

Corporate Governance

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The Navakij Insurance Public Company Limited

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Public Company Limited**

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Introduction

The board of directors has a policy to develop and administrate the Company along the principles of good corporate governance of the Company, the principles of good corporate governance for listed companies by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC), the suggestion of Thai Institute of Directors Association (IOD) as well as good corporate governance and best practice for insurance company by the General Insurance Association (TIA) to comply with universal standard guideline. The good corporate governance has been communicated to all employees and is being the best practices to strictly comply continuously.

The good governance being regarded as structure and basic internal process that the Company has to perform in order to organize business directions and take care of the Company's performance to protect it from damage and also creating values to the organization and strengthen the growth stability of the Company

The principles of good corporate governance strive to apply best practices that lead to increase confidence of all stakeholders and related persons while taking into account social and environmental responsibilities. The Company has developed the principles of good corporate governance comparing with principles of corporate governance of the Organization for Economic Co-operation and Development and had improved it properly as well as had reviewed annually.

The board of directors, executives and all staff, having persist in the principles of good corporate governance along with the universal standards 6 categories consist of

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| 1. Accountability | Responsibility for one's own decisions and actions |
| 2. Responsibility | Responsibility for performing duties with due competence and adequate efficiency under the rules |
| 3. Equitability | The fair and equitable treatment of all stakeholders |
| 4. Transparency | Ensuring corporate operations can be examined and information disclosed to the relevant parties |
| 5. Ethics | The existence of business ethics and code of conduct |
| 6. Corporate Social Responsibility | The social responsibility |

The principles and the best practice are presented in 5 categories, namely: (1) Rights of shareholders (2) Equitable treatment of shareholders (3) Role of shareholders (4) Disclosure and transparency and (5) Responsibilities of the Board

Section 1

Rights of Shareholders

The Board realized on their duties to cover benefits and fundamental rights of shareholders provided by laws equitability as the Company's owner e.g. the right to receive share certificate, getting sufficient information, be in time with appropriate to make decision, receive dividend, attending shareholders' meeting and voting to make decision for changing policy or major fundamentals of the Company e.g. an election or removal of director including fixing remuneration of directors, distribution or transfer the Company's business, purchasing or taking over other company, appropriation of annual profit, capital increase or decrease and approval of other special transaction. The Company having a good governance and responsibility to shareholders, having entrusted on the Company's performance would be the direction increase maximum benefits to shareholders, code of best practice are as follows:

1. The Company has conduct the annual general shareholders meeting within 4 months from the last day of the accounting year to ensure that shareholders receive the Company performance to consider and decide on important matters of the Company. The guidelines for the agenda to be in accordance with the principles of good corporate governance as follows;

- (1) To adopt the Minutes of the Shareholders' Meeting of the past
- (2) To acknowledge the Company's performance for the past year
- (3) To consider and approve the statements of financial position and the statement of comprehensive income the past year ended
- (4) To consider the appropriation of profit
- (5) To consider the directors' remuneration
- (6) To consider the election of directors in place of those retiring by rotation
- (7) To consider appointing the auditor and to determine his/her fee
- (8) Other business, opportunity for shareholders to ask on their intention issues and/or the board give answers and/or declaration to shareholders without voting

Therefore, there will be no agenda other than to consider any predefined or any significant change without prior notice to shareholders.

2. The Company shall facilitate the participation of shareholders in the meeting. The meeting venue shall be in Bangkok or nearby province that are conveniently accessible and can accommodate all shareholders along with providing adequate personnel and technology for monitoring the registration documents for the meeting.

3. Shareholders have the right to propose the agenda for the meeting or submit questions in advance about the Company before the meeting. According to the Company, the details appear in the Company's website (www.navakij.co.th) during September - December of each year.

4. The Board announce important information to shareholders prior to start the meeting include the number of shareholders attend the meeting / proxy voting, practice in voting, counting of votes and storing ballots.

5. The Company always encouraged the Board, the executives and the Company's auditors attend the shareholders' meeting and answering queries, invited legal advisor to serve as the meeting inspector for document inspection for registration and transparency in voting and counting of the meeting.

6. The Company has allocated the appropriate time to allow shareholders to express their opinions and ask for more information. As well as clarified by the Company for each agenda before the vote.

7. Directors election should utilize a process in which shareholders are able to vote on individual nominees.

8. The Board authorized the company secretary to prepare the minutes of the meeting to be completed and present to the shareholders through the website as soon as possible within 14 days after the meeting.

Section 2

Equitable Treatment of Shareholders

The Board has a policy to protect the shareholders' rights, equitable treatment and fairness and also provided code of best practices by giving opportunities to them supervise the Company and its performance

1. Shareholders have the rights propose in advance any qualified candidates to be nominated as a director along with the criteria the Company was fixed, following details on the Company's website (www.navakij.co.th) during September to December annually.

