

ANNUAL REPORT

AS OF 31 DECEMBER, 2016

THAIVIVAT INSURANCE PUBLIC CO., LTD.

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Part 1

Business Operation

1. Policy and Business Overview

Thaivivat Insurance Public Co., Ltd. has operated general insurance business for more than 60 years serving Thai society by offering variety of insurance products along with quality services on the basis of transparent management, having good governance, and strengthen financial status. In 2016, the company was certified CAC (Collective Action Coalition) of the Thai private sector for the Anti-Corruption. The company has announced a policy against corruption, to prepare or review the internal control system as well as to carry out an organization risk assessment on corruption since 2013.

Our company focuses on being a stable insurance company for Thai people. We have an asset management as sufficiently reserve money both for the debt and insurance contract obligation including Risked-Based Capital Maintenance according to the law. Therefore, we have a strong financial status for serving people. Moreover, we choose the risk management efficiently by focusing on quality underwriting together with competitive strategic adjustment by finding new marketing channels through the counter services or online. Simultaneously, we consider the people requirements by developing good insurance products and services. Besides the transparent management with corporate governance principle, our company also has participated in the Social Benefit Projects without expecting any profit such as, Micro-Insurance Project which is focused on giving insurance services with easy-to-access price for people and Rice Insurance Project with the government since 2011 which has been created income stability for farmers.

There are 3 things of the company goal in operation : 1) Develop the company to have a strong financial status and management with good governance. 2) Develop valuable products to reduce risk and to alleviate properly people loss or damage. and 3) Develop standard service and create satisfaction fairly to our customers and partners. The company is ready to be the consultant of all insurances for customers and population by having various guidelines in organization development continuously, human and intellectual capital development, innovation development and operational process improvement to be standard and effective.

2. Nature of Business

(1) Company background

- 8 October 1951 Registered to establish company with paid registered capital as 10 Million Baht in the name of Thaivivat Insurance Co., Ltd. with the purposes to operate non-life insurance business which primarily the company took only Fires Insurance and Marine Insurance. The head office was located at 2nd Floor B.L.Hua building, Wat Tuek Intersection, Bangkok with 9 company founders as following :-
1. Captain Somwang Sarasarn
 2. Mr. Wai Wongtrakul
 3. Mr. Siwa-aut Assawakiat
 4. Mr. Kasem Pangsrivong
 5. Mr. Ma Chunleng (Mr. Preeha Assawaintra)
 6. Mr. Changtang Sae Bae (Mr. Sermsak Assawatorn)
 7. Mr. Thong Assawarak
 8. Mr. Tingkiang Sae Bae (Mr. Yon Assawathanakul)
 9. Mr. B L Hua or Mr. Luehua Sae Bang
- 1973 To get the licensed Non-Life Insurance No.8/2516 issued by Insurance Office, Ministry of Commerce.
- 1974 To expand business of Motor Insurance and moved the head office from B.L.Hua Building to Tinnakorn Building Suriyawong Road Bangkok.
- 1975 To Open the Miscellaneous Insurance Department and provided for professional to be in charge of the operation. Meanwhile, the company expanded the business of various investments.
- 1980 For the rapid expansion, the company brought the computer system to be used in the organization for developing Information Technology System which was the crucial factor of management work in the present and expanded the Service Center to many provinces surrounded Bangkok for customers convenience such as Chonburi , Ratchburi, Saraburi and Nakornratchasima provinces.

- | | |
|------|---|
| 1984 | To Lease the radio broadcast frequency from CAT Telecom to take the modern technology for efficiency use of communication between Claim Staff and the company for a better facility to the insured. It was the first company to take this modern technology for the insurance work. |
| 1989 | From applying the new technology for our service, it made the company be chosen to receive the HI-TECH AWARD service. |
| 2008 | To take the new technology for Emergency Help Services on car accident 24 hours with Mobile Tracking System. |
| 2009 | To provide Helicopter services to evacuate emergency patient by air. |
| 2013 | Receiving the award of the insurance company with the excellent management in 2012 granted by OIC |
| 2015 | Receiving the award of the insurance company with the excellent development in 2014 granted by OIC |

(2) Business Operation

Non-Life Insurance business operation of Company can be divided as following

1. Motor Insurance
 - 1.1. Compulsory Insurance according to the Protection for Motor Vehicle Victims Act 1992
 - 1.2 Voluntary Insurance Class 1
 - 1.3 Voluntary Insurance Class 2
 - 1.4 Voluntary Insurance Class 3
 - 1.5 Voluntary Insurance Class 4
 - 1.6 Voluntary Insurance Class 5
1. Fire Insurance
2. Marine Insurance
 - 3.1 Cargo Insurance
3. Miscellaneous Insurance
 - 4.1 Personal Accident Insurance
 - 4.2 Travel Accident Insurance

- 4.3 Health Income Compensation Insurance
- 4.4 Critical Illness Insurance
- 4.5 Contractor All risks Insurance
- 4.6 Contractor Plant and Machinery Insurance
- 4.7 Boiler Explosion Insurance
- 4.8 Public Liability Insurance
- 4.9 Golfer Indemnity Insurance
- 4.10 Neon Sign Insurance
- 4.11 Burglary Insurance
- 4.12 All Risks Insurance
- 4.13 Health Insurance
- 4.14 Global Travel Accidental and Health Insurance

1. Reinsurance is the important basic of insurance to help risk diversification by making reinsurance treaty with the reinsurance company. At the same time, we receive the reinsurance from other company as the risk diversification.

Important changes of company

- Oct. 1951 Registered capital 10,000,000 Baht common shares, value per share is 1,000.00 Baht
- Jan. 1981 Increased registered capital to 20,000,000 Baht common shares, value per share is 100.00 Baht
- Nov. 1987 Increased registered capital to 30,000,000 Baht common shares, value per share is 100.00 Baht
- Jul. 1992 Opened head office at Dindaeng area, the 11-storey high building with usage area 5,596 square meters and parking area 3,320 square meters
- Oct. 1992 Increased registered capital to 60,000,000 Baht common shares, value per share is 10.00 Baht
- Nov. 1993 Registered as public company and traded in the securities exchange of Thailand.
- Jul. 1994 Increased registered capital to 101,000,000 Baht common shares, value per share is 10.00 Baht

Jul. 1999	Increased registered capital to 126,250,000 Baht common shares, value per share is 10.00 Baht. The English company name was changed from Pacific Insurance Public Co., Ltd. to be Thaivivat Insurance Public Co., Ltd.
Sep. 2003	Converted share value from 10.00 Baht to 1.00 Baht
Apr. 2005	Increased registered capital to 151,500,000 Baht common shares, value per share is 1.00 Baht
May 2015	Increased registered capital to 303,000,000 Baht common shares, value per share is 1.00 Baht

(3) Revenue structure

The company is a non-life insurance business to have the main revenue from insurance premium. When the company receives insurance premium, a part of it is taken to do the reinsurance and another part is kept for our own risk. For the part of our own premium after expenses deduction, the company makes investment to earn income according to the non-life Insurance Act and Office of Insurance Commission announcement about other business investment of non-life insurance company.

Past 3 years of company's income

	2014	%	2015	%	2016	%
Insurance premium income	2,471.11	92.7	2,527.88	96.2	2,705.36	95.0
Investment income	181.31	6.8	85.44	3.3	121.22	4.3
Other income	13.86	0.5	13.72	0.5	20.56	0.7
Total income	2,666.28	100.0	2,627.04	100.0	2,847.14	100.0

Business operation of each product line

(1) Product or service characteristics

There are 4 main services of company as follows :

1. Motor insurance
 - 1.1. Compulsory insurance

1.2. Voluntary insurance is divided into 5 types such as class 1, class 2, class 3, class 4, and class 5 with different coverage.

1. Fire insurance is making contract to receive disaster risk that the company agrees to pay compensation to the insured in case of the insured property is damaged from fire or lightning or gas explosion of household consumption and has coverage extension to water damage, explosion, riot, strike, hail, flood, earthquake, windstorm, and aircraft etc.
2. Marine and transportation insurance is making contract to receive disaster risk that the company agrees to pay compensation to the insured in case of the insured property is damaged from transportation.
3. Miscellaneous insurance includes several kinds of insurance such as personal accident insurance, travel accident insurance, health insurance, compensation indemnity insurance, critical illness insurance, contractor all risks insurance, burglary insurance, health insurance, global travel insurance etc.

(2) Marketing and competitive situation

A. Policy, important product characteristic and service

Competitive strategy to have rapid and convenient services as well as to create impression to the insured, advertise, use modern communication technology and provide staff training all time.

Advantage

- To operate the longest motor insurance business of all insurance companies in present which makes the company have experience for giving service to the insured and related person as well as to have the database of complete underwriting
- To have a long term relationship with customer base
- To have a company culture to understand customer and related person requirements which makes impression to the customer and related person in our services
- The company has a good customer base with risk distribution and a large amount of company fund that makes the company be able to handle risk in high level

Disadvantage

- All company insurances are come from direct market, not from the captive business

Target customers

For the industrial risk, most insurance is an insurance with the insurance company to have relationship in form of investment. Therefore, from the company structure, we have a target to do business with small or medium customer groups which they have high independent to select the insurance company. It is an outstanding in our service and product development that are suitable for consumer needs and enable to have influence on customer decision making.

B. Competitive situation

The total premiums 2016 of non-life insurance are 212,000 million Baht, it increases 1.3 percent from 2015. Non-life insurance business has been affected by the commodity price drop such as rice, rubber resulting the purchasing power of consumers that lead to severe competition in order to gain market share by decreasing insurance premium or giving high commission to stimulate agent and broker for sales increase as well as to maintain the renewal rate of motor and property insurances not less than 70% which have been accepted by reinsurers. The new products development is provided for corporate and individual through various channels in order to reach many potential customers such as agent, broker, bancassurance, telemarketing, convenient shops and online channel as well as technology to develop claim services through smart phone application.

Direct Insurance Premium Table of The Non-Life Insurance System classified by Class of Business

No.	Class of Business		Year	Direct Premium (Unit : Million Baht)			
				2013	2014	2015	2016
			Sub Class				
1	Motor	1.1	Voluntary	103,560	102,515	104,111	105,464
		1.2	Compulsory	14,881	15,388	16,294	16,535
			Total	118,441	117,903	120,405	122,000
2	Fire	2	Fire	11,814	11,058	10,484	10,700
3	Misc.	3	Misc.	67,519	70,991	72,970	74,011
4	Marine	4	Marine	5,302	5,293	5,338	5,288
5	Grand Total			203,077	205,247	209,197	212,000

(3) Products or services

A. Sources of fund

Non-life insurance business has the major income from insurance premium. Insurance policy is the company product which is made through 3 types as follows :

1. Selling through Insurance Agent in Non-Life Insurance Act section 4 “Non-Life Insurance Agent means a person who is delegated by company to convince people to do the insurance policy ”.
2. Selling through Insurance Broker in Non-Life Insurance Act section 4 “Non-Life Insurance Broker means a person who advises or manages a person to do the insurance policy by expecting to get commission”.
3. Direct selling by the company employees.

B. The ability to maintain the ratio of each business class

The company has maintained the fund of operating non-life insurance not less than 30 million Baht by considering the ratio of fund sufficiency. It calculates the company fund divided by the maintained fund not less than 140%. As of December 31, 2016, the company has the fund as accounting 1,104,576,756.01 Baht

C. Liquidity

Liquidity management for insurance premium of the company to the suitable loss ratio, in the year 2016 the loss ratio is 61.34% increasing from 2015 1.40%

1. Risk factors

Risk factors of non-life insurance business can be classified as follows :

1.Strategic Risk

It is the overall policy on the business portfolio level, product type, industry, geographic area including the operation plan which increase the company risk such as focusing on quantity growth or market share more than the profit value, increasing on sales volume with competitive insurance premium to take high and low risk insurance, selling high risk product with low profit to keep customers and business alliances, including risk factors that effect company not to achieve the business target.

The company has set up strategies by taking into account of major risks that might affect company performance such as risk from economic fluctuation and regulation changes. In addition, company has periodically reviewed, analyzed and adjusted strategies to match with the current situation.

The company has managed people risk by arranging training program for the staffs periodically and setting up recruitment plan that is in line with company expansion plan. In addition, internal control process is implemented to ensure the transparent operation.

2. Operational Risk

It is the risk that occurs in the working area and operation which caused from

- People Risk such as lack of knowledge, skill, experience and responsibility; carelessness; insufficient staffs that cause human error, fraud of staff including fraud claim from customer or partner such as garage, hospital, etc.
- Process Risk such as deficient working system, weak internal operation process, structure organization of inter-control unit, responsibility division in approved person and paid , specification of approval limit. To mitigate the process risk, the company has reviewed its operating process and working manual continuously in order to make the operating process become more effective.
- Technology Risk such as inefficient computer system; incorrect, delay and pirated data.

The company invests in up to date hardware and software, sets to have security process, limits to information access for only authorized or approved person.

3. Liquidity Risk

It is the risk that occurs from unable to provide enough cash flow for the credit payment and obligation.

- To assess the Financial status before appointment to be an agent and broker.
- To collect the motor insurance premium as the Cash Before Cover Principle.
- To create the tracking system for the overdue premium collection from an agent and broker.

4. Insurance Risk

It is the financial loss risk of underwriting and liability risk that results from selection and approval of the underwriting risk, ratio between retention and risk transfer including look after the claim management process of company to be concise, systematic, accurate as the actual damage occurred.

- The company has the risk management systematically by starting underwriting, coverage, premium rate suitable to the risk.
- The company provides risk transfer to the reinsurance company that has stable status both domestic and international.
- The company has the correct and fast indemnity payment system according to the coverage, manages to have a low level of loss ratio in each type of insurance.

5. Market Risk

It is the fluctuation of investing asset returns which result from the fluctuation of interest rate, equity value, foreign fund etc.

- To build the stable investment return in the long term higher than the inflation rate.
- The investment policy of company in asset allocation is the investment mix for diversification by giving the weight of investment of criteria as the Office of Insurance Commission that focuses on safety and careful investment. The company divides investment to different asset classes by considering the investor situation to accept risk on and risk off including decision to choose the asset diversification into low risk such as government bond, debenture, equity of the high stability company to have regular income and profit, not much fluctuation, liquidity and high dividend that help create a high level returns.
- The ways of investment management, to adjust investment plan to be consistent and timely in the worldwide equity market situation that has more connection. The upside inflation and interest trend in market fluctuation increase returns more than the market. To make more active management, adjust investment portfolio to the tactical asset allocation between asset and security selection in order to support changing of financial economy trend not more than 1 year or to have the event risk and adjust to the dynamic asset allocation 1-3 year in order to cope with the economic cycle change such as in the economic recovery period and no inflation problem that increase portfolio in equity investment.

6. Credit Risk

It is the risk of counter parties especially their deteriorate financial status, default risk such as reinsurer, broker, debtor, guarantor. If the customer is unable to fulfill an agreement, it affects the company revenue and operation. We use the Credit Rating to select reinsurers and have an investment as the Office of Insurance Commission's rules. The company has an audit system and constantly monitors to follow up the counter parties in order to minimize credit risk.

1. Business Assets

(1) Main fixed assets used in business operation

Asset Type	Ownership	Value (Million Baht)	Obligation
1. Head Office Building - 11 stories building with 5,500 sq.m. usage area located at 71 Dindaeng Road, Samsannai Phayathai Bangkok	Owner	154,441,604.73	-
- 4 stories building with 1,215 sqm. usage area located at 1 Dindaeng Road, Dusit Bangkok	Owner	30,560,357.00	-
2. Branch Office especially for indemnity claim service - Nakhon Ratchasima branch 1528 Issarapab Road, Thambon Nai Muang, Amphoe Muang, Nakhon Ratchasima	Owner	1,008,441.00	-
- Chon Buri branch 136/88-9 Moo 9 Sukhumvit Road, Thambon Bansuan, Amphoe Muang, Chon Buri	Owner	2,884,427.00	-
- Sara Buri branch 175/30-33 Moo 8 Phahon Yothin Road, Thambon Hua Sai, Amphoe Nong Kae, Sara Buri	Owner	9,415,803.01	-
- Lam Pang-Chiang Mai branch 152/1 Moo 11 Lam Pang-Chiang Mai Road, Thanbon Umong, Amphoe Muang Lam Phun, Lam Phun	Owner	8,548,953.25	-
- Pattaya branch title deed no. 151138 land no. 661 21 Sq.Wah area and commercial building 392/91 Moo 6 Thambon Na Kaer, Amphoe Bang Lamung, Chon Buri	Owner	5,850,000.00	-
- Ubon Ratchathani branch title deed no. 68108 land no. 3 29.2 Sq.Wah, Thambon Jar Ramae, Amphoe Muang Ubon Ratchathani, Ubon Ratchanthani	Owner	4,036,644.00	-
- Ratchaburi title deed no. 83237 54.2 Sq.Wah area and commercial building no. 73/5 Petchakasem Road, Thambon Na Muang, Amphoe Muang Ratchaburi, Ratchaburi	Owner	5,500,000.00	-
- Hua Hin branch title deed no. 26808 28.4 Sq.Wah area and commercial building no. 57/1 Petchakasem Road (TL.4), Thambon Hua Hin, Amphoe Hua Hin, Prachuap Khiri Khan	Owner	4,500,000.00	-

Asset Type	Ownership	Value (Million Baht)	Obligation
- Udonthani branch, title deed no. 19003 31.3 Sq.Wah area and commercial building no. 200/223 Muang Udon Thani triangle Road, Thanbon Sam Phrao, Amphoe Muang, Udonthani	Owner	5,500,000.00	-
- Sara Buri 2 branch title deed no. 15525 20 Sq.Wah area and commercial building no. 67/10 Mittraphab Road, Thambon Pak Pure, Amphoe Muang, Sara Buri and title deed no. 188860-188862 30 Sq.Wah Area	Owner	1,500,000.00	-
- Pitsanulok Branch Title Deed no. 178018 24 Sq.Wah area and Commercial Building no. 206/3 Sriharajdechochai Road, Tambon Naimuang, Amphoe Muangpitsanulok, Pitsanulok	Owner	5,900,000.00	-
-Mahasarakam Branch Title Deed no. 89533 51 Sq. Wah area and Commercial Building No. 290-290/1 Muangmahasarakam, Mahasarakam	Owner	7,500,000.00	-
-Surin Branch Title Deed no. 175968 23 Sq.Wah area and Commercial Building no.10, Moo 2,Liengmuangsurin Road, Tambon Nokmuang, Amphoe Muangsurin, Surin	Owner	4,400,000.00	-
-Tak Branch Title Deed no. 54628 20.6 Sq.Wah area and Commercial Building no.154/10, Phahonyothin Road, Tambon Mai Garm, Amphoe Muang, Tak	Owner	4,000,000.00	-
-Phuket Branch Title Deed no.106900 19.4 Sq.Wah area and Commercial Building no.92/31, Thepkasattre Road, Tambon Kokkaew, Amphoe Muang, Phuket	Owner	6,700,000.00	-
-Nakornsawan Branch Title Deed no.114113 23.8 Sq.Wah area and Commercial Building no. 132/10, Moo 10, Tambon Nongkrot, Amphoe Muangnakornsawan, Nakornsawan	Owner	4,500,000.00	-
-Khongan Branch Title Deed no.280233 20 Sg.Wah area, address no. 92/106 Moo 14, Mitrapap, Tambon Naimuang, Amphoe Muangkhongan, Khongan, Khongan Province	Owner	8,800,000.00	-

