

(Translation)

Ref: OP.S. 002/2018

22 March 2018

Re: Invitation to the Annual General Meeting of Shareholders for the year 2018 (No.86)

To: All Shareholders

- Enclosures:
1. Copy of the Minutes of the 2017 Annual General Meeting of Shareholders (No.85)
  2. The 2017 Annual Report and Financial Statement 2017 (CD-ROM)
  3. A Registration Form (should be presented at the meeting date)
  4. Operating Results and Financial Status as at 31 December 2017
  5. Credentials and Backgrounds of Nominated Persons to be Directors
  6. Details of Auditors and his/her Determined Fees
  7. Documents Required to Present at the Registration Desk to Attend the Meeting
  8. Details of the Director to Act as Shareholders' Proxies
  9. A Proxy Form B
  10. Company's Articles of Association Relation to the Shareholders' Meeting
  11. Map of the Location of the Shareholders' Meeting
  12. Annual Report Requisition Form
  13. Reply Paid Envelope

Notice is hereby given that the Annual General Meeting of Shareholders for the year 2018 (No.86) of the Navakij Insurance Public Company Limited ("the Company") will be held on 24 April 2018 at 14.00 hours at the Grand Hall on 28<sup>th</sup> Floor, the Bangkok Club, No.175 Sathorn City Tower, South Sathorn Road, Tungmahamek, Bangkok 10120. To consider the following agendas:

**Agenda 1 To consider and adopt the Minutes of the Annual General Meeting of Shareholders for the year 2017 (No.85)**

Rationale: The Company held the Annual General Meeting of Shareholders for the year 2017 (No.85) on 27 April 2017, and the minutes of the meeting has been recorded and submitted to the Stock Exchange of Thailand, the Office of Insurance Commission and the Ministry of Commerce within the timeframe prescribed by laws. It was also disclosed in the Company's website, details of which are shown in Enclosure 1.

Board's opinion: The Board of Directors considered and resolved that the Minutes of the Annual General Meeting of Shareholders for the year 2017 (No.85) held on 27 April 2017 had been recorded accurately. Therefore, they should be proposed to the Shareholders' Meeting for certification.

**Agenda 2 To consider and acknowledge the Company's performance for the year 2017**

Rationale: The Articles of Association No.38 stipulates that the Annual General Meeting of Shareholders should acknowledge the Company's business performance during the previous year as per Enclosure 4.

Board's opinion: The Board of Directors considered and resolved that the Company's performance for the year 2017 should be proposed to the Shareholders' Meeting for acknowledgement.

**Agenda 3 To consider and approve the statement of financial position and statement of comprehensive income ended 31 December 2017**

Rationale: Under section 112 of the Public Limited Companies act and the Articles of Association No. 43, the Board of Directors shall prepare proper statement of financial position and statement of comprehensive income at the end of each accounting year and have them audited by the Company's auditor before submitting to the Annual General Meeting of Shareholders for approval. The said financial statements are shown in the 2017 Annual Report as per Enclosure 2.

Board's opinion: The Board of Directors considered and resolved that the Company's financial statements for the year ended 31 December 2017, which were reviewed by the Audit Committee and audited by the certified auditor, should be proposed to the Shareholders' Meeting for approval.

**Agenda 4 To consider and approve the appropriation of annual profit and dividend payment**

Rationale: According to the Public Limited Companies Act B.E. 2535, the Company is required to set aside as legal reserve not less than 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital of the Company. In term of dividend payment, the Company has a policy to pay dividend at the rate of not less than 40 percent of the net profit and must not have accumulated loss. The Company has already reserved a statutory reserve to 10 percent of the registered capital of the Company.

Board's opinion: The Board of Directors considered and recommended the Shareholders' Meeting to consider and approve the appropriation of annual profit derived from operational results for the year 2017 at 1.80 Baht per share, totaling an amount of approximately 59,500,000 Baht or 53.68 percent of the net profit according to the Company's dividend payment policy. The dividend will be paid from the retained earnings in the forms of stock and cash dividends as follows:

1. Stock dividend

Stock Dividend will be paid in the amount of not exceeding 1,000,000 newly issued ordinary shares at the ratio of 33 existing ordinary shares to 1 newly issued ordinary share. The par value of the newly issued ordinary shares is 10 Baht per share, totaling 10,000,000 Baht or equivalent to 0.30 Baht per share. In case that any shareholders hold the indivisible share remaining after such allocated, cash will be paid instead of the stock dividend at the rate of 0.30 Baht per share.

2. Cash dividend

Cash dividend will be paid at the rate of 1.50 Baht per share for 33,000,000 existing shares, equivalent to 49,500,000 Baht.

The Record Date for identifying entitled shareholders to attend 2018 Annual General Meeting of Shareholders and to receive dividend will be on Friday 9 March 2018. The dividend payment will be made on Friday 18 May 2018, however the right to receive annual dividend is undecided until approval from the shareholders' meeting.

Details of Dividend Payment	2017	2016	2015
Net profit (Baht)	110,649,277	34,022,277	49,680,510
Earnings per share (Baht) <sup>(1)</sup>	3.35	1.03	1.55
Unappropriated retained earnings (Baht)	1,058,789,835	985,072,273	1,027,650,965
Number of share (Shares)	33,000,000	33,000,000	32,000,000
Details of dividend payment per share (Baht)	1.80	1.00	2.31
• Cash dividend payment (Baht)	1.50	1.00	2.00
• Stock dividend payment (Baht)	0.30	-	0.31
Total dividend payment	59,500,000	33,000,000	74,000,000
Dividend payout ratio (percent)	53.68	97.00	148.95

Note: (1) The Company adjusted number of share used to calculate earnings per share as if the stock dividend has been issued since the first day of the year of the offer.

**Agenda 5 To consider and approve the increase of the Company's registered capital to be allocated to stock dividend**

Rationale: In order to pay dividends in the form of new common stock to shareholders as detailed in agenda 4, the Company needs to increase its authorized capital for issuing 1,000,000 new common stocks.

Board's opinion: It is recommended to propose the Shareholders' Meeting to consider and approve the increase of the Company's registered capital from 330,000,000 Baht, divided to 33,000,000 ordinary shares to 340,000,000 Baht, divided to 34,000,000 shares, by increasing the registered capital by the amount of 10,000,000 Baht with the newly issued ordinary shares in the amount of 1,000,000 shares with a par value of 10 Baht each. Subscribers of new shares issued for this capital increase will be entitled to receive dividends from the Company's business operations in the future.

The resolution passed by the Shareholder's meeting must get not less than three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote.

**Agenda 6 To consider and approve the amendment to Clause 4 of the Company's Memorandum of Association so as to reflect the increase of registered capital**

Rationale: Pursuant to the increase of the Company's registered capital to support the stock dividend payment as detailed in agenda 5, the Memorandum of Association Clause 4 must be amended to conform to such increase of the registered capital as stipulated by law.

Board's opinion: It is recommended to propose the Shareholders' Meeting to consider and approve the amendment to clause 4 of the Company's Memorandum of Association according to the increase of the registered capital as follows:

Clause 4	Registered capital	340,000,000 Baht	(Three hundred and forty million Baht)
	Divided into	34,000,000 Shares	(Thirty four million shares)
	Par value at	10 Baht	(Ten Baht)

Classified into:

Ordinary shares	34,000,000	Shares	(Thirty four million shares)
Preferred shares	-	Shares	(Zero share)

The resolution passed by the Shareholder's meeting must get not less than three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote.

**Agenda 7 To consider and approve the allocation of the Company's newly issued ordinary shares**

Rationale: The increase of the registered capital by 1,000,000 shares as proposed in agenda 5 will be allocated for stock dividend payment of no more than 1,000,000 shares.

Board's opinion: It is recommended to propose the Shareholders' Meeting to consider and approve the allocation of the Company's newly issued ordinary shares in the amount of 1,000,000 shares at a par value of 10 Baht each for supporting the stock dividend payment at the ratio of 33 existing ordinary shares to 1 newly issued ordinary share. The indivisible share remaining after such allocation shall be allocated to the Navakij Insurance Provident Fund at the price of not lower than the market price that will be calculated from 7-15 days before the date of offering in order to maximize the long-term benefits for its members. The mentioned provident fund was set up for the Company's employee and is managed by Tisco Securities Co., Ltd.

The resolution passed by the Shareholder's meeting must get not less than three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote.

