

Director and Independent Director Selection Procedure

The Remuneration and Nomination Committee will nominate new directors who shall replace those retiring on rotation or otherwise based on the following procedures:

Policy and Criterion

- 1) The Board of Directors should consist of directors with diverse qualifications in terms of skills, experience and professional expertise that benefit the company, including the willingness to devote sufficient time to the board and the ability to perform his/her duty to strengthen the board.
- 2) Having nominees who are independent and qualified to serve as members of the board, at least for those who serve as independent directors.
- 3) In determining whether to recommend a director for re-election, there should be an evaluation process of the director's performance. Such process promotes the accountability among board members and ascertains that only well qualified directors will be re-appointed.

Quality of the Director

- 1) Directors must possess the qualifications as specified by the Public Limited Company Act, the Securities and Exchange Act and the Non-life Insurance Act, etc.
- 2) Directors should be competent with skills and extensive experience to benefit the company's operations. Director must have willingness and good ethical business practices.
- 3) Directors should have the ability to exercise sound and independent judgments, free from any conflict of interest from the management and other interest groups.
- 4) Directors could dedicate appropriate time to the company that he/she serves as director and perform his/her duty with due care.

Shareholders can also nominate candidates for appointing to the Board via the Company's website.

Credentials and Backgrounds of nominated persons to be directors

1. Credentials and Backgrounds of the Nominated Person

1.1 Professor Hiran Radeesri



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|---|---|
| Nominated Director Type | Independent Director |
| Age | 83 years |
| Appointment as NKI's director | 24 August 1999 (14 years) |
| Positions in NKI | Director/ Chairman of the Audit Committee |
| Highest Education Degree | Honorary Doctorate in Accounting, Thammasat University |
| Director Training Program | |
| 2000 | Director Certificate Program (DCP 0/2000) Thai Institute of Directors Association |
| Work experience | |
| 2009-Present | Honorary Chairman, Thai Institute of Directors Association |
| 2002-Present | Chairman, Corporate Governance Center, The Stock Exchange of Thailand |
| 2001-Present | Chairman of the Audit Committee, Thai Com Public Co., Ltd. |
| 1999-Present | Chairman of the Audit Committee, Dusit Thani Public Co., Ltd. |
| 1999-Present | Authorized Director, Aueradee Co., Ltd. |
| 2005-2012 | Chairman of the Audit Committee, Easy Buy Public Co., Ltd. |
| Holding a directorship in listed company | 3 Companies |
| NKI Shareholding (As at December 31, 2012) | -None- |
| Meeting Attendance in 2012 | - The Board of Directors' meeting: 5/5 times - Non-executive Directors' meeting: 1/1 times - The Audit Committee's meeting: 10/10 times |



1.2 Mr. Nipol T. Jeerawong

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|---|---|
| Nominated Director Type | Director |
| Age | 61 years |
| Appointment as NKI's director | 29 April 1992 (21 years) |
| Positions in NKI | Director/ Chairman of the Executive Board/ Chairman of the Risk Management Committee/ Chairman of the Investment Committee |
| Highest Education Degree | Bachelor Degree in Statistics, Thammasat University |
| Director Training Program | |
| 2008 | Refresher Course DCP (Re DCP 1/2008) Thai Institute of Directors Association |
| 2002 | Director Certificate Program (DCP 18/2002) Thai Institute of Directors Association |
| Work experience | |
| 2006-Present | Advisor, the Falcon Insurance Public Co., Ltd. |
| Holding a directorship in listed company | 1 Company |
| NKI Shareholding (As at December 31, 2012) | 127,868 shares or 0.43% of the total shares (Inclusive of relative's stock under Section 258) |
| Meeting Attendance in 2012 | <ul style="list-style-type: none"> - The Board of Directors' meeting: 5/5 times - The Risk Management Committee's meeting: 4/4 times - The Investor Committee's meeting: 2/2 times - The Executive Board's meeting: 38/49 times |



1.3 Mr. Thamnu Wanglee

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| Nominated Director Type | Director |
| Age | 75 years |
| Appointment as NKI's director | 29 April 1992 (21 years) |
| Positions in NKI | Director |
| Highest Education Degree | Diploma, E.M.I. Electronic College, England |
| Director Training Program | |
| 2006 | Director Accreditation Program (DAP 51/2006) Thai Institute of Directors Association |
| Work experience | |
| Present | Chairman, Thanatip Co., Ltd. |
| Present | Director, Plapat Co., Ltd. |
| Present | Director, Wanglee Co., Ltd. |
| Holding a directorship in listed company | 1 Company |
| NKI Shareholding (As at December 31, 2012) | 382,794 shares or 1.28% of the total shares (Inclusive of relative's stock under Section 258) |
| Meeting Attendance in 2012 | - The Board of Directors' meeting: 5/5 times - Non-executive Directors' meeting: 0/1 times |



1.4 Mr. Tetsutaro Hiraoka

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| Nominated Director Type | Director |
| Age | 52 years |
| Appointment as NKI's director | 12 May 2011 (2 years) |
| Positions in NKI | Director |
| Highest Education Degree | Bachelor Degree in Commerce, Chuo University, Japan |
| Director Training Program | -None- |
| Work experience | |
| 2011-Present | Managing Director, Nipponkoa Management Service (Singapore) Pte Ltd. |
| Holding a directorship in listed company | 1 Company |
| NKI Shareholding | -None- |
| Meeting Attendance in 2012 | - The Board of Directors' meeting: 2/5 times - Non-executive Directors' meeting: 1/1 times |



