

Ref. No. CN.2021/2004

February 27, 2004

To: The President

The Stock Exchange of Thailand

Subject: Additional Information regarding the Amendment of the Memorandum and Articles of Association of KASIKORNBANK Public Company Limited

We refer to our letter Ref. No. CN.2018/2004 dated February 26, 2004 notifying the resolutions of the Board of Directors' Meeting of KASIKORNBANK Public Company Limited held on February 26, 2004, at which significant resolutions have been adopted.

We hereby attach the amendment of the Memorandum and Articles of Association of KASIKORNBANK Public Company Limited compared with existing version for your information.

Yours sincerely,

The amendment of article 9 paragraph 1, article 17, article 18 paragraph 1 and article 19 of the Articles of Association**The amendment to the Articles of Association**

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>Article 9 paragraph 1</p> <p>There shall be no less than seven and no more than sixteen directors whereby no fewer than half of all directors shall have domicile in the Kingdom.</p> <p>The director may or may not be the Company's shareholder.</p>	<p>Article 9 paragraph 1</p> <p>There shall be no less than seven and no more than eighteen directors whereby no fewer than half of all directors shall have domicile in the Kingdom.</p> <p>The director may or may not be the Company's shareholder.</p>	<p>Currently, there are 16 directors in the Company. For the purpose of increasing numbers of directors with respect to the restructuring of the Company's management, it is appropriate to amend this Article.</p>
<p>Article 17</p> <p>The directors shall have the power to conduct all kinds of business of the Company. The Chairman of the Board of Directors or the President solely or two of other directors onward are entitled to sign and affix the common seal of the Company.</p>	<p>Article 17</p> <p>The directors shall have the power to conduct all kinds of business of the Company. Two directors are authorized to sign and affix the common seal of the Company.</p>	<p>To comply with the Corporate governance, it was proposed that the AOA be amended to empower two directors to sign and affix the common seal of the Company.</p>
<p>Article 18 paragraph 1</p> <p>The Board of Directors shall appoint a President and the Board of Directors shall prescribe powers and duties of the President to have powers and duties as the Board of Directors deems appropriate. If the powers and duties of the President are not prescribed, the President shall have the power to manage the Company in compliance with general custom and under the Board of Directors' supervision.</p>	<p>Article 18 paragraph 1</p> <p>The Board of Directors shall appoint a director to be the Chief Executive Officer and a director to be the President, and that the Chief Executive Officer may be the same person as the President. The Board of Directors shall prescribe powers and duties of the Chief Executive Officer and the President. If the powers and duties of the Chief Executive Officer and the President are not prescribed, the Chief Executive Officer and the President shall have the power to manage the Company in compliance with general custom and under the Board of Directors' supervision.</p>	<p>In the restructuring of the Bank's management, it was proposed that the AOA be amended by adding the position of the Chief Executive Officer.</p>
<p>Article 19 paragraph 1</p> <p>The Board of Directors shall appoint a Management Committee consisting of a President and a certain number of the Company's officials who shall have an authority to manage and operate the Company's business as determined by the Board of Directors.</p>	<p>Article 19 paragraph 1</p> <p>The Board of Directors shall appoint a Management Committee consisting of a Chief Executive Officer, a President and a certain number of the Company's officials who shall have an authority to manage and operate the Company's business as determined by the Board of Directors.</p>	<p>In the restructuring of the Bank's management, it was proposed that the AOA be amended in order to add the Chief Executive Officer to be a member of the Management Committee.</p>