**Agenda 8 To consider and approve the remuneration of directors and other committees for the year 2018**

Rationale: The Company has a policy to compensate directors at the level closely applicable in the industry and sufficiently to retain directors of required qualifications and with consideration to the operation result. Details of the Company's compensations consist of (1) directors' bonus, which is based on 5 percent of dividend payment and (2) meeting allowance for attendance. The Remuneration, Nomination and Governance Committee recommended the Board to propose the shareholders' meeting to consider and approve the compensations as follows:

Details of Compensation	2018	2017	2016
<b>1. Directors' bonus (Baht/Board)<sup>(1)</sup></b>	2,975,000	1,650,000	3,700,000
Number of directors (person)	13	13	13
<b>2. Meeting fee for attendance (Baht/meeting/person)</b>			
<b>2.1 The Board of Directors</b>			
- Chairman	30,000	30,000	30,000
- Other directors	20,000	20,000	20,000
<b>2.2 Committees</b>			
<b>▪ The Audit Committee</b>			
- Chairman	30,000	30,000	30,000
- Other directors	20,000	20,000	20,000

Details of Compensation	2018	2017	2016
<b>▪ Other Committees:</b> 1) The Remuneration, Nomination and Governance Committee 2) The Risk Management Committee 3) The Investment Committee - Chairman - Other directors			
	20,000	20,000	20,000
	10,000	10,000	10,000
<b>3. Other benefit</b>	None	None	None

**Note:** (1) Pay to the Board of Directors, payable to the Chairman of the Board and the Chief Executive Officer at the rate of 2.0 times of the Board members rate.

**Board's opinion:** The Board has considered and agreed that the remuneration of directors as presented by the Remuneration, Nomination and Governance Committee should be proposed to the Shareholder's Meeting for approval.

The resolution passed by shareholders' meeting must get not less than two-third of the total number of votes of the shareholders attending the meeting in accordance with the Section 90 of the Public Limited Company Act.

#### **Agenda 9 To consider and elect directors in place of those retiring by rotation**

**Rationale:** Section 71 of the Public Limited Companies Act and the Articles of Association No.17 stipulate that at every annual general meeting of shareholders, one-third of the total number of the directors shall vacate their office. There are 4 directors who are due to retire by rotation in the Annual General Meeting of Shareholders for the year 2018 (No.86), namely:

- |                          |                      |
|--------------------------|----------------------|
| 1. Mr. Pramon Sutivong   | Independent Director |
| 2. Mr. Chan Soo Lee      | Independent Director |
| 3. Mr. Vuttichai Wanglee | Director             |
| 4. Ms. Jittinan Wanglee  | Director             |

The principles and procedures of recruiting directors and curriculum vitae of 4 directors, who retire by rotation, are as per Enclosure 5. In addition, during 19 September 2017 - 31 December 2017, the Company gave the minority shareholder an opportunity to propose the agenda and to propose the qualified candidates to be nominated as directors through the Company's website. However, none of the shareholders proposed a qualified candidate to be nominated as the director of the Company.

**Board's opinion:** The Board of Directors, excluding the director who had conflict of interest, has considered as the Remuneration, Nomination and Corporate Governance Committee opinion that the 4 retired directors, namely; Mr. Pramon Sutivong, Mr. Chan Soo Lee, Mr. Vuttichai Wanglee and Ms. Jittinan Wanglee, have knowledge, abilities, proper qualifications and performances that meet criteria prescribed by the Company and are not disqualified pursuant to any relevant law and regulations. The Board of Directors also considered that Mr. Pramon Sutivong and Mr. Chan Soo Lee, independent directors who hold more than 9 consecutive years, are capable of expressing opinions independently and have qualifications required by relevant laws and regulations. Their knowledge and experience are useful for operating business. In addition, the selection of new independent director who has experience in insurance business is quite difficult, Therefore, the Board of Directors proposed that they are appropriate for being re-elected for another term.

**Agenda 10 To consider and appoint the auditors and fix their remuneration for the year 2018**

Rationale: Section 120 of the Public Limited Companies Act and the Articles of Association No.38 stipulate that the annual general meeting of shareholders shall appoint an auditor and determine the auditing fee. The Audit Committee had considered and evaluated the quality of the work, the qualifications according to the criteria established and independence of the auditors, and was of the opinion that EY Office Limited is suitable to be re-appointed as the auditor of the Company. The information of auditors and comparison of the auditor's fee are as per Enclosure 6.

Board's opinion: The Board of Directors' Meeting has considered as the Audit Committee opinion that the appointment of auditors: Miss Somjai Khunapasut, certified auditor No. 4499 or Mrs. Nongluk Pumnoi certified auditor No. 4172 or Miss Rachada Yongsawadvanich certified auditor No. 4951 from EY Office Limited as the Company's auditors for the fiscal year 2018 and the audit fee of 2,175,000 Baht should be proposed to the Shareholders' Meeting for approval.

In the event where those auditors are unable to perform their duties, EY Office Limited is authorized to assign another of its auditors to perform the audit and to express an opinion on the Company's financial statements in their place.

**Agenda 11 To consider and approve the amendment of the Company's Articles of Association**

Rationale: The Order of the head of the National Council for Peace and Order No. 21/2560 on Amendments of Laws to Facilitate the Ease of Doing Business, effective on April 4, 2017, has amended Section 100 of the Public Limited Companies Act B.E. 2535 (1992) regarding the right of shareholders to call an extraordinary general shareholder meeting.

Board's opinion: The Board of Directors' Meeting has considered and resolved that in order to comply with the Order, the amendment of clause 33 of the Articles of Associations should be proposed to the Shareholders' Meeting for approval as follows:

Current clause	Proposed clause
<p>Clause 33 The Board of Directors shall call a shareholders' meeting as an annual general meeting within 4 months from the end of the accounting year of the company.</p> <p>Any other shareholders' meeting apart from the annual general meeting shall be called extraordinary meeting. The Board of Directors may call the extraordinary meeting of shareholders at any time it deems appropriate. The shareholders holding not less than one-fifth of the total number of shares already sold or not less than 25 shareholders holding not less than one-tenth of the total number of shares already sold may request in writing that the Board of Directors calls the extraordinary meeting of shareholders, but the reason for requesting the extraordinary meeting shall be clearly specified.</p>	<p>Clause 33 The Board of Directors shall call a shareholders' meeting as an annual general meeting within 4 months from the end of the accounting year of the company.</p> <p>Any other shareholders' meeting apart from the annual general meeting shall be called extraordinary meeting. The Board of Directors may call the extraordinary meeting of shareholders at any time it deems appropriate. One or more shareholders holding the aggregate number of shares of not less than ten percent of the total number of shares sold may, by subscribing their names, request the Board of Directors in writing to call an extraordinary meeting at any time, but the reasons for calling such meetings shall be clearly stated in such request.</p>

## **Agenda 12 Other businesses, if any**

Shareholders are hereby invited to attend the meeting at the time, date and place aforementioned. A map of the Meeting venue is also attached as Enclosure 11 and the Company will open for shareholders registration from 13.00 hours onwards.

If shareholders wish to appoint someone else or the Company's directors in the list below to attend the Meeting and act as a proxy in voting, please fill in details and sign the proxy form B (Enclosure 9). Details of said persons appear in the annual report's "Board of Directors and Executives" section sent to shareholders along with this notice to call for meeting (Enclosure 2) and "Details of the director to act as shareholders' proxies" section (Enclosure 8). Please submit the proxy form with affix a duty stamp of Baht 20 and other documents to the Company within 23 April 2018 or submit it to the registration personnel on the date of meeting before the commencement of the meeting. The Company shall provide the duty stamp at the registration desk.

### **List of the Director to Act as Shareholders' Proxies**

- |                             |                                   |
|-----------------------------|-----------------------------------|
| 1. Professor Hiran Radeesri | Independent Director              |
| 2. Mr. Kiet Srichomkwan     | Independent Director              |
| 3. Mr. Suchin Wanglee       | Chairman of the Board             |
| 4. Mr. Pitiphong Bisalputra | Director/ Chief Executive Officer |

Yours faithfully,

*Suchin Wanglee*

(Mr. Suchin Wanglee)  
Chairman of the Board

Shareholder Relations  
Office of President  
Tel. 66 2664 7777 ext. 1905, 1906

(Translation)

**The Navakij Insurance Public Company Limited (the “Company”)  
Minutes  
Annual General Meeting of Shareholders for the year 2017 (No.85)  
27 April 2017**

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**Location:** The Bangkok Club, the Grand Hall on 28<sup>th</sup> Floor, No.175 Sathorn City Tower, South Sathorn Road, Tungmahamek, Bangkok

The meeting commenced at 14.00 hours

Mr. Suchin Wanglee, Chairman of the Board of Directors, was the Chairman of the meeting.