2. The Company has sent the notice and supporting documents to all shareholders at least 21 days prior to the meeting and be posting it on the Company's website more than 30 days prior to the meeting both of Thai and English.

3. Shareholders who cannot attend the meeting, can vote their rights by proxies Form B that the Company had attached with the notice of shareholders meeting, independent director and executive director at least 3 persons would be grantee.

4. The Company has applied computer system and barcode for registration and vote counting and supporting to use voting card in every agenda of to consider approval.

5. Policy regarding the supervision on the use of inside information

- The Company has realized to the using of inside information for personal interest, the Company has procedures to supervise the board, executives and staff taking the Company information for personal interest or use the information without the permission of the Company. The Company had announced a policy of keeping information safe, all employees have to sign an agreement to abide such policy. Those who violate the regulations will be considered a serious offense. It did not specify the disciplinary action in the employee manual clearly. The maximum punishment is dismissal without compensation.

- The Company assigns respective officers to tend respective subjects and supervises concerned persons to take good care of data. The assigned officers will disclose information, if necessary.

- The Board of Directors defined the regulations that all directors, executives and corporate officers who have received the non-public information which will be affecting to the Company's securities pricing, are prohibited from trading the Company's security during two weeks prior to the disclosure of the Company's information and/or financial reports to the public, and always monitoring by assigning the duties of perform the report in securities and derivatives holding report (Form 59) and must be informed to the Company on the same day the report was submitted to Securities and Exchange Commission, office of president will be getting such information to contain in the Board's meeting agenda to acknowledgement every quarter.

6. Reporting Conflict of Interest

- The Company has a policy to the board and executive to disclose their interests and related persons along with the form of the Company and have to review an annually. The board and executive who have any interest on the transaction relevant the Company, should not concern in the discussion, decision making and/or vote on such transaction and would be following the process or measure of consider approval on related transaction of the Company.

- The board has a policy regarding securities trading of the Company and reporting method to implement by the board, executive and staff can access inside information and the board and relevant executives have to prepare and submit report of securities holding of the Company in accordance with the regulations of SEC.

7. Policy on Conflicts of Interest

- The Board has resolved the Company and associated company to make related transactions that are normal business transaction or support normal business under general business terms with directors, executives or related persons. The board authorized the executives and/ or the person authorized by the executives the power to enter into such transactions. Therefore, directors, executives and staff should be avoided from conducting business rival incorporation any related business with the Company and doing related transaction with connected persons or juristic person that would be conflict of interest with the Company.

The policy for considering the conflicts of interest and related transactions

(1) Consider the conflict of interest and related transactions with great care, taking into consideration the benefits of the Company and necessity of such transactions of which terms and price are in accordance with normal business practice as if made with outsiders.

(2) The Company follows stringent regulations of SET regarding report of conflict of interest and related transaction. Such transaction is disclosed and submitted to the consideration of the audit committee before propose to the board for approval. In respect of the board, the directors perform their duties with great care, honesty and integrity. The directors and/ or those who have an interest in the transaction do not participate in the discussion, decision making and/ or vote on such transaction.

(3) The Company reports or discloses information on related transactions to shareholders or arranges a meeting of the shareholders to seek their approval before taking any action.

(4) The Company discloses details of related transactions with regard to the amount of transaction, contractual party, reasons and necessity, in the annual report and the form of 56-1.

Section 3

Roles of Shareholders

The Board is aware of the importance and rights of stakeholders, by supporting cooperation between the Company and stakeholders, having strengthen the Company's performance and focusing on the same benefits based on fairness, including taking care of stakeholder base on the rights of related laws. The Company, therefore, has conducted NKI code of conduct to implement by the board, executives and staff, being code of best practice strictly and also punishment in case of violent or failure to comply with, constitute a breach of discipline accordance with personnel management.

The Company's policy to treat the various groups of stakeholders to encourage the participation as follows:

1. Guidelines to the Stakeholders of the Various Groups

Shareholders: The Company is strongly committed to provide values and maintain business growth to preserve the greatest interest of the shareholders, including disclose information to shareholders correctly, completely, and transparently.

Employee: The Company believes that our employees are the most important asset. We treat employees fairly and are determined to ensure that every employee is proud of and confident in the organization. The Company sets the appropriate compensation and provision of fringe benefits to employees not only complies with but also exceeds relevant standard mandatory requirements, e.g. provident fund, health and accident insurance, annual health check-up, safe and sanitary workplace environment, employee recreational activities, and in-house physical workout facility to promote mutual recreation among employees as well as continually developing progress on career paths including provide both local and overseas scholarships and training courses year plan for employee at each level.