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>The President shall be the Chairman of this Management Committee by his/her position.</p> <p>The Management Committee shall hold meetings and perform its duties as appropriate but no fewer than once a week unless in case of necessity or there is no business or there is a reasonable basis for not having such meeting.</p> <p>The quorum of the Management Committee shall consist of no fewer than half of all members of the Management Committee in which the President or the person designated thereby must also attend the meeting.</p> <p>Each attending the Management Committee's meeting shall have one vote. The majority vote shall be deemed a resolution. In case of tie, the Chairman of the Meeting shall have an additional vote as a casting vote.</p> <p>In every Board of Directors' Meeting, the President shall report to the Board of Directors' Meeting in brief of the businesses the Management Committee has already taken. However, the following shall be subject to the Board of Directors' approval in advance.</p> <p>(1) Matters relating to the Company's policies.</p> <p>(2) Any matter if committed will materially affect the Company's business.</p> <p>(3) Matters which the Board of Directors itself shall comply according to the law.</p> <p>(4) Matters which shall be complied upon the Company's regulations.</p> <p>(5) Matters the Management Committee deems appropriate to propose for approval on a case by case basis or in accordance with the rules the Board of Directors has laid down; for example, credit approval.</p>	<p>The Chief Executive Officer shall be the Chairman of this Management Committee by his/her position.</p> <p>The Management Committee shall hold meetings and perform its duties as appropriate but no fewer than once a week unless in case of necessity or there is no business or there is a reasonable basis for not having such meeting.</p> <p>The quorum of the Management Committee shall consist of no fewer than half of all members of the Management Committee in which the Chief Executive Officer or the person designated thereby must also attend the meeting.</p> <p>Each attending the Management Committee's meeting shall have one vote. The majority vote shall be deemed a resolution. In case of tie votes, the Chairman of the Meeting shall have an additional vote as a casting vote.</p> <p>In every Board of Directors' Meeting, the Chief Executive Officer or the person designated thereby shall report to the Board of Directors' Meeting in brief of the businesses the Management Committee has already taken. However, the following shall be subject to the Board of Directors' approval in advance.</p> <p>(1) Matters relating to the Company's policies.</p> <p>(2) Any matter if committed will materially affect the Company's business.</p> <p>(3) Matters which the Board of Directors itself shall comply according to the law.</p> <p>(4) Matters which shall be complied upon the Company's regulations.</p> <p>(5) Matters the Management Committee deems appropriate to propose for approval on a case by case basis or in accordance with the rules the Board of Directors has laid down; for example, credit approval.</p>	

The amendment of clause 4 of the Memorandum of Association and article 3 paragraph 1 & 4, article 3 ter. And article 32 paragraph 1 of the Articles of Association

The amendment to the Memorandum of Association

Current Wording	Proposed Wording
<p>Clause 4</p> <p>The registered capital is 26,900,946,900 Baht (Twenty-six thousand and nine hundred million, nine hundred and forty-six thousand and nine hundred Baht) divided into 2,690,094,690 shares (Two thousand six hundred and ninety million, ninety-four thousand, six hundred and ninety shares) with a par value of 10 Baht (Ten Baht) each, categorized into ordinary shares of 2,689,547,345 shares (Two thousand six hundred and eighty-nine million five hundred and forty-seven thousand, three hundred and forty-five shares). Class A preferred shares of 547,345 shares (Five hundred and forty-seven thousand, three hundred and forty-five shares).</p>	<p>Clause 4</p> <p>The registered capital is 26,900,946,900 Baht (Twenty-six thousand and nine hundred million, nine hundred and forty-six thousand and nine hundred Baht) divided into ordinary shares of 2,690,094,690 shares (Two thousand six hundred and ninety million, ninety-four thousand, six hundred and ninety shares) with a par value of 10 Baht (Ten Baht) each, categorized into ordinary shares of 2,690,094,690 shares (Two thousand six hundred and ninety million, ninety-four thousand, six hundred and ninety shares). Class A preferred shares of - shares (- shares).</p>