The Chairman welcomed shareholders and informed the meeting that the Company fixed the record date on 9 March 2017 and the closing date of the share register book on 10 March 2017 for determining the rights of shareholders to attend the shareholders’ meeting in accordance with the section 225 of the Securities and Exchange Act. At the closing date, the Company had 33,000,000 fully paid-up shares amounted to 330,000,000 Baht.

In this meeting, there were 105 shareholders represented in person and proxies, holding 24,230,474 shares or 73.43 percent of the Company’s total distributed shares which legally constitutes a quorum and complies with Section 35 of the Articles of Association of the Company which states that to constitute a quorum, not less than 25 shareholders or proxies, or not less than half of the total shareholders are required to attend the meeting, and the total shares in attendance must be not less than one third of the total distributed shares.

**Remark:** At the time the meeting commenced, there were 104 shareholders attending the meeting by themselves and by proxies with 24,230,451 shares, 73.43 percent of the total shares distributed.

The Chairman introduced directors, executive officers, and external auditor of the Company attending the meeting to offer explanation and answer questions or concerns. The Company also appointed Mr. Decha Maraprygsavan, legal advisor from C.B. Law Office Limited, to serve as the meeting inspector for transparency of the shareholders meeting and to comply with the law and the Articles of Association of the Company. Details are as follows:

Directors Present

- |    |                          |   |
|----|--------------------------|---|
| 1. | Mr. Suchin Wanglee       | Chairman of the board of directors  |
| 2. | Mr. Pitiphong Bisalputra | Director, Chief Executive Officer & President   |
| 3. | Prof. Hiran Radeesri     | Independent director & Chairman of the audit committee  |
| 4. | Mr. Pramon Sutivong      | Independent director, member of the audit committee & Chairman of the remuneration, nomination and governance committee |
| 5. | Mr. Nipol T.Jeerawong    | Director & Chairman of the risk management committee  |
| 6. | Mr. Vuttichai Wanglee    | Director  |
| 7. | Ms. Jittinan Wanglee     | Director  |
| 8. | Mr. Kaet Wanglee         | Director  |
| 9. | Ms. Charuwan Chabchamrun | Director & company secretary  |

Directors Absent

- |    |                      |                      |
|----|----------------------|----------------------|
| 1. | Mr. Chan Soo Lee     | Independent director |
| 2. | Mr. Kiet Srichomkwan | Independent director |



3. Mr. Phornpong Phornprapha Independent director
4. Mr. Thamnu Wanglee Director

The Company's executive who attended the meeting

Ms. Anukul Thitikulrat Executive vice president - finance (CFO)

The external auditor who attended the meeting:

Ms. Somjai Khunapasut EY Office Limited

The meeting inspector

Mr. Decha Maraprygsavan C.B. Law Office Limited

The Chairman assigned a company secretary to inform the meeting of the voting procedure with details as follows:

- The shareholders did not need to vote on the agendum that was presented for acknowledgement.
- The shareholders could vote agree, disagree or abstain on each agendum. Voting right equaled to his/her holding share, and each share represented one vote.
- The resolutions of the meeting should be passed by the majority of votes. However, for agenda 5, considering the remuneration of directors and other committees for the year 2017, must get not less than two-third of the total number of votes of the shareholders attending the meeting.
- If there was no objection or no one expressed any different opinion from The Chairman or the Board's proposal, it was assumed that the meeting agreed or approved the proposal.
- In case that the shareholders would like to vote disagree or abstain from voting on a concerning agenda, they had to fill in the ballot given during the registration, signed it, raised a hand and handed it to the Company's staff.
- The Company would collect only the ballot with voting disagree and abstain to deducting from the total number of shareholding votes attended, with the remainder deemed as a "vote in agree" for the concerning agenda. The Company keeps the ballot as evidence. After closing the meeting, please left the remaining ballot on the desk or handed it to our staff for records keeping.
- The proxy appointed by foreign investors to a custodian in Thailand and had been given specific direction to vote, did not need to cast a vote as the Company had already counted the votes specified in the proxy form.

The company secretary informed the meeting that during 19 September 2016 to 31 December 2016, the Company gave the minority shareholder an opportunity to propose in advance the appropriate agenda and/or any qualified candidates to be nominated as a director before the date of the annual general meeting of shareholders, according to the regulations and procedures determined by the Company which shareholders had been informed through the Stock Exchange of Thailand (SET) broadcast system and the Company's website. However, none of shareholders propose any agenda or candidate to be nominated as the director of the Company.

After the explanation, The Chairman proceeded according to the agenda as follows:

**1. To consider and adopt the minutes of the annual general meeting of shareholders for the year 2016 (No.84)**

The Chairman requested the meeting to consider and adopt the minutes of the annual general meeting of shareholders for the year 2016 held on 21 April 2016. A copy of which had been sent to the shareholders together with the notice of this meeting.

The Chairman offered shareholders the opportunity to alter the meeting minutes. There were no changes made.

### **Resolution of the meeting**

The Meeting, by majority votes of shareholders attending the meeting and casting votes, adopted the minutes of the annual general meeting of shareholders for the year 2016 (No.84) with the following votes:

Approved	24,230,451	votes	Represented	100	percent
Disapproved	-	votes	Represented	-	
Abstained	-	votes	Represented	-	

### **2. To acknowledge the Company's performance for the year 2016**

The Chairman assigned Mr. Pitiphong Bisalputra, CEO and President to report the shareholders the Company's performance during the year 2016.

Mr. Pitiphong Bisalputra reported that at the end of 2016, the size of the non-life insurance industry had an average increased by 1.21 percent, slightly decreased comparing with the same period last year, due to economic slowdown from agricultural and manufacturing sectors. Overall premium was approximately 2 hundred billion Baht similarly to last year which represented the slightly growth of motor and miscellaneous insurance whilst fire and marine and transportation insurance premium had decreased as the following detail:

Line of Business	Direct Premium (million Baht)	% Increased (Decreased) from last year
Fire	10,233	(2.40)
Marine and Transportation	5,268	(1.41)
Motor	122,188	1.46
Miscellaneous	74,124	1.50
Total	211,813	1.21

In 2016, the Company's gross written premium growth represented a decline of 15.73 percent, lower than that of 2015 and the industry. Nevertheless, the Company's Capital Adequacy Ratio (CAR) was at 417 percent, higher than the 140 percent Office of Insurance Commission (OIC) minimum requirement.

The comparison of the operating performance for the year 2016 and 2015 was reported with full details appearing in the Company's 2016 annual report, which were submitted to the shareholders together with the notice of this meeting. A brief summary was as below:

Unit: million Baht

	Separate Financial Statements	
	2016	2015
1. Gross written premium	2,839.04	3,368.93
2. Earned premium	2,547.95	2,428.50
3. Claim and loss adjustment expenses	1,786.69	1,528.09
4. Underwriting profit (loss) after operating expenses	(139.59)	(135.91)
5. Profit (loss) on investments & other income	210.93	263.05
6. Net profit	67.29	108.94
7. Total assets	5,532.20	5,623.14
8. Total liabilities	3,436.21	3,558.23
9. The shareholders' equity	2,095.99	2,064.91
10. Underwriting profit margin (percent)	8.54	9.84
11. Net profit margin (percent)	2.31	3.85
12. Return on equity (percent)	3.23	5.22

Both the management and operations structure have been modified in 2017 and the Company maintaining its strategic roadmap for 2015-2019. The Company implemented the strategic on motor insurance that we have become more selective in partnership management with our intermediaries as well as implements check and balance on the claims management side. The Company has focused on the business having potentials and profitability and continual improvement in its management and services as well as reducing its operating expenses.

The Company has been and will always continue to be an active participant in all anti-corruption schemes. In 2013, the Company has joined the Thailand's Private Sector Collective Action Coalition Against Corruption and received certified as its member on 16 October 2015. The Board approved the anti-corruption policy which has been announced to all stakeholders through the Company's communication channels and specified in commercial contract, to acknowledge and strictly comply with it guidelines The Company shall train both current and new employees about the anti-corruption policy that the Company organized the 4 courses to educate them throughout the year 2016.

The Chairman offered shareholders the opportunity to ask questions and express opinion, summary as follows:

The Chairman informed the meeting that this agenda was for acknowledgement. There is no need to vote.

The meeting acknowledged the Company's business performance for the year 2016.