Asset Type	Ownership	Value (Million Baht)	Obligation
- Chantraburi Branch Title Deed no.68769 26.2 Sq. Wah area, address no. 90/7 Moo 11 Sukhumvit Road, Tambon Pluppa, Amphoe Muang, Chantraburi Province	Owner	4,390,000.00	-
- Chiangrai Branch Title Deed no.132167 448 Sq. Wah area, address no.478/9 Moo5 Phaholyothin Road, Tambon Rimko, Amphoe Muang Chiangrai, Chiangrai Province	Owner	7,340,000.00	-
-Suratthani Branch Title Deed no.107136 18.3 Sq. Wah area, address no.118/38 Moo 1 Surat-Kongbin 7 Road, Tambon Watpradoo, Amphoe Muang-Suratthani, Suratthani Province	Owner	5,500,000.00	-
-Nakornsrihammarat Branch Title Deed no.157993 20.8 Sq. Wah area, address no.43/8 Pattanakarnkookwang, Tanbon Naimuang, Amphoe Muang, Nakornsrihammarat Province	Owner	6,500,000.00	-
-Hadyai Branch Title Deed no.31.3 Sq. Wah area, address no.84/47 Lopburiramesuan, Tambon Klonghae, Amphoe Hatyai, Songkla Province	Ownerr	6,500,000.00	-
-Maesod Branch Title Deed no.60204 33.90 Sq. Wah area, address no.81/14 Saiasia Rd., Tumbon Maesod, Amphoe Maesod, Tak Province	Owner	6,000,000.00	-
-Kanchanaburi Branch Title Deed no.30825 21.30 Sq. Wah area, address no.65/35 Moo 9, Liengmuang Rd., Tumbon Pakprak, Amphoe Muang Kanchanaburi, Kanchanaburi Province	Owner	4,800,000.00	-
3. A place for spare part keeping and car junk business - Commercial building no. 38-40 Thambon Bang Khlo, Yannawa district, Sathu Pradit, Bangkok	Owner	15,601,734.00	-
- Commercial building no. 58/12-13 Prathum Thani-Lat Lum Kaew Road, Thambon Ban Chang, Amphoe Muang Prathum Thani, Prathum Thani	Owner	5,000,000.00	-

Asset Type	Ownership	Value (Million Baht)	Obligation
- Land at Prakanong title deed no. 7347 37 Sq.Wah area located at Thambon Khong Ton, Prakanong district, Bangkok	Owner	28,082,653.00	-
- Building no. 67/9 Mittraphab Road, Thambon Pak Pure, Amphoe Muang, Sara Buri	Owner	541,077.00	-
4. A place for recreation location of employee			
- Metro Jomthien condominium suite no. 420 Moo 12, Jomthien Beach Road, Thambon Nong Preur, Amphoe Bang Lamung, Chon Buri	Owner	5,053,004.00	-
- Residence house Samut Prakan no. 605/18-19 Moo 2, Thambon Bang Phu Mai, Samut Prakan	Owner	3,000,000.00	-
- Bang Kapi condominium no. 142 Soi Lat Phrao, Thambon Klong Jun, Bang Kapi district, Bangkok	Owner	1,500,000.00	-
- Rayong villa 229/7-8 Moo 6 Rock Gargen Beach project, Sukhumvit-Aow Kai, Thambon Krum, Amphoe Klang, Rayong	Owner	3,200,000.00	-
- Commercial building no 108/6-7 Ratchada Pisek road, Soi Therd Thai 33, Bukkalo, Thon Buri, Bangkok 10600 and being use as a emergency backup office when 2010	Owner	7,000,000.00	-
- House at Kao Phra Nond Kilometer no. 18 Thanarat-Muaklek, Ban Kudkla road, Thambon Moosi, Amphoe Pak Chong, Nakhon Ratchasima	Owner	8,148,867.50	-
5. Decoration Accessories	Owner	96,019,073.01	-
6. Office Supply	Owner	103,009,199.98	-
7. Vehicle	Owner	78,331,139.47	-
Total		671,062,977.95	

Net Asset Value

1.	Net Asset Value	4,853,687,147.92 Baht
2.	Net Asset Value deduct Assumed Liability	1,104,576,756.01 Baht
3.	Net Asset Value Per Share	3.65 Baht
4.	Number of share calculated by weight average	303,000,000 Shares

(2) Investment in securities

Investment policy of company is in the Investment scope of the Office of Insurance commission

2. Legal Disputes

It is the legal disputes as non-life insurance business operation of company

3. General Information

Thaivivat Insurance Public Co., Ltd.

Main business : Non-Life Insurance business

Head office location : 71 Thaivivat building Dindaeng Road, Samsen Nai, Phayathai, Bangkok 10400

Company registration : 0107536001427 (Former PCL. 216)

Telephone: 0-2248-0900, 0-2248-0910, 0-2644-6400, 0-2644-6500, 0-2695-0800

Fax: 0-2248-4575, 0-2248-4975, 0-2695-0808

Claim Hot Line: Tel. 0-2695-0700; Fax. 0-2644-6545

Customer Care: Tel. 0-2695-0777; Fax. 0-2644-6545

Health Claim: Tel. 0-2695-0707; Fax. 0-2644-6545

Company has 303,000,000 common shares that all sold out.

Part 2

Management and Corporate Governance

7. Securities and Shareholders Information

(1) Company Securities

Company has registered capital for 303 Million Baht, paid-up capital 303 Million Baht, divide into 303,000,000 common shares, value per share 1 Baht.

Increase / Decrease in the past 6 years period				
Month/Year	Paid Capital			
Capital Registered	Registered Capital	Increased Capital	After Increased Capital	Offer to...For...
Paid	(Million Baht)	(Million Baht)	(Million Baht)	
March 1992	30	30	60	To expand business by offering to the existing share holders 1 million shares and sell to the public 2 million shares
July 1994	60	41	101	To expand business by offering to existing share holders 4 million shares and sell to staff 100,000 shares

Increase / Decrease in the past 6 years period				
Month/Year	Paid Capital			
Capital Registered	Registered Capital	Increased Capital	After Increased Capital	Offer to...For...
Paid	(Million Baht)	(Million Baht)	(Million Baht)	
June 1999	101	25.25	126.25	To use for current cash and company fund to increase the insurance risk, to sell to the existing shareholders in the ratio 4:1
May 2005	126.25	25.25	151.50	To pay dividend as common share of company in the ratio 5 existing shares to 1 new share to the shareholders
May 2015	151.50	151.50	303	To pay dividend as common share of company in the ratio 1 existing shares to 1 new share to the shareholders

Company has the investment in securities as follows :

Trading securities	255,051,056.76	Baht
Available-for-sale investments	1,967,182,542.69	Baht
Held-to-maturity investments	475,818,115.29	Baht
Other investments	<u>3,720,650.00</u>	Baht
Total investment in securities	<u>2,701,772,364.74</u>	Baht

(2) Shareholders

Major shareholders 10 lists (Data as of 22 April 2016)

Shareholders	Amount	Ratio (%)
1. Tungjaimun Co., Ltd.	69,570,840	22.96
2. M.A. International Co., Ltd.	68,384,280	22.57
3. Ms. Jiraporn Buranasombat	18,239,400	6.02
4. BARCLAY BANK PLC, SINGAPORE	15,096,000	4.98
5. Janephan Property Co., Ltd.	15,082,648	4.98
6. Ms. Janejira Asvatanakul	12,600,000	4.16
7. Mr. Thepphan Asvatanakul	12,600,000	4.16
8. Ms. Rojana Theravithayangkura	9,450,000	3.12
9. Mr. Jiraphant Asvatanakul	8,781,128	2.90
10. Mr. Jiraphat Asvatanakul	5,954,400	1.97

(3) Dividend Payment Policy

Company has the policy to pay the dividend not less than 40% of profit after business tax.

8. Management Structure

8.1 and 8.2 names of Board of Directors and Executive Board

1. Mr. Chalaw Fuangaromya Independent Director, Chairman and Chairman of the Investment Committee *
2. Dr. Phisit Setthawong Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee *
3. Mrs. Pilai Piamphongsarn Independent Director, Audit Committee and The Nomination and Remuneration Committee *
4. Mrs. Pranee Phasipol Independent Director, Audit Committee and Investment Committee *

- | | | |
|----|-------------------------------|---|
| 5. | Mrs. Supaporn Burapakusolsri | Independent Director * |
| 6. | Mr. Jiraphant Asvatanakul | Director and Investment Committee |
| 7. | Mr. Thawan Viranont | Director and Nomination and Remuneration
Committee |
| 8. | Mrs. Sutepee Asvatanakul | Director and Nomination and Remuneration
Committee |
| 9. | Mrs. Sunee Theravithayangkura | Director and Company Secretary |

* Company has defined the Independent Director equal to the minimum regulation of Securities and Exchange Commission and Securities Exchange of Thailand. Independent Director will hold the share not exceed 1% of all voting right share of company Not be an Executive Board member, employee, staff, consultant. No blood relationship or spouse of Executives. No business relationship. Having independent to work on duty.

The Company has set up a policy which prohibits the Company's directors, advisors, management, staffs or staffs having gained the knowledge of the Company's operating results either directly or indirectly, including relevant parties from selling-buying the Company's shares during the 60-day period prior to the disclosure of the Company's financial statements to the general public. Under such policy, the directors, advisors, management and staffs from managerial level or above who buy or sell the Company's shares must notify the Legal Department by the following day after which such buying-selling takes place to be further reported to the SEC or directly report to the SEC within three days following the acquisition or distribution of such shares. In addition, all securities holding of the Board of Directors, the management and the Auditors must always be reported to the Board of Directors' Meeting.

No members of the Board of Directors or Top Management of the Company had been a staff or partner of an audit firm to which an external auditor of the Company belongs during the past two years.

The Board of Directors Qualifications

The Board of Directors of the Company consists of directors with knowledge, experience and abilities that will be beneficial to the Company and can fully devote his or her time and efforts to perform his or her duties as a director of the Company. The following are basic qualifications of the Board of Directors of the Company:

- No. 1 There are not at least 7 members from the Board of Directors and more than half of total member need to have residence in the Kingdom of Thailand.
- No. 2 Let share holder meeting elect directors as the following rules and methods.
- (1) One share holder has the vote equal to 1 share per 1 vote
 - (2) Each share holder must use all the vote having as (1) to elect 1 person or several persons to be Directors but the vote cannot be separate or distribute to each one.
 - (3) The person that gain the highest vote on descending order will be the one who was elected to be Directors equal to the amount of Director that should to have or should be elected at that time. In case of the second runner up has equal vote to the highest vote person has more than the Director amount that should have or should be elected at that time, Let the Chairman votes for the final decision.
- No. 3 In every annual Ordinary Meeting, 1/3 of the Directors need to be resigned. If the Directors number cannot be divided into 3 parts, the resigning member will try to be the closet to 1/3. Director that must be resigned in first year and second year after company registration has to draw lots which one will resign. For later years onward let the longest in charge Directors be the one to resign.
- No. 4 Besides from term-wise vacate, Director will vacate when
- (1) Decease
 - (2) Resign
 - (3) Disqualify or forbidding characteristic of the law
 - (4) Share holder meeting votes to vacate
 - (5) Convicted by the court to vacate
- No. 5 Any Director will resign from the position, need to submit the resignation to the company. The resignation effective by counting from the date that resignation reached the company.
- No. 6 In case of the there is a vacant Director position by other reasons, except from leaving by term, Board of Director elect a person which qualified by regulation of the law to become Director instead of the next Board of Directors meeting except the term of that Director left less than 2 months. The person who replaces that vacant position will be in the position just equal to the rest of term of that vacant position. The resolution of Board of Directors according to the first paragraph must combine with the vote not less than 3/4 of the rest of Directors.

- No. 7 Shareholders meeting may make a resolution for any of the Director to leave from the position before end of term with the vote not less than 3/4 of the share holders number which come to the meeting and has the voting right and has the total stock count not less than a half of all share holder stock number by the share holders come to the meeting and has the voting right.
- No. 8 Director can be or cannot be the share holders.
- No. 9 Let the Board of Directors elect the one person to become Chairman. In case of by the agreement of Board of Directors, they can elect one or many Vice Chairman. The Vice Chairman will have the responsibility according to the delegation of Chairman.
- No. 10 In the Board of Director meeting, the member should be more than half of all member. In case of Chairman cannot participate in the meeting or unable to be on duty, if there is Vice Chairman let the Vice Chairman become the Chairman. If there is no Vice Chairman or exist but cannot on duty, let the Directors those come to the meeting elect one to be Chairman in the meeting. The final decision of the meeting is on majority vote. One Director will have one vote except the one who has the conflict of interest will have no right to vote in that agenda. If the vote is equal let the Chairman in the meeting vote as a final decision.
- No. 11 For the Board of Director meeting call, let the Chairman or the designated Director submit the letter of meeting appointment not at least 7 days before the meeting date except in urgent case for the sake of the company. The meeting call will be in other ways and the date can be set earlier.
- No. 12 Directors need to practice on their duty according to the law, purposes, and regulation of the company including the share holders meeting regulation.
- No. 13 It is prohibit to Directors for operate business, be a partner, or be a share holder in other juristic persons with the same state and is a competitor with business of company excepted that was informed to the share holder meeting before a promoted resolution.
- No. 14 Directors must inform company without delay if there is a conflict of interest in the contract with the company or being share holder or hold debenture in more or less manner in the company or group of company.
- No. 15 Let the Board of Directors must set up a meeting once in every 3 months

Scope of powers, duties and responsibilities of the Board of Directors and Executive Committee

1. To consider and set up Corporate Governance Policy to be implemented by the management, including reviewing the evaluation results of such implementation to determine proper action plan for improvements and report in the Company's Annual Report.
2. To consider the appropriateness, give recommendations and approve the Company's visions, strategies and operational targets proposed by the management, including monitoring and evaluating operational success.
3. To ensure that the Company has proper risk management system, internal control system and audit system.
4. To ensure that the Company has effective nomination process and succession plan for director and top management positions. The Board of Directors shall appoint Chief Executive Officer as the Head of Top Management to be responsible for running the Company's business operations under the guidance of the Board of Directors.
5. To determine the Company's Code of Ethics and Code of Conduct for directors and staffs and ensure that these practices have been communicated among all relevant parties.
6. To consider the suitability of the appointment of Sub-Committees and related scope of powers, duties and responsibilities.
7. To appropriately authorize powers to Chief Executive Officer in order to resume normal business operations as quickly as possible.
8. To prepare a report which describes the responsibilities of the Board of Directors in preparing financial reports for the Company's Annual Report.
9. To consider and evaluate the performance of the Board of Directors and Chief Executive Director, including ensuring an effective Top Management performance evaluation process.
10. To perform any other tasks required by laws, regulations and the resolutions of the Shareholders' Meeting.

Sub-Committees

1. The Audit Committee

The Audit Committee consists of three members and should hold meetings at least once every quarter.

Members of the Audit Committee are as follow:

- | | | |
|----|---------------------------|--------------------------|
| 1. | Dr. Phisit Setthawong | Audit Committee Chairman |
| 2. | Ms. Pilai Piamphongsarn | Audit Committee |
| 3. | Ms. Pranee Phasipol | Audit Committee |
| 4. | Ms. Sirintr Nantaworaseth | Secretary |

Authority, duty, and responsibility of Audit Committee

Audit committee has duty as delegated from Company Board of Director as following

- 1) Check up company to have the correct financial report and sufficient.
- 2) Check up company to have Internal Control System and Internal Audit System that proper and effective and consider independence of Internal Audit Unit
- 3) To review the Company's risk management system in accordance with the defined risk management framework to ensure system effectiveness which will enable the Company to achieve the determined objective both in terms of performance efficiency and effectiveness.
- 4) Check up the company to perform duty according to the law about Securities and Securities Exchange Market
- 5) Consider to promote a person that has independence for doing accounting audit duty of the company and propose the compensation of that person including participate in audit meeting without management party at least once a year.
- 6) Consider transactions that related or may conflict of interest, to be in law and regulation of Securities Exchange of Thailand in order to be confident that the transactions are reasonable and profit optimistic to the company.
- 7) To review corporate compliance with Anti-Corruption Policy and report to the Board of Directors.
- 8) Provide auditing report and Audit Committee activities by publish in the company annual report
- 9) The report need to be sign off by the Audit Committee Chairman and at least combined with the

- (A) Comment about correction and completion to be a reliable of company financial report.
- (B) Comment about the efficiency of Internal Control System
- (C) Comment about obey the law of Securities and Securities Exchange Market, SET regulations or the law related to the company business.
- (D) Comment about the proper of Accounting Auditor.
- (E) Comment about transaction that may have conflict of interest.
- (F) Counting of audit committee meeting and each audit committee participation.
- (G) Comment or overall observation that audit committee was received from perform according to the Charter.
- (H) Other transaction consider that share holder and general investor should be acknowledge under the scope of duty and responsibility delegated from the Board of Directors.

Board of Directors establish Internal Audit unit being a unit inside company by having Director of Audit Department (Khun Sirin Nantaworaseth) become the responsible person.

Education

Bachelor of Accountancy, Thammasat University

Certified Public Accountant (CPA)

Work Experience during the Past 5 Years

2012-2016 Director of Audit Department, Thaivivat Insurance Public Company Limited

2012-2016 Director of BSA Public Accountant Company Limited

2012-2016 Director of Abacus Business Company Limited

The Audit Committee is responsible for the appointment, transfer and dismissal of the Director of Internal Audit Unit in accordance with the Charter of the Audit Committee.

2. Nomination and Remuneration Committee

Nomination and Remuneration Committee consists of two Independent Directors and two Executive Directors, each of whom shall hold an office term three years. Nomination and Remuneration Committee has a specific meeting it is necessary but not less than once a year. Members of the Nomination and Remuneration Committee are as follow:

- | | |
|-----------------------------|--|
| 1. Mr. Phisit Setthawong | Independent Director and Nomination and Remuneration
Committee Chairman |
| 2. Mrs. Pilai Piumpongsarn | Independent Director and Member |
| 3. Mr. Thawan Viranont | Member |
| 4. Mrs. Sutepee Asvatanakul | Member |

Scope of powers, duties and responsibilities of Nomination and Remuneration Committee

To ensure that the operations of the Nomination and Remuneration Committee are carried out in compliance with good corporate governance principles, the Board of Directors therefore determined the scope of powers, duties and responsibilities of the Nomination and Remuneration Committee as follow:

1 Nomination

- 1.1 To determine appropriate nomination procedure for director position that is line with the Company's business nature such as nominating current directors to continue in office, allowing the shareholders to make nominations, seeking assistance from external firm, considering persons from IOD Chartered Director or asking each director to nominate suitable person, etc.
- 1.2 To consider the nomination list and select those who meet the defined qualification criteria.
- 1.3 To carefully inspect those who have been nominated to ensure they possess the qualifications required by law and regulations of government offices.
- 1.4 To contact persons possessing the required qualifications to ensure they are willing to become a director of the Company if appointed by the shareholders.
- 1.5 To propose nomination list to the Board of Directors for consideration and record in the Notice of Shareholders' Meeting to further be appointed by the shareholders.