1.5 Miss Sukanya Pantapatkul

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|---|---|
| Nominated Director Type | Director |
| Age | 54 years |
| Appointment as NKI's director | 14 May 2010 (3 years) |
| Positions in NKI | <ul style="list-style-type: none"> - Director - Member of the Risk Management Committee - Company Secretary - Senior Vice President - Vice President – Office of President |
| Highest Education Degree | Bachelor Degree in Economics, Thammasat University |
| Director Training Program | -None- |
| Work experience | |
| 2010-Present | Director, the Navakij Insurance Public Co., Ltd. |
| Holding a directorship in listed company | 1 Company |
| NKI Shareholding (As at December 31, 2012) | 559 shares or 0.00% of the total shares (Inclusive of relative's stock under Section 258) |
| Meeting Attendance in 2012 | <ul style="list-style-type: none"> - The Board of Directors' meeting: 5/5 times - The Risk Management Committee's meeting: 4/4 times |

2. Information of holding a directorship in listed company or other rival incorporation/ any related business with the Company

| Nominated Persons | Listed Company | | Other Businesses | Other rival incorporation/ any related business with the Company |
|-----------------------------|----------------|---|------------------|--|
| | Number | Type of Director | | |
| 1. Professor Hiran Radeesri | 2 | 1. Independent Director, Thai Com Plc. 2. Independent Director, Dusit Thani Plc. | 1 | None |
| 2. Mr. Nipol T. Jeerawong | - | - | - | The Falcon Insurance Plc. (Associate) |
| 3. Mr. Thamnu Wanglee | - | - | 3 | None |
| 4. Mr. Tetsutaro Hiraoka | - | - | 1 | Nipponkoa Management Service (Singapore) Pte. |
| 5. Miss Sukanya Pantapatkul | - | - | - | None |

3. Relationship characteristics of nominated person qualified as independent directors

| Relationship Characteristics | Name of nominated person qualified as independent directors |
|---|---|
| | Professor Hiran Radeesri |
| Holding of NKI share - Amount | 0 |
| - Ratio of issued shares having voting rights | 0 |
| Being close relatives to executive/major shareholders of NKI/ controlling person/ or person to be nominated as executive/ controlling person of company and its subsidiaries | None |
| Having relationship in any of these characteristics to NKI/ parent company/ subsidiary company/ associate company/ major shareholder/ or controlling person either at present or during the past 2 years - Being an executive director, staff, employee or advisor who receives salary - Being a professional service provider such as auditor or legal consultant - Having business relationship (such as buy/ sell raw materials/ products/ services/ lending/ borrowing) – specify transaction size | None None None |

Definition of independent director

A director shall be considered independent, if:

- 1) Holding shares not more than 1% of the total voting share of the company, parent company, its subsidiary, associate or legal entity who has conflict of interest. This includes shareholdings of individuals involved with said independent directors. (Individuals under Section 258)
- 2) Being a director who does not take part within 2 years in the management, as an employee, a staff member, an advisor who receives a monthly salary or a controlling party of the company, its parent company, its subsidiary, associates, subsidiaries same rank or legal entity who has conflict of interest.
- 3) Being a director who has no blood relation or by legal registration as parents, spouse, siblings, children, including spouse of children, executives, major shareholders, controlling party or individual nominated as executive or as the controlling party of the company or its subsidiary.
- 4) Being a director who has no business relations with the company, parent company, its subsidiary, associate or legal entity that may have conflict of interest in a way which may interfere with exercising independent judgment. This includes not being or having been major shareholder, none-independent director or director of individual who has business relations with the company, parent company, its subsidiary, associate or legal entity that may have conflict of interest. This is with the exception of said individual no longer being in position for at least 2 years.
- 5) Being a director who is not and never have been an auditor, a major shareholder, a non-independent director, an executive of the company, parent company, its subsidiary, associate or legal entity that may have conflict of interest. This includes partners of the manager of the audit office whose auditors work for the company, parent company, its subsidiary, associate or legal entity that may have conflict of interest. This is with the exception of said individual no longer being in position for at least 2 years.
- 6) Being a director who is not or never have been in any professional service which includes service of legal consultant, financial advisor who receives a fee of more than 2 million baht annually from the company, its parent company, its subsidiary, associate or legal entity that may have conflict of interest. In the case which said person in the professional service is a legal entity, this includes major shareholders, non-independent directors, executives or partners of said person unless he is no longer in position for at least 2 years.
- 7) Being a director who was not appointed to represent the company's directors, major shareholders or shareholders related to the company's major shareholders.
- 8) Being a director who does not operate business of the same conditions and which is a significant competition with the business of the company or its subsidiaries. Also, being a director who is not a significant partner in limited partnership or who partakes in management, as employee, staff member, advisor who receives monthly salary or hold shares more than 1 % of the total voting share of other company with business of the same condition and is a significant competition to business of the company or its subsidiaries.
- 9) There is no other reason why said director cannot have independence in executing the company's business.

Note: The definition of independent directors is the minimum criteria as defined by SEC or SET.