### **3. To consider and approve the statements of financial position and the statements of comprehensive income for the year ended 31 December 2016**

Mr. Pitiphong Bisalputra, CEO and President requested the meeting to consider the statements of financial position and the statements of comprehensive income for the year ended 31 December 2016 which were audited and signed by the Company's external auditor and have been approved by the audit committee and the board of directors. The said statements were submitted to the shareholders together with the notice of this meeting.

The Chairman offered shareholders the opportunity to ask questions and express opinion. There were neither questions asked nor opinion expressed.

#### **Resolution of the meeting**

The Meeting, by majority votes of shareholders attending the meeting and casting votes, approved the statements of financial position and the statements of comprehensive income for the year ended 31 December 2016 with the following votes:

Approved	24,230,451	votes	Represented	100	percent
Disapproved	-	votes	Represented	-	
Abstained	-	votes	Represented	-	

### **4. To consider and approve the appropriation of annual profit and dividend payment**

The Chairman assigned Mr. Pitiphong Bisalputra, CEO and President to present details to the meeting.

The CEO and President informed the meeting that as of 31 December 2016, the separate financial statements represented the net profit of 67.29 million Baht and earnings per share was 2.04 Baht. In 2016 the Company changed the financial statement that used to calculating the dividend payout ratio from the financial statements in which the equity method is applied to the separate financial statement. Since the Company did not allow by the regulator to exercise its right to subscribe the Falcon Insurance Plc. newly issued additional shares for allocation to existing shareholders in proportion to their shareholding, resulting its shareholding was decreased from 20 percent to 12 percent of the paid-up share capital of the Falcon Insurance. Following the dilution of its holding, the Company did not have significant influence over the Falcon Insurance and it therefore had to reclassify this investment from investment in associate to other investment, and has not prepared a

statement of financial position in which in the equity method is applied since 30 March 2016 onwards. The Company adjusted number of shares used to calculate earnings per share as if the stock dividend has been issued since the first day of the year of the offer.

According to the Public Limited Company Act B.E.2535, the Company is required to allocate at least 5 percent of the net profits of the year, minus the cumulative losses of the Company (if any) to a statutory reserve until the reserve is not less than 10 percent of the registered capital of the Company. As of 31 March 2016, the Company has already reserved a statutory reserve to 33 million Baht or 10 percent of the registered capital of the Company.

The Company has a policy to pay dividend at the rate of not less than 40% of the Company's net profit and must have no accumulated loss. The board of directors proposed the meeting to allocate the annual profit as cash dividend payment from retained earnings that will be paid at the rate of 1.00 Baht per share for 33 million existing shares, totaling of 33 million Baht, which represents 49.04 percent of the net profit. The record date was fixed on 9 March 2017 and the closing date of the share register book was fixed on 10 March 2017 for determining the rights of shareholders to receive dividend in accordance with the Section 225 of the Securities and Exchange Act B.E. 2551. The payment would be made on 19 May 2017.

The details of dividend payment over the past two years comparing to this year

<b>Details of Dividend Payment</b> <sup>(1)</sup>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Net profit (Baht)	67,286,223	108,942,140	217,506,124
Earnings per share (Baht) <sup>(2)</sup>	2.04	3.30	6.59
Un-appropriated retained earnings (Baht)	929,847,677	939,162,424	935,890,557
Number of share (Shares)	33,000,000	32,000,000	31,000,000
Details of dividend payment per share (Baht)	1.00	2.31	3.32
• Cash dividend payment (Baht)	1.00	2.00	3.00
• Stock dividend payment (Baht)	-	0.31	0.32
Total dividend payment (Baht)	33,000,000	74,000,000	103,000,000
Dividend payout ratio (percent)	49.04	67.93	47.35

Note: (1) In 2016 the Company changed the financial statement that used to calculating the dividend payout ratio from the financial statements in which the equity method is applied to the separate financial statement.

(2) The Company adjusted number of shares used to calculate earnings per share as if the stock dividend has been issued since the first day of the year of the offer.

The Chairman offered shareholders the opportunity to ask questions and express opinion. There were neither questions asked nor opinion expressed. The Chairman then concluded the resolution.

#### **Resolution of the meeting**

The Meeting, by majority votes of shareholders attending the meeting and casting votes, approved the appropriation of annual profit for the year 2015 as proposed by the Board with the following votes:

Approved	24,230,451	votes	Represented	100	percent
Disapproved	-	votes	Represented	-	
Abstained	-	votes	Represented	-	

#### **5. To consider and approve the remuneration of directors and other committees for the year 2016**

The Chairman assigned Mr. Pramon Sutivong, chairman of the remuneration, nomination and governance committee (the "RNG Chairman") to present details to the meeting.

The RNG Chairman informed the meeting that the Company has a policy to compensate directors at the level closely applicable in the industry and with consideration to the operation result. At present, the Company's compensations consist of (1) directors' bonus, would based on approximately 5 percent of dividend payment and (2) meeting allowance for attendance. The Board has considered the matter and agreed with the remuneration, nomination and governance committee to propose the shareholders' meeting to approve the remuneration of directors as detailed:

- 1) Director's bonus would be paid from the Company's operating performance of the year 2016, at 5 percent of dividend payment, totaling of 1.65 million Baht.
- 2) Meeting allowance for attendance in the year 2017
  - 2.1) The board of directors
 

- Chairman	30,000	Baht/meeting
- All other directors	20,000	Baht/meeting/person
  - 2.2) The audit committee
 

- Chairman	30,000	Baht/meeting
- Other members	20,000	Baht/meeting/person
  - 2.3) Other committees e.g. the remuneration, nomination and governance committee, the risk management committee and the investment committee
 

- Chairman	20,000	Baht/meeting
- Other members	10,000	Baht/meeting/person

The Chairman offered shareholders the opportunity to ask questions and express opinion. There were neither questions asked nor opinion expressed.

#### **Resolution of the meeting**

The Meeting, by majority votes and more than two-third of shareholders attending the meeting and casting votes, approved the remuneration of directors and subcommittees as proposed by the Board with the following votes:

Approved	24,230,451	votes	Represented	100	percent
Disapproved	-	votes	Represented	-	
Abstained	-	votes	Represented	-	

#### **6. To consider the election of directors in place of those retiring by rotation**

The Chairman assigned Mr. Pramon Sutivong, chairman of the remuneration, nomination and governance committee (the "RNG Chairman") to present details to the meeting.

The RNG Chairman informed the meeting that, under the Public Limited Company Act and the Articles of Association, stipulate that at every annual general meeting of shareholders, one-third of the total number of the directors shall vacate their office. There are 5 directors who are due to retire by rotation in the annual general meeting of shareholders for the year 2017, namely:-

- 1) Mr. Suchin Wanglee Director
- 2) Mr. Pitiphong Bisalputra Director
- 3) Mr. Kaet Wanglee Director
- 4) Mr. Kiet Srichomkwan Independent Director
- 5) Mr. Phornpong Phornrapha Independent Director

The Company defined the procedures of director and independent director selected by the remuneration, nomination and governance committee in charge for election and nominate the qualified person to be the Company's director. The board of directors should consist of directors with diverse qualifications in term of skills, experience and professional expertise that benefit the Company, including willingness to devote sufficient time to the board and the ability to perform his/her duty. In determining whether to recommend a director for

re-election, the Company shall have 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.

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

The Company defined definition of independent directors as well prescribed by the Office of Securities and Exchange Commission, specified that they shall not hold shares exceeding 1 percent of the total number of voting share of the Company, shall neither be nor have ever been a director with management authority, shall not be a person related by blood relation of an executive or major shareholder, shall not be nor have ever been a provider of any professional services of the Company, shall not be a director appointed as representative of the shareholder, shall not undertake any business in the same nature business of the Company and shall not have any other characteristic that limits his/her ability to express independent opinions

The Company gave the minority shareholder an opportunity to propose the qualified candidates to be nominated as directors through the Company's website. However, none of the shareholders proposed a qualified candidate to be nominated as the director of the Company. The Board, excluding the directors on the proposed list, had an opinion based on the recommendation of the remuneration, nomination and governance committee that the directors mentioned above have the knowledge, abilities, and full serving as a director with efficiently and accounting for the best interest of the Company and all shareholders. The meeting should re-elect all the 5 directors to serve as the Company's director for another term. A brief personal data and the performance of these 5 directors were attached to the notice of the meeting. The RNG Chairman, therefore, informed further information of the 3 directors as follows:

- 1) Mr. Suchin Wanglee who has been nominated to serve another term as a director, is an advisor at the Falcon Insurance Public Company Limited which is related business with Company. Nevertheless, he does not participate in the Falcon's management.
- 2) Mr. Kiet Srichomkwan who has been nominated to serve another term as independent director, do the business transaction with the Company that are normal business and supporting according to the general trade agreement. These business relations do not interfere with the act of expressing independent opinion as of independent directors. The company uses the directors' knowledge and experience in the vehicle business to offer suggestions and advices beneficial to automobile insurance business, as well as he possessed the qualifications as definition of independent director.
- 3) Mr. Phornpong Phornprapha who has been nominated to serve another term as independent director. He is competent with skills, qualifications and extensive experience to benefit the Company's operations, as well as he possessed the qualifications as definition of independent director.