The Company takes into account the safety of its employees so as to provide continually the knowledge regarding workplace safety and hygiene guidelines.

Customers: The Company policy is to respond to customer's satisfaction and to maintain the customers' long-term relationships. We provide advice for appropriate and adequate coverage at a fair price through quality insurance policy and compensations are paid with fairness. The Company's information discloses correctly to the customers and Customer Service Center was set up to provide quick assistance to clients in handling their complaints.

Suppliers: The Company treats supplier/trade partners with transparency and notifies them to acknowledge the level-playing field. No nepotism. These supplier/trade partners will be given opportunities to comment and propose suggestions concerning any and all joint business issues. To ensure that the rights of business partners are protected, the Company will treat supplier/trade partners' secrets as strictly confidential.

Competitors: The Company operates its business within a competitive context by being fair and strictly following the law, never defaming other insurance companies and harnessing other intellectual properties. The Company emphasizes the quality and efficiency of its services, stressing the greatest benefit to the customers.

Creditors: The Company has a policy to operate efficiently and extremely maintains the capability to redemption, to maintain the reputation and creditability of the Company and fair basis of both sides, do not violate the rights of the creditors, run the business effectively and particular concern in guarantee transactions, and also complies with terms agreed including promptly to discuss with the creditors to find suitable and quick solutions to their mutual benefit.

Community, Society and Environment: The Company realizes its responsibilities to society and to the preservation of environment. The Company promotes awareness of social responsibility and supports many activities that benefit the community as well as encourages all stakeholders of the Company's participation in community development and social sustainability, such as granting scholarships to poor students with a good school-record and supporting a fund for the rehabilitation of academy. Furthermore, the Company has also offered training program of environment and various activities to its management and staff to participate, as well as realize the significance of conducting themselves in a way would benefit society. All activities have been continuously implemented and effectively carried out.

2. The Company has a **policy to comply with the law of intellectual property or copyright** by specified guidelines to prevent non-infringement of intellectual property or copyright including violation of intellectual property of another person.

3. The Board approved **the Anti-Corruption Policy** as an operational guideline for all directors, executives and staff as well as the third-party having connection with the Company that must not get involved in corrupt whether directly and indirectly and all activities of the Company's business must be operated without corruption. The Company has reviewed the guidelines and requirements for the implementation of the policy against corrupt regularly in order to comply with related laws and regulations.

4. **Human Rights:** The Company policy is to support and to respect issues that present the organization through to the employees to be involved in human rights violation. This is done by using the principles of freedom, equality and peace.

5. The Company has set **Whistle-blowing Policy and Grievance Procedures**

The Company communicates and provides a channel for stakeholders able complain and notify the whereabouts or behavior that may indicate the misconduct of the officials in the organization. Illegal actions, misrepresented financial report or other action that may affect to the Company

(1) Provide multi-channel for the stakeholders can call via telephone, perform the notice submit to by mail or electronic mail (email) via the Company's website

- i. Concern staff: email to the Chief Executive Officer
- ii. Concern executives: email to the audit committee via email secretary to the audit committee

(2) Provide inspection process by the audit committee that appointed by chairman of the executive board or chairman of the audit committee, and the Company will be informed the result accordingly.

(3) Provide measures to protect the complainant or a clue. The information will be kept confidential only those who had received a letter or electronic mail only.

In the case of complaint, employees who do not receive justice because of their duties or un-satisfied for the benefits that should have been, the right to petition. The filing of a superior class, except that the complaint about the conduct of their superiors. We look forward to the next higher commander. The supervisor who receives a complaint investigation has to find the facts and take corrective action, to consider the report and the complainant informed, together with the report of the President through the HR department. If the complainant is not satisfied the decision result, the appeal to the President through the HR department again.

Section 4

Disclosure and Transparency

The Company recognizes the importance of information disclosure both financial and non-financial information and has a policy to strictly disclose information accurate and complete, reliable, timely and transparent in accordance with the rules and regulations of relevant regulatory bodies.

1. Disclosure of Information

- Shareholder Relations division was set up to represent the Company in communicating information useful to shareholders, investors and relevant parties, may contact at 0 2664 7777 Ext. 1905, 1906 or 7719, or submit questions by e-mail to office_president@navakij.co.th and the Company's website at www.navakij.co.th.

- Information disclosed e.g. financial statements, the Company's general information, nature of business, business property, risk factors, capital structure, organization structure and management, internal control, related party transaction, corporate governance policy and code of conduct, press releases and stock information.

- The Company provides various channels to communicate with shareholders, investors and other interested parties alike may have access to the information expediently, such as the form 56-1, annual report, SET's website and the Company's website in the section of "investor relations" information is always up-to-date, interviewing and making conference call as well as organizing press conference to update information events and new products of the Company to acknowledged thoroughly by the public.