The amendment to the Articles of Association

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>Article 3.</p> <p>Shares of the Company shall only be ordinary and preferred shares, amount of which shall be fully paid up in money. The Company shall not issue share certificate to bearer.</p> <p>The offer of shares for sale to the public or to any person shall be in accordance with the law relating to securities and securities exchange.</p> <p>The Company may issue debentures or convertible debentures or convertible preferred shares, including any securities according to the law relating to securities and securities exchange, and offer those securities to public. The Company may convert convertible debentures or convertible preferred shares into ordinary shares, subject to relevant laws.</p>	<p>Article 3.</p> <p>Shares of the Company shall only be ordinary shares, amount of which shall be fully paid-up in money. The Company shall not issue share certificate to bearer.</p> <p>The offer of shares for sale to the public or to any person shall be in accordance with the law relating to securities and securities exchange.</p> <p>The Company may issue debentures or convertible debentures or convertible preferred shares, including any securities according to the law relating to securities and securities exchange, and offer those securities to public. The Company may convert convertible debentures or convertible preferred shares into ordinary shares, subject to relevant laws.</p>	<p>Due to the conversion of all preferred shares into ordinary shares, the Bank currently has no preferred share. Therefore, it is appropriate to amend the Articles of Association (the “AOA”) by deleting any wording in relation to the preferred shares.</p>
<p>Article 3 bis,</p> <p>Subject to the second paragraph, the third paragraph and the fourth paragraph of this Article, Shares of the company which are held by non-Thai nationals at any time shall be in aggregate of not more than 25% of the total number of shares sold. Non-Thai nationals under the first paragraph shall mean to include:</p> <p>(1) Any partnership or company of which 50% of the capital belongs to non-Thai nationals;</p> <p>(2) Any partnership or company of which up to 50% of the total partners (either limited or unlimited liability) or shareholders are non-Thai nationals;</p> <p>(3) Any association, foundation, organization or institution of which up to 50% of the members, committees or managers, as the case may be, are non-Thai nationals, or which is managed or established for the benefit of any non-Thai nationals.</p>	<p>Article 3 bis,</p> <p>Subject to the second paragraph and the third paragraph of this Article, shares of the company which are held by non-Thai nationals at any time shall be in aggregate of not more than 25% of the total number of shares sold. Non-Thai nationals under the first paragraph shall mean to include:</p> <p>(1) Any partnership or company having capital of all non-Thai nationals up to 50% of the capital in that partnership or company;</p> <p>(2) Any partnership or company having non-Thai national partners (either limited or unlimited liability) or shareholders up to 50% of the number of all partners or shareholders;</p> <p>(3) Any association, foundation, organization or institution having the number of members or directors up to 50% of all members or directors, as the case may be, or having non-Thai national as manager, or being managed or incorporated for the benefits of any non-Thai nationals.</p>	

