

## TRANSLATION

### **THE NAVAKIJ INSURANCE PUBLIC COMPANY LIMITED**

#### **Reports on Board of Directors Resolution**

The Board of Directors of the Navakij Insurance Public Company Limited at a meeting No. 78/2011 held on February 24, 2011 the details of the resolutions are as followings:

1. Approved the audited Balance Sheet and the Profit and Loss Statement for the year ended December 31, 2010.

2. Proposed the shareholder's meeting for the net profit allocation of the Company's business performance year 2010 at the rate of baht 3.50 per share, at amount of 30,000,000 shares, total payment of baht 105,000,000 (baht one hundred and five million only). The dividend would be made on May 18, 2011. However, the right to receive dividend is uncertain as it has not yet been approved by the shareholders.

3. The annual general meeting of shareholders for the year 2011 (No.79) will be held on April 28, 2011 at 3.00 p.m. at The Bangkok Club, Grand Hall on 28<sup>th</sup> Floor, 175 Sathorn City Tower on 28<sup>th</sup> floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok. The company had fixed the record date on March 10, 2011 and the closing date of the share register book is on March 11, 2011 for determining the rights of shareholders to attend the shareholders' meeting and to receive dividend in accordance with the Section 225 of the Securities and Exchange Act B.E. 2551. The rights to receive dividend, therefore, will be approved by the annual general meeting of shareholders for the year 2011 (No.79).

4. The agenda of the annual general meeting of shareholders for the year 2011 (No.79) shall be as followings;

Agenda 1 To approve the minutes of the annual general meeting of shareholders for the year 2010 (No.78)

Rationale : The company held the annual general meeting of shareholders for the year 2010 (No.78) on April 29, 2010, and the minutes of the meeting has been recorded and submitted to the Stock Exchange of Thailand and the Ministry of Commerce within the timeframe prescribed by laws. It was also disclosed in the company's website.

Opinion of the board : The shareholders should certify the minutes of annual general meeting of shareholders for the year 2010 which was considered by the board and deems that was correct and completely recorded.

Agenda 2 The board of directors report on the Company's performance for the year 2010.

Rationale : The Articles of Association No.38 stipulates that the annual general meeting of shareholders should be acknowledge the Company's business performance during the previous year.

Opinion of the board : The Company should report the Company's business performance for the year 2010 to the shareholders' meeting for acknowledgement.

Agenda 3 To consider approval the balance sheet and the profit and loss statement for the year ended December 31, 2010.

Rationale : The Section 112 of the Public Limited Companies Act B.E. 2535 and the Articles of Association No.43 stipulate that the board of directors must cause the balance sheet and the profits and loss statement at the end of the accounting year of the Company which audited by auditor, for propose to the annual general meeting of shareholders for approve.

Opinion of the board : The meeting should approve the said Balance Sheet and the Profit and Loss statement for the year ended December 31, 2010 which was considered by the audit committee and audited had by the auditor.

Agenda 4 To consider approval the appropriation of annual profit ended December, 31 2010.

Rationale : In 2010 the company recorded a net profit of financial statements in which the equity method is applied and separate financial statements in which the cost method is applied, and had no accumulated loss. As a result, the company can pay a dividend to the shareholders pursuant to Section 115 of the Public Limited Companies Act B.E. 2535 and the Articles of Association No.38 which stipulate that the appropriation of profit shall be considered and approved by the shareholders meeting. Articles of Association No.39 also stipulates that dividends shall be paid out of profits only, the dividend shall be paid equally, according to the number of shares. In addition under Section 116 of the Public Limited Companies Act B.E. 2535 and Article 40 of the Articles of Association, the company must appropriate an amount not less than 5 percent of the net profits of the year less 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. The company has already reserved a statutory reserve to baht 30 million.

Opinion of the board : The Company has a policy to pay dividend at the rate of not less than 40% of the net profit from the Company's business performance ended December 31, 2010 which was audited by the auditor and the board deems that the shareholders should approve the appropriation of the dividend for the year 2010 at the rate of baht 3.50 per share, total payment of baht 105 million. The company had fixed the record date on March 10, 2011 and the closing date of the share register book is on March 11, 2011 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 May 18, 2011.

