **2,920,000 baht** (Two million nine hundred and twenty thousand baht), as same as the previous year (This amount excludes additional audit fees which may incur from future business restructuring). The Board opined that the amount was appropriate and competitive to those of other audit firms proposed to the Company.

Regarding non-audit service fee, for the past year the Company and its affiliates did not receive any other kind of services from EY. The audit fee of the Company could be summarized as follows:

(Unit: Baht)

Company	2015 Audit fee (Proposed)	% Change	2014 Audit fee	% Change	2013 Audit fee
GMM Grammy Plc.	2,920,000	0%	2,920,000	0%	2,920,000
Non-audit service fee	-None-	-	-None-	-	-None-

Required Resolution:

According to the Company's Articles of Association, a resolution under this agenda can be passed with a simple majority vote of the shareholders who attend the meeting and cast the vote.

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Agenda 9 Other business (If any)

The Board deemed it appropriate to include this agenda so as to be in accordance with Section 105 of the Public Act stating that shareholders holding not less than one-third of the total number of shares sold, may request the meeting to consider any matter other than those specified in the meeting notice, and also for shareholders to ask any questions or provide any opinions (if any) and/or so that the Board shall answer or give explanation to shareholders. Also in case that there were shareholders sent their inquiries or comments in advance.

However, according to the Principles of Corporate Governance of Listed Company issued by Thai Institute of Directors (IOD) and AGM Checklist of Thai Investors Association, it is not recommended to add any other agendas that are not specified in the invitation letter to the Meeting for approval or vote casting.

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Additional Facts on the Meeting Agenda

In order to comply with the Company's Good Corporate Governance Policy, the Company has invited all shareholders to propose agenda for the 2015 Annual General Meeting of Shareholders via the Company's website at www.gmmgrammy.com from November 7, 2014 to February 6, 2015. However, there was no shareholder propose any agenda to the Company. The Board, therefore, deemed it appropriate to set the agendas for the 2015 Annual General Meeting of Shareholders as appears in this Invitation Letter.