1.6 Nomination and Remuneration Committee may be assigned to consider the nomination of Top Management, particularly President Position.

2 Remuneration

2.1 To review the suitability of current remuneration criteria.

2.2 To consider remuneration data of other companies within the same industry.

2.3 To determine appropriate criteria to ensure that expected results and fairness can be achieved and to ensure that the persons contributed to the Company's success have been rewarded.

2.4 To consider every type of remuneration payment by taking into account the amount and percentage of remuneration payment of each type to ensure they are appropriate. Key principles to consider when determining payment of each type of remuneration include:

2.4.1 Retainer Fee such as monthly allowance, annual allowance, etc. should consider these three factors including: (1) practices applied by companies within the same industry; (2) operating results and business size of the Company; and (3) responsibilities, knowledge, abilities and experience of Director or President required by the Company.

2.4.2 The determined incentive should be in line with the values which the Company has created for the shareholders such as profits of the Company or dividend paid to the shareholders.

2.4.3 Attendance Fee should be appropriately determined in order to attract responsible directors to regularly attend the meetings.

2.5 To ensure that all remuneration payments are in compliance with the criteria set out by government offices or relevant recommendations.

3. Investment Committee

Investment Committee consists of two Independent Directors and one Executive Director, each of whom shall have an office term of three years. Members of Investment Committee are as follow:

- | | |
|------------------------------|--|
| 1. Mr. Chalaw Fuangaromya | Independent Director, Chairman of the Board and Chairman of Investment Committee |
| 2. Mrs. Pranee Phasipol | Independent Director, Member of the Audit Committee and Investment Committee |
| 3. Mr. Jiraphant Asvatanakul | President and Member of Investment Committee |

Scope of powers, duties and responsibilities of Investment Committee

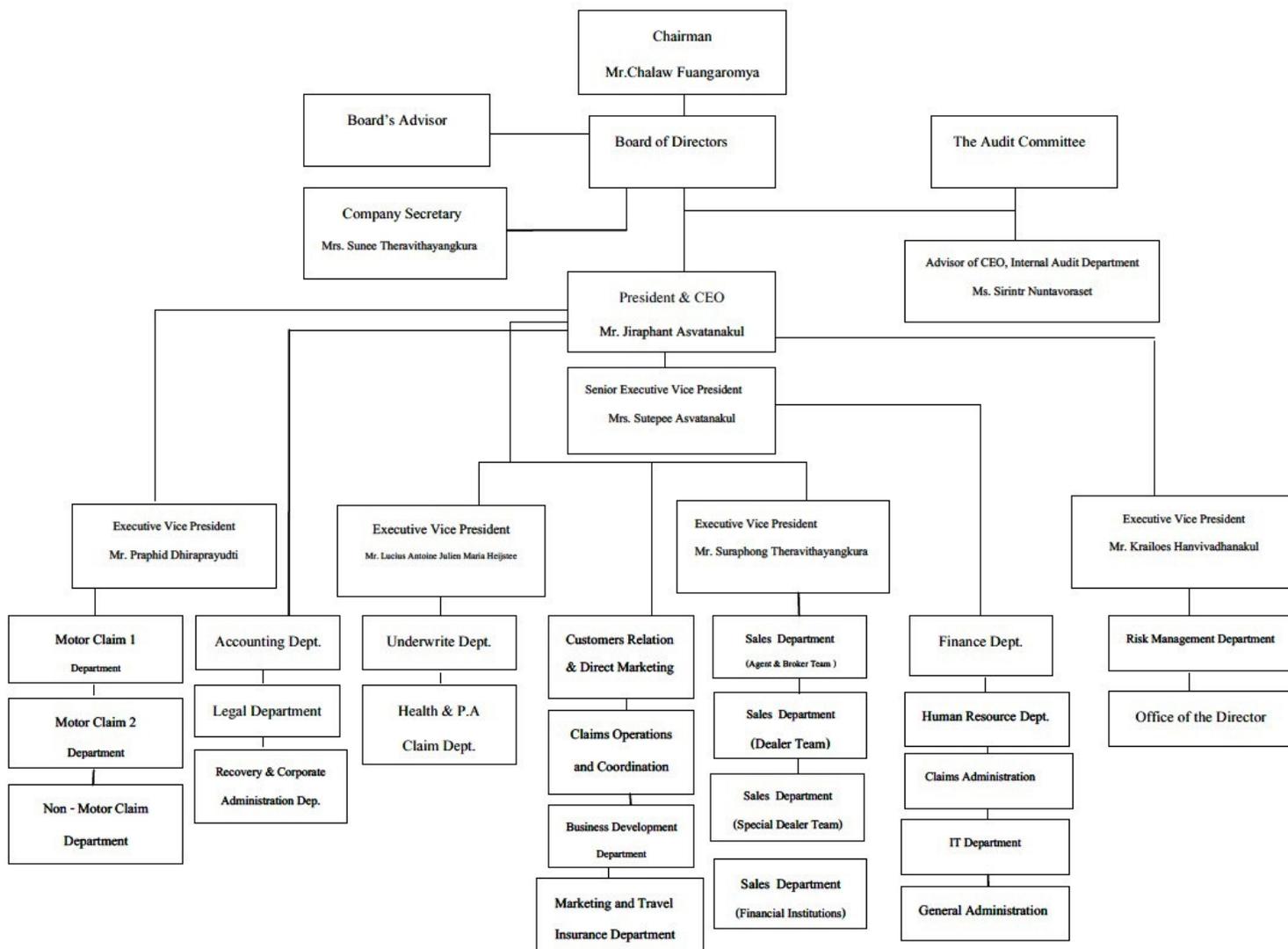
1. To determine Investment Policy to be proposed to the Board of Directors for approval.
2. To consider and approve the Company's investment plan which should be in line with the defined Investment Policy and overall Risk Management Policy.
3. To oversee the Company's investments to ensure they are in accordance with the defined Investment Policy, overall Risk Management Policy, including relevant practices, regulations and legal requirements.
4. To ensure corporate governance and transparency within the organization, including preventing potential conflict of interest in relation to the Company's investment transactions.
5. To ensure the adequacy of work system, personnel and information relevant to the Company's investments.
6. To manage investment capital in accordance with the Investment Policy approved by the Board of Directors.
7. To report investment outcomes to the Board of Directors on regular basis.

4. Risk Management Committee

Risk Management Committee consists of not less than five members who are directors and executives of the Company and shall hold an officer term of three years. Risk Management Committee must hold meetings at least once every quarter.

Scope of powers, duties and responsibilities of Risk Management Committee

1. To determine Risk Management Policy to be proposed to the Board of Directors for approval. Such policy should cover major risks including strategic risk, insurance risk, liquidity risk, operational risk, market risk, credit risk, compliance risk and any other risks which may impact the business operations of the Company.
2. To evaluate the adequacy of the defined risk management strategy, including the efficiency and effectiveness of the Company's risk management practice.
3. To report on risk management performance to the Audit Committee at least once every quarter, with the exception of significant risks which must be reported to the Board of Directors.
4. To determine Business Continuity Management Policy and prepare Business Continuity Plan.



8.3 Company Secretary

To promote Company Secretary depends on consideration of Board of Directors in finding proper person responsible for this position. In Board of Directors meeting No. 3/2008 on 13 August 2008, we agreed to promote Ms. Sunee Theerawithayangkul to be in Company Secretary position and effected since 14 August 2008 onward until now.

Mrs. Sunee Theravithayangkura Age 64, % Holding = 0.006%

Director Appointed from 18 June 1986 – Present

Company Secretary Appointed from 14 August 2008 – Present

Family relationship between director and executive – Sister of Ms. Sutepee Asvatanakul

Sister-in-law of Mr. Jiraphant Asvatanakul

Education / Trainings

Bachelor of Law, Thammasat University

Diploma in Director Accreditation Program (DAP) (IOD)

Work Experience during the Past 5 Years

2012-2016 Director and Company Secretary, Director of Benefits Department

The Board of Directors has determined the roles and responsibilities of Company Secretary as follow:

1. To prepare and keep the following documents:

1.1. Directors' Registration

1.2. Notices and minutes of the Board of Directors' Meeting and the Company's Annual Reports

1.3. Notices and minutes of the Shareholders' Meetings

2. To keep all the records of stakeholdings reported by the directors or executives, including sending a copy to the Chairman of the Board and Chairman of the Audit Committee within the period of seven days counting from the date on which such report has been received.

3. To perform any other tasks required by SEC.

8.4 Head of Corporate Compliance Operation

Ms. Nanthawan Arunpiriyakul Position Benefits Department Manager

Education

Bachelor of Law, Thammasat University

Master of Business Administration, Ramkhamhaeng University

Work Experience during the Past 5 Years

2012-2016 Benefits Department Manager, Thaivivat Insurance Public Company Limited

Scope of powers, duties and responsibilities

1. To ensure compliance with the laws

- 1.1 To be the central point for collecting the laws, rules and regulations of external agencies regulating non-life insurance business such as OIC, SEC and AMLO.
- 1.2 To be the central point in overseeing and ensuring legal compliance of every internal unit within the organization and informing them of any updated or newly issued laws, rules, regulations, orders and notifications, including preparing a summary of newly issued laws, rules and regulations.
- 1.3 To prepare Basic Legal Compliance Handbook in a form of database to provide updated information on important laws, rules and regulations for operational benefits and to be used a reference while carrying out the operations of various internal units within the organization.
- 1.4 To monitor and ensure that all internal operations are in compliance with relevant laws, rules and regulations.
- 1.5 To give advice, suggestion and opinions in relation to various laws, rules, regulations, policies or notifications pertaining to non-life insurance business.
- 1.6 To perform specific duties which included being the central point in ensuring compliance with laws in relation to anti-money laundering and combating the financing of terrorism (AML/CFT).
- 1.7 To support risk management operations concerning legal compliance by providing information and data gathered from monitoring legal compliance of internal units, including giving opinions and suggestions on the Company's internal control in relation to legal compliance in order to conduct analysis and prepare relevant risk management plan.

2. To coordinate with both external and internal agencies

- 2.1 To make coordination in obtaining permit from external agencies in order to carrying out certain operations of the Company or to consult on legal matters to ensure clear understanding before being implemented by internal units of the organization.

External agencies to which Corporate Compliance Office must contact and coordinate with include:

- (1) Office of Insurance Commission (OIC)
- (2) Anti-Money Laundering Office (AMLO)
- (3) The Securities and Exchange Commission (SEC)
- (4) Other governmental agencies which the Audit Committee deemed appropriate

- 2.2. To coordinate, on behalf of the Company, with the Office of Insurance Commission (OIC) or other regulators required by law.
- 2.3. To coordinate, on behalf of the Company, with the Office of Anti-Money Laundering and Combating the Financing of Terrorism (AMLO) or other governmental agencies concerning AML/CFT matters.
- 2.4. To coordinate with the internal units in preparing reports required by external agencies or by laws.
- 2.5 To provide legal knowledge and prepare information on non-life insurance laws or any other interesting laws or laws concerning key transactions of the Company in order to provide trainings to organizational staffs.

8.5 Directors and Executives Compensation

Board of Directors consider and permit Directors and Executives Compensation before propose to approve from share holders meeting by compensation criteria is in the level as paid in the business. Suitable for duty and responsibility including having evaluation of performance every year and take the receiving results as a factor to consider the compensation in number.

A. Company Directors receive compensation in term of attendance fee and bonus in the year 2016 are as following

Name	Position	Meeting Attendance	Attendance fee	Bonus	Total
Mr. Chalaw Fuangaromya	Independent Director, Chairman and Chairman of the Investment Committee	6/6	280,000	430,000	710,000
Dr. Phisit Setthawong	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee	6/6	180,000	530,000	710,000
Ms. Pilai Piamphongsarn	Independent Director, Audit Committee and The Nomination and Remuneration Committee	4/6	180,000	370,000	550,000

Ms. Pranee Phasipol	Independent Director, Audit Committee and Investment Committee	6/6	210,000	370,000	580,000
Mrs. Supaporn Burapakusolsri	Independent Director	1/6	15,000	-	15,000
Mr. Jiraphant Asvatanakul	Director and Investment Committee	6/6	-	210,000	210,000
Ms. Sutepee Asvatanakul	Director and The Nomination and Remuneration Committee	6/6	-	210,000	210,000
Mr. Thawan Wiranont	Director and The Nomination and Remuneration Committee	6/6	-	210,000	210,000
Ms. Sunee Theerawittayakul	Director Company Secretary	3/6	-	210,000	210,000
Total			865,000	2,540,000	3,405,000

*No other compensation

B. Company Executive from Department Manager level onward of the company total 25 persons received compensation in term of 2016 salary and bonus 55,105,700 Baht

8.6 Human Resources

In 2016, we have all employee as 559 persons, compensation in the form of salary and bonus 264,415,136 Baht including provident fund 11,389,795 Baht.

The Share holding of Directors and Top Managements in 2016				
Name	Position	January	July	December
Mr. Chalaw Fuangaromya	Independent Director, Chairman and Chairman of the Investment Committee	-	-	-
Dr. Phisit Setthawong	Independent Director, Chairman of the Audit Committee and Chairman of the Nomination and Remuneration Committee	-	-	-
Mrs. Pilai Piamphongsant	Independent Director, Audit Committee and The Nomination and Remuneration Committee	-	-	-
Mrs. Pranee Phasipol	Independent Director, Audit Committee and Investment Committee	-	-	-
Mrs. Supaporn Burapakusolsri	Independent Director			
Mr. Jiraphant Asvatanakul	Director and Investment Committee	8,781,128	8,781,128	8,781,128
Mr. Thawan Viranont	Director and The Nomination and Remuneration Committee	18,000	18,000	18,000
Mrs. Sutepee Asvatanakul	Director and The Nomination and Remuneration Committee	4,752,384	4,725,384	4,725,384
Mrs. Sunee Theravithayangkura	Director and Company Secretary	18,000	18,000	18,000
Ms. Sirintr Nuntavoraset	Advisor of CEO	107,640	107,640	107,640
Mr. Suraphong Theravithayangkura	Senior Executive Vice President	476,040	476,040	476,040
Mr. Praphid Dhiraprayudti	Senior Executive Vice President	50,264	50,264	50,264
Mr. Krailoes Hanvivadhanakul	Executive Vice President	-	-	-
Mr. Lucius Antoine Julien Maria Heijstee	Executive Vice President	-	-	-
Mr. Thepphen Asvatanakul	Executive Vice President	12,600,000	12,600,000	12,600,000
Mr. Pimol Chantaveerakul	Vice President	-	-	-
Mr. Somkrit Suracheevakit	Vice President	-	-	-
Ms. Onanong Nonejuie	Vice President	623,805	623,805	623,805

9. **Corporate Governance**

9.1 The Board of Directors of Thaivivat Insurance Public Company Limited recognizes the importance of fostering good corporate governance as it helps to ensure efficient, transparent and verifiable management system within the organization which will in turn help to build stronger credibility and confidence among the shareholders, investors, stakeholders and relevant parties. At the same time, it is an essential tool in building corporate stability. Hence, corporate governance principles and related practice have therefore been established as per the following details:

1. Rights of Shareholders

The Company prioritizes and respects the rights of the shareholders by promoting equitable rights among all major and minor in accordance with the laws. This shall include the rights to buy-sell or transfer shares, profit sharing, have sufficient access to the Company's business information, be notified of the Shareholders' Meeting, including the rights to attend meetings to cast a vote, the rights to ask questions at the meeting or submit questions in advance of the meeting, the rights to appoint or remove directors, the rights to determine remuneration for the Board of Directors and the rights to appoint an Auditor and determine Auditor's Fee as well as other matters that may affect the Company such as dividend allocation and capital increase or decrease, all of which must be in compliance with legal requirements.

The Company supports the rights of shareholders by encouraging and promoting every group of shareholders as well as institutional shareholders to attend the Shareholders' Meeting, including ensuring the disclosure of related information, date, time, place and agenda of the meeting as well as providing explanations accompanying each meeting agenda or meeting resolution stated in the notice of General Shareholders' Meeting and ExtraGeneral Shareholders' Meeting or any enclosed documents thereof.

The Company also gives the shareholders the opportunity to submit in questions prior to the day of the meeting. All questions must be written clearly and must be notified to the shareholders through meeting notice.

The Company prepares Proxy Form B for the shareholders to be able to determine the direction of voting, including allowing at least one Independent Director to be an alternative proxy holder of the shareholders. At each Shareholders' Meeting, each item must be voted separately in case there are more than one items on the agenda such as an agenda to consider and approve the appointment of directors.

The Company also requires the use of ballots for important agenda such as connected transaction or transaction relating to acquisition or disposition of assets to ensure transparency and verifiability in case of later disputes.

During the meeting, the Chairman should manage the time appropriately and encourage all shareholders to express their opinions and raise questions relevant to the Company's business.

The Company prepares meeting minutes and discloses meeting resolution to the general public regarding the number of votes for each agenda at every General Shareholders' Meeting and Extra General Shareholders' Meeting via SEC website and the Company's website on the following day.

In 2016, the Company held General Shareholders' Meeting on April 8, 2016. The meeting was attended by seven directors.

The Company assigned Thailand Securities Depository Company Limited, the registrar of the Company's shares, to deliver meeting notices to the shareholders fourteen days in advance of the day of the meeting. The Chairman equally allowed all shareholders attended the meeting the right to inspect the business operations of the Company, including the right to ask questions and express opinions, all of which had been recorded in the prepared meeting minutes.

2. Equitable Treatment among Shareholders

By realizing great importance of shareholders, the Company has therefore continuously supported equitable treatment among all shareholders, whether they are major or minor shareholders, foreign shareholders or institutional investors, by upholding the following practices:

The Company allows minor shareholders to make nominations for director position, including proposing additional agenda prior to the day of the Shareholders' Meeting within appropriate timeframe.

The Company allows those shareholders who are unable to attend the meeting to grant the power of attorney to his or her representative so that they can attend the meeting and cast a vote on their behalf.

The Company requires its directors and executives to disclose information in relation to their stakeholding and that of relevant parties so that the Board of Directors may consider those business transactions with potential conflict of interest and make decision to ensure the overall benefits of the Company. Those directors and executives having stakeholding in any transaction relevant to the Company should not participate in the decision-making process of such transaction.

The Company formulated Insider Trading Policy in order to prevent the use of internal information that may affect buying-selling of securities of the Company. This policy aims to prevent directors or executives from improperly using internal information to achieve personal interests or interests of others. No directors, advisors, executives or staffs having gain advance knowledge of the Company's operating results either directly or indirectly, including relevant parties are allowed to buy or sell the Company's shares during the 60-day period prior to the disclosure of the Company's financial statements to the general public. Throughout the past year, the Company's directors and executives have strictly complies with such policy and no buying-selling of shares had been observed during such period. Moreover, executives or departments that have authorized access to internal information are prohibited from disclosing such information to external parties or irrelevant persons as per the details disclosed in Insider Trading Section.