- Defined authorized person to disclose information to the public e.g. the Company's top executives; Chairman of the Board, Chairman of the executive board or the president.

- Defined contact person to coordinate with SET as follows:

- (1) Finance Department is responsible for disclosure of periodic reports e.g. yearly and quarterly financial statements.

(2) Office of Company Secretary or Shareholder Relations Division is responsible for disclosure of periodic reports e.g. Form 56-1 and the Company's annual report (Form 56-2) and non-periodic reports e.g. acquisition or disposals of assets, connected transactions, the change of director/management/auditor, fixing the date and resolutions of annual general meeting of shareholders, increases or decreases in capital, etc.

- The Board shall report the Company's compliance with corporate governance policy through the Company's form 56-1 and annual report.

2. Quality of Financial Reports

- The Company's financial statements have been audited by an independent external auditor who is in good standing as a certified and licensed public accountant and must possess the qualifications as specified by SEC. The practice of periodically rotating the external auditor is every seven years to ensure independence of the external auditor.

- The Board is responsible for oversight of the Company's financial reports which always prepared according to generally accepted accounting principles and the audit committee was assigned to independently review and report on the accuracy. The Board shall present its responsibilities concerning the Company's financial reports alongside the auditor's report in the Company's annual report.

3. Internal Control

- The Board assigned the audit committee to review and report on the propriety and efficiency of internal audit and system of internal control as well as to oversee that the Company conduct is in compliance with applicable laws and regulations, also includes reviewing that the information disclosure compliance with the guidelines concerning disclosure of information of listed companies that should be accurate, transparent, complete and timely. In case of a connected transaction or transaction that may lead to conflicts of interest, they shall consider to ensure that the Company complies all related rules and the notification of relevant regulatory bodies and to ensure the best interests of the Company.

- The Company's organization provided an office of internal audit that shall report directly to the executive board and the audit committee. The primary purpose is to oversight of the financial transactions and the functions of various departments as well as to perform Internal Control System Sufficiency Evaluation Form that would be reviewed by the audit committee and the Board at least annually. The Company provided an office of compliance to oversight of the Company's operation in order to comply with the rules and regulations of relevant regulatory bodies such as SET, SEC and OIC etc.

- The Company clearly defined a concrete hierarchy of authority and financial amount to facilitate and increase more efficiency at work as well as provided the system to inspect the rights of individual user and to prevent unauthorized access.

- The Board appointed the external auditor who possessed the qualifications as specified by SEC, to evaluate the Company's internal control and investment procedures including other relevant transactions as well as report the assessment result to the executive board and OIC within March annually.

4. Risk Management Policy

- Risk management committee was appointed by the Board to oversight of risk evaluation and reviewing the process of risk management effectively. Directors and the Company's executives are members. Office of Risk Management is responsible for monitoring carrying out a risk assessment by all units in the organization annually and the assessment result shall report to the risk management committee and the audit committee. The audit committee shall review to ensure the adequacy of the risk management process before acknowledgement of the Board.

- Office of compliance is responsible for monitoring the Company's operation to be consistent with relevant rules and regulations as well as communicating early release information to all employees who are required to be informed and strictly comply.

- The Company set a written manual for work instruction and approval authority as well as would be reviewed and revised them to fit business.

- The Company has a contingency business continuity plan that there is an outside back-up site and the system would be tested on a yearly basis.

- The Company provided a risk management framework and policy and a three-year business plan in compliance with the criteria, procedures and condition of OIC.

Section 5

Responsibilities of the Board

The Board represents the shareholders and has a crucial role in setting the Company's business direction, overseeing and superintend the management to reach the goals and to preserve the greatest interests of the Company and its shareholders as well as in compliance with the principles of good corporate governance. The Board has accountabilities to on their duties as director to build up confidence to shareholders, investors and stakeholders as well as creating values to the organization.

1. Board Structure

(1) The Board shall comprise of no fewer than 9 members that would be appointed and removed by shareholders' meeting. Not less than half of the total number of directors shall have residence in the Kingdom.

(2) The Board shall comprise of independent director of at least one-third of the entire Board, but no fewer than three persons. Non-executive directors shall not be more than one-third of the whole Board in order to maintain a balance of power between non-executive directors and executive directors.

(3) The Board shall choose one of its members to be the chairman. The chairman must be an independent director or a non-executive director unless getting approval on a case by case from Office of Insurance Commission (OIC) to solve the problem within the specified period.

(4) The Chairman of the Board, the chief executive officer and the president, shall be held by different individuals and the roles and responsibilities of the two positions are different in order to achieve a balance of power.