The RNG Chairman invited the directors who retired by rotation and have been nominated for re-election left the meeting room before voting, to comply with the principles of good corporate governance and offered shareholders the opportunity to ask further questions about such directors.

Ms. Narinya Mahakarn, representative from Thai Investors Association, inquired about the independence of independent director who hold office consecutively for 9 years and asked those independent directors have been proposed to re-elect to serve another term in the board of directors for their vision for the Company's operation.

The RNG Chairman clarified that the remuneration, nomination and governance committee agreed with director rotation policy and has emphasized on the term during independent directors are held and also has a policy for selecting new independent directors as well as increase its number.

Since the two independent directors who retired by rotation; Mr. Kiet Srichomkwan and Mr. Phornpong Phornprapha, were absent from the meeting thus their vision shall be disclosed later to the shareholders. Nevertheless, they are the directors independent of management and could express their opinions independently.

The RNG Chairman offered shareholders the opportunity to ask questions and express opinion. There were neither questions asked nor opinion expressed.

### **Resolution of the meeting**

The Meeting, by majority votes of shareholders attending the meeting and casting votes, approved to re-elect all the 5 retired directors to serve another term in the board of directors, with the following votes by individual:

1) Mr. Suchin Wanglee (Director)

Approved	22,909,272	votes	Represented	86.29	percent
Disapproved	-	votes	Represented	-	
Abstained	3,321,202	votes	Represented	13.71	percent

2) Mr. Pitiphong Bisalputra (Director)

Approved	24,099,469	votes	Represented	99.46	percent
Disapproved	-	votes	Represented	-	
Abstained	131,005	votes	Represented	0.54	percent

3) Mr. Kaet Wanglee (Director)

Approved	24,159,801	votes	Represented	99.71	percent
Disapproved	-	votes	Represented	-	
Abstained	70,673	votes	Represented	0.29	percent

4) Ms. Kiet Srichomkwan (Independent Director)

Approved	24,190,936	votes	Represented	98.84	percent
Disapproved	133	votes	Represented	0.00	percent
Abstained	39,405	votes	Represented	0.16	percent

5) Mr. Phornpong Phornprapha (Independent Director)

Approved	24,230,341	votes	Represented	100	percent
Disapproved	133	votes	Represented	0.00	percent
Abstained	-	votes	Represented	-	

### **7. To consider the appointment of auditors and fix the auditing fee for the year 2017**

The Chairman assigned Mr. Pitiphong Bisalputra, CEO and President to present details to the meeting.

The CEO and President informed the meeting that the Board had an opinion based on the recommendation of the audit committee to present the auditors from EY Office Limited to the shareholders' meeting in order to appoint them as the Company's auditors and agreed that one of them was authorized to audit and express an opinion in the Company's financial statement for the year 2017 namely:

- Ms. Somjai Khunapasut Certified Auditor No.4499  
Served as the Company's auditor for 3 years during the fiscal year 2014-2016
- Mrs. Nongluk Pumnoi Certified Auditor No.4172  
Served as the Company's auditor for 5 years during the fiscal year 2009-2013



3) Ms. Rachada Yongsawadvanich  
Never served as the Company's auditor

Certified Auditor No.4951

The 3 proposed auditors mentioned above had no relationship or any conflict of interest in the Company, associate company, executive officers, major shareholders or others who was related to those mentioned and they are not the Company's shareholders.

EY Office Limited had quoted the auditing fee for the year 2017 in an amount of 2.095 million Baht, as per following details:

Descriptions	2017 (Baht)	2016 (Baht)	2015 (Baht)	Percent Increase/Decrease	
				2016	2015
<b>1. The audit fees</b>					
- The annual financial statements	800,000	740,000	700,000	8	6
- Quarterly financial statements (3 quarters)	630,000	600,000	540,000	5	11
<b>Sub Total</b>	<b>1,430,000</b>	<b>1,340,000</b>	<b>1,240,000</b>	<b>7</b>	<b>8</b>
<b>2. Other fees</b>					
• Review/ audit of Risk-Based Capital Report as specified by OIC					
- Ending on 30 June	155,000	144,000	144,000	8	0
- Ending on 31 December	430,000	390,000	390,000	10	0
• Review of insurance agreement according to IFRS4*	-	100,000	-	(100)	100
• Review of the Annual Report	80,000	-	-	100	0
<b>Sub Total</b>	<b>665,000</b>	<b>634,000</b>	<b>534,000</b>	<b>5</b>	<b>18</b>
<b>Total</b>	<b>2,095,000</b>	<b>1,974,000</b>	<b>1,774,000</b>	<b>6</b>	<b>11</b>

Note: \* Only in the year 2016

The Chairman offered shareholders the opportunity to ask questions and express opinion. There were neither questions asked nor opinion expressed.

### **Resolution of the meeting**

The Meeting, by majority votes of shareholders attending the meeting and casting votes resolved to appoint Ms. Somjai Khunapasut, certified auditor no.4499 or Mrs. Nongluk Pumnoi, certified auditor no.4172 or Ms. Rachada Yongsawadvanich, certified auditor no.4951, all from EY Office Limited as the Company's external auditor for the year 2017 and determine the remuneration totaling of 2.095 million Baht. The results of votes counting are as follows:

Approved	24,230,474	votes	Represented	100	percent
Disapproved	-	votes	Represented	-	
Abstained	-	votes	Represented	-	

### **8. Other businesses**

The Chairman informed the meeting that due to the Company continues to operate under strict vigil of corporate governance and transparent management to build up the best interest of all stakeholders, the Company was assessed and awarded for its corporate governance during the year 2016 as follows:



- 1) IOD awarded the Company with corporate governance rating of “excellent” in its survey of SET Listed Companies.
- 2) The assessment by Thai Investor Association for conducting the annual general meeting of shareholders for the year 2016 was ranked in “excellent” scoring, consecutively for 10 years.

The Company, therefore, operates in compliance with all regulatory bodies and legal frameworks. As we operate in the financial industry, we strictly oversee and examine the Company’s business operation in compliance with policies and guidelines set by the Company and comply with Anti-Money Laundering Act and Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act.

The Chairman, then, gave the opportunity to shareholders to raise further questions.

There were no further questions raised for consideration, The Chairman then declared the meeting close and thanked to all shareholders for attending the meeting.

The meeting was adjourned at 14.55 hours.

*-Signature-*  
\_\_\_\_\_  
(Mr. Suchin Wanglee)  
Chairman of the Meeting

**Operating Results and Financial Status as at 31 December 2017**

Operation and Financial Results	Unit	Financial Statements (The Equity Method is Applied)		
		2017	2016	2015
<b><u>Financial Position</u></b>				
Total assets	million Baht	5,164.95	5,587.42	5,697.12
Total liabilities	million Baht	2,992.53	3,436.21	3,558.22
Company shareholders' equity	million Baht	2,172.42	2,151.22	2,138.90
Investment in securities	million Baht	2,905.52	3,111.99	3,314.90
Dividend per share	Baht	1.80	1.00	2.31
Paid-up capital	Share	33,000,000	33,000,000	32,000,000
Authorized capital	Share	33,000,000	33,000,000	32,000,000
<b><u>Operating Performance</u></b>				
Gross written premium	million Baht	2,635.82	2,839.04	3,368.93
Net written premium	million Baht	2,010.00	2,199.55	2,816.43
Earned premium	million Baht	2,086.21	2,547.95	2,428.50
Fee and commission income	million Baht	179.93	147.83	136.71
Net loss incurred	million Baht	1,350.34	1,786.69	1,528.09
Underwriting expenses include operating expenses	million Baht	2,296.14	2,835.37	2,701.12
Underwriting profit (loss) after deducting operating expenses	million Baht	(30.00)	(139.59)	(135.91)
Investment and other Income (loss)	million Baht	159.53	177.67	203.79
Profit before income tax expenses	million Baht	129.53	38.08	67.88
Income tax expenses	million Baht	18.88	4.05	18.20
Net profit	million Baht	110.65	34.03	49.68
<b><u>Liquidity Ratio</u></b>				
Liquidity ratio	Times	1.39	1.32	1.34
Collection period for premium due and uncollected	Days	54	57	46