3. Roles of Stakeholders

The Company places great importance on the rights of both internal and external stakeholders and shall avoid every action that may violate the rights of stakeholders. The Company shall continuously ensure equality among all parties and has therefore determined the roles of the stakeholders as follow:

Customers The Company recognizes the importance of good service quality as it is an essential key to building customer satisfaction and reliability in providing the Company's services. At the same time, the Company focuses on developing high quality products capable of satisfying customer demands to ensure highest customer satisfaction.

4. Information reveal and transparency

The Board of Directors is the one who responsible for Financial Statement of company. Financial Statement will be made up according to the Accounting Standard certified by overall in Thailand. By using Accounting Policy that suitable and practice in a regular way and carefully use discretion and good estimation in the making. Including enough information reveal in the remark combined to the Financial Statement.

The Board of Directors provide the company to have Internal Control for making sure that accounting information keeping is correct and complete together with establish the Audit Committee which includes member that not an Executives to be the person responsible for financial report and Internal Control System by represent the report of Audit Committee in the Annual Report.

Company has defined a clear policy of committee compensation. The compensation will be at the same level in the industry and high enough to retain the member that has the qualification as required which was approved from the share holder meeting. In the part of compensation to the Executives will follow the principle and policy that defined by Board of Directors which related to the company performance outcome and performance of each Executives. Financial compensation was identified in the page 33-34 but not reveal the compensation of the member that is the Executives in the part of being received from become other company committee because it is not the company information.

Board of Directors are aware of company's information that affect to the decision of investor and stakeholder of company. Then, we focus and practice with the Executives about information reveal that complete and reliable.

5. Responsibility of Board of Directors

There are 10 members of Board of Directors combined with 4 members that is executive, 1 members that is non-executive and 5 independent members. In the part of Chairman is independent member. No any relationship with the management part and the same person with President. For duty separation to define the policy of control and routine management, the company just only has the Executives committee and Audit committee which has assigned member and responsibility in detail at page 24-29

Committee has set up the meeting every 2 months by clearly define the agenda in advance and has the routine operation result follow up session. Company Secretary Department has organized meeting invitation letter with meeting agenda and documents before the meeting for 7 days to have the committee study the information before go to the meeting. The meeting will take about 2 hours and was noted down in writing and keep the past minute of meeting that was accepted from the committee.

Company foresees the important of Internal Control System both in the management level and operation level. Then, we have defined the duty, operation authority of management and operation in the form of writing. There is the control of company asset usage to create benefits and duty separation of operation, controller, and including evaluation to create a cross check mechanism between each other in an explicit way. Company has the Internal Audit department responsible for audit the main working operation and financial activity of company that it was perform in the way that was defined. Abide by the law and regulation that related to the company (Compliance Control). Committee was assigned the Internal Audit to report directly

the audit result to the Audit Committee and receive evaluation result from the Audit Committee for having independent to the Internal Audit and enable to fully perform the audit responsibilities.

Trade Partners The Company is committed to perform its business with fairness and ensure equitable treatment among all trade partners as well as strict compliance with the terms and conditions set forth by the trades and agreements in which the Company is engaged. The Company shall also emphasize on selecting appropriate trade partners that possess a keen sense of morality, professionalism and good reputation.

Shareholders The Company is committed to achieve good operating results to ensure good profits and satisfaction among the shareholders.

Employees The Company recognizes its employees as the most valuable resource and has therefore continuously carried out personnel development to ensure that its employees are ready to move forward together with the Company. In addition, suitable remuneration and staff welfare policies equivalent to similar businesses had been established.

Competitors The Company shall compete in a manner which demonstrates a keen sense of morality and shall not violate or obtain any trade secrets of its competitors by unlawful methods. The Company shall strictly uphold fair competition and shall not attempt to seek any trade secrets of its competitors by inappropriate means or discrediting its competitors.

Creditors The Company shall pay all debts within the specified timeframe, strictly comply with agreement terms and conditions and ensure equitable and fair treatment among all creditors, particularly in terms of guarantee terms and conditions and capital management. In the event of failure to comply with the established terms and conditions and resulted in defaults, the Company shall immediately notify relevant creditor in advance without concealing any facts in order to jointly seek fair and reasonable solutions, including ensuring appropriate capital management structure in order to maintain reliability among creditors.

Debtors The Company shall strictly comply with the agreement terms and conditions. In the event any debtor fails to comply with the agreement terms and conditions and resulted in defaults, the Company shall conduct negotiation in order to seek fair and reasonable solutions.

Society and EnvironmentThe Company recognizes the importance of corporate social responsibility and is therefore committed to continuously support and participate in social and community development activities.

Human Rights By realizing the importance of human rights, the Company therefore set up human rights-related policy which provides equal rights and freedom among every employee in performing his/her duties, including career growth in accordance with the Company's regulation. The Company shall also share some knowledge and understanding on basic human rights to be applied in intellectual property-related works. The Company shall strictly comply with intellectual property laws. It also established a policy which prohibits the support of any operations that may result in the violation of any type of intellectual property rights. Meanwhile, every employee shall be responsible for securing the confidentiality of all information in relation to the Company's intellectual property whether it be insurance products, computer system, operation manual or any other items developed by the employees during operation as assigned by the Company and must not use any intellectual property of others without the owner's consent.

Anti-Corruption The Company has determined anti-corruption policy and related practice, all of which has been approved by the Board of Directors and disseminated among the employees, trade partners and general public to be strictly followed.

In 2016, the Board of Directors carried out an evaluation on its performance covering six main topics including Board of Directors' structure and qualifications; roles and responsibilities of the Board of Directors; Board of Directors' Meeting; roles and responsibilities of directors; relationship with the Management; and lastly self-development of directors and executive development. In respect to the evaluation method, each director independently scored each topic. Then, all the scores under each topic were added together and divided by the total number of directors. The overall average score was 4.56 points from a total of 5 points, or 91.34 percent. In addition, each Sub-Committee was separately evaluated based on three main topics including structure and

qualifications of Sub-Committee, Sub-Committee's Meeting and lastly the roles and responsibilities of Sub-Committee. Identical evaluation procedure as that of the Board of Directors was applied. The overall evaluation results revealed an average score of 4.08 points from a total of 5 points, or 81.67 percent.

9.2 Nomination and Appointment of Directors and Executive

The Board of Directors assigned Nomination and Remuneration Committee to be responsible for seeking suitable persons to become the Company's directors, including considering the nomination list and selecting those having met the defined qualification criteria, checking whether the nominated candidates have the qualifications required by law and the regulations of government offices, proposing the nomination list to be considered by the Board of Directors and included in the shareholders' meeting notice to be further considered and appointed by the shareholders. The Nomination and Remuneration Committee may be assigned to consider the nomination of Top Management Position, particularly President Position.

9.2.1 Director and Independent Director Qualifications

1. Director Qualifications

The Company's Board of Directors consists of members who are directors with keen sense of knowledge, experience and abilities that are beneficial to the Company, regardless of his or her gender, and must have clear understanding regarding the duties and responsibilities of directors as well as the Company's business nature and can fully devote his or her time and efforts to being a director of the Company.

2. Independent Director Qualifications

Apart from completely meeting the required qualifications as directors of the Company, Independent Directors shall also possess the following characteristics:

1) 1. Holding not more than 1.0% of the total voting shares of the Company, its subsidiary, associated company, major shareholder or controlling person, with the number of shares held by related parties being counted.

2) 2. Being a director who is not or has never been an executive director, employee, staff member, salaried advisor or controlling person of the Company, its subsidiary, associated company, same-level subsidiary, major shareholder or controlling person, unless such characteristics have lapsed for at least two years before being appointed. These prohibited characteristics shall exclude cases in which Independent

Director had been a civil servant or an advisor of a government office who was a major shareholder or controlling person of the Company.

3) Being a director who has no relationship whether by blood or by legal registration under the status of a father, mother, spouse, sibling, and child, including the spouse of the child of other executives, major shareholders, controlling persons or persons who are being nominated for appointment as executive or controlling person of the Company or its subsidiary.

4) 4. Being a director who does not have or has never had a business relationship with the Company, its parent company, subsidiary, associated company, , major shareholder or controlling person in a manner that may hinder the exercise of his or her independent judgment, and not being a person who is or has been a significant shareholder or controlling person or a person with business relationship with the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, unless such characteristics have lapsed for at least two years before being appointed. The prescribed business relationship shall also include normal trading transactions for the purpose of business operations, rental or lease of immovable property, transaction related to assets or services, or granting or receiving financial assistance by receiving or giving loans, guarantee, using assets as debt collateral, including other similar acts that result in the Company or the party thereof being liable to pay the other party by the rate of 3% or more of net tangible asset or Bt 20 million or more, whichever is smaller. The calculation of such liabilities shall be in accordance with the method of connected transaction calculation specified in the Capital Market Supervisory Board Notification Re: Criteria on Undertaking Connected Transactions, mutatis mutandis, with the liabilities occurring during the one-year period prior to the date of business relationship with the same person being included.

5) 5. Being a director who is not or has never been an external auditor of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person, and must not be a significant shareholder, controlling person or partner of an audit firm to which an external auditor of the Company, its parent company, subsidiary, associated company, major shareholder or controlling person belongs, unless such characteristics has lapsed for at least two years before being appointed.

6) 6. Being a director who is not or has never been a provider of any professional service including legal advisory service or financial advisory service with the service fee thereof exceeding Bt 2.0 million per year from the Company, its parent company, subsidiary, associated company, major shareholder

or controlling person, and must not be a significant shareholder, controlling person or partner of the provider of such professional service, unless such characteristics have lapsed for at least two years before being appointed.

7) Being a director who is not appointed as representative of a director, major shareholder or a shareholder holding relationship with a major shareholder of the Company.

8) Not undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary, nor being a significant partner of a partnership or an executive director, employee, staff member, salaried advisor with over 1.0% of the total voting shares of another company undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary.

9) 9. Not having any other characteristics that may hinder the exercise of his or her independent judgment about the Company's business operations.

3. Audit Committee Qualifications

Members of the Audit Committee must have the following characteristics:

1) Completely met all independent director qualifications

2) Must not be a director who had been assigned by the Board of Directors to make decisions concerning the business operations of the Company, its parent company, subsidiary, associated company, same-level subsidiary or juristic person with potential conflict of interest.

3) Must not be a director of the parent company, subsidiary or same-level subsidiary that is a registered company.

4) At least one member of the Audit Committee must have adequate knowledge and experience to ascertain the integrity of the Company's financial statements.

9.2.2 Director and Independent Director Nomination Process

In appointing directors who resigned by rotation, the Nomination and Remuneration Committee shall propose the nomination list which consists of persons having met the required qualifications to the Board of Directors for consideration before presenting to the shareholders' meeting for appointment. The Company also set up requirements for the appointment of director position which are stipulated in the Articles of Association of the Company as disclosed under Management Structure Section.

Rights of Minor Shareholders Concerning the Appointment of Directors

To ensure the protection of rights and equitable treatment among minor shareholders, the Company therefore allows the shareholders to nominate persons who possessed the required knowledge and abilities as well as meeting the defined qualifications to be considered for appointment as director in advance and shall notify all shareholders via the communication channel provided by SET and the Company's website www.thaivivat.co.th. Nomination Criteria and related forms are also disclosed on the Company's website.

9.2.3 Executive Nomination Process

The Board of Directors assigned the Nomination and Remuneration Committee to conduct the nomination procedure and consider the succession plan for director and top management positions to ensure effectiveness and the Executive Committee shall be responsible for the appointment of President and Chief Executive Officer positions to be responsible for running the Company's business operations under the supervision of the Board of Directors.

In respect to the appointment of top management of each department following the defined organizational structure, the President and Chief Executive Officer shall be responsible for the selection and appointment of such position.

9.3 Insider Trading

The Company established Insider Trading Policy in order to prevent the use of internal information that may affect buying-selling of securities of the Company as follow:

1. No directors, advisors, executives or staffs of the Company are allowed to use any internal information for the benefits of buying-selling securities as it shall be treated as violation of the law and against the defined conflict of interest principle as well as unfair treatment to other shareholders. Any disclosure of internal information to third parties or irrelevant persons is also strictly prohibited.

2. All directors, advisors, executives and staffs of the Company must strictly comply with the laws, rules and regulations concerning insider trading, including laws in relation to securities and stock exchange and other related requirements.

3. No directors, advisors, executives or staffs having gain advance knowledge of the Company's operating results either directly or indirectly, including relevant parties are allowed to buy or sell the Company's shares during the 60-day period prior to the disclosure of the Company's financial statements to the general public.

4. All directors, advisors, executives and staffs from manager level or above who buy or sell shares of the Company must notify Legal Department regarding such buying or selling within the following day in order to be further reported to the SEC or directly report to the SEC within 3-day period starting from the date of acquisition or disposition of such shares. The securities holding of each member of the Board including the executives and the Auditor of the Company must always be reported at each Board of Directors' Meeting. Throughout the year 2016, the Company had strictly followed the defined regulation.

9.4 Account Auditor compensation

Ernst & Young Office Co., Ltd. is the well known company and accepted in international level that agreed from The Securities and Exchange Commission and take part in giving advisory to the Office of Insurance Commission in starting to use Risk Based Capital (RBC) including the accounting audit experience to other disaster insurance company. Even more, there is no relationship and/or conflict of interest between auditor and the company/executives/major share holders. In fiscal year of 2016, the

Accounting has the compensation of account auditor totally as 1,880,000.- Baht with the following detail:

1. Annual audit fee 780,000.- Baht
2. Three quarters accounting review 450,000.- Baht
3. RBC transaction audit second quarter 150,000.- Baht
4. Annual RBC report review fee 350,000.- Baht
5. Reinsurance contract review as TFRS 4 standard 150,0000.- Baht

Other services : None

10. Compliance with good corporate governance policy

The company has complied with policies and guidelines specified in good corporate governance policy which details are published on the company website www.thaivivat.co.th

11. Social Responsibility

Thaivivat Insurance Public Company Limited prepared this Corporate Social Responsibility Report for the year 2016 to reflect its policy, strategy, thinking process and its business operation in the capacity as a finance institution which contributed to the development of Thai society in terms of financial stability for Thai people and Thai business through insurance business transaction of the Company as well as the disclosure of its operating results to interested parties, not only in the financial aspect, but also in the aspect of social and environmental issues. The Company had the policy of running its business under the ethical principles and

good business governance, taking into account the social and environmental responsibility at the distant and immediate level. It therefore plunged into the CSR-in-process and the CSR-after-process continually.

Guidance for Reporting

This Report covered the operation in 2016. The information was compiled from its previous operations, particularly, centering on its operation at the head office, the principal office, to lay down the policy, strategies and the operations as a whole of the Company. Moreover, mentions were of the guidelines for development of the company and its personnel to be ready for the responsibility according to the mission assigned as well as the data in relation to its internal operations along the CSR line concerned.

Thaivivat Insurance PLC was aware of its limitation and its readiness to declare the information in the Report. However, this report applied the guideline on preparing a report based on the corporate social responsibility of Stock Exchange of Thailand as a reference framework for consistency with the standard of a listed public company in the Stock Exchange of Thailand in which the Company was listed since 1991.

Criteria for Reporting Content Selection

The Company had considered matters in relation to Corporate Social Responsibility (CSR) based on the nature of the Company's business which is being the number one provider of non-life insurance service that is most widely trusted by the customers and determined corporate vision of offering stable security for Thai society. The Company's corporate missions are as follow:

- Development of the organization to strong financial standing and management based on good corporate governance.
- Development of the products to be more cost-effective enabling the reduction of risks and alleviation of loss of the public appropriately.
- Development of service to good standard, thus fairly enhancing the customer satisfaction and trading partners.

All of which are the keys to steering corporate performance in relation to economic, social and environmental aspects in the direction that will help to ensure the mutual interests of the stakeholders at every level.

Since 2015, the Company began to create mutual values in addition to the existing corporate vision and missions in order to instill common operational practice from theoretical to operational level to ensure

consistency and concrete implementation of the defined corporate vision and missions. The Company also tried to promote personnel engagement to create a sense of unity within the organization. This includes:

Trusted Upholding professionalism to build customer trust	1. Conduct business with fairness 2. Promote anti-corruptions 3. Disclosure of information and reports
Progressive Continuously develop products and services to address every consumer demand	4. Responsibility toward consumer 5. Develop products and services that will help to uplift the quality of life and society
Innovative Using latest innovation to deliver service excellence	
Togetherness Demonstrate compassion and care for others as if they were part of the family	6. Personnel Benefits 7. Carry out community and social development 8. Conduct environmental management

In order to categorize the level of importance of each CSR aspect, the Company had also taken into account the opinions of the stakeholders.