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>Non-Thai national(s) may acquire an aggregate amount of ordinary shares in exceeding 25% of the total number of shares sold pursuant to the first paragraph of this Article only by means of subscription of increased capital ordinary shares offered to non-Thai nationals on a specific basis, provided that the number of new ordinary shares held by the non-Thai nationals under the first paragraph of this Article shall not exceed 49% of the number of the ordinary shares sold during such time. The non-Thai national shareholders who acquire ordinary shares under this paragraph shall have legal rights equal to those of non-Thai national shareholders under the first paragraph in all respects.</p> <p>However, if it appears that after the Company has proceeded to increase capital for the non-Thai nationals under the second paragraph and non-Thai nationals has acquired ordinary shares less than 49 % of the total number of ordinary shares sold, the shareholding ratio by the non-Thai nationals at any time, shall be maintained based on the highest ratio at which increased capital ordinary share are subscribed for at the last time but not exceeding 49 % of the total number of the ordinary shares sold unless otherwise prescribed by the laws, regulations or directives of the Bank of Thailand and/or related working units.</p> <p>Non-Thai national(s) may acquire an aggregate amount of shares of the Company in exceeding 49% of the total number of shares only by means of subscription of increased capital shares offered to non-Thai nationals on a specific basis pursuant to the shareholders resolution No 1/1998 held on 29 September 1998 or by means of conversion of Class A preferred shares into ordinary shares, provided that the total number of new shares held by the non-Thai nationals under this paragraph and the first and second paragraph of this Article shall be less than half of the total number of the shares sold during such time.</p>	<p>Non-Thai national(s) may acquire an aggregate amount of ordinary shares in exceeding 25% of the total number of shares sold pursuant to the first paragraph of this Article only by means of subscription of increased capital ordinary shares offered to non-Thai nationals on a specific basis, provided that the number of new ordinary shares held by the non-Thai nationals under the first paragraph of this Article shall not exceed 49% of the number of the ordinary shares sold during such time. The non-Thai national shareholders who acquire ordinary shares under this paragraph shall have legal rights equal to those of non-Thai national shareholders under the first paragraph in all respects.</p> <p>However, if it appears that after the Company has proceeded to increase capital for the non-Thai nationals under the second paragraph and non-Thai nationals has acquired ordinary shares less than 49% of the total number of ordinary shares sold, the shareholding ratio by the non-Thai nationals at any time, shall be maintained based on the highest ratio at which increased capital ordinary share are subscribed for at the last time but not exceeding 49% of the total number of the ordinary shares sold unless otherwise prescribed by the laws, regulations or directives of the Bank of Thailand and/or related working units.</p> <p>Cancelled</p>	<p>As the Bank currently has no preferred share, it is appropriate to amend the AOA by deleting any wording in relation to the preferred shares and the wording in the last paragraph regarding the limit of the holding of preferred shares and ordinary shares which were converted from preferred shares by non- Thai nationals.</p>

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>Article 3. ter,</p> <p>The preferred shares of the Company issued pursuant to the resolution of the Shareholders of the Company passed on 29 September 1998 (the “Class A Preferred Shares”) shall confer the following rights on the holders thereof (each a “Holder”):</p> <p>(a) Upon liquidation of the Company’s assets and capital, any amount remaining after payment of all amounts payable in respect of indebtedness and other obligations of the Company shall be divided among the Holders pro rata to the number of Class A Preferred Shares held by each Holder. In such event the Baht amount payable per Class A Preferred Share (the “Liquidation Preference”) shall be equal, at the Reference Rate quoted by the Bank of Thailand on the date of the winding-up order in respect of the Company or, as the case may be, the court order appointing the official receiver of the Company, to US\$ 1,000.</p> <p>If the proceeds of liquidation of the assets and capital of the Company are insufficient to make such payment in full, such proceeds shall be distributed to the Holders pro rata to their respective holdings of the Class A Preferred Shares.</p> <p>(b) On the due date for redemption of the US dollar subordinated bonds of the Company issued in connection with the Class A Preferred Shares(the “Bonds”), the Company shall pay to the Holders an amount of Baht equal, at the Reference Rate quoted by the Bank of Thailand on the business day preceding such payment, to US\$1,000. Such payment shall be effected by means of a reduction of the</p>	<p>Article 3. ter,</p> <p>Cancelled</p>	<p>As the Bank currently has no preferred share, it is appropriate to amend the AOA by canceling this Article which concerns the preferred shares.</p>

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>premium reserve of the Company by an amount equal to the lesser of (i) the Baht amount referred to above and (ii) the amount of such premium reserve. The premium reserve shall not in any event be used to make good an accumulated loss of the Company as provided by Section 119 of the Public Limited Companies Act B.E. 2535. Upon redemption of the Bonds and payment to the Holder as described in the first paragraph the Liquidation Preference shall be reduced to the par value of the Class A Preferred Shares.</p> <p>(c) Immediately upon redemption of the Bonds as described in paragraph (b) the Class A Preferred Shares shall be convertible to ordinary shares in the Company. A Holder may request such conversion at any time thereafter by submitting a written request for such conversion, together with the certificate(s) for the relevant Class A Preferred Share(s), to the Company.</p> <p>(d) The Holders shall have a preferential right to receive dividends in respect of the Class A Preferred Shares in each year in priority to the payment of dividends in respect of the ordinary shares and, if the Company pays a dividend on its ordinary shares in respect of any financial year, dividends on the Class A Preferred Shares shall be paid in respect of such financial year as follows:</p> <p>(i) if the Company has paid interest on the Bonds in full pursuant to the terms and conditions of the Bonds or the Bonds have been redeemed: at the rate of Baht 1 per Class A Preferred Share; and</p>		