Operation and Financial Results	Unit	Financial Statements (The Equity Method is Applied)		
		2017	2016	2015
<b><u>Profitability Ratios</u></b>				
Retention rate	Percent	76.27	77.47	83.6
Loss ratio	Percent	64.73	70.12	62.92
Underwriting profit margin	Percent	14.01	8.54	9.84
Underwriting expenses ratio	Percent	45.34	41.16	48.3
Return on investment	Percent	5.38	6.48	7.76
Net written premium to shareholders' fund	Times	0.93	1.23	1.28
Net profit margin	Percent	4.56	1.17	1.75
Return on equity	Percent	5.12	1.59	2.26
Earnings per share*	Baht	3.35	1.03	1.51
<b><u>Efficiency ratio</u></b>				
Return on assets	Percent	2.06	0.60	0.92
Assets turnovers	Times	0.45	0.52	0.52
<b><u>Financial position ratio</u></b>				
Debt to equity ratio	Times	0.45	0.52	0.52
Policy Liability to Capital Fund	Times	1.38	1.60	1.66
Unearned premium reserve to equity	Times	0.99	1.13	1.21
Unearned premium reserve to equity	Times	0.66	0.72	0.84
Unearned reserve to total assets	Percent	27.70	27.72	31.64
Dividend payout ratio	Percent	53.68	97.00	148.95

Note: \* The Company adjusted number of shares used to calculate earnings per share as if the stock dividend has been issued since the first day of the year of the offer.

### **Director and Independent Director Selection Procedure**

The Remuneration, Nomination and Governance 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 propose the qualified candidates to be nominated as directors from the Company's Website.

## Credentials and Backgrounds of Nominated Persons to be Directors

### 1. Credentials and Backgrounds of Nominated Persons to be Directors

#### 1.1 Mr. Pramon Sutivong

<b>Nominated director type</b>	Independent director	
<b>Year of directorship</b>	23 years - Appointed on 29 April 1994 - Latest re election on 23 April 2015	
<b>Age</b>	78	
<b>Nationality</b>	Thai	
<b>Highest education degree</b>	Master Degree in Mechanical Engineering, University of Kansas, USA	
<b>Director training program Thai Institute of Directors Association</b>	<ul style="list-style-type: none"> <li>- Audit Committee Program</li> <li>- Role of the Compensation Committee</li> <li>- Director Accreditation Program</li> <li>- Role of the Chairman Program</li> </ul>	
<b>Current positions in NKI</b>	<ul style="list-style-type: none"> <li>- Independent Director</li> <li>- Chairman of the Remuneration, Nomination and Corporate Governance Committee</li> <li>- Member of the Audit Committee</li> </ul>	
<b>Current positions in other organizations</b>		
- Listed companies	1 company - Director/ Member of the Audit Committee/ Member of the Remuneration Committee The Siam Cement Plc.	
- Non listed companies	7 companies	
<b>NKI shareholding (As of 9 March 2018)</b>	170,498 shares or 0.52 percent of the total shares (held by his spouse)	
<b>Meeting Attendance in 2017</b>	<ul style="list-style-type: none"> <li>- The Board of Directors meeting: 6/6 times</li> <li>- The Non-Executive Directors meeting: 1/1 times</li> <li>- The Audit Committee meeting: 10/10 times</li> <li>- The Remuneration, Nomination and Governance Committee: 2/2 times</li> </ul>	

## 1.2 Mr. Chan Soo Lee

**Nominated director type**

Independent director

**Year of directorship**

14 years  
 - Appointed on 29 April 2003  
 - Latest re election on 23 April 2015



**Age**

57

**Nationality**

Singaporean

**Highest education degree**

Bachelor Degree in Electronic & Computer,  
 National University of Singapore, Singapore

**Director training program**

Director Accreditation Program

**Thai Institute of Directors Association**

**Current positions in NKI**

Independent director

**Current positions in other organizations**

- Listed companies

None

- Non listed companies

4 companies

**NKI shareholding**

325,726 shares or 0.99 percent of the total shares

**(As of 9 March 2018)**

**Meeting Attendance in 2017**

- The Board of Directors meeting: 6/6 times  
 - The Non-Executive Directors meeting: 1/1 times

### 1.3 Mr. Vuttichai Wanglee

**Nominated director type**

Director

**Year of directorship**

25 years

- Appointed on 29 April 1992

- Latest re election on 23 April 2015



**Age**

76

**Nationality**

Thai

**Highest education degree**

Bachelor Degree in Industrial Engineering,  
Boston University, USA

**Director training program**

Director Accreditation Program

**Thai Institute of Directors Association**

**Current positions in NKI**

Director

**Current positions in other organizations**

- Listed companies

None

- Non listed companies

5 companies

**NKI shareholding**

588,611 shares or 1.78 percent of the total shares

**(As of 9 March 2018)**

**Meeting Attendance in 2017**

- The Board of Directors meeting: 5/6 times

#### 1.4 Miss Jittinan Wanglee

**Nominated director type**

Director

**Year of directorship**

14 years

- Appointed on 29 April 2003

- Latest re election on 23 April 2015



**Age**

45

**Nationality**

Thai

**Highest education degree**

Master Degree in Business Administration,  
Babson College, USA

**Director training program**

Director Accreditation Program

**Thai Institute of Directors Association**

**Current positions in NKI**

Director

**Current positions in other organizations**

- Listed companies

None

- Non listed companies

8 companies

**NKI shareholding**

225,047 shares or 0.68 percent of the total shares

**(As of 9 March 2018)**

**Meeting Attendance in 2017**

- The Board of Directors meeting: 5/6 times



**1. Information of holding a directorship in listed companies or other rival incorporation/ any related business with the Company**

Nominated Persons	Listed Company		Other Businesses	Other rival incorporations/ any related business with the Company
	Number	Type of Director		
1. Mr. Pramon Sutivong	1	- Director/ Member of the Audit Committee/ Member of the Remuneration Committee, The Siam Cement Plc.	7	None
2. Mr. Chan Soo Lee	-	-	4	None
3. Mr. Vuttichai Wanglee	-	-	5	None
4. Ms. Jittinana Wanglee	-	-	8	None

**2. Relationship characteristics of nominated person qualified as independent directors**

Relationship Characteristics	Name of nominated person qualified as independent directors	
	Mr. Pramon Sutivong	Mr. Chan Soo Lee
Holding of NKI share - Amount - Ratio of issued shares having voting rights	170,498 shares 0.52 percent	325,726 shares 0.99 percent
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 -	- 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 -	- None - - None - - None -

### **Definition of Independent Director**

**A director shall be considered independent, if:**

- 1) Shall not hold shares exceeding 1 percent of the total number of voting share of the Company, its parent company, subsidiary, associate, major shareholders or controlling person, including shares held by related persons of such independent director.
- 2) Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person unless the foregoing status has ended not less than 2 years prior to the date of becoming a director.
- 3) Shall not be a person related by blood relation or legal registration as father, mother, spouse, sibling, or child, including spouse of child, of an executive, major shareholder, controlling person, or person to be nominated as executive or controlling person of the Company or its subsidiary.
- 4) Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associate, major shareholder or controlling person. The term of business relationship being subject to indebtedness payable to the other party in amount of 3 percent or more of the net tangible assets of the Company or 20 million Baht or more, whichever is lower, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director
- 5) Shall not be nor have ever been an auditor of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associate, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.
- 6) Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million Baht per year from the Company, its parent company, subsidiary, associate, major shareholder or controlling person, and not be a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended not less than 2 years prior to the date of becoming an independent director.
- 7) Shall not be a director appointed as representative of the board of directors, major shareholder or shareholder who is related to a major shareholders of the Company.
- 8) Shall not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or hold shares exceeding 1 percent of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
- 9) Shall not have any other characteristic that limits his/her ability to express independent opinions regarding the Company's operations.

Note: The definition of independent directors as well prescribed by the Office of Securities and Exchange Commission

**Details of Auditors and his/her Determined Fees**

The Board of Directors proposes to the Annual General Meeting of Shareholders for approval the appointing of the below persons of EY Office Limited as auditors of the Company with the audit fee for the year 2018 as detailed.