Important for interested persons	Very important	Social and community development Respect for human right	Responsible to consumers (production and service) Operate business with fairness Anti-fraud Disclosure of information and report
	Important	Use of resources (management of environment)	Care for personnel (fair treatment of labor) Corporate good governance Risk management
	Important		Very important
Important to Thai Vivat Insurance			

Engagement with the Stakeholders

Stakeholder	Expectation	Practice	Contact Channel
Customer	<ul style="list-style-type: none"> - Well-defined products that are able to provide the required protection and are highly understandable - Excellent sale and after-sale service quality - Fair compensation - A highly stable insurance company capable of paying compensation when an incident occur 	<ul style="list-style-type: none"> - Sales promotion - Excellent sale and after-sale service quality - Provide protection as per the given insurance policy - Develop high quality products that can serve customer demands - Deliver fair, accurate and quick compensation payment - Manage insurance related risk in accordance with regulation of Office of Insurance Commission (OIC) 	<ul style="list-style-type: none"> - Satisfaction Survey - Provide channel (s) for comments/suggestions - Head Office and Branches - Customer Relations Tel. 02 695 0777 - Claim Hotline Tel. 02 695 0700 - Website: thaivivat.co.th - Facebook: www.facebook.com/thaivivat
Trade Partner	<ul style="list-style-type: none"> - Follow the trade agreement - Increase the quantity/value of products and services 	<ul style="list-style-type: none"> - Conduct business with fairness - Equitable and fair treatment among all trade partners - Strict compliance with trading terms and conditions including the established agreement - Select appropriate trade partner that demonstrates ethics, professionalism and good reputation - Establish clear procurement procedure 	<ul style="list-style-type: none"> - Policy and Code of Business Ethics - Site visit and evaluation - Website: thaivivat.co.th
Personnel	<ul style="list-style-type: none"> - Fair compensation - Follow Code of Ethics in relation to labor - Ensure safety of life and properties - Offer opportunity for knowledge development and professional career path - Balance between work and life 	<ul style="list-style-type: none"> - Support skills and knowledge training - Has a policy on providing appropriate staff compensation and welfare and equivalent to that of other businesses of similar nature - Career stability and good career path - Pleasant and safe working environment - Activities for building corporate bond 	<ul style="list-style-type: none"> - Communicate with personnel regarding staff welfare - Satisfaction Survey - Meetings by function - Complaints Handling Unit, HR Department - Directly raise complaint to the Management - E-mail: hrdept@thaivivat.co.th
Shareholder	<ul style="list-style-type: none"> - Business growth - Good corporate governance 	<ul style="list-style-type: none"> - Long-term and continuous returns - Conduct business based on the principles of good governance and corporate 	<ul style="list-style-type: none"> - Annual Report - Shareholders' Meeting - Contact Investor Relations

	<ul style="list-style-type: none"> - Rights and equality of shareholders - Anti-corruption - Access to accurate information 	<p>governance</p> <ul style="list-style-type: none"> - Disclose reports as per defined schedule and the regulation of SET 	<p>Tel.1231 ext. 5938</p> <ul style="list-style-type: none"> - E-mail: nantawan_aru@thaivivat.co.th - Website: thaivivat.co.th/th/investor_contact.php
Competitor	<ul style="list-style-type: none"> - Compete in business with a sense of morality 	<ul style="list-style-type: none"> - Compete with morality - Must not seek trade secrets of competitors through unacceptable means - Must not damage the reputation of competitors through discredits 	<ul style="list-style-type: none"> - Website: thaivivat.co.th
Creditor	<ul style="list-style-type: none"> - Prompt debt payment - Compliance with the defined terms and conditions 	<ul style="list-style-type: none"> - Strictly follow debt payment deadline and the agreement terms and conditions - Comply with the terms and conditions in relation to guarantee and capital management - In case of failure in following the agreed terms and conditions which resulted in defaults, the Company shall immediately notify the creditor in advance and shall completely disclose all information to jointly seek proper solution - Ensure appropriate capital management structure existed to maintain creditor confidence 	<ul style="list-style-type: none"> - Contact Finance Department Tel. 1231 - Website: thaivivat.co.th
Debtor	<ul style="list-style-type: none"> - Compliance with relevant requirements and conditions - Interest rates are in accordance to the law 	<ul style="list-style-type: none"> - Strict follow the agreement terms and conditions - In case debtor fails to follow the agreed terms and conditions which resulted in default, the Company will negotiate with that debtor in order to seek fair and reasonable solution 	<ul style="list-style-type: none"> - Contact Finance Department Tel.1231 - Website: thaivivat.co.th
Society and Environment	<ul style="list-style-type: none"> - Conduct business with responsibility - Carry out community development - Legal compliance - Cooperate in government projects 	<ul style="list-style-type: none"> - Recognize and demonstrate accountability toward the economic, social and environmental impacts resulting from the Company's business operations - Conduct business based on the principle of good corporate governance and under the supervision of government agencies 	<ul style="list-style-type: none"> - Contact the Company Tel. 1231 - Website: thaivivat.co.th - Contact the Company's Secretary Office

		- Support, assist and participate in various social and community development activities	
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GOOD CORPORATE GOVERNANCE AND FAIR BUSINESS OPERATION

In the aspect of corporate governance for business transparency, verifiability, the company followed the principles of good corporate governance. For this purpose, the company set up a supervisory unit to ensure that various operations went properly according to various regulations and the provisions of the law of the Office of Insurance Commission (OIC) and other supervisory organizations concerned, namely, the Stock Exchange of Thailand (SET) and the Office of Securities and Exchange Commission (SEC) and the Anti-Money Laundering Office (AMLO).

Thaivivat Insurance PLC took into account equality, fairness, avoidance of taking unfair advantage and the honesty in running the insurance business through protection of the interest in collaboration with persons involved who would be treated fairly in the course doing business by strict compliance with the law and rules jointly formulated; espousing business ethics in doing business, not demanding for, not receiving and distributing any interest in bad faith in trading with the trading partners according to the principles of good governance.

Corporate Governance Related Agencies

The Compliance Department was established under control of the Benefits Department as a center of compilation and tracing data and information of relevant external regulations. The regulations are translated and/ or summarized for benefits of company's departments and personnel to comply with those relevant regulations.

Moreover, an internal audit unit was set up as an independent organization, to report directly to the Audit Committee and the Company's Board of Directors, to have the duty to audit, review internal activities, operations within the company; to provide counseling, propose opinions and advice on remedying, improving the operation properly and efficiently. As regards the report on good governance, it was already reported in the Form of Items of Annual Data 2014 (Form 56-1) on the heading of "Management." And on website www.thaiviat.co.th

ANTI-CORRUPTION

Thaivivat Insurance PLC was aware of problem of corruption which affected the Company's ability for competition and sustainable development to the extent it increased the cost of business operation, resulting in lowered operating efficiency, thus failing to create maximum benefits for consumer. The company therefore attached importance to anti-corruption of all forms, not only in the light of violating the law, but it was contravening the good moral virtues and ethics; it was therefore unacceptable behavior.

By recognizing the importance of preventing corruption and supporting anti-corruption operation in wider scale, the Company therefore developed Anti-Corruption Policy and Code of Conduct for Anti-Corruption and has continuously carried out transparency and operational performance review and audit on yearly basis, including ensuring that the Company's operational performance in all aspects are in compliance with the determined operational standard. The Company's Anti-Corruption Policy shall be reviewed on two-year basis as deemed appropriate or whenever significant changes are required.

Based on recent audit results, Thaivivat Insurance Public Company Limited had fulfilled the requirements of Private Sector Collective Action Coalition Against Corruption Council by having fully developed and adopted Anti-Corruption Policy and Code of Conduct for Anti-Corruption throughout the organization, allowing the Company to become an official member of Collective Action against Corruption on October 18, 2016. Since Private Sector Collective Action against Corruption is under the support of the Thai Government and Office of the National Anti-Corruption Commission (NACC), the Company therefore worked closely with the government sector as well as civil society and mass media sector in setting transparency and anti-corruption standard within the business industry, including taking part in developing the country.

The Company also regularly communicates its Anti-Corruption Policy and Code of Conduct for Anti-Corruption among its personnel via various channels, provides in-house personnel capacity development training programs and even communicates with its trade partners and external agencies through notices which require their cooperation in avoiding acceptance of gifts of every kind. The Company also determined Whistle Blowing Policy which provides several channels for whistle blowing or complaints as follow:

Letter Nantawan Arunpiriyakul, Compliance Section
 Thaivivat Insurance PLC
 71 Din Daeng Road, Samsen Nai Sub-district, Phya Thai District,
 Bangkok 10400

E-letter Nantawan_aru@thaivivat.co.th

Telephone 0 2695 0800

In respect to whistle blower protection scheme, the details are provided in the Company's Anti-Corruption Policy which is accessible through the Company's website.

Disclosure of Information and Reports

The company was aware of the data of the company that it had effect on the decision-making of investors and interested parties of the Company, it therefore emphasized the disclosure of correct, complete, reliable key information about the company to the public; both of the financial information and non-financial information according to the requirements of the SET and as per the Notification of the Office of Insurance Commission (OIC) Re: Criteria, Method and Conditions in Relation to Disclosure of Statements of Financial Position and Operating Results of Non-Life Insurance Company B.E. (2008) 2551 which requires accurate, complete and on-time disclosure of relevant information to ensure equitable information access among all shareholders. Apart from disclosure of information within the organization and among relevant organizations, the general public as well as the stakeholders can also access the Company's information via the Company's website.

The information made available on Company's website (www.thaivivat.co.th) include:

- The Articles of Association
- Corporate Governance Handbook and Principles
- Code of Business Ethics
- Important Financial Information and Financial Statements (yearly and quarterly)
- Annual Registration Statement (Form 56-1)
- Annual Report
- CSR Report

- Shareholders' Meeting Notices and Minutes
- Anti-Corruption Policy
- Code of Conduct for Anti-Corruption
- Notice for Non-Acceptance of Gifts
- Laundering Prevention and Suppression Policy

RESPONSIBILITY TO CONSUMERS

Thaivivat Insurance PLC is determined to create satisfaction in the product and assurance in service to the insured with responsibility to the insured that the insured receives good, quality service at suitable price in accordance with the supervisory criteria of the Office of the Insurance Commission (OIC). That is, the format and the text in the insurance policy must be consistent with the rate of insurance premium and have the clear meaning as well as the definition being used must correct according to technical principle as to preclude the problem of legal interpretation in the event of complaint in relation to premium. Furthermore, the rate of premium being applied is suitable and at the rate approved by the registrar.

In addition, there has been various developments, improvements on the format of the insurance as to suit the changing need of Thai society as well as continual development and improvement on service in tandem with the changing technology as to create convenience, speed in providing service to the insured as well as maintaining relationship and sustainability with the customers seriously and consistently.

The Company's Indemnity Capability Upon Claiming

The stability of an insurance company is highly crucial to maintaining the credibility of its insurance products. As a type of financial institution, insurance companies can directly affect the insurer as well as the overall economy of the country, particularly in terms of its indemnity capability. Bearing this in mind, Thaivivat Insurance Public Company Limited realizes the importance of maintaining the financial position required by laws and the regulations of relevant regulators such as OIC. In 2016, the Company's capital adequacy ratio (CAR) reached over 300%, marking its high level of indemnity capability.

Service in compensation

The company has formulated a policy in relation to the payment of compensation to ensure speedy, timely service in this aspect and capable of helping the people substantially by considering to pay the compensation within 14 days. This is for speedy response to the need of the insured in timely manner in strict compliance with the terms and conditions of the agreement made with the customer as to preclude a lawsuit that might be damaging to the company.

The company has introduced innovation and new technologies to be adapted to the insurance service work with application of e-claim system to the service in full management of compensation to enhance the efficiency, facilitating the speed for the customer who met with the accident, thus increasing the potential of providing service of the peril survey staff, enabling them to print out a repair order at the point of accident throughout 24 hours. Moreover, the company has opened 26 branches to provide service in compensation countrywide including the repair notice service for the insured of motor car insurance in the motor car service center which joins the project for the convenience of the insured to claim for indemnity and to provide advice and assistance to the insured.

Thaivivat Application

Upon having observed the diverse trends in mobile phone usage since 2014, the Company has continuously developed Insurance Apps for mobile phone to deliver more comprehensive insurance service to customers until the present days. During the past year, the Company introduced Claim Hotline Service to be used as the most direct channel of contact that comes with online tracking that allows the staffs to locate the incident site using GPS, enabling higher customer convenience and quicker service. The system also helps to locate the nearest hospitals and garages specified in the agreement, including premium payment function upon insurance policy renewal and supports both iOS and Android systems. In 2016, Thaivivat “Prepaid Car Insurance” has been added to the Application.

Development of “Thaivivat Prepaid Car Insurance”

In 2016, the Company launched a new product under the name of “Thaivivat Prepaid Car Insurance” covering insurance programs +3 +2 land can be used together with Mobile Insurance Application. The product allows the insurer to accept or cancel insurance coverage whenever they desired in order to help them save money by paying premium only when they are actually driving, allowing more precise premium rate and consistency with the actual usage. Thaivivat Prepaid Car Insurance does not only provide an alternative choice for consumers but is also an innovative product of motor insurance industry.

Development of Diverse Purchase and Premium Payment Channels

In respect to service improvement, the Company has added additional channels for customer to conveniently access its insurance products and constantly improves the quality of existing insurance services. The Company offers diverse purchase channels to ensure highest convenience for customers. This includes insurance agents and brokers, counter service at department stores and convenient stores nationwide as well as the Company’s website thaivivat.co.th. Certified by the Department of Business Development, the Company guarantees completely safety in terms of online purchase and payment. Through this system, the insurer is given a wide range of options for payment namely credit card, bank counters and mobile payment. In 2016, the Company opened a new branch at Don Muang Airport to accurately serve the needs of those insurers who travel within the country.

Other services

- **The customer relations center** • To make the customers convenient as the one stop service, we provide proficient staffs who will give you an advice, help you to understand, solve problems initially and follow up to take care the customer's problems to be fixed properly and efficiently.

Moreover, Customer Relations is a department that stores the data of customers' satisfaction towards the service, the data of problems will be based to improve company's service and operation.

Customer Relations can be reached at telephone number 02-695-0777 in office hours (Monday - Friday at 8.00-18.00 hrs.) website www.thaivivat.co.th and facebook www.facebook.com/thaivivat.

- **Claim Service Center.** To provide the service promptly in assisting the customers all over the country, especially for car and health insurance, the company provides a center to receive accident notifying and to investigate car accidents for 24 hours every day with the real-time tracking system of staffs through satellite that use GPS (Global Positioning System). The staffs at the Claim Service Center will report the accidents to investigating staffs who are the nearest to accident spots to service sharply and make the customers feel secured. In addition, the customers who registered and installed Thaivivat mobile Application on mobile phone can notify by pressing the button "Emergency Notification" without putting phone number and route explanation because the accident spots will be sent to the company immediately.

Claim Service Center can be reached at 02-695-0800 24 hours every day.

- **Roadside assistance service.** The service is for the customers whose car is broken on the way that might be caused by broken engine or equipments that make the car cannot be driven. Staffs are provided to give a technical advice to assist solving the circumstances. There are also onsite Technicians to initially assist at the spot of accident and provide car towing service to an automobile repair center. The service is for 24 hours. Please contact Claim Service Center.

Products and Services for Community and Social Development

The community and social development is a key composition of sustainable business development. Currently business development and investment at Asian regional level call for business to take into account increased social responsibility. It is imperative that importance be attached to the community and social development in the light of an advantage and composition of the sustainability in doing business.

By realizing the importance of insurance and insurance service accessibility, the Company therefore introduces micro-insurance program as alternative choice for consumers and focuses on minimizing damages from road accidents in line with its motor insurance program which is the Company's core product. These had been carried out under "Excellent Service Program" which took place during the 2016 New Year and Songkran Festival as per the following details:

Micro-insurance

Thaivivat Insurance PLC had carried out the work for community and social development in accordance with the policy of the Office Insurance Commission (OIC) in the Insurance Development Plan No 3 (2016-2020). In particular, on the part of enhancing confidence, the awareness of the importance of insurance and the access to the insurance system by the people at all level. Since suitable insurance plays a role in the stability of the quality of life of the people which is the participation in important development of Thai society.

The company has provided service in insurance in various, distinct formats taking into account the needs of the people which are changing in tandem with social and economic situation. The company also envisions the importance of access to the insurance system by the public at all levels. The company therefore has a policy to promote micro-insurance with simplified coverage, economic premium rate. All level of the public can access micro-insurance easily thanks to comprehensive distribution channels. Key micro-insurance products of Thaivivat for 2016 are the following:

1. Cancer Micro-insurance

to cover cancer in collaboration with the counter service under the All Insurance Project, which emphasizes public access to sale of micro-insurance by selling via the counter service with over 6,000 branches in Thailand cancer Micro-insurance program consists of: 1. "Jai Pum Micro-Insurance for Cancer" covering all types of cancers except skin cancer at premium rate of 711 Baht per year and total insurance amount of 70,000 Baht and 2. "Jai Pum Plus Micro-Insurance for Cancer" covering all types of cancer except malignant melanoma and skin cancer.

2. Rice Insurance for the 2016 harvest year

Thaivivat is among the 16 insurance companies that joined the Rice Insurance Project with the government with to help build income stability among rice farmers in targeted areas nationwide totaling 30 million Rai by reducing costs and risks in relation to yields. This is done by dividing the insured rice fields into 5 zones based on risk level. The average damage criteria from 2005 – 2012 was studied in order to determine the appropriate premium rate for each risk level. Under such program, rice farmers will be entitled to seven types of natural disasters coverage including flooding or heavy rain, drought, delayed rainy season, storm or typhoon, cold weather or frosts, hailstorm and fire at premium rate of 1,111 baht per Rai, including weeds and epidemics at premium rate of 555 Baht per Rai. The Company

also offers In-season Rice Field Insurance Program is available at the Bank of Agriculture and Agricultural Cooperatives so that rice farmers nationwide can have access to insurance service.

3. “200” micro-insurance

Thaivivat Insurance PLC is an insurance company participating in the “Insurance coverage 200 policy” project in collaboration with the Office Insurance Commission (OIC). The insurance coverage 200 is a personal accident micro-insurance to provide coverage to the insured in the event of death, loss of limbs, eyesight, complete disability due to accident. The coverage is 1 year with premium of mere 200 Baht for the insured aged 20 – 60 years having the objective to provide opportunity to the people at all level to by insurance policy at affordable price.

4. Crop Insurance based on Weather Index

This insurance program provides coverage for crop (corn) damages due to drought (Livestock Corn Feed Insurance) by using Weather Index as criteria. Under this insurance program which provides coverage at the premium rate of 100 Baht per Rai, farmers will be entitled to damage claims in the event that the insured crops had been damaged by drought during insurance period. This is to help minimize damages upon farmers due to increase in production cost or decrease in crop yields by forecasting damages in accordance to agricultural principle. In 2016, Thaivivat Insurance paid indemnity to farmers under Livestock Corn Feed Insurance program totaling 6,111,610 Baht.

“Excellent Service” Program during New Year and Songkran Festival

Both public and private sectors recognizes the significance of road accidents, particularly when Thailand is ranked among the top countries having the highest rate of road accidents in the world. This brings not only losses of life and property but also prevents the country from becoming fully developed. In response, numerous campaigns and projects has been continuously carried out to minimize the number of road accidents as well as losses of life due to road accidents. Among this, car insurance plays a vital role in non-life insurance industry. For this reason, the Company therefore initiated a campaign called “Excellent Service during New Year and Songkran Festival 2016” by working together with Department of Highways and Expressway Authority of Thailand in order to facilitate both the citizens and government officials were assigned on duty to assure road safety during the special holidays, including providing car insurance service during New Year and Songkran season during which the number of commuters traveling on public roads its at the highest not to mention highest risk of road accidents.

“Excellent Service during New Year and Songkran Festival 2016” involves the following activities:

1. Accident inspection team and operational team had been allocated at various checkpoints in every province nationwide to ensure prompt service. Also, the number of customer service staffs was added, especially in areas with heavy traffic, along main road where there are large number of commuters and at major tourist destinations, totaling 58 service points. A total of 452 cases were handled during Songkran Festival alone.
2. The Company worked closely with Pak Chong Highway Station in facilitating commuters and government officials at resting area of Highway Police by offering cool drinks and mobile toilet service at Pak Chong Checkpoint 1, Pak Chong District, Nakhon Ratchasima Province.
3. The Company teamed up with Pak Chong Highway Station 1 in organizing booth and promoting Drive Safe Campaign to help reduce road accidents during Songkran Festival 2016. The event took place at Flood Relief Center by Miracle of Life Foundation under the patronage of HRH Princess Ubonrat Ratchakanya Siritwatthana Phannawadi, Nong Sarai Sub-district, Pak Chong District, Mitraphab Road on April 8, 2016
4. During New Year of 2016, Thaivivat Insurance Public Company Limited Saraburi Branch was used as a resting area where commuters can take a break to use to toilets or have some drinks

Personnel Benefits

Personnel are valuable resource who must be cared for and their ability upgraded for readiness to perform the duty efficiently. The Company therefore attaches importance to the development of staff at all levels as to enhance the knowledge, ability, skill, creating good attitudes by attaching the importance to developing the body of knowledge by means of both internal training within the company and with various external organizations. Moreover, the company has yet introduced a policy in determining fair remuneration with assessment of work performance at least twice a year and to follow up on salary rate movement as to formulate correct, suitable salary in terms of incentive and welfare benefits.