(5) Appointment of the Board members shall be in accordance with the Company's Articles of Association and the regulations of related laws and in line with the criteria and procedures for selection and appointment of directors set by the remuneration, nomination and governance committee.

2. Authority of the Board

(1) Appointment, removal or delegation of authority to the subcommittees, chief executive officer and the president

(2) Appointment and removal of company secretary

(3) Approval of objectives and strategies of the company

(4) Approval of important business policies of the company

(5) Approval of a credit transaction where the aggregate value of the transaction beyond the approval limit of the executive board

(6) Approval of disposal of investment in equity instruments and/or debt securities where the transaction value beyond the approval limit of the investment committee

(7) Approval of procurement and investment in fixed assets where the aggregate value of the transaction beyond the approval limit of the executive board

(8) Approval of adjustment, disposal, and write-off for fixed assets, and/or intangible assets where the transaction value beyond the approval limit of the executive board

(9) Approval of reconciliation, dispute resolution by arbitration, petition, lawsuit, and/or court proceedings on behalf of the Company where the transaction value beyond the approval limit of the executive board

(10) Approval of remuneration for the executive board advisor, chief executive officer and the president

(11) Delegation of authority to the management, the Company's executives or any other persons to act on their behalf

(12) Request explanations from the Company' executives and staff on matters related to the Board's function, if necessary

3. Quality of the Director

(1) Directors should be competent with skills and extensive experience to benefit the Company's operation, with various skill mixes and integrity. At least one director should be experienced or competent in the non-life insurance industry, at least one should be experienced or competent in the accounting and finance, and at least one should be experienced and competent in information technology.

(2) Directors must possess relevant qualifications and shall not possess prohibited characteristics according to the Public Limited Company Act, Non-life Insurance Act, and other related laws.

(3) Directors should have the ability to exercise sound and independent judgments, free from any conflict of interest from the management and other stakeholders.

(4) Directors could dedicate appropriate time, knowledge and capabilities to the Company that she/she serve as director.

(5) Independent director must possess qualifications prescribed by Office of Securities and Exchange Commission and relevant Notifications.

4. Independent Director

The Company defined definition of independent director as well prescribed by SEC and OIC, these qualifications are as follows:

(1) Shall not hold shares exceeding 1% 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% 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, 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% 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.

The Business Relationship of Independent Directors

The Board approved the rules to waive the prohibitive business relationship of independent directors. The value size is not more than 3% of the value of net tangible assets (NTA) of the Company and the business relationships must be an ordinary business and must support the Company's operations in the general condition the company should treat contract parties in the same situation. Furthermore, the business relationship is not going to provide the benefit and the effect with independent opinions that may lead to conflict of interest. The steps of supervision are as follows:

- To review and report the business relationship of independent directors of which size are more than 3% of the value of NTA of the Company to the Board to review the independence.
- To illustrate the business relationship of independent directors during the Board and the shareholders' meeting to nominate independent directors.
- To disclose the business relationship of the independent directors in the annual report and Form 56-1 or according to the criteria specified in the notification.

In case of the person appointed by the company to be an independent director is a person who has nor has ever had a business relationship with the company or have ever been a provider of any professional services, Board's opinion must be represented that those persons are capable of expressing opinions independently and does not affect the obligation of director. The company, therefore, discloses relevant information in the invitation letter for annual general meeting of shareholders.

5. Term of Directorship

(1) Director shall have a term of three years and any director vacating the office on due term may be re-elected, with the exception of independent directors who may serve on the directorship for a maximum of three consecutive terms, or no longer than nine years. However, for the benefit of the Company, the Board may review to extend the independent director's term by proposing in the shareholders' meeting for approval.

(2) At every annual general meeting, one-third of the directors shall vacate their office. If the number of directors cannot be divided into a multiple of three, the number of directors nearest to one-third shall vacate the office.

- (3) Apart from vacating office at the end of the term, the director shall vacate office upon;
- Death
 - Resignation, effective from the date the Company received resignation letter
 - Being disqualified under Articles of Association of the Company or prohibition in accordance with the law
 - Being removed by a resolution passed by the shareholders' meeting
 - Being removed by order of the court

(4) In the case the office of director becomes vacant from any causes other than due term, the Board shall select any legally qualified person to be a director at the next meeting of the Board except the remaining term of office of the director is less than two months. Such director shall remain in office only for the remaining term of office of the director he replaces.

The above resolution shall receive not less three-fourth of votes of the remaining directors.