- |   |                 |                              |    |
|---|-----------------|------------------------------|----|
| 1. Miss Somjai  | Khunapasut      | C.P.A. Registration No. 4499 | or |
| Years serving as the Company's auditor during 2014-2017 |                 | <u>4 years</u>               |    |
| 2. Mrs. Nongluk   | Pumnoi          | C.P.A. Registration No. 4172 | or |
| Years serving as the Company's auditor during 2009-2013 |                 | <u>5 years</u>               |    |
| 3. Miss Rachada   | Yongsawadvanich | C.P.A. Registration No. 4951 |    |
| Years serving as the Company's auditor during           |                 | <u>0 year</u>                |    |

Miss Somjai Khunapasut, Mrs. Nongluk Pumnoi and Miss Rachada Yongsawadvanich such 3 auditors of EY Office Limited have no contradictory qualification against the criteria of the Stock Exchange of Thailand, which required each auditor to work not more than 5 years. The above mentioned auditors have no relationship and/or conflict of interest in the Company, associated company, its management, major shareholders or related persons and are not shareholder of the Company.

EY Office Limited does not provide any audit service of 2017 for one of the Company's associates. The opinion of the Company's auditor, involving the amount of money for various transactions of the associates in the financial statements in which the equity method is applied, follows other auditor's report, of which he expressed unqualified opinion. The Board of Directors is responsible for overseeing the preparation of financial statements within the specified timeframe.

**Proposed audit fees**

Descriptions	2018 (Baht)	2017 (Baht)	2016 (Baht)	Percent Increase/Decrease	
				2017	2016
<b>1. The audit fees</b>					
- The annual financial statements	880,000	800,000	740,000	10	8
- Quarterly financial statements (3 quarters)	630,000	630,000	600,000	-	5
<b>Sub Total</b>	<b>1,510,000</b>	<b>1,430,000</b>	<b>1,340,000</b>	6	7
<b>2. Other fees</b>					
- To review/ audit the Risk Base Capital report as specified by OIC					
• Ending on 30 June	155,000	155,000	144,000	-	8
• Ending on 31 December	430,000	430,000	390,000	-	10
- To review the insurance agreement according to IFRS4*	-	-	100,000	-	(100)
- To review the Annual Report	80,000	80,000	-	-	100
<b>Sub Total</b>	<b>665,000</b>	<b>665,000</b>	<b>634,000</b>	-	5
<b>Total</b>	<b>2,175,000</b>	<b>2,095,000</b>	<b>1,974,000</b>	4	6

**Note:** \* Only in the year 2016

**Documents Required to Present at the Registration Desk to Attend the Meeting**

Pursuant to the policy of the Board of The Stock Exchange of Thailand, dated February 19, 1999 relating to good corporate practices for conducting a shareholders' meeting, the aim is to establish guidelines for listed companies. This will evoke assurance of shareholders, investors and all relevant parties. It is the company's policy to conduct a transparent and fair shareholders meeting which benefits the shareholders. The company has laid out a process to inspect identification papers of those who attend the shareholders meeting. However, the company reserves the right to waive any of these requirements for shareholders or proxies as it deems appropriate.

**1. Natural person(s) (Individual Shareholders)**

**1.1 Thai nationality**

- a) Identification card of the shareholder (ID card or any identification cards issued by government authorities or state enterprises); or
- b) In case of proxy, a copy of the shareholder's identification card and the proxy's identification card or passport (in case of a foreigner).

**1.2 Non-Thai nationality**

- a) Passport of the shareholder; or
- b) In case of proxy, a copy of the shareholder's passport and the proxy's identification card or passport (in case of a foreigner).

**2. Juristic person (Corporate shareholders)**

**2.1 Juristic person registered in Thailand**

- a) Corporate affidavit, issued by Department of Business Development, Ministry of Commerce; and
- b) Identification card or passport (in case of a foreigner) of the authorized director(s) who sign(s) the letter of proxy including identification card or passport (in case of a foreigner) of the proxy.

**2.2 Juristic person registered outside Thailand or a custodian**

- a) Corporate affidavit; and
- b) Identification card or passport (in case of a foreigner) of the authorized director(s) who sign(s) the letter of proxy including identification card or passport (in case of a foreigner) of the proxy.
- c) If the custodian is assigned as a proxy, please enclose evidence of the person assigning and of the custodian in accordance with article 2.2 a) and b), including a confirmation letter or a copy of business license of the custodian.

**All copies of the document mentioned above must be certified documents.**

The shareholder or the proxy may register and submit the required documents or evidence for inspection at least 3 days before the date of the meeting to the Company's head office at 100/47-55,90/3-6, Sathorn Nakorn Tower, 27<sup>th</sup> Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500.

**Details of the Company's Directors to Act as Shareholders' Proxies**

<b>Name of Directors</b>	<b>Position</b>	<b>Age (Year)</b>	<b>Address</b>	<b>Interest in the agenda considered</b>
1. Professor Hiran Radeesri	Independent Director	89	Residing at 257 Soi Sukhumvit 49, Kwang Klongtonnua, Khet Wattana, Bangkok 10110	8
2. Mr. Kiet Srichomkwan	Independent Director	81	Residing at 1305 Soi Pattanakarn 25, Kwang Suanluang, Khet Suanluang, Bangkok 10250	8
3. Mr. Suchin Wanglee	Chairman of the Board	82	Residing at 25 Soi Sukhumvit 49, Kwang Klongtonnua, Khet Wattana, Bangkok 10110	8
4. Mr. Pitiphong Bisalputra	Director/ Chief Executive Officer	54	Residing at 2/2 Soi Pipattanasin, Nanglinchee Road, Khet Sathorn, Bangkok 10120	8

**The Articles of Association  
of  
The Navakij Insurance Public Company Limited**

(only those Articles relating to the Shareholders' Meeting)

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**The procedure of electing directors and the directors who vacate the office at the end of the term**

Clause 15: There shall be a Board of Directors of the company with not less than 9 directors. Not less than half of the total number of directors shall have residence in the Kingdom.

Clause 16: The shareholders' meeting shall elect directors in accordance with the following rules and procedures:

- (1) each shareholder shall have one vote per one share held by him;
- (2) each shareholder shall employ all the votes he has under (1) in the election of one or more directors but cooperative voting is not allowed;
- (3) the person who receives the highest number of votes shall be elected as directors. The number of the elected should be equal to the number of directors to be elected. In case the number of persons who receives the same highest number of votes exceeds the number of directors to be elected, the chairman of the meeting shall decide by a casting vote.

Clause 17: At every annual general meeting, one-third of the directors shall vacate their office. If unable to divide the number of directors into three equal parts, the number nearest to one-third shall vacate the office.

The directors who shall vacate the offices in the first and the second year after the registration of the company shall be selected by drawing lots. After that, the directors who have been in office the longest shall vacate the office.

The directors who vacate the office at the end of the term may be re-elected.

Clause 18: Apart from vacating office at the end of the term, the director shall vacate office upon;

- (1) death;
- (2) resignation;
- (3) being disqualified or under prohibition in accordance with the law;
- (4) being removed from office by the resolution of the shareholders' meeting;
- (5) being removed from office by the order of the court

Clause 19: Any directors who wish to resign from his office shall submit a letter of resignation to the company. The resignation shall be effective from the day the letter of resignation reaches the company.

The director who resigns from his office under paragraph one may notify the registrar of his resignation.

Clause 20: In the case where the office of director becomes vacant from any causes other than the end of term, the Board of Directors shall select any legally qualified person to be a director in the next meeting of the Board of Directors, except the remaining term of office of the director is less than 2 months. This director shall remain in office only for the remaining term of office the director he replaces.

The resolution of the Board of Directors under paragraph one shall receive not less than three-fourth of votes of the remaining directors.

Clause 21: The shareholders' meeting may pass a resolution removing any directors from office before the end of term with not less than three-fourth of votes of the shareholders who attended the meeting and are entitled to vote. The amount of shares altogether should not be less than one-half of the amounts held by shareholders who attended the meeting and are entitled to vote.

### **Directors Remuneration**

Clause 31: The Board of Directors of the company shall meet at least once every three months.

The company shall pay the directors remuneration for the duties' performance as necessary and appropriate such as salaries, the meeting's allowances, allowances, bonuses.

### **Shareholders' Meeting**

Clause 33: The Board of Directors shall call a shareholders' meeting as an annual general meeting within 4 months from the end of the accounting year of the company.

Any other shareholders' meeting apart from the annual general meeting shall be called extraordinary meeting. The Board of Directors may call the extraordinary meeting of shareholders at any time it deems appropriate. The shareholders holding not less than one-fifth of the total number of shares issued or not less than 25 shareholders holding not less than one-tenth of the total number of shares issued may submit a written request together for the Board of Directors to call the extraordinary meeting of shareholders. However, the reason for requesting extraordinary meeting shall be clearly specified.