Apart from proper refreshment leave, Thaivivat Insurance also put a concern on health care and life quality of the staff as well as their family. Various incentives and welfare benefits which the company accords to its personnel are to ensure that all of thaivivat's staff is happy at work which will lead to effective work performance

Members of staff and personnel of the Thaivivat Insurance PLC when having satisfactorily passed the probation would be placed in employment as a regular employee and all regular employees would receive remuneration and are entitled to various fringe benefits from the Company as follows:

Welfare for Better Quality of Life

● Staff Provident Fund

The company also introduced a policy for every member of the staff to have savings for use after they leave the employment of the Company by means of establishing the Staff Provident Fund for employee who having worked for 3 years consecutively to be eligible for membership. A member of the Staff Provident Fund contributes 5 percent of the staff's monthly salary to the Fund on a monthly basis and the Company contributes at the rate of 7.5 percent of the staff's monthly salary on a monthly basis. This Staff Provident Fund is managed by the Fund Management Company as the Fund manager.

● Loan welfare

Personnel of the Company having completed at least 1 year of work as a staff of the Company shall be entitled to apply for loans with the Company either for residential, medical or educational purposes.

● Financial Aids for Personnel and Family Members

The Company shall provide financial aids in two circumstances: marriage of the personnel and funeral of personnel's father or mother.

● Medical treatment

Besides taking out social security insurance for every member of staff to accommodate the entitlement to medical treatment in accordance with the labor law, the Company has arranged for the availability of a nurse team from Chula Hospital to provide first-aid care and diagnosis for referral in the case of serious illness as welfare for members of the staff on every working day at the company's principal office at which most of the employees of Thai Viva Insurance PLC are working.

● Accident insurance

Accident insurance is taken out for the welfare of the employee. The company has taken out personal accident insurance coverage for members of the staff in the event of deadly accident as to alleviate the burden of the staff's family.

● Health Insurance

To ensure personnel convenience, the Company provides health insurance to all personnel covering additional medical expenses apart from the ones provided by social security

Employees' benefits and Development

Thaivivat Insurance Public Company Limited provides training to develop the proficiency of staffs constantly to improve insurance knowledge and other required skills for insurance operation and services. In 2016, organizational restructuring had been carried out by clearly separating Personnel Development Department from HR Department to ensure better personnel development efficiency.

Each year the Company begins by providing knowledge training to newcomers under a program called "Organization and Products Training" during the orientation session to achieve clear understanding regarding organizational culture, to build proper mindset and the Company's expectations from its personnel.

On June 18, 2016, the Company welcomed a total of 47 newcomers. Apart from previously mentioned training program, the Company also provide personnel competency building according to the requirements of each position and function. In 2016, important trainings carried out by the Company include:

- **Building Proper Mindset in Driving Operational Success and Fostering Teamwork**

This training program aims to develop relevant knowledge and result-oriented skills, to create motivation through positive mindset, to share some problem-solving, decision-making and motivation techniques and to promote positive communication as well as necessary communication skills for development. The program was joined by 75 personnel from Assistant Manager Level and above. Most importantly, this year's session was kindly hosted by Dr. Vilas Duang Kamnerd, Specialized Instructor in Aviation Industry Management Master Program, Kasembundit University.

Apart from in-house trainings, the Company also encourages its personnel to join other relevant knowledge and skills development trainings held by external organizations. The Company would select representative from each relevant department and function as deemed appropriate. Currently, the Company's personnel from each function had undergone through trainings by an average of 11 hours per person.

Employment Opportunity for the Disabled

At Thaivivat Insurance, we accept people with physical disabilities to join our team by offering employment in appropriate positions based on their physical capability. The Company also formulated remuneration standard and provides equal opportunity to progressive career path.

In 2016, the Company accepted 3 new recruits with physical disabilities to join the team which include:

Mr. Terdsak Thongdee	Hearing Impairment
Mr. Kajornpob Panthurat	Hearing Impairment
Mr. Yanyong Khamying	Hearing Impairment

As a result, the Company now has a total of 6 personnel with physical disabilities on its team as per the following details:

Visual Impairment	1 person
Hearing Impairment	4 persons
Mobility Impairment	1 person

Labor Relations Activity

The Company regularly organized Labor Relations Activity each year with the aim to strong good bonds between personnel and various departments within the organization, including fostering teamwork and good communication skills and promoting regular exercise among the personnel. This is to build a sense of ownership among the personnel.

In 2016, the Company had organized Walk Rally 2016 at Hotel Fountain Tree Resort, Khao Yai, Nakhon Ratchasima Province which lasted 2 days 1 night, totaling 2 batches as per the following details:

Batch No.1 from October 1 - 2, 2016 totaling 255 participants

Batch No.2 from October 8 - 9, 2016 totaling 232 participants

Safety at work

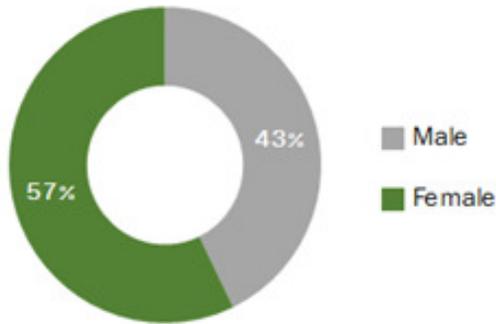
Thaivivat Insurance PLC is concerned for the well-being and safety of its personnel. It is deemed that the said matter reflects on a good quality of life and is one of the factors that promote work performance with efficiency, with confidence in engaging in various activities. The company makes an advance preventative planning correctly and appropriately.

- Most importance is preventive action has been taken and a campaign to impart knowledge has been launched in the matter of fire prevention and fire drill is carried out every year, including the preparedness check on fire equipment and fire alarm system have been carried out regularly. This is to ensure that the personnel are informed of practical guidelines and to face up to the real situation that may happen. On December 17, 2016, fire protection training was organized and hosted by special guest speakers from Sutthisan Fire Station, Fire Brigade Division 3, Department of Disaster Prevention and Mitigation who shared some basic knowledge regarding fire emergency handling both in terms of theory and practice, followed by Fire Drill Exercise 2016 which took place on December 19, 2016 at Thaivivat Insurance Building under the supervision of professionals from Sutthisan Fire Station.

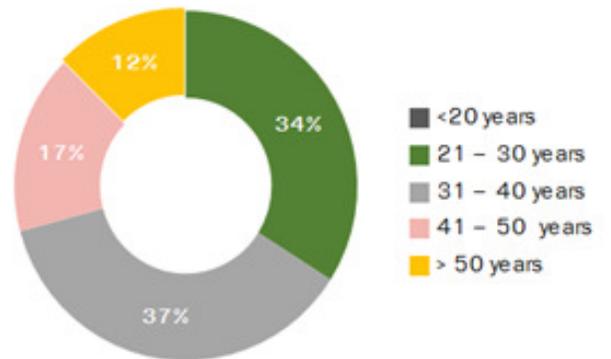
- Policy and Operational Practice for Operational Level Staffs and Claiming Officers in Relation to Safety
Personnel whose position involve the use of cars and motorcycle while on duty, including Claiming Officers and Policy Admin Officers must strictly follow the Company's rules and regulations in relation to personal safety (such as strict compliance with traffic rules, maintaining proper dress code with reflective tape specified by the Company, wearing helmet and seat belt) and the vehicle used (such as the Company's car which must undergo routine check, installing car camera, personnel GPS tracking). The Company also established disciplinary actions in case of violation of traffic laws. In 2016, only 1 accident had been observed and the injured person was a Policy Admin Officer, totaling 1 person, who suffered only minor injury and is now recovered.

An overview of the personnel of Thaivivat Insurance PLC

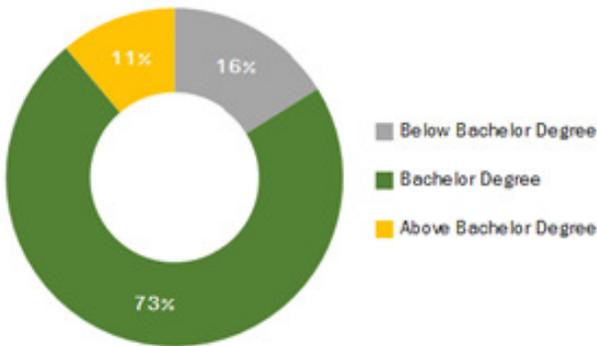
Personnel Proportion by Gender



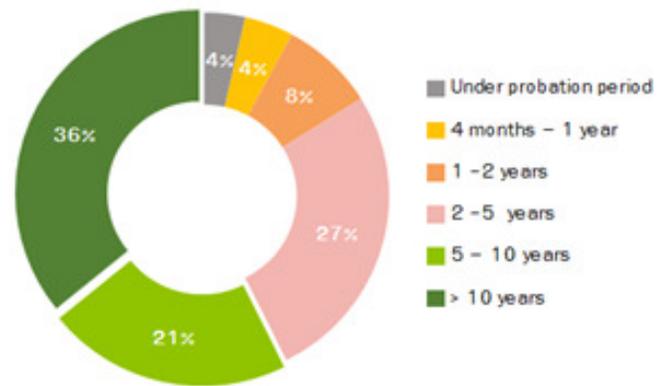
Personnel Proportion by Age



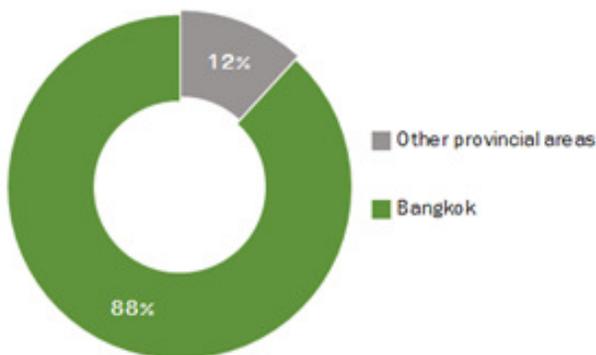
Personnel Proportion by Education



Personnel Proportion by Employment Period



Personnel Proportion by Province



Community and Social Development Activities

The Company is aware of the importance of community and social development by respecting and upholding the basic principles of human rights both in business process and community and social development activities. Apart from business process such as human resource management which is also the key to achieving business growth and sustainability, the Company also has a policy on ensuring fair and equal treatment among every group of personnel and stakeholders regardless of their color, race, gender, ethnicity, nationality, financial status and physical disability, including respecting and accepting differences in terms of view, society, environment, law and culture (For more details, see section “Personnel Benefits”). In 2016, the Company had carried out several community and social development activities through donations and charity as per the following details

Education Promotion Activity

The Company has continuously supported equal opportunity as per the basic principle of human rights among all social groups, especially the rights to basic education. This is because building competent human resource completed with required knowledge and skills and a keen sense of integrity is vital to driving national security and development. In 2016, the Company had provided educational supports as follow:

On October 2, 2016, the Company donated school supplies and other necessary items to Baan Boong Toey School located at Pak Chong District, Nakhon Ratchasima Province as they were lacked of educational personnel and school supplies. On October 9, 2016, the Company donated school supplies and other necessary items to Makutkhiriwan School for the Blind located at Pak Chong District, Nakhon Ratchasima Province. Both activities were carried out as part of the “Walk Rally 2016” which was organized with the aim to form connections between corporate personnel, the Company and the society.

Charity for Social and Community Development in Various Aspects

Society and Community

In 2016, the Company gave charities to various organizations as per the following details:

- Charity for the construction of Princess Maha Chakri Sirindhorn Commemoration Building (Accident and Emergency Center), Wat Pasap Thawidhammaram, Nakhon Ratchasima Province.
- Charity for the construction of “Nawamin Bophit Building in Commemoration of the King’s 89th Birthday”, Faculty of Medicine, Siriraj Hospital, Mahidol University, Bangkok.

- Charity for “Ta Sai Jai Sa Aad”, a project initiated by Siriraj Foundation, Faculty of Medicine, Siriraj Hospital, Mahidol University, Bangkok.

Sports, Religion, Arts & Culture

In 2016, the Company provided funds to various organizations to support activities in relation to religion, arts & culture and sports as per the following details:

- Sponsor of CMU Marathon 2016, Chiang Mai University
- Key sponsor of The 1st TU Walk & Run 2016, Thammasat University (Rangsit Campus)
- “Pha Pa Sa Makee” at Wat Baan Nern Thaworn, Na Sanoon Sub-district, Sri Thep District, Phetchabun Province
- “Annual Pha Pa Sa Makee 2016” at Wat Bang Kluea, Bang Pa Gong District, Chachoengsao Province
- Support the construction of Buddha Image at Wat Kra Tum Rab, Pra Tab District, Nakhon Ratchasima Province
- Co-hosting “Pha Pa Sa Makee” at Wat Khao Wanchai Nawarat Dhudong Kammathan, Nakhon Ratchasima Province
- Co-hosting “Pha Pa Sa Makee” at Wat Mae Chan, Bangkok
- Luang Pho Yeun Kathin Ceremony at Wat Khao Sala Atuljanathajaro, Surin Province
- Royal Kathin at Wat Bang Phai, Nonthaburi Province
- Supporting the construction of temple building at Wat Nong Muang, Chaiyaphum Province
- Kathin Sa Makee at Wat Phra Hin Wanaram, Prachuabkhirikhan Province
- Kathin Sa Makee at Wat Nong Muang, Chaiyaphum Province
- Kathin Sa Makee at Wat Khao Wanchai Nawarat, Nakhon Ratchasima Province
- Kathin Ceremony at Phetchawararam, Phetchabun Province
- Kathin Sa Makee at Wat Nong Jig, Nakhon Nayok Province
- Co-hosting “Pha Pa Sa Makee” at Wat Khet Udomsakwanaram, Chumphon Province
- Pha Pa Sa Makee by the Mother’s Foundation, Pathom Phon Community as part of “The 4th Huang Yai Sai Jai Baan Kerd” Project

MANAGEMENT OF ENVIRONMENT

The company is determined to conserve society and the environment by means of doing its business under the code of ethics and good corporate governance in tandem with care and attention given to society and the environment that leads to sustainable development in spite of the fact that Thaivivat PLC is not in the industrial sector that necessitates the use of natural resources in the production comprehensively; but it cannot be denied that the company has used the natural resource in the aspect of energy and various resources to drive the business. The company therefore attaches importance to create the awareness of using energy and the company's personnel resource economically and cost-effectively as well as the awareness of the commitment to care for the environment and the personnel of the company.

Energy Saving Promotion (by using LED Bulbs)

In 2016, the Company took part in Energy Conservation Promotion through DSM Bidding, a project carried out by Department of Alternative Energy Development and Efficiency, by promoting the use of LED Bulbs with the aim to encourage businesses to improve its energy consumption efficiency in order to reduce costs in relation to energy and increase competitive competency as part of concrete measure to cut down the country's energy import.

The Company had replaced all existing light bulbs with LED bulbs at Thaivivat Insurance Plc. Head Office, an 11-storey building located on Din Daeng Road, totaling 2,557 units as part of its action plan to improve energy consumption efficiency in office buildings which aims to save energy and operating costs in the long run. The total expense of this project after deducting funding from the Department of Alternative Energy Development and Efficiency is equal to 740,797.10 Baht. Once LED Bulbs replacement is completed which is expected to be at the beginning of 2017, it is expected that the project will help to cut down the Company's energy consumption by over 135,267.19kWh per year, or an equivalent to 608,702.36 Baht per year.

	Total Quantity	Yearly Energy Cost (Baht)
Existing bulbs	2,557	973,767.42
LED bulbs	2,557	365,065.06
	<u>Saved by(Yearly)</u>	
	Energy	135,267.19 kWh
	Energy Cost	608,702.36 Baht

11. Internal Control and Risk Management

The company has provided internal control and risk management system effectively. The Board of Directors and management have duty and responsibility to provide and maintain systems of internal control and risk management. The management proceeds to evaluate an adequacy of internal control system and assigns the Audit Committee to carry out duty and responsibility for adequacy review of the internal control system based on the adequacy evaluation of internal control system in the Securities and Exchange Commission that covers as follows :

Control Environment

1. The company has a value commitment of integrity and morality.
2. The Board of Directors are independent from management, work oversight and develop an internal control proceeding.
3. Management provides the report structure, determines power and responsibility to reach the company objective under the Board of Directors oversight.
4. The company shows commitment to motivate, develop and maintain competent personnel.
5. The company assign personnel to have duty and responsibility in the internal control in order to achieve the company objective.

Risk Assessment

6. The company has a clear objective in order to identify and evaluate the risks that relate to achieve the company objective.
7. The company identifies and analyzes all risks that might affect objective throughout the organization.
8. The company considers opportunity to have fraud in risk assessment to the company objective.
9. The company can identify and evaluate changes that affect the internal control system.

Control Activities

10. The company has control measures to reduces risk in an acceptable level.
11. The company selects and develops the control activities with technology system to help support company objective.
12. The company provides control activities through a policy which defines expectation and procedure to practice information and communication systems.
13. The company has related and quality data to support the internal control that can be carried out as specified.

14. The company communicates internal data including objective and responsibility in the internal control that can be proceeded.

15. The company communicates with external agencies about issues that may affect on internal control.

Monitoring activities

16. The company monitors and evaluates the internal control to ensure that it has still been proceeded completely.

17. The company evaluates and communicates the defect of internal control in time to the responsible persons including senior management and the Board of Directors.

The Executive Committee has evaluated the company's internal control and has an opinion that the company has the suitable and appropriate internal control system and risk management to operate effectively.

The Audit Committee Opinion

The Audit Committee has evaluated an adequacy of company internal control system based on the Securities and Exchange Commission, has the opinion that the company has the suitable and appropriate internal control system and risk management to operate effectively.