Term of Directorship of the subcommittees, are as follows:

- Non-Executive Director i.e. the audit committee and the remuneration, nomination and governance committee, consist of a team of independent directors, shall have a term of three years for a maximum of three consecutive terms, or no longer than nine years, unless the directors otherwise agree.
- Executive Director i.e. (1) the risk management committee, shall have a term of three years, (2) investment committee, executive committee; shall have a term subject to employment status for the executive position that would be terminated when there is a transaction of resignation or disqualified on function of fiduciary duty. For non-executive committee; shall holds a term of 3 years for 3 terms unless the Board of Directors may consider otherwise. and (3) the executive board, shall have a term subject to employment status for the executive position that would be terminated.

Limit of Board Seats in Publicly Listed Companies

(1) Directors could hold the position of director utmost 5 listed companies. If the director take the position exceed the Company's policy or being a director in other rival incorporation or any related business with the Company, they have to report in writing within one month upon being appointed to chairman of the Board and/or the Board to acknowledge every time prior propose to the shareholders' meeting to consider.

(2) The Chief Executive Officer and President cannot either hold more than five directorship or the executive positions at other company, or hold a directorship in other rival incorporation or any related business with the Company. Nevertheless, those positions must be approved by the board of directors.

6. Board Member Nomination& Election

The remuneration, nomination and governance committee is in charge of recruiting the qualified person and shall have a good record at work, propose to the Board and the shareholders meeting to be nominated as the Company's director. Nonetheless, the Company shall provide the shareholders an opportunity to propose the qualified candidates to be nominated as the director of the Company prior to the date of the shareholders' meeting as the criteria required by the Company.

7. Subcommittees

The subcommittees have been appointed by the Board to consider and supervise the specific task and shall report their performances to the Board on a regular basis.

Each subcommittee shall perform their duties assigned by the Board. The committees are empowered to request explanations from the Company' executives on matters related to the committee's function, as may be reasonable.

There are five subcommittees, namely; (1) the audit committee (2) the remuneration, nomination and governance committee (3) the risk management committee (4) the investment committee and (5) the executive board

(1) Audit Committee

The Committee shall comprise of no fewer than three independent members and at least one member has expertise and vast experience in accounting, finance practice and experienced to review of creditability the financial report. The responsibilities of the Committee shall include: verification of financial reports to ensure accuracy and completeness, ensuring the system of internal control is effective, overseeing compliance with related laws, consider appointing and dismissal of external auditor as well as determine his/her fee, oversight of connected transactions or any transaction may have a conflict of interest in compliance with the laws, regulations and to preserve the greatest interests of the Company, ensuring the appropriateness, contemporary and effectiveness of the risk management strategy and process as well as monitoring the implementation of the corporate governance policy and the code of conduct of the Company.

(2) Remuneration, Nomination and Governance Committee

The Committee shall consist of at least three members that chairman of the Committee and at least two of three of the Committee members must be independent director. The responsibilities of the Committee shall include:

Compensation function: Consideration of compensation plan and benefits for the Board, the committees and the top executives and review of the compensation structure that best fits their duties and in line with the Company's operating results as well as consideration and review of the Committee's authority to comply with the change of relevant laws and regulations.

Nomination function: Consideration of the director and the top executive nomination and election policy and propose the Board a qualify person to be nominated as the director and/or the top executive of the Company, supervise the Board structure and composition to ensure suitability as well as consideration and review of the Committee's authority to comply with the change of relevant laws and regulations.

Governance Function: Consideration and review of policy and good governance practices and code of conduct of the Company to ensure the sufficient as well as regularly monitor and evaluate the implementation of them at least once a year. In addition, they shall appoint a working group to support their functions, as it should be.

(3) Risk Management Committee

The Committee shall consist of the Company's director or executive at least five members and the duties shall include; review and propose risk management policy and risk appetite to the Board, review the implementation, review the risk management reports to ensure the efficient management, submit to the Board a report of overall risk exposure to the Company including review whether the internal audit system is appropriate to manage exposure from major risks and give advice to risk management department to support creating the appropriate development of risk management system.

(4) Investment Committee

The Committee shall consist of not less than 3 directors. Its two members shall be the Company's executive who tenure the position of chief executive officer and president and vice president of asset management department. Other member should be appointed by the Board. The duties shall include; set and review investment policy and plans to comply with the policies designed by the Board and to fit in a change in investment climate, review and monitor the performance of investment, set and adjust investment procedures for the Company, consider and define guidelines for investment risk management strategy, consider approval of investment in securities, general loan and disposition of real property.

(5) Executive Board

The executive board shall comprise of the Company's executive and/or the executive director of the Company, no fewer than three members, responsible for set up a corporate policy, budget and business strategy and shall include (1) control and supervise the Company's operation is carried out according to the policies assigned by the Board, (2) control and supervise the Company in compliance with relevant laws, regulations and/or notification, (3) control and supervise the Company to follow generally accepted accounting standards and prepare financial statements to show accurately and reasonably the financial and operation results and (4) risk assessment and business impact analysis as well as define appropriate risk reduction measures that shall be approve by the Board.