Clause 34: In calling a shareholders' meeting, the Board of Directors shall give notice of the meeting in writing, specifying the place, date, time, agenda of the meeting, and matters to be submitted to the meeting together with appropriate details. It must also state precisely that the matters were submitted for acknowledgement, for approval or for consideration together with the relevant comments of the Board of Directors. The notice shall be sent to shareholders not less than 7 days before the day fixed of the meeting and shall be published in the newspaper for 3 consecutive days and not less than 3 days before the day of the meeting.

The place of the meeting needs not be in the area where the head office of the company is situated. The meeting may be held at any place that the Board of Directors may deem appropriate.

Clause 35: At the shareholders' meeting, there shall be not less than 25 shareholders and proxies (if any) or not less than one-half of the total number of shareholders, and the shares have to be not less than one-third of the total number of shares issued to constitute a quorum.

At any shareholders' meeting, in case the number of shareholders attending the meeting is not sufficient to constitute a quorum after one hour has passed from the time fixed for the meeting, if the meeting is called at the request of the shareholders, the meeting shall be suspended; if the meeting is not called at the request of the shareholders, a new meeting shall be called, and a written notice of the meeting shall be sent to shareholders not less than 7 days before the day of the meeting. It is not necessary that this new meeting be quorate.

Clause 36: The chairman of the Board of Directors shall preside over the shareholders' meeting. In the case the chairman is not at the meeting or is unable to perform his duty, if there is a vice-chairman, the vice-chairman shall preside over the meeting, if there is no vice-chairman or there is but he is unable to perform his duty, shareholders attending the meeting shall elect one shareholder to preside over the meeting.

Each shareholder shall have the number of votes equal to the number of shares he owns; one share shall have one vote.

The voting shall be open unless not less than 5 shareholders demand otherwise and the meeting resolves that a poll be taken. The procedure of the poll shall be executed as determined by the chairman of the meeting.

Clause 37: The resolutions of the meeting shall be passed by the following votes:

- (1) In normal case, the majority of votes of the shareholders attending the meeting and having the right to vote; in the case of equal amount of votes, the chairman of the meeting shall have an additional vote as a casting vote;
- (2) In the following cases, three-fourth of the total number of votes of the shareholders attending the meeting and having the right to vote:
  - a. The sale or the transfer of the whole or important part of the business of the company to other persons ;
  - b. The purchase or the acceptance of the transfer of other public or private companies' business;
  - c. The making, the changes, or the termination of the contract concerning the lease of the whole or important part of the company's business, the grant of authority to other persons to manage the company's business, or the amalgamation of the business of the Company with that of other persons with the purpose of sharing profits and losses from the business;
  - d. The amendment of the Company's memorandum and articles of association;
  - e. The increase or the reduction of capital, the issue of debentures, the amalgamation or the dissolution of the Company.

Clause 38: The business to be transacted at the annual general meeting is as follows:

- (1) To consider the Board of Directors' report on the business activities of the company in the previous year submitted to the meeting for consideration;
- (2) To consider and approve the balance sheet;
- (3) To consider and appropriate the profits;
- (4) To elect directors to replace the directors who vacate their office at the end of their terms;
- (5) To appoint an auditor and determine the remuneration of the auditor;
- (6) Other business.

### **Dividend**

Clause 39: Dividends shall be paid out of profits only. In case the Company still has cumulative losses, no dividends shall be paid.

The dividends shall be paid in accordance with the number of shares; each share shall equate the amount of dividends.

The Board of Directors may, from time to time, pay the shareholders interim dividends if it deems justified and that there is enough profits of the company. This should also be reported to the next shareholders' meeting for acknowledgement.

The payment of dividends shall be made within 1 month from the date of the resolution of the shareholders' meeting or of the Board of Directors, depending on the case. The resolution shall be notified to the shareholders in writing and the notice of the payment of dividends shall be published in the newspaper.



Clause 40: The Company shall appropriate part of the annual net profit as a reserved fund of not less than 5 per cent of the company's net profits, minus the cumulative losses of the company (if any) until the reserved fund amounts to not less than 10 per cent of the registered capital of the company.

**Accountancy, Finance, and Audit**

Clause 43: The Board of Directors shall have the balance-sheet and the profits and losses account made at the end of the company's accounting year, to submit to the annual general meeting of shareholders for approval. The Board of Directors shall have the balance-sheet and the profits and losses account of the company audited by the auditor before submitting them to the shareholders' meeting.

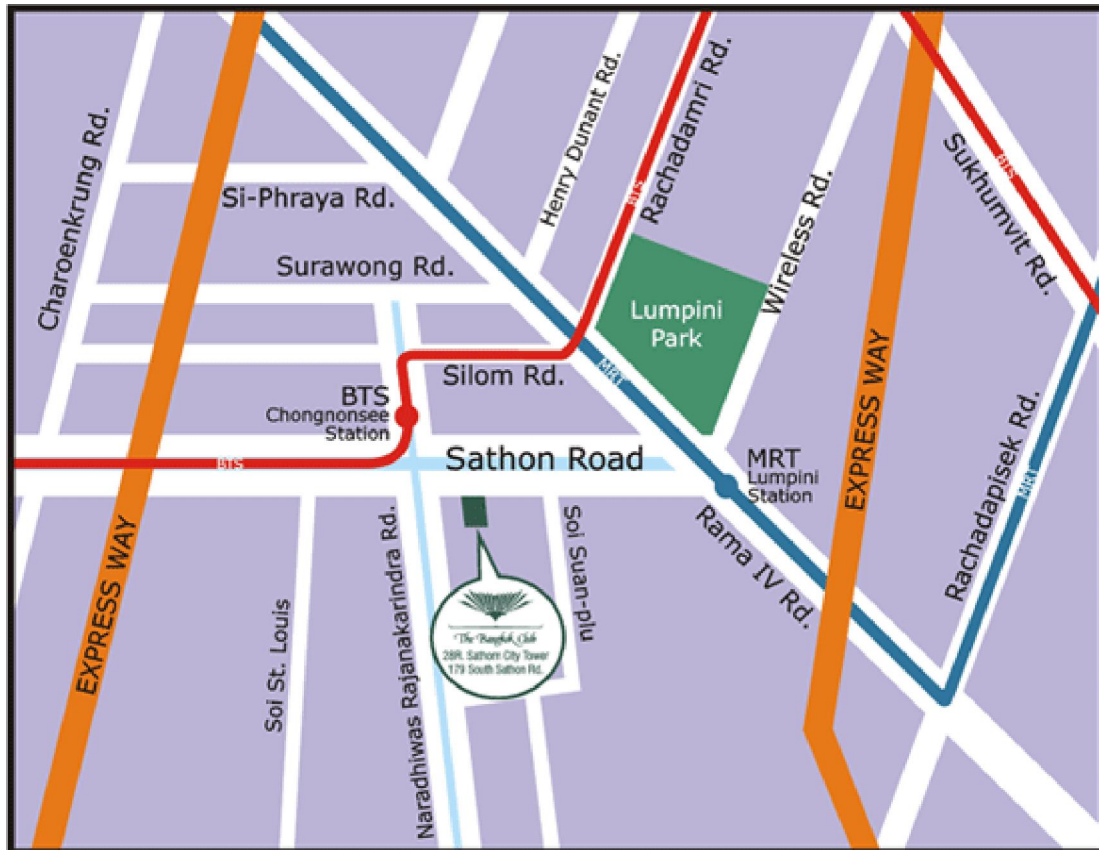
Clause 44: The Board of Directors shall send the following documents to the shareholders with a written notice calling the annual general meeting:

- (1) Copies of the audited balance-sheet and profits and losses account with the auditor's report on the audit ;
- (2) The annual report of the Board of Directors.

Clause 45: The auditor shall not be directors, staff members, employees or any office-holders of the company.

**Map of the Location of the Shareholders' Meeting**

The Grand Hall on 28<sup>th</sup> Floor, the Bangkok Club, No.175 Sathorn City Tower, South Sathorn Road,  
 Tungmahamek, Bangkok 10120  
 Tel: (66) 2679 5550, 285 1661 Fax: (66) 2285 1998



**Annual Report Requisition Form**

Please thoroughly complete the following form (write legibly) and submit to the Office of the President by mail (Reply Paid envelope) or via facsimile (fax) at number (66) 2636 7999

Name..... Last Name.....

Company.....

Address.....

Postal code..... Tel.....

Wish to make a request for the annual report for the year 2017 to be sent to the address above.

