

Director and Independent Director Selection Procedure

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) Director should be a competent person 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 Mr. Suchin Wanglee

| | | |
|----------------------------------|---|--|
| Nominated Director Type | : | Director |
| Position | : | Chairman, Director and Advisor to the Executive Board |
| Age | : | 75 years |
| Nationality | : | Thai |
| Education | : | <ul style="list-style-type: none"> - B.S. Electrical engineering, Northrop Institute of Technology, U.S.A. - Executive Course, Harvard University, U.S.A. - Executive Program (CMA 9), Capital Market Academy - Top Executive Program in Commerce and Trade (TEPCoT 3), University of the Thai Chamber of Commerce |
| Director training Program | : | - The Role of Chairman (RCM 4/2001), Thai Institute of Directors |
| Year of directorship | : | 44 years |
| Work experience | : | <ul style="list-style-type: none"> - Director, Board of trade of Thailand - Chairman, The General Insurance Association |
| Meeting Attendance | : | <ul style="list-style-type: none"> - The Board of directors' meeting: 4/4 times - The Executive Board's meeting: 42/45 times |



1.2 Mr. Pitiphong Bisalputra

| | | |
|----------------------------------|---|--|
| Nominated Director Type | : | Executive Director |
| Position | : | Director, Member of Risk Management Committee and President |
| Age | : | 47 years |
| Nationality | : | Thai |
| Education | : | - MBA, University of Hartford, U.S.A. |
| Director Training Program | : | - Director Accreditation Program (DAP 5/2003), Thai Institute of Directors - Successful Formulation & Execution of Strategy (SFE 3/2009), Thai Institute of Directors |
| Year of Directorship | : | 9 years |
| Meeting Attendance | : | - The Board of Directors' meeting: 4/4 times - The Risk Management Committee's meeting: 2/2 times - The Executive Board's meeting: 45/45 times |



1.3 Mr. Suphot Wanglee

| | | |
|--------------------------------|---|---|
| Nominated Director Type | : | Director |
| Position | : | Director and member of the Remuneration and Nomination Committee |
| Age | : | 71 years |
| Nationality | : | Thai |
| Education | : | - B.S. Chemical Engineering, Washington University, U.S.A. |
| Years of directorship | : | 34 years |
| Meeting Attendance | : | - The Board of Directors' meeting: 2/4 times - The Remuneration and Nomination Committee's meeting: 3/3 times - The Remuneration Committee's meeting: 1/1 times |

(Note: The Board of Director has resolved to combine the Remuneration Committee and the Nominating Committee together as only one which named "the Remuneration and Nomination Committee" since 25 February 2010)



1.4 Mr. Kiet Srichomkwan

| | |
|----------------------------------|---|
| Nominated Director Type | : Independent Director |
| Position | : Independent, member of the Audit Committee and member of Remuneration and Nomination Committee |
| Age | : 74 years |
| Nationality | : Thai |
| Education | : - B.A. Business Administration, Western New Mexico University, U.S.A. - Top Executive Program in Commerce and Trade (TEPCoT 2), University of the Thai Chamber of Commerce |
| Director Training Program | : - Director Certificate Program (DCP 10/2002), Thai Institute of Directors - Director Accreditation Program (DAP 4/2003), Thai Institute of Directors - Finance for Non-Finance Director (FND 7/2003), Thai Institute of Directors - Audit Committee Program (ACP 3/2004), Thai Institute of Directors - Improving the Quality of Financial Reporting (QFR 4/2006), Thai Institute of Directors - Monitoring the Quality of Financial Report (MFR 9/2009), Thai Institute of Directors - Monitoring the Internal Audit Function (MIA 7/2010), Thai Institute of Directors - Monitoring the Fraud Risk Management (MFM 2/2010), Thai Institute of Directors - Monitoring the System of Internal Control & Risk Management (MFR 9/2010), Thai Institute of Directors |
| Year of directorship | : 12 years |
| Meeting Attendance | : - The Board of Directors' meeting: 4/4 times - The Audit Committee's meeting: 10/10 times - The Remuneration and Nomination Committee's meeting: 3/3 times - The Nominating Committee's meeting: 1/1 times |
| | (Note: The Board of Director has resolved to combine the Remuneration Committee and the Nominating Committee together as only one which named "the Remuneration and Nomination Committee" since 25 February 2010) |



1.5 Mr. Phornpong Phornprapha

| | |
|--------------------------------|---|
| Nominated Director Type | : Independent Director |
| Position | : Independent and member of Remuneration and Nomination Committee |
| Age | : 61 years |
| Nationality | : Thai |
| Education | : Bachelor of Science in Business Administration, California State University, Long Beach, U.S.A. |
| Year of directorship | : 4 years |
| Meeting Attendance | : - The board of directors' meeting: 2/4 times - The remuneration and Nomination Committee 2/3 meeting attended - the Remuneration Committee 1/1 meeting attended |

(Note: The Board of Director has resolved to combine the Remuneration Committee and the Nominating Committee together as only one which named "the Remuneration and Nomination Committee" since 25 February 2010)

2. Information of NKI shareholding of the nomination persons (As of 31 December 2010)

| Nominated Persons | Number of* | Shares |
|------------------------------|------------|--------|
| 1. Mr. Suchin Wanglee | 2,983,971 | 9.95 |
| 2. Mr. Pitiphong Bisalputra | 89,897 | 0.30 |
| 3. Mr. Suphot Wanglee | 662,544 | 2.21 |
| 4. Mr. Kiet Srichomkwan | 35,823 | 0.12 |
| 5. Mr. Phornpong Phornprapha | 242 | 0.00 |

*Classified according to definition of connected person under clause 258

3. 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. Mr. Suchin Wanglee | 6 | <ul style="list-style-type: none"> - Chairman, Thai Reinsurance Plc. - Vice Chairman, Thai Metal Drums MFG. Plc. - Independent Director, Thai-German Ceramics Industry Plc. - Independent Director, Varopakorn Plc. - Independent Director, Sermsuk Plc. - Independent Director, BTS Group Holding Plc. | 11 | <p>Chairman, The Falcon Insurance Plc. (Company representative as the board of directors of joint venture)</p> <p>Chairman, Thai Reinsurance Plc. (Company that transfers risk from domestic insurance company)</p> |
| 2. Mr. Pitiphong Bisalputra | - | - | 5 | None |
| 3. Mr. Suphot Wanglee | - | - | 13 | None |
| 4. Mr. Kiet Srichomkwan | - | - | 8 | None |
| 5. Mr. Phornpong Phornprapha | - | - | 10 | None |

4. Relationship characteristics of nominated person qualified as independent directors

| Relationship Characteristics | Name of nominated person qualified as independent directors | |
|--|---|------------------------------|
| | Mr.Kiet Srichomkwan | Mr.Phornpong Phornprapha |
| Holding of NKI share - Amount | 35,283 | 242 |
| - Ratio of issued shares having voting rights | 0.12 | 0.00 |
| 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 Have* | None None None |

*Note: The value of business between the company and the entity which the independent director is a major shareholder and an executive is approximately 21.03 million baht. Such transactions are normal business and supporting business according to the general trade agreement such as purchasing insurance and fee of repairs and spare parts of the insured vehicle. These business relations do not interfere with the act of expressing independent opinion as of independent directors. The company use the directors' knowledge and experience in the vehicle business to offer suggestions and advice beneficial to automobile insurance business.

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, non-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.