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>(ii) where the interest payable under the Bonds has not been paid in full in accordance with the terms and conditions of the Bonds: an amount per Class A Preferred Share equal to the amount which, after deduction of withholding tax at the rate then applicable to the payment of dividends to foreign shareholders, is equal to the amount which would be payable by way of annual interest in that year in respect of US\$ 1,000 in principal amount of the Bonds (disregarding any terms of the Bonds requiring or permitting the Company to pay no interest in any particular year) as set out in the prospectus issued in connection with the Bonds and the Class A Preferred Shares, minus the interest that has been paid on the Bonds in such financial year; subject in each case to the availability of distributable profits.</p> <p>(e) Any dividend payable in respect of the Class A Preferred Shares shall be declared and paid in equal semi-annual instalments by way of interim distribution and final distribution (following approval of the board of directors and/or shareholders in general meeting, as the case may be) to the Holders as nearly as possible on the dates specified as interest payment dates under the Bonds;</p>		

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>provided that if (i) the board of directors of the Company declare no interim dividend on the ordinary shares in respect of any financial year and declare no interim dividend on the Class A Preferred Shares in respect of such year but (ii) the Company subsequently declares a final dividend on the ordinary shares in respect of such year, then the full dividend payable on the Class A Preferred Shares (as described in paragraph d(ii)) in respect of such year shall be paid to the Holders as a final distribution.</p> <p>(f) Each Class A Preferred Share shall carry the right to one vote at any meeting of the shareholders of the Company.</p>		
<p>Article 32 paragraph 1</p> <p>No dividend shall be paid out of any money, other than profits. In the event that the Company still has an accumulative loss, no dividend shall be paid. Dividend shall be paid equally, according to the numbers of shares, unless otherwise specified for the preferred shares in this Article. Payment of dividend shall be subject to shareholders approval.</p>	<p>Article 32 paragraph 1</p> <p>No dividend shall be paid out of any money, other than profits. In the event that the Company still has an accumulated loss, no dividend shall be paid. Dividend shall be paid equally, according to the numbers of shares. Payment of dividend shall be subject to shareholders approval.</p>	<p>As the Bank currently has no preferred share, it is appropriate to amend the AOA by canceling this Article which concerns the preferred shares.</p>

The amendment of clause 4 of the Memorandum of Association and article 3 bis. Paragraph 2 & 3 of the Articles of Association

The amendment to the Memorandum of Association

To decrease registered capital

Current Wording	Proposed Wording
<p>Clause 4</p> <p>The registered capital is 26,900,946,900 Baht (Twenty-six thousand and nine hundred million, nine hundred and forty-six thousand and nine hundred Baht) divided into ordinary shares of 2,690,094,690 shares (Two thousand six hundred and ninety million, ninety-four thousand, six hundred and ninety shares) with a par value of 10 Baht (Ten Baht) each, categorized into ordinary shares of 2,690,094,690 shares (Two thousand six hundred and ninety million, ninety-four thousand, six hundred and ninety shares) Class A preferred shares of - shares (- shares).</p>	<p>Clause 4</p> <p>The registered capital is 23,986,146,970 Baht (Twenty-three thousand nine hundred eighty-six million one hundred forty-six thousand nine hundred and seventy Baht) divided into 2,398,614,697 shares (Two thousand three hundred ninety-eight million six hundred fourteen thousand six hundred and ninety-seven shares) with a par value of 10 Baht (Ten Baht) each, categorized into Ordinary Shares of 2,398,614,697 shares (Two thousand three hundred ninety-eight million six hundred fourteen thousand six hundred and ninety-seven shares) and Preferred Shares of - shares (- shares).</p>