Company Secretary

Company secretary was appointed by the Board to responsible for the duties include:

- Organizing the meetings of shareholders and the Board as stipulated by law, the Company's articles of association and other related guidelines.
- Preparing the minutes of the shareholders' meetings and the Board's meetings as well as filing documents.

- Ensuring disclosure of the Company's operations and the Board activities to comply with the rules and regulations of SET and SEC as well as other relevant regulatory bodies.
- Providing appropriate advice to the Board regarding related laws, the Company's rules and regulations, as well as monitoring to comply with accuracy on a regular basis.
- Communicating to the Company's shareholders to acknowledge the Company's news and general information.

8. Duties and Responsibilities of the Board

The Board has a crucial role in decision making and overseeing the Company's operations to comply with related laws, the objects and the articles of association of the Company as follows:

(1) To oversee that the Company's operations are operated in accordance with the objects, the articles of association of the Company, and the resolutions of the shareholders' meeting, as well as the regulations specified by related laws in good faith and with due care to preserve the greatest interests of the Company.

(2) To consider and approve vision, mission, strategies, business direction and goals, including important business policies, as well as overseeing and superintend the management to be in line with the vision or framework with effectiveness and efficiency.

(3) To approve the corporate governance framework, code of ethics and the code of conduct of the Company, as well as regularly review the policies and evaluate performance at least once a year.

(4) To approve the organizational structure that maintain a balance of power between supervisory and management functions.

(5) To oversee that the Company has set up a control system for risk management, internal control and compliance with regulatory, as well as providing units or personnel with an independent duty to act in the audit practice to ensure the efficient and transparent management.

(6) To supervise setting up a control system for financial reports and reliability of audit evidence.

(7) To appoint the subcommittees to be adequate and appropriate of its duties to support the Board in their responsibility as well as to consider the composition of the subcommittees and any significantly changes that may affect their performance.

(8) To oversee disclosure of information regarding good governance, financial reports and important matters in accordance with the rules and regulations of relevant regulatory bodies, accurately, completely and timely.

(9) To oversee selection of directors and set up the efficient succession plan of the top executives.

(10) To appoint or delegate any power to any other person(s) to conduct the Company's business subject to the control of and within the time frame as may be specified by the Board.

(11) To oversee assessing the performance of the Board and its subcommittees annually.

(12) To approve connected transactions and any transactions in compliance with the laws and regulations specified by all regulatory agencies such as OIC, SEC etc., to prevent transactions that may have a conflict of interest.

(13) To approve the acquisition and disposition of assets and any transactions in compliance with the laws and regulations specified by all regulatory agencies such as OIC, SEC Etc., to prevent transactions that may have a conflict of interest.

(14) To approve a significant matters submitted by the management such as business plan, budget or any project that the transaction value is greater than the authority of the management.

(15) To approve the criteria for annual special bonus payment for the employees.

(16) To appoint the Company Secretary to ensure that the Board and the Company perform their duties in accordance with related laws and relevant rules and regulations.

Role of the Chairman of the Board

(1) To lead meetings of the Board.

(2) To casting vote at the Board meetings in the case of equality of votes.

(3) To call meetings of the Board and the shareholders.

(4) To lead meetings of the shareholders.

Key Responsibilities of the Chief Executive Officer

(1) To monitor and provide advises to the president and executives in managing the Company to achieve its vision and overall objectives set by the Board, will all units in the organization cooperatively to achieve their respectively responsible objectives.

(2) To motivate and/or oversee participation from all members of the organization towards common directions and objectives.

(3) To establish sound working understandings of roles and duties of the executives with the Board to work towards a common direction.

(4) To provide recommendations to the management including review and oversee management direction and business strategies as a whole including normal business operation plans before presenting to the Board.

(5) To oversee the adequacy of having strategies, annual budget and operation plans in accordance with the Board's policy.

(6) To oversee development of good culture and sound environment in work place for the Company's personnel with taking in consideration of their pride and respect for human dignity including having code of moral and equal treatment for them.

(7) To consider and evaluate the president's performance then report it directly to the Board and/or assigned the subcommittees.

(8) Cooperating with the president to consider and evaluate performance of executives to ensure fairness.

Key Responsibilities of the President

(1) To set policies, strategic direction, business plan and annual budget of the Company propose to the Board for approval and proceed to comply with the resolutions.

(2) To report the Board to acknowledge monthly and quarterly the Company's operating performance comparing with the Company's business plan and budget together with any suggestions.

(3) To approve the Company's expenditure with limit of not over Baht one million, in case of inconsistent with the authority must be reported to the chairman of the executive board.

(4) Other matters assigned by the Board.