In the year 2016, Audit Committee has performed the duties as delegate by the company's Board of Directors and has the Internal Audit working unit operated as the scope, duty, and responsibility defined in the Internal Audit Operation Manual of company by the staff within the Internal Audit department at the Director level has experience in becoming the auditor for 30 years and start working with the company in the position of Accounting Department Manager for 10 years before taking the position of Audit Department Director in the year 1999 as the attachment 3

12. Related Transactions

None

Part 3

Financial Status and Operation Result

13. Important Financial Data

Financial Status and Operation Result

Statements of Financial Position

(Unit : Thousand Baht)

	2557	%	2558	%	2559	%
Cash and cash equivalents	143,698	3.30%	326,834	7.10%	228,895	4.70%
Accrued investment income	19,954	0.50%	7,840	0.20%	6,811	0.10%
Premium receivables	339,407	7.80%	426,054	9.30%	373,438	7.70%
Reinsurance assets	405,314	9.4%	418,192	9.1%	514,900	10.6%
Reinsurance from receivables contracts	38,077	0.8%	65,857	1.4%	19,113	0.4%
Investment assets						
Investment in securities						
Trading securities	189,449	4.40%	257,922	5.60%	255,051	5.20%
Available-for-sale investments	932,478	21.50%	1,847,235	40.20%	1,967,182	40.50%
Held-to-maturity investments	1,329,482	30.70%	397,681	8.70%	475,368	9.80%
Other investments	3,721	0.10%	3,721	0.10%	3,721	0.10%
Loans	10,971	0.30%	7,996	0.20%	7,381	0.20%
Property, buildings, equipments	241,402	5.60%	277,547	6.00%	288,056	5.90%
Intangible assets	9,181	0.20%	8,772	0.20%	7,381	0.20%
Deferred tax assets	47,696	1.10%	73,276	1.60%	80,928	1.70%
Other assets	619,018	14.30%	471,017	10.30%	625,462	12.90%
Total assets	4,329,848	100.00%	4,589,944	100.00%	4,853,687	100.00%
Income tax payable	4,051	0.10%	-	0.00%	178	0.00%
Due to reinsurers	353,762	8.20%	358,657	7.80%	480,105	9.90%
Insurance contract liabilities						
Loss reserves and outstanding claim	842,492	19.50%	907,610	19.80%	1,000,058	20.60%
Premium reserve	1,462,720	33.80%	1,574,100	34.30%	1,576,082	32.50%
Employee benefit obligations	135,801	3.10%	105,557	2.30%	109,931	2.30%
Other liabilities	429,720	9.90%	549,248	12.00%	582,756	12.00%
Equity	1,101,302	25.40%	1,094,772	23.80%	1,104,577	22.70%
Total liabilities and equity	4,329,848	100.00%	4,589,944	100.00%	4,853,687	100.00%

Statements of Comprehensive Income

(Unit : Thousand)

	2557	%	2558	%	2559	%
Income						
Net earned premium	2,232,673	90.40%	2,307,473	91.30%	2,462,076	91.00%
Fee and commission income	238,439	9.60%	220,410	8.70%	243,288	9.00%
Total income	2,471,112	100.00%	2,527,883	100.00%	2,705,364	100.00%
Expenses						
Underwriting						
Claim and loss adjustment expenses หนีสิน	1,381,628	55.90%	1,515,154	59.90%	1,659,504	61.30%
Commission and brokerage expenses	520,721	21.10%	545,508	21.60%	546,870	20.20%
Other underwriting expenses	213,308	8.60%	211,133	8.40%	239,460	8.90%
Operating expenses	333,319	13.50%	333,823	13.20%	375,911	13.90%
Total underwriting expenses	2,448,976	99.10%	2,605,618	103.10%	2,821,745	104.30%
Profit (Loss) from underwriting	22,136	0.90%	(77,735)	(3.10%)	(116,381)	(4.30%)
Net investment income	100,002	4.00%	77,154	3.10%	59,021	2.20%
Gain (loss) on investments	10,778	0.40%	26,242	1.00%	51,712	1.90%
Fair value gain (loss) on investments	70,534	2.90%	(17,951)	(0.70%)	10,489	0.40%
Other income	13,855	0.60%	13,715	0.50%	20,550	0.70%
Profit (Loss) from operations	217,305	8.80%	21,425	0.80%	25,391	0.90%
Profit (loss) before income tax expenses	217,305	8.80%	21,425	0.80%	25,391	0.90%
Income tax revenue (expenses)	(34,208)	(1.40%)	899	0.10%	(294)	0.00%
Net profit (loss)	183,097	7.40%	22,324	0.90%	25,097	0.90%
Other comprehensive income						
Gain (loss) on changes in value of available-for-sale investments	61,564		(18,789)		(8,581)	
Income tax relating to components of other comprehensive income	(5,163)		3,763		8,403	
Income tax effect	(11,280)		3,005		36	
Other comprehensive income for the year (loss)	45,121		(12,021)		(142)	
Total comprehensive income for the year	228,218		10,303		24,955	

	2557	2558	2559
Net earnings per share (Baht)	0.60	0.07	0.08
Dividend per share (Baht)	0.56	0.05	0.05
Shares	151,500,000	303,000,000	303,000,000

Statements of Cash Flows

	2557	2558	2559
Cash flows from operating activities			
Direct premium written	3,118,595	3,074,914	3,310,865
Cash paid for reinsurance	(230,198)	(184,681)	(148,386)
Interest income	34,881	46,123	19,815
Dividend income	55,725	43,186	40,296
Investment income	5,575	4,063	3,074
Other income	6,379	7,480	16,129
Loss incurred on direct insurance	(1,625,663)	(1,602,361)	(1,710,347)
Loss adjustment expenses on direct insurance	(32,848)	(27,841)	(29,622)
Commission and brokerage on direct insurance	(529,268)	(532,430)	(561,194)
Other underwriting expenses	(103,740)	(117,012)	(145,082)
Operating Expenses	(596,524)	(481,575)	(609,349)
Income tax	(26,367)	(25,785)	(7,289)
Investment in securities	154,262	(705,663)	(381,434)
Loans	232	2,975	1,246
Deposits at Financial Institutions	(233,213)	757,652	150,672
Net cash used in operating activities	(2,172)	259,044	(50,607)
Cash flows from investing activities			
Property, buildings and equipment purchase	(44,124)	(59,938)	(32,258)
Equipment sales	645	863	76
Net cash used in investing activities	(43,479)	(59,075)	(32,182)
Cash flows from financing activities			
Dividend paid	(48,479)	(16,833)	(15,150)
Net cash used in financing activities	(48,479)	(16,833)	(15,150)
Net decrease in cash and cash equivalents	(94,130)	183,137	(97,939)
Cash and cash equivalents at beginning of year	237,828	143,698	326,834
Cash and cash equivalents at end of year	143,698	326,834	228,895

Financial Ratios

	2557	2558	2559
(1)' : LIQUIDITY RATIO			
1.1 Liquidity ratio	0.55	0.57	0.51
1.2 Premium receivable turnover ratio	42.84	44.08	44.56
(2)' Premium receivable turnover ratio			
2.1 Retention ratio	75.12	77.55	73.88
2.2 Loss ratio	55.91	59.94	61.34
2.3 Gross profit margin ratio	0.9	(3.08)	(4.3)
2.4 Gross profit to total revenues ratio	0.83	(2.96)	(4.09)
2.5 Underwriting expenses ratio	43.19	43.14	42.96
2.6 Return on investment ratio	6.95	3.01	4.13
2.7 Net written premium ratio	2.26	2.21	2.17
2.8 Net profit margin ratio	6.87	0.85	0.88
2.9 Return on shareholders ' equity ratio	18.1	2.03	2.28
(3)' EFFICIENCY RATIO			
3.1 Return on asset ratio	4.26	0.5	0.53
3.2 Assets turnover ratio	0.62	0.59	0.6
(4)' FINANCIAL RATIO			
4.1 Debt-to-shareholders' equity ratio	2.93	3.19	3.39
4.2 POLICY LIABILITY TO CAPITAL FUND	1.69	1.82	1.85
4.3 Unearned premium reserve to shareholders' equity ratio	1.03	1.15	1.07
4.4 Unearned premium reserve to asset ratio	28.41	29.37	26.44
4.5 Dividend payout ratio	91.94	67.86	60.37
(5)' Net earnings per share	0.6	0.07	0.08
(6)' Dividend per share	0.56	0.05	0.05
(7)' Book value per share	3.63	3.61	3.65

14. Report of Board Responsibility for Financial Report

The Board of Directors of Thaivivat Insurance Pcl. has been featured on the company's corporate governance and responsibility according to the policy of good governance. Regulatory, financial statements and other financial information in the annual report have accurate, complete, adequate disclosure data. The financial statements comply with accounting standards generally accepted in Thailand and guidelines set by the Office of Insurance Commission, the company uses appropriate, and consistent accounting policies with careful judgment including the disclosure of important information adequately in the notes to the financial statements that have been audited and certified by the auditor.

The Board has established a risk management system, internal control system, internal audit and suitable Corporate Governance to ensure that the company has accurate, complete and timely accounting records as well as to prevent the operation risk. The Board of Directors has appointed an Audit Committee consisting of independent directors qualified as a non-executive director in charge of such matters.

The Board of Directors have an opinion that the company's internal controls is at a satisfactory level, can be reasonably confident and reliable in the financial statements as of December 31, 2016 which the company auditors has audited according to the auditing standards generally accepted and expressed the opinion that the financial statements position and operation results are correct in accordance with generally accepted accounting principles.

15. Analysis and Explanation of Management Department

Performance

Comparison in 2016 and 2015, the company 's underwriting revenue had increased 177.48 million Baht or 7.02% while the underwriting expenses increased 216.13 million Baht or 8.29% resulting the underwriting loss (116.38) million Baht which increased 38.65 million Baht or 49.71% At the same time, the company investment earnings increased 42.61 million Baht resulting the company's net earnings after tax 25.10 million Baht that increased 12.42%

Underwriting revenue and expense

The company had underwriting revenue 2,705.36 million Baht that increased 7.02% as compared in 2015 due to the continuous expansion of Thai economy but the company has research and development expenses for insurance innovation including the need of various measurements to maintain market share resulting the capacity of marketing underwriting profit in 2016.

Investment earnings

Besides the underwriting earnings, the company had a main investment earnings with investment ratio as the Office of Insurance Commission (OIC) announcement which had the investment amount as of year end 2016 shown in the Financial Statements and recorded as market price 2,709.15 million Baht that increased 194.60 million Baht from 2015. In 2016, the company has the increase of investment earnings and return 42.61 million Baht or 42.97% from 2015 due to the current securities situation in 2015.

Investment Type	2016		2015	
	Amount (Million Baht)	Ratio(%)	Amount (Million Baht)	Ratio(%)
Cash	186	6.8%	336	13.4%
Bond	290	10.7%	62	2.5%
Fixed Income	295	10.9%	166	6.6%
Equity	371	13.7%	413	16.4%
Unit Trust	1,560	57.6%	1,530	60.8%
Other	<u>7</u>	0.3%	<u>8</u>	0.3%
Total	<u>2,709</u>	100%	<u>2,515</u>	100.0%

Financial Status

The company had total assets 4,853.69 million Baht that increased 5.75% from 2015; cash and cash equivalents 228.89 million Baht or 4.72% of total assets; investment assets included bank deposits, fixed income, equity, government bond and other investments 2,709.15 million Baht or 55.82%, reinsurance assets and premium receivables 907.45 million Baht or 18.70%, property, buildings, equipment and other assets 1,008.19 million Baht or 20.76%

For liabilities, the company had total liabilities 3,749.11 million Baht, increasing 7.27% from 2015. The main items of insurance contract liabilities included loss reserves, outstanding claim and premium reserves 2,576.14 million Baht, increasing 3.81% from 2015. Furthermore, the company had the reinsurance liabilities and other liabilities 1,172.97 million Baht, increasing 15.74% from 2015.

The company had equity 1,104.58 million Baht, increasing 0.90% from 2015. The company had profit from operations 25.10 million Baht and other comprehensive income in values of available-for-sale investments together with actuarial estimate of employee benefit obligation (0.14) million baht.

In 2016, the company had direct premium written 3,229.23 million Baht with growth rate 3.34% which was same as the growth rate of total non-life insurance business and the company had market share of comprehensive motor insurance '2016 in the 12th number.

Unit: Million Baht

	2016		2015		2014	
	Business	Thaivivat	Business	Thaivivat	Business	Thaivivat
1. Total direct premium written	212,000	3,229	209,278	3,125	205,247	3,049
% Growth	1.3%	3.34%	1.9%	2.5%	1.1%	5.5%
2. Fire	10,700	169	10,484	176	11,058	176
% Growth	2.0%	-4.16%	-5.2%	0.0%	-6.4%	5.4%
3. Marine	5,288	18	5,342	16	5,293	14
% Growth	-1.0%	9.45%	0.9%	14.3%	-0.1%	38.5%
4. Motor	122,000	2,337	120,423	2,367	117,903	2,278
% Growth	1.3%	-1.26%	2.1%	3.9%	-0.4%	-1.2%
5. Miscellaneous	74,011	706	73,027	566	70,993	581
% Growth	1.3%	24.71%	2.8%	-2.6%	5.2%	42.9%

Economic Situation

In 2016, Thailand's economy displayed a positive growth by 3.2 percent comparing to the previous year which expanded by only 2.9 percent. Key factors supporting such growth include continuously increasing governmental expenditures and investments and rising revenue from tourism sector due to higher number of foreign tourists which reaches as high as 32.2 million, which is an increase by 8 percent when compared to the previous year of only 29.8 million. Also, the country's exports value remained relatively stable as it is nearly equivalent to that of the year 2015. However; in spite of the positive growth in major markets namely USA, Japan and EU, the country's exports value in China and the Middle East continued to remain low. Meanwhile, the exports value of products that are dependent on oil price such as plastics and rubber products showed positive trend in line with rising oil price which jumped from US\$26 to US\$53 per barrel during the second half of the year after OPEC and non-OPEC countries led by Russia decided to established an agreement to cut down oil production for the time in 8 years. Also, the exports of seafood products such as canned and frozen seafood or frozen prawns showed a positive growth after dead prawns issue had been properly handled. Consumption rate, on the other hand, remained relatively low especially in the private sector due to low level of confidence among both agriculture and non-agriculture household sectors. In spite of positive yields after recovering from severe drought crisis which strikes at the beginning of the year, the declining agricultural

product prices had immensely affected the income of agricultural sector not to mention the passing of the late King Bhumibol Adulyadej which has brought tremendous grief among the Thai people. Fortunately, economic promotion measures implemented by the Government to boost the country's economy such as assisting the agricultural sector or low-income farmers, supporting SME entrepreneurs or real estate sector, including measures for boosting Thailand's tourism industry and economic, all of which are contributing factors which helped to drive the country's overall economy. Private investment, on the other hand, remained relatively low and mostly focused on certain industries such as renewable energy, trading, restaurant and real estate sectors.

New car distribution volume in the automobile industry had declined by 7 percent from 0.79 million units in 2015 down to 0.74 million units in 2016 and continued to be affected by first car scheme for the third consecutive year in spite of the modifications and new models introduced by various brands in hope to boost market demands. Motorcycles, on the other hand, showed positive sign of recovery for the first time in three years with distribution volume of 1.7 million units, or an increase by 4 percent, in line with the economic promotion measures implemented in provincial areas.

Federal Open Market Committee (FOMC) passed a resolution to raise the interest rates level from 0.25 percent to 0.50 – 0.75 percent after having been initially raised at the end of 2015 as a result from strengthened labor market. The unemployment rate is below 5 percent, reflecting positive economic trend and signaling the third raise in interest rates which is to be expected in 2017. The Monetary Policy Committee (MPC) continued to fix the interest rates at 1.50 percent per annum in order to promote continuous economic recovery and at the same time maintaining price stability which is in line with the financial policy implemented in other countries namely EU and Japan which continue to execute expansionary monetary policy. Meanwhile, European Central Bank announced to extend the timeframe for bond purchase program, a program carried out as part of QE measure, from March 2017 to December 2017, including continuously implementing 0% interest rate which is the lowest rate in history in order to promote economic recovery whereas other countries such as Russia, Taiwan, Australia and New Zealand decided to further ease its financial policy. Nevertheless, the effectiveness of Thailand's QE measures on real economy is still limited. This is partially due to the fact that commercial banks have become more cautious on giving out loans due to the fear of NPLs especially when household debts remain at high level while commercial banks are experiencing high liquidity.

In respect to price stability, average inflation rate remained at 0.2 percent, which has increased from -0.9 percent in 2015 in line with current gas price. In regards to external stability, Thailand continues to gain surplus as the country's international reserves remain higher than short-term external debt by roughly 3.3 times whereas the exchange rates are still good for exports.

Securities Market Situation

Throughout 2016, SET Index had faced constant fluctuations due to declining gas price at the beginning of the year and 4G auction which resulted in higher-than-expected license value before economic recovery began to take place after European Central Bank decided to add more measures for economic promotion. The increasing gas price together with positive GDP trend have allowed Thailand's SET Index to increase by 19.79 percent comparing to the year 2015 which closed at 1,542.94 points, including profit growth among registered companies positive economic expectations. Meanwhile, Forward P/E remained at 15.69 times whereas Dividend Yield and Net Buy equaling to 3.10 and Bt 77,927 million, in respective order, after three consecutive years. Investor confidence had also improved after the government sector announced additional economic promotion measures. The increasing gas price is another contributing factor that helped to create

positive trend for share prices in the energy sector. Meanwhile, the top three core industries with high level of fluctuations in terms of shares in comparison to SET Index in 2016 included agricultural industry (+57.78%), iron industry (+46.12%) and commercial industry (+40.98%). Daily average buying-selling value in 2016 rose by 22.1 percent to Bt 50,245 million per day comparing to the year 2015, which is the highest record since the opening of the Stock Market. Stable growth of the US economy together with positive response toward Trump's economic promotion policy has allowed Dow Jones Index to hit its new highest record of 20,000 points, leading to capital investment expansion in high-risk assets and brighter future for the global stock market.

Trend

According to the Bank of Thailand and World Bank, Thailand's economy is expected to grow by 3.2 percent in 2017 due to several contributing factors including tourism industry and investment continuity carried out under Transport Infrastructure Development Strategy 2015 – 2022 which comprises of 20 development projects totaling Bt 20 trillion. Meanwhile, Eastern Economic Corridor Development (EEC) carried out in

three provinces which included Chachoengsao Province, Chonburi Province and Rayong Province, including Special Border Economic Zone (Border SEZs) covering 10 provinces are expected to help drive private investments in response to special economic zone investment acceleration measures. Under these measures, additional investment benefits are provided, particularly tax benefits for promoting investments in 10 targeted industries are expected to be used as key factor in driving New Engine of Growth. At the same time, investment in technology and innovation for value creation shall also be emphasized in order to drive Thailand toward becoming “Thailand 4.0”, enabling overall positive ecosystem for investments.

Key risks to be expected in 2017 would still be originating from China’s significant economic slowdown as a result from the government’s emphasis on reforming the economic structure rather than creating economic growth, causing declining commodity prices and preventing recovery in Thailand’s exports industry not to mention low consumption rate in private sector due to high level of household debt which already exceeded 80 percent of the country’s GDP. Meanwhile, public investments in transportation infrastructures whether it is land, water, air or railway transports, including public transports development in Bangkok and the expansion of Suvarnabhumi International Airport in order to connect between Thailand and neighboring countries are still facing delays. However, these projects remain as key factors in driving overall economic recovery for the country in the future. Additional risk factors to keep an eye on are insufficient global economic recovery to allow global market expansion, unclear trade barrier policy of the US which will potentially intensify the

pressure on global trading, England’s decision to leave Brexit has raised concerns that other EU member countries might take the same footsteps and eventually endangering the future of EU and its sense of unity which has existed for over 60 years, including changes in economic policy due to the elections in many European countries such as France, Germany and Italy.

Improved economic stability of the US together with positive trend in the labor market and rapidly increasing inflation rate has led FED to make a clear stance by raising interest rates faster which further tightens global financial condition. In addition, US economic policy has shown high level of uncertainty while its execution of tax reduction measures and investment in infrastructure development projects tend to intensify under the rule of new government which might be beneficial to its trade partners in terms of exports. However, changes in the US trade and investment policies and its attitudes toward trade agreements might cause all of its production bases to be moved back to the US and therefore impacting Asia’s exportation.