To increase registered capital

Current Wording	Proposed Wording
<p>Clause 4</p> <p>The registered capital is 23,986,146,970 Baht (Twenty-three thousand nine hundred eighty-six million one hundred forty-six thousand nine hundred and seventy Baht) divided into 2,398,614,697 shares (Two thousand three hundred ninety-eight million six hundred fourteen thousand six hundred and ninety-seven shares) with a par value of 10 Baht (Ten Baht) each, categorized into Ordinary Shares of 2,398,614,697 shares (Two thousand three hundred ninety-eight million six hundred fourteen thousand six hundred and ninety-seven shares) and Preferred Shares of - shares (- shares).</p>	<p>Clause 4</p> <p>The registered capital is 30,486,146,970 Baht (Thirty thousand four hundred eighty-six million one hundred forty-six thousand nine hundred and seventy Baht) divided into 3,048,614,697 shares (Three thousand forty-eight million six hundred fourteen thousand six hundred and ninety-seven shares) with a par value of 10 Baht (Ten Baht) each, categorized into Ordinary Shares of 3,048,614,697 shares (Three thousand forty-eight million six hundred fourteen thousand six hundred and ninety-seven shares) and Preferred Shares of - shares (- shares).</p>

The amendment to the Articles of Association

Current Wording	Proposed Wording	Reasons and necessity for the amendment
<p>Article 3 Bis paragraph 2</p> <p>Non-Thai national(s) may acquire an aggregate amount of ordinary shares in exceeding 25% of the total number of shares sold pursuant to the first paragraph of this Article only by means of subscription of increased capital ordinary shares offered to non-Thai nationals on a specific basis, provided that the number of new ordinary shares held by the non-Thai nationals under the first paragraph of this Article shall not exceed 49% of the number of the ordinary shares sold during such time. The non-Thai national shareholders who acquire ordinary shares under this paragraph shall have legal rights equal to those of non-Thai national shareholders under the first paragraph in all respects.</p>	<p>Article 3 Bis paragraph 2</p> <p>Non-Thai national(s) may acquire an aggregate amount of shares in excess of 25% of the total number of shares sold pursuant to the first paragraph of this Article only by means of subscription of capital-increase shares of the Company, provided that the number of capital-increase shares acquired by non-Thai nationals under this paragraph, when combining with the number of shares held by non-Thai nationals under the first paragraph of this Article, shall not exceed 49% of the total number of shares sold during such time. Non-Thai national shareholders who acquire shares under this paragraph shall have the same legal rights as non-Thai national shareholders under the first paragraph in all respects.</p>	<p>To accommodate the offering of capital-increase shares</p>
<p>Article 3 Bis paragraph 3</p> <p>However, if it appears that after the Company has proceeded to increase capital for the non-Thai nationals under the second paragraph and non-Thai nationals has acquired ordinary shares less than 49 % of the total number of ordinary shares sold, the shareholding ratio by the non-Thai nationals at any time, shall be maintained based on the highest ratio at which increased capital ordinary share are subscribed for at the last time but not exceeding 49 % of the total number of the ordinary shares sold unless otherwise prescribed by the laws, regulations or directives of the Bank of Thailand and/or related working units.</p>	<p>Article 3 Bis paragraph 3</p> <p>If the Company has proceeded to increase capital for non-Thai nationals under the second paragraph and the number of shares held by non-Thai nationals is less than 49 per cent of the total number of shares sold, it shall be deemed that the highest ratio of shares held by such non-Thai nationals of the Company will be consistent with the highest ratio when the capital increase shares offered at that time are subscribed, which however must not exceed 49 per cent of the total number of shares sold unless otherwise prescribed by laws, regulations or directives of the Bank of Thailand and/or relevant agencies.</p>	