9. Board of Directors' Meetings

(1) The Board holds at least six meetings a year with one meeting to be with non-executive directors only. All meetings will be scheduled at the beginning of the year. The extraordinary meetings are allowed if required.

(2) The Chairman of the Board and the topmost position of executive shall consider and agree to the meeting agenda.

(3) The Chairman of the Board or the director authorized by the Chairman of the Board shall call the meeting.

(4) The Company Secretary is responsible for the agenda and supporting documents that shall send to all members not less than 7 days before the date of meeting, except in the case of emergency.

(5) At the meeting of the Board, there shall be not fewer than one-half of the total number of directors to constitute a quorum.

(6) In the case the Chairman is unable to perform the duty, the directors attending the meeting shall elect a director to preside over the meeting.

(7) Resolutions are passed with a majority vote. The protestation shall be recorded in the minutes of the meeting if there is any director vote against a resolution of the meeting.

(8) The director with a vested interest in the issue under consideration shall be excused and/or abstain from voting.

10. Report of the Board

The Board shall be responsible for the Company's financial reports and the consolidated financial reports of the Company and its associate company ended on the accounting year in its annual report enforced by law. The financial report shall be prepared on the basis of current accounting standards and in line with the regulation of OIC. In addition, the Board shall report their responsibilities in reviewing the financial statements, presented with the auditor's report in the Company's annual report.

The Board designated the audit committee to supervise the quality of the Company's financial reports and express their opinions to the Board to be confident that all information presented in the financial reports is correct and comply with the regulations of the SEC, SET, OIC and other relevant laws.

11. Performance Evaluation of the Board

The Board and its subcommittees are required to evaluate their performance annually. The performance evaluation consists of self-assessment (individual), self-assessment (as a whole) and the subcommittees assessment. Each director shall express his/her view on the performance and the assessment result would be discussed and reviewed at the Board meeting to strengthen their performance.

The performance evaluation of the Board as a whole contains six major topics those are (1) structure and qualifications, (2) roles, duties and responsibilities, (3) Board' meetings, (4) The director's function, (5) relationship with executives and (6) self-improvement of directors and executives. For the self-assessment on an individual basis contains three major topics those are (1) qualifications of the director (2) roles, duties and responsibilities of the director and (3) Board of directors' meetings.

12. Assessment of Performance of the Top Executive

The Remuneration, Nomination and Governance Committee shall annually consider and set the performance evaluation criteria of the chief executive officer and the president. The criteria to be used in the evaluation must get approval from the Board and are to reflect the Company's goal. Therefore, the performance evaluation of the president must get approval from the chief executive officer before propose to the Board for approval.

13. Remuneration of Directors and the Top Executive

The Remuneration, Nomination and Governance Committee shall consider and set the remuneration of directors. The Company has a policy to compensate directors at the level closely applicable in the industry and in line with the appropriation of annual profit and dividend payment to the shareholders. Therefore, the Board members who serve as director in the subcommittees shall receive additional remuneration in the form of meeting allowance.

For the remuneration of the top executive shall be fixed properly based on the Company's salary structure. The Remuneration, Nomination and Governance Committee shall consider and review the remuneration of the chief executive officer and the president, with consideration of his/her performance and the Company operating results.

14. Board and Management Training

The Company encourages all members of the Board to attend various training and seminar courses organized by various institutions, beneficial to their responsibilities.

The Company established a development program for the Company's senior executives and head of department as well as provided training courses both in-house and public training courses with separately by specific and general courses. Training courses organized by various institutions such as Thailand Insurance Institution and insurance institutions abroad. In addition, the Company also provided business program for the executives to visit abroad insurance companies.

The Chairman of the Board and the topmost position of executive shall initiate an induction program to a new director, to build an understanding of duties and responsibilities as well as the Company's business guideline. Office of Company Secretary shall responsible for the following supporting documents that shall send to the new director on the next day appointment:

- Directors' Handbook
- Corporate Governance Policy and Code of Conduct of the Company
- The Company's Articles of Association
- The Company's Annual Report

15. Succession Planning

The Remuneration, Nomination and Governance Committee shall perform its duties as assigned by the Board in selecting qualified person to be the chairman of the Board and the top executive of the Company e.g. chief executive officer and the president, and presenting the results to the Board for approval.

Organization Development Department is responsible for setting a development programs for the Company's executives who taking the position under the president, as assigned by the executive board in preparing training courses to develop their knowledge and skills and career path.

Ensuring Compliance with and Revision

The Board shall adhere to and strictly observed by all employees in the Company as well as continually develop the corporate governance of the Company in order to enhance and develop the quality of the Company's corporate governance and to build up stability and sustainable growth benefits the Company, shareholders, and all stakeholders. The Board annually reviews the principles of good corporate governance.