Regarding non-life insurance business trend in 2017, an increase in insurance premium by 2 percent can be expected which is nearly equivalent to that of the year 2016. Meanwhile, the government's rice insurance scheme have received more positive response from farmers as it can help to manage risks due to natural disasters and slight growth can be expected in new car market due to the fact that 1.1 million cars (1500 cc or below) purchased under first car scheme are about to reach the expiration of its 5-year term of no selling-buying of new cars which is expected to end in mid 2017, allowing some consumers to consider buying a new car. Also, under improved economic condition together with relatively low interest rates, positive growth in pickup truck and trailer markets can be expected. Meanwhile, public investment in the transportation system, including investment in Special Border Economic Zone and free trade under the AEC framework will pay a vital role in the expansion of transportation sector. Motorcycle market trend in 2017, on the other hand, will experience no growth due to limitations in terms of the number of population and increasing ownership proportion. Decreasing trend in property insurance premium can be expected as many reinsurance companies decided to cut down the premium of its natural disaster insurance program in case of no severe natural disaster. Also, the government has decided to adopt health insurance program covering up to Bt 60,000 million in replacement of giving medical allowance as welfare for civil servants, which will likely boost the growth of non-life insurance industry by over 15 percent.

Accuracy of Information Acceptance

Accuracy acceptance of information in Annual Information Record Presentation Form is given to Authorized Committee Member to sign off company commitment. Sign off and seal with company stamp (if available) in that form together with authorize to any person do the counter sign on that form as well by using the following statement and format.

“Company has revised and check up the information in this Annual Information Record Presentation Form with careful. I confirms that the information is correct and complete, not fake, not make other misunderstanding or not lacking of information should be report in main point. Except from those, company confirm that

(1) Financial statement and financial information summarized in the form has represented the correct information with completeness in the main point concerns about financial status, performance result, and cash flow of company and subsidiary.

(2) Company has managed to have an good information reveal system. To assure that company has revealed information in the part of main point both belongs to company and subsidiary with correctness and completeness together with control and look after to perform according to the system mention.

(3) Company has managed to have a good internal control system and control it to perform according to the system mention and company has informed the internal control system evaluation at December 31, 2016 to the Accounting Auditor and Audit Committee of the company. The evaluation was covered with defects and important modification of internal control system together with dishonesty deeds that may effect to the financial report preparation of the company and subsidiary.

In doing this for become an evidence that all document is the same set as company has correctly approved. Company has assigned Mrs. Sunee Theravithayangkura become an authorized sign off person for countersign the this document with every page. If any document don't have her countersign signature, company consider as the document is not the correctness approval information by the company as mention before”

	Name	Position	Signature
1	Mr. Jiraphant Asvatanakul	President & CEO
2	Mr. Thawan Viranont	Advisor of CEO
3	Mrs. Sutepee Asvatanakul	Vice President
4	Mrs. Sunee Theravithayangkura	Director and Company Secretary
5	Mrs. Duangkaew Viriyanusak	Senior Accounting Manager

	Name	Position	Signature
	Authorized Person :		
	Mrs. Sunee Theravithayangkura	Director and Company Secretary

In order that Section 89/20 *** Securities and Securities Exchange Market Act 1992 which amended and added by Securities and Securities Exchange Market Act (Issue 4) 2008 defined that committee and executives must accompany with admit guilty to persons that trade the company's securities in any damage happened according to information exposure to share holder or public person by represent a not true information in main point or by conceal the fact that should inform in the main point. In case of financial statement and report concerns financial status and performance results of company or other reports that need to reveal as Section 56 or Section 199 by not limit responsibility at only committee or executives which sign off for the correctness of information in that document. However, Committee or Executives which can prove that by position and responsibility, unperceived the reality of information or lack of information that should be informed. They no need to admit guilty as Section 89/20

Remark: *** Use to control with companies under the control of group 3/1 of Securities and Securities Exchange Market Act BE 2535 which amended and added by Securities and Securities Exchange Market Act (Issue 4) 2008

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Chalaw Fuangaromya	Age 79 years
Independent Director	Date appointed April 5, 2012
Chairman	April 8, 2015
Chairman of the Investment Committee	May 12,2016

Education / Training

- B.A. Political Science, Phillips University, USA
- M.A. Political Science, Southern Illinois University, USA
- M.A. Social Science, Birmingham University, UK
- Diploma, National Defence College, The National Defence Course Class 27
- Director Certification Program (DCP) Course (Class 18) and Corporate Governance, IOD

Training Course in 2016 - None

Company Shareholding (%)

None

Family Relationship to Management

None

Working Experience for the Past 5 Years (Information as December 31,2016)

2012-2014	Chairman of the audit Committee, Thai re Life Assurance PCL , Insurance
2012-2015	Chairman of the audit Committee, Thaivivat Insurance PCL. , Insurance
2008-2012	Chairman, Professional Waste Technology (1999) PCL, Professional Services

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company - None

Special Activity

- Committee, The Thai Tapioca Development Institute

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Mongkol Pawintra	Age 87 years
Independent Director	Date appointed June 2, 1999 - October 17,2016
The Audit Committee	February 23, 2009- April 5,2012
Vice Chariman	April 5,2012 - October 17,2016

Education / Training

- LL.B., Thammasat University
- Barrister at law, the Conservatory of Law, Bar Association of Thailand

Training Course in 2016 - None

Company Shareholding (%)

604,000 Shares - 0.21%

Family Relationship to Management

None

Working Experience for the Past 5 Years (Information as December 31,2016)

2010-2014	Director Grand Canal Land PCL. , Real Estate
2010-Present	Director Bell Development Co., Ltd., Real Estate
2001-2014	Board of Director Charoen-Kris Enterprise Co., Ltd, Real Estate

Other positions in Company or any organization in the past year.

Listed Company - None

Limited Company

Director - Bell Development Co., Ltd , Real Estate

Special Activity - None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Pilai Piampongsam Age 80 years
Independent Director Date appointed June 2,1999
The Audit Committee February 23,2009
The Nomination and Remuneration Committee August 11, 2016

Education / Training

- B.A. Commerce and Accountancy, Chulalongkorn University .
- Certified Public Accountant (CPA) Thailand
- Certified Internal Auditor (CIA) with honors from The Institute of Internal Auditor
- Director Certification Program (DCP),Thai institute of Directors (IOD)

Training Course in 2016 - None

Company Shareholding (%)

None

Family Relationship to Management

None

Working Experience for the Past 5 Years (Information as December 31,2016)

2004-2013 The audit committee , Metrostar Property PCL, Real Estate
1999-Present The audit committee , Crown Seal PCL. , Packaging
1996-Present Chairman , Audit and Management Consultant Co., Ltd , Accounting Office

Other positions in Company or any organization in the past year.

Listed Company

The audit committee , Crown Seal PCL. , Packaging

Limited Company

Chairman , Audit and Management Consultant Co., Ltd , Accounting Office (Main Job)

Special Activity - None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Phisit Setthawong	Age 72 years	
Independent Director		Date appointed October 28, 2005
The Audit Committee		April 5, 2012 - April 8, 2015
Chairman of the Audit Committee		April 8, 2015
Chairman of the Nomination and Remuneration Committee		August 11, 2016

Education / Training

B.A. Commerce and Accountancy (with honors), Chulalongkorn University
M.A. Economics, Michigan State University, U.S.A.
Ph.D. Economics, Michigan State University, U.S.A.
Director Accreditation Program (DAP) Thai Institute of Directors (IOD)

Training Course in 2016

- None

Company Shareholding (%)

None

Family Relationship to Management

None

Working Experience for the Past 5 Years (Information as December 31,2016)

2012-Present The audit committee, Thaivivat Insurance PCL. , Insurance

Other positions in Company or any organization in the past year.

Listed Company - None

Limited company - None

Special Activity - None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Pranee Phasipol	Age 67 Years	
Independent Director	Date appointed	April 8,2015
The Audit Committee		April 8,2015
The Investment Committee		May 12,2016

Education / Training

- B.A.,Major: Accounting (Second Class Honors), Thammasat University
- M.A.Accounting, Thammasat University
- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004
- Diploma in Public Law, Batch 9,Thammasat University and The Office of the Council of State
- Top Executive Program in Commerce and Trade, Batch 2, Commerce Academy , UTCC
- Certificate of Civil Service Executive Development Program,
- Course 1, Batch 30, Office of the Civil Service Commission
- Certificate of Chang Management, Ripa International, UK
- Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank
- Certified Public Accountant
- Director Certification Program 10/2001,Thai Institute of Directors (IOD)
- Advance Audit Committee Programs

Training Course in 2016

- HRP : Risk Management Plan class 11/2016 (IOD)
- RNG : Role of the Nomination and Governance Committee class 8/2012 (IOD)

Company Shareholding (%)

None

Family Relationship to Management

None

Working Experience for the Past 5 Years (Information as December 31,2016)

2014 - Present The audit committee, Dusit Thani PCL. , Tourism & Leisure

2012 - Present Independent Director , Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd. , Energy

Present - Member of Foreign Business Commission, Ministry of Commerce

Present - The audit committee The Support Arts and Crafts International Center of Thailand

Present - Member of Life Insurance Fund Commission, Life Insurance Fund

Present - Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

Present - Qualified Person in Finance and Account, Office of the Civil Service Commission

Other positions in Company or any organization in the past year.

Listed Company

The audit committee, Dusit Thani PCL. , Tourism & Leisure

Limited Company

Independent Director , Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd. , Energy

Special Activity

Member of Foreign Business Commission, Ministry of Commerce

The audit committee The Support Arts and Crafts International Center of Thailand

Member of Life Insurance Fund Commission, Life Insurance Fund

Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King

Qualified Person in Finance and Account, Office of the Civil Service Commission

The disclosure of biographical

Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Supaporn Burapakusolsri Age 63 years
Independent Director Date appointed November 14,2016

Education / Training

- BA. Accounting (Honors), Thammasat University
- MA. Accounting, Thammasat University
- Certified Public Accountant (CPA), Thailand Registration No. 2800
- Public Economy Management for Senior Executive, Class 7, King Prajadhipok's Institute
- Director Certification Program (DCP) DCP172/2013, IOD
- Director Accreditation Program (DAP) DAP87/2011, IOD
- Role of the Compensation Committee Program (RCC) 13/2011 , IOD
- Royal Thai Air Force Air War College (RTAF.AWC.) Class 35,Royal Thai Air Force
- Chief Financial Officer Certification Program Class 4, Federation of Accounting Professions
- Thailand Insurance Leadership Program Class 2 - OIC Advance Insurance Institute
- Strategic Airport Development Program, Germany
- Airport Mangement Commercial Program, Singapore

Training Course in 2016

- Advance Audit Committee (AACP23/2016) , IOD

Company Shareholding (%)

None

Family Relationship to Management

None

Working Experience for the Past 5 Years (Information as December 31,2016)

2015 – Present Independent Director, Chairman of the Audit Committee, Member of Nomination and Remuneration Committee, Chewathai Public Company Limited, Real Estate

2015 – 2015 Independent Director, Chairman of the Audit Committee , Chewathai Company Limited , Real Estate

2008 – 2013 Senior Executive Vice President, Planning and Finance Chief Financial Officer (CFO) Airport of Thailand Public Company Limited , Transportation & Logistics

2008 – 2012 Director Suvarnabhumi Airport Hotel Company Limited , Hotel

Other positions in Company or any organization in the past year.

Listed Company

Independent Director, Chairman of the Audit Committee, Member of Nomination and Remuneration Committee, Chewathai Public Company Limited, Real Estate Limited Company

- None

Special Activity

- None

The disclosure of biographical

Director, Executive, Authority, control and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Jiraphant Asvatanakul	Age	57 years
Director	Date Appointed	May 12,1986
The Investment Committee		May 12,2016

Education / Training

- B.A. Economics, Thammasart University
- Master in Professional Accounting, University of Texas at Austin, U.S.A.
- Diploma, National Defence College, The National Defence Course Class 56
- Thailand Insurance Leadership Program Class 1 - OIC Advance Insurance Institute
- Top Executive Program in Commerce and Trade, Batch 8, Commerce Academy , UTCC
- Director Accreditation Program (DAP),Thai Institute of Directors (IOD)

Training Course in 2016

Top Executives Program Class 22,Capital Market Academy

Company Shareholding (%)

8,781,128 shares 2.89%

Family Relationship to Management

- Mrs. Sutepee Asvatanakul's spouse
- Brother in Law of Mrs. Sunee Theravithayangkura

Working Experience for the Past 5 Years (Information as December 31,2016)

1983- Present	President and CEO Thaivivat Insurance PCL. , Insurance
1992-Present	Director ,Member of the nomination and Remuneration Committee, Thai Reinsurance PCL. , Insurance
2016- Present	Independent Director , Member of the audit committee, Member of the nomination and Remuneration Committee , Vichitbhan Palmoil PCL., Agribusiness
2000- Present	Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd. , Insurance
2010-Present	Director T.I.I. Co., Ltd. (Thailand - Insurance Institute)
2014-Present	Director Thai General Insurance Association
2014- Present	Director, The Federation of Insurance Company in Thailand
2014-Present	Board Treasurer ,Thai Chamber of Commerce
2014-2015	Director The Re Life Assurance PCL. , Insurance
2009-2014	President Thai General Insurance Association

Other positions in Company or any organization in the past year.

Listed Company

- Director ,Member of the Nomination and Remuneration Committee, Thai Reinsurance PCL. , Insurance
- Independent Director , Member of the audit committee, Member of of the nomination and Remuneration Committee , Vichitbhan Palmoil PCL., Agribusiness

Limited Company

- Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd. , Insurance
- Director T.I.I. Co., Ltd. (Thailand - Insurance Institute) , Education

Special Activity

- Director, Thai General Insurance Association
- President, The Federation of Thai Insurance Organizations
- Board Treasurer , Thai Chamber of Commerce

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mr. Thawan Viranont	Age 68 years		
Director		Date Appointed	April 29,1993
The Nomination and Remuneration Committee			August 11,2016

Education / Training

- B.A. Law, Thammasart University
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

Training Course in 2016

None

Company Shareholding (%)

18,000 shares 0.01%

Family Relationship to Management

None

Working Experience for the Past 5 Years (Information as December 31,2016)

2015- Present	Advisor of CEO Thaivivat Insurance PCL. , Insurance
1999-2014	Executive Vice President Thaivivat Insurance PCL. , Insurance

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company

- None

Special Activity

- None

The disclosure of biographical
Director, Executive, Authority control, and Corporate Secretary

Name / Age / Position / Date appointed

Mrs. Sutepee Asvatanakul	Age 56 years
Director	Date appointed June 18, 1986
The Nomination and Remuneration Committee	August 11, 2016

Education / Training

- B.A. Liberal Arts, Thammasart University
- Master of Business Administration , Tarleton State University (U.S.A)
- Thailand Insurance Leadership Program Class 2 - OIC Advance Insurance Institute
- Director Certification Program (DCP), Thai Institute of Directors (IOD)

Training Course in 2016 - None

Company Shareholding (%)

4,725,384 shares 1.56%

Family Relationship to Management

- Mr. Jiraphant Asvatanakul's spouse
- Sister of Mrs. Sunee Theravithayangkura

Working Experience for the Past 5 Years (Information as December 31,2016)

2004-Present Senior Vice President and CFO , Thaivivat Insurance PCL., Insurance

Other positions in Company or any organization in the past year.

Listed Company

- None

Limited Company

- None

Special Activity

- None

Attachment 2 Details of Subsidiary Directors

None

AUDIT COMMITTEE REPORT 2016

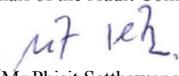
To : Shareholders

Thaivivat Insurance Public Co., Ltd.'s Audit Committee comprises of 3 Independent Directors who have high qualification with experience of Economics, Business Administration, Accounting and Auditing as regulated by the Securities and Exchange Commission and Stock Exchange of Thailand. Mr.Phisit Setthawong (Chairman of the Audit Committee), Mrs.Pilai Piumpongsarn and Mrs.Pranee Phasipol (Audit Committees) with Ms.Sirinr Nuntavoraset as the Audit Committee Secretary.

In 2016, the Audit Committee performed independently as the Directors assignment with 5 meetings that all committees attended all meetings to carry out their scope, duties and responsibility entrusted by the Board of Directors. The company provided the Audit Committee meetings with auditor, internal auditor and management representative to consider the problems, exchange opinion including giving advice on matters that are beneficial to the company management as the principles of good corporate governance. The Audit Committee reported the meeting results every time as follows :

1. Reviewing the Company's quarterly and fiscal year 2016 by auditor inquiry about the accuracy, reliability of financial report and disclosures adequacy. The Audit Committee agrees that the company financial report is complete according to the generally accepted accounting principles and the auditors propose unqualified report. In addition, the Audit Committee had one special meeting with auditor, the auditor reported that it had freedom to practice and got good cooperation from the management.
2. Reviewing the adequacy evaluation of internal control system as the evaluation given by the Securities and Exchange Commission that was prepared by management and agrees that the company has sufficient internal control system and management as the principles of good corporate governance.
3. Reviewing the risk management including various measures to manage risks that have significant business operations and agrees that it is appropriate.
4. Reviewing the company has operated legally according the Stock Exchange of Thailand's stipulation, Insurance Act and related laws as the Office of Insurance Commission registrar announcement together with the company regulations operation and agrees that the company has continuously good practice according to laws, regulations and requirements.
5. Reviewing and giving opinion in the data disclosures of related transactions or opposite transactions in company benefit according to the Stock Exchange of Thailand by consideration the suitability of transaction details is reasonable and impartial to all shareholders. The Audit Committee agrees that the transactions were reasonable and fair including complete and adequate disclosures.
6. Consideration and approval in the internal audit plan in 2017 to be consistent with the company business by emphasizing the effective operation auditing, the internal control system assessment and risk management.
7. Consideration the Auditor nomination, The Audit Committee agrees that the auditor from EY Office Limited professional, independent, has carried out its duties well and efficiently and proposes to the Board of Directors be re-appointed Ms.Nonglak Pumnoi (Certified Public Accountant No.4172), Ms.Somjai Khunnarasut (Certified Public Accountant No. 4499) and Ms.Ratchada Yongsawasvanich (Certified Public Accountant No.4951) from EY Office Limited by the ordinary shareholder's meeting as the company's auditor for the year 2017.

On behalf of the Audit Committee


(Mr.Phisit Setthawong)

Chairman of the Audit Committee

Details of Chief Audit Executive

Name	Age	Education	Experiences (Past 5 years)		
			Period	Position	Company Name
					Business Type
Ms. Sirintr Nantavoraset	66	1. B.A. Accounting Thammasart University 2. CPA	1988 - 1999	Accounting Manager	Thaivivat Insurance Pcl.
			1999 - 2014	Auditing Director	Thaivivat Insurance Pcl.
			1976 - 2014	Director	BSA Accounting Co., Ltd.
			2000 - 2014	Director	ABACUS Business Co., Ltd.

Attachment 4 Details of asset valuation

None

Attachment 5 Others

None