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Corporate Governance Policy

Of

Bangkok Dusit Medical Services Public Company Limited

Bangkok Dusit Medical Services Public Company Limited and its subsidiaries aim to become an efficient organization with good corporate governance, ethical responsibility, integrity, transparency and accountability. The Company aspires that its management mechanism can become a linkage which strengthens the relationship between directors, executives, staffs and shareholders with the main purpose to create appropriate benefits to shareholders while simultaneously taking into account relevant stakeholders in every sector to enhance credibility, confidence and sustainable growth. Consequently, the Company has stipulated this corporate governance policy for directors, executives and staff of every level to adhere to. The Company's good corporate governance will be as described below:

Section 1 : Sustainable Value Creation

Every director, executive and staff is responsible for creating sustainable value for the business. They shall perform their responsibilities in compliance with their fiduciary duties to achieve main purposes and objectives of the organization while taking into account applicable laws, regulations and business ethics which in turn will promote the Company's competitiveness and performance with long-term perspective as well as lead to the ethical and responsible business, good corporate citizenship and corporate resilience.

Section 2 : Roles and Responsibilities of the Board of Directors

The Board of Directors shall assume its duties within the context of its duties and responsibilities as specified in the Board of Directors' charter as well as perform other important roles and responsibilities as indicated below:

2.1 Roles and Responsibilities as Leader of Organization

The Board shall adhere to and realize its roles and responsibilities in overseeing the Company, and strengthen good governance which also encompasses a determination of clear objectives, goals, strategies and operation policies, including evaluation and supervision of report of operating results. The Board should ensure that all directors and executives devote sufficient time to perform their responsibilities in compliance with their fiduciary duties, applicable laws, regulations and the resolution of the shareholders within relevant scope of business ethics and good corporate governance. The Company has set a policy that directors and sub-committee members should attend meetings in each group not less than 75 percent and the minimum quorum of the board of directors should not less than two-thirds of the total number of the company directors.

2.2 Promote Sustainable Value Creation

To promote sustainable value, the Board shall ensure that the Company has clearly defined objectives that support the Company's business model and communicate such objectives to all personnel in the organization to move them forward in the same direction which ultimately leads to the establishment of organizational culture. In addition, the Board shall also ensure that the Company's strategies and annual plans correlate and align with the Company's goals and objectives, while considering the business environment, opportunities, conditions and risks which may pose a direct impact on related stakeholders.

2.3 Strengthen Board Efficiency and Effectiveness

- Criteria, qualification and structure of the Board as well as a proportion of independent directors are appropriately defined in the Board of Director's Charter to be adhered to as guidance and as a method of check and balance of corporate performance.
- The Board assigns the sub-committee to assist in considering and scrutinizing other related matters and directly report to the Board. Besides, the Board should closely supervises all directors and sub-committee to perform their responsibilities with fiduciary duties and in conformity with the charters of the Board of Directors and sub-committees each of which shall be revised as deemed appropriate to be up-to-date and suitable for current situation to strengthen the efficiency of the Board and the sub-committee while simultaneously in compliance with the obligations of regulatory bodies, applicable laws and regulations.
- The Board should ensure that the policy and procedures for the selection and nomination of directors and sub-committee as well as the remuneration policy are clear and transparent, resulting in the desired composition of the Board. The remuneration of the Board should be defined as appropriate and in conformity with their duties and responsibilities, and must be proposed at the shareholders' meeting for prior approval. Candidates who shall be nominated as a director must possess appropriate qualifications; namely, integrity, accountability, adequate knowledge and expertise needed for the Board matrix, maturity, leadership skills, dedication, vision and courage to express differing views independently, transparent and acceptable work background, and any other qualifications as specified by the Board's Charter, regulatory bodies and applicable laws.
- The Board should promote and encourage every director and the sub-committee member to have adequate training and knowledge development in consistent with their roles, duties, business operation of the Company and its subsidiaries as well as relevant laws and regulations necessary for effective operation. The Board should also appoint skillful and knowledgeable company secretary with necessary qualifications, knowledge, skills and experiences to support the Board and sub-committee in performing their duties.
- The annual assessment of the performance of the Board and sub-committees as a whole and on an individual director level should be conducted.
- Non-executive directors should have a meeting without the management at least once a year to summarize opinions, from an independent perspective of directors who are not involved in management, that are beneficial to the Company's business operations.

2.4 Ensure Effective Top Executives and People Management

The Board should ensure that the Company has set up an effective policy and criteria in selecting and developing the Chief Executive and senior executives in every level as well as to ensure that they possess knowledge and skills necessary for moving the organization towards its goals and objectives and that they are able to perform different duties and tasks for any position replacement. Remuneration structure and performance evaluation are well defined by delegating to the Nomination and Remuneration Committee (in the case of the Chief Executive of the Company) or communicating the remuneration policy through the management (in the case of senior executives).

Personnel are deemed important as a human capital and should be regarded as the most significant factor that can drive the organization to fulfill its goals. Consequently, the Board should establish different levels of personnel development plan while ensuring its appropriateness and sufficiency. Operation and budget allocation plans should be in place while annual performance evaluation criteria must be set up clearly.

2.5 Nature Innovation and Responsible Business

The Board shall prioritize and promote innovation that creates value for the Company, support the inclusion of innovation to stimulate business opportunities and performances as well as encourage management to ensure that the Company's operations reflect the Company-wide implementation of high ethical, environmental and social standards by allocating and managing resources efficiently and effectively while taking into account any negative impacts that may incur.

2.6 Strengthen Effective Risk Management and Internal Control

One of the Board's key roles and duties is to ensure an appropriate internal control system and internal audit, the duties of which the Board should appoint an independent internal auditor to perform. In order for an effective establishment of risk management and internal control systems that conform to relevant laws and standards, the Board should initiate risk management policy to control any potential risks that may affect an entire organization, the operational results of which shall be reported to the Board scrutinized by the assigned sub-committee as well as the assessment of the adequacy of the internal control system and risk management which should also be scrutinized by relevant sub-committee prior to proposing the Board of approval.

In addition, the Board should realize the importance of monitoring mechanism that may incur conflicts of interest or any related transactions. A decision on such transactions must be in accordance with applicable laws and regulations of related regulatory agencies and such transactions must be considered as equivalent to those performed with an arm's length basis. Any related persons in each transaction must not be a part in an approval procedure. The Board should also set up clear guidelines and policy for any party who has a vested interest in a particular transaction or may be in conflict with any executives or staffs to ensure the fairness and transparency of such transaction. The Board should ensure that information disclosure be fully conducted in compliance with good corporate governance.

Besides, in considering any meeting agenda in which any directors may have a vested interest, the Board should ensure that such director with a conflict of interest in relation to an agenda item abstain from being present for discussion of or voting on that agenda item.

2.7 Ensure Disclosure and Financial Integrity

Apart from being accountable for monitoring the sufficiency of the Company's financial liquidity and solvency as well as its financial status, the Board should supervise the preparation of the Company's financial reports and accounting audit which are consistent with applicable standards. The Board should ensure that the disclosure of any information will be performed accurately, sufficiently and on time while carefully considering any requirements and guidelines of related regulatory agencies. Furthermore, the use of information technology in information disclosure process should be promoted to enable shareholders, investors and general public to be well informed of recent and up-to-date news and information in an appropriate, equal, and timely manner.

2.8 Ensure Engagement and Communication with Shareholders

The Board shall treat each shareholder fairly and equally as an owner of the business while protecting the right of shareholders and take every precaution to ensure a fair and equitable treatment. The shareholders are provided to participate and exercise their rights in important decision making as specified in applicable laws and good corporate governance. The Board should also provide a channel of communication with the shareholders in a regular interval or as deemed appropriate.

Section 3 : Rights of Shareholders and Fair and Equitable Treatment of Shareholders

The Company respects the right of each shareholder and ensures fair and equitable treatment by protecting their rights and encouraging them to receive and exercise their rights in various matters, whether the basic rights or the rights they deserve; for example, buying, selling or transferring of shares, the Company's profit sharing based on the proportion of shareholding, the shareholders' right to obtain the adequate information of the Company in a timely manner, the voting right in the shareholders' meeting to appoint or to demote the directors, the approval of the Board of Directors' remuneration, the appointment of a certified auditor, the approval of the audit fee and other issues which may impact on the Company as specified by applicable laws, etc. The Board also provides minority shareholders an opportunity to propose agenda items as well as the list of qualified candidates to be elected as directors of the Company in which details, criteria, channel and time are disclosed to shareholders via the Company's website and the website of the Stock Exchange of Thailand.

The Company truly realizes that the meeting of shareholders is an important channel in exercising their rights and participating in significant corporate issues. Consequently, various procedures are arranged to facilitate the meeting; namely, an arrangement of appropriate date, time and place, the delivery and publication of meeting invitation letter including agenda items, the Board's resolution and relevant documents, both Thai and English versions, with complete details that must be sent to every shareholder in advance to facilitate their decision making. In case any shareholders cannot attend the meeting, the Company should support the voting of such shareholder by providing him/her with proxy form that the shareholder can designate his/her own voting while at least one independent director must be assigned as a proxy alternative for such shareholder.

Furthermore, the Company should define appropriate meeting procedure, promote an employment of technology regarding registration, vote counting and report of result to enable fast and accurate procedure. Also, staff to help facilitate the meeting should be made available for each and every shareholder including his/her proxy so they can fully exercise their voting right. Any actions that may limit the opportunity of shareholders to attend the meeting must be strictly abstained. Besides, all directors, members of sub-committee, an auditor as well as relevant senior executives must be present at the meeting to provide insight and answer potential questions of shareholders. The company secretary is responsible for notifying shareholders on any meeting requirements, including voting steps. The Chairman of the meeting should wisely allocate meeting minutes while encouraging shareholders to ask questions related to the meeting or provide opinions as seen appropriate. Voting results, whether they will be agreed, disagreed or no votes must be reported to shareholders in the meeting. After the completion of the meeting, the company secretary should prepare and publish the minutes of the meeting via the Company's website and the website of the Stock Exchange of Thailand to enable every shareholder to acknowledge the meeting resolution within the time period specified by applicable laws and regulations.

To ensure fair and equitable information acknowledgement of every concerned party, the Company has adopted written policy and guidelines on confidentiality and treatment of insider information. Furthermore, concrete regulations regarding the use of insider information must be closely monitored to prevent any misuse or exploitation by any directors, executives and staff whether for themselves or for others.

Section 4 : Policy and Treatment of Stakeholders

The Company realizes the significance of every stakeholder; therefore, policies to protect the rights of each stakeholder group have been put in place as follows:

4.1 Policy on Transactions that may Incur Conflicts of Interest and Transactions between Companies

Transactions that may lead to conflicts of interest and/or transactions made with related parties must be cautiously considered to ensure compliance with the relevant rules and regulations of the Capital Market Advisory Board and the Securities and Exchange Commission including policies and guidelines of the Company. Such transactions must be strictly conducted in the similar manner as conducted with non-related parties with the Company. The transactions should be proceeded for the best interest of the Company and its subsidiaries whereas specifications and conditions of such transactions must be conformed to acceptable business standards.

Directors, executives and staff must refrain themselves from conducting any transactions that may result in conflicts of interest with the Company. Furthermore, any directors, executives and staff who potentially have vested interest shall not be allowed to participate in the decision making. Directors, in particular, shall be abstained from voting on the matter that they may have vested interest, including other transactions between the Company and its subsidiaries and any stakeholders.

4.2 Policy on Shareholders

The Company aims to operate its business for long-term benefits of shareholders by ensuring its sustainable profit growth under good corporate governance and social responsibility policy. The Company should maintain its competitiveness by taking into account both current and future risks. The Company also emphasizes on business operation to consistently create benefits through long-term business development planning, effective internal control system including strong internal audit system and risk management policy as a way to express responsibility and accountability to all shareholders.

4.3 Policy on Employees

Employees are considered valuable assets of the Company. Thus, they will be equipped with knowledge and expertise pertinent to its strategy and operation plan. All employees are fairly and equitably treated by receiving equal work opportunity. Appropriate training programs are regularly arranged to continuously enhance the skills of employees while remuneration and benefits are suitably provided in the level comparable to other companies in the same industry. In addition, the Company grants scholarship to doctors, nurses and employees to help enhance their body of knowledge which in turn will be useful for future development of the organization. The Company aspires to become a learning center for every personnel and also serves as an inspiration to attract experienced and skillful staffs to work for the organization in the long run.

4.4 Policy on Management

The Company recognizes the management as a key to succession of the business. Therefore, an appropriate remuneration structure for executives is well set up and can be compared to those of the same healthcare business. Besides, the management is able to perform their duties and responsibilities independently without any interventions for the mutual benefits of organization and all related parties.

4.5 Policy on Business Partners

The Company operates business with partners, creditors, counter-parties and others according to the trade terms and conditions or agreements that are contractually fair and ethical by taking into consideration the suitability of price, quality and services provided. Clear guidelines are provided on procurement, employment and other procedures. No benefits may be requested of the counter-party or received from the counter-party. Procurement of products or services that infringe on human rights or intellectual properties or are derived from illegal acts is avoided. The Company has the policy to avoid any actions which may be dishonest or infringe on the rights according to the law or as commonly agreed upon of the counter-party, as well as to ensure that the transactions are ethical business-wise.

4.6 Policy on Competitors

The Company treats companies in the same business by adhering to ethical business framework, laws, regulations and relevant requirements. The Company shall not employ any inappropriate or illegal methods in acquiring the competitors' inside information. Furthermore, the infringement of intellectual property rights and false accusations that aim to discredit competitors without facts to support such claims are prohibited. The Company, however, supports fair competition for the highest benefit of the customers.

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4.7 Policy on Customers

The Company realizes that customers are the key to success in its business, thus, it consistently thrives on improving its products and services to satisfy consumers' needs and requirements with the intention to continuously improve the quality of medical care services in order to meet the needs and expectations of the customers professionally. This organization maintains the privacy of customers and will not disclose any customer's information unless required by law or when the customer has given consent.

4.8 Policy on Creditors

The Company abides by the contracts and obligations with creditors