Agenda 5 To consider compensation and allowance to the directors and the committee

Rationale : Article 31 of the Articles of Association stipulates that the company shall pay the directors compensation for their duties as necessary. The company has 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. The company policy is to pay to the directors a bonus equivalent to approximately 3.5% of dividend payable.

Opinion of the board : Base on the remuneration committee's recommendation, the board considered and agreed to propose to the shareholders for approval of the payment to the directors and the committee as follows:-

- |   |          |                     |
|---|----------|---------------------|
| 1) The directors' bonus for the year 2010 totaling  | 3.68     | million baht        |
| 2) The meeting fee for the year 2011 to the directors as follows:-  |          |                     |
| 2.1 The board of directors  |          |                     |
| - Chairman of the board   | 30,000.- | baht/meeting        |
| - All other directors   | 20,000.- | baht/meeting/person |
| 2.2 The audit committee   |          |                     |
| - Chairman of the audit committee   | 30,000.- | baht/meeting        |
| - Audit committee members   | 20,000.- | baht/meeting/person |
| 2.3 Other 2 committees which are the remuneration and nomination committee and the risk management committee. |          |                     |
| - The chairman of each committee  | 20,000.- | baht/meeting        |
| - Other members   | 10,000.- | baht/meeting/person |

Agenda 6 To consider the election of the directors in replacement of those who are due to retire by rotation

Rationale : Section 71 of the Public Limited companies Act B.E. 2535 and Article 17 of 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 2011 (No. 79), namely:

- |                            |   |
|----------------------------|---|
| 1. Mr.Suchin Wanglee       | Chairman and advisor to the executive board                                     |
| 2. Mr.Pitiphong Bisalputra | Executive Director,<br>member of the Risk Management Committee<br>and President |

3. Mr.Suphot Wanglee	Non-Executive Director and member of the Remuneration and Nomination Committee
4. Mr.Kiet Srichomkwan	Independent Director, member of the Audit Committee and member of the Remuneration and Nomination Committee
5. Mr.Phornpong Phornprapha	Independent Director and member of the Remuneration and Nomination Committee

Opinion of the board : The board, excluding the director who had conflict of interest, consider that all the retired 5 directors have proper qualifications and are not disqualified pursuant to any relevant laws or regulations. The retiring directors have the knowledge and are competent persons who contributed their time to the company. Furthermore the one of independent director who due to retire by rotation has the value of business relationships with the company that premium level of significant. The board considered that the such business transaction did not interfere with the exercise of his independent judgment as an independent director.

The business relation between independent director and the company are normal business and supporting normal business which are under general business terms as the follows:

- The independent director purchasing insurance with the company.
- The company has paid the value of spare parts and auto repair of the insured vehicle to the auto dealer which the independent director is a major shareholder and executive.

The board, therefore, propose to re-elect all the 5 directors to serve another term in the board of directors.

Agenda 7 To consider appointing the auditor and to determine his/her fee.

Rationale : Section 120 of the Public Limited Companies Act B.E. 2535 and Article 38 of the Articles of Association stipulates that the annual meeting of shareholders shall appoint an auditor and determine the auditing fee.

Opinion of the board : The audit committee have considered and evaluated the quality of the work, the qualifications according to the criteria established of the auditors and assessed the independence of the said auditors and was of the opinion that Earnst & Young Office Limited is suitable to be re-appointed as the auditor of the company. The Board of Directors therefore recommended that the meeting approve the appointment of Mrs. Nonglak Pumnoi and/or Mr. Sophon Permsirivallop and/or Miss Rungnapa Lertsuwankul and/or Miss Ratta Jala from Ernst & Young Office Limited as the company's auditor and determine the auditor's fee at baht 1.21 million. Such 4 proposed auditors as well as Ernst & Young Office Limited have no relationship or conflict of interest in the company. The audit committee have considered and reviewed the details.

Agenda 8 Other business, if any

Please be informed accordingly.

Yours faithfully,

Mr. Nipol T. Jeerawong  
Chairman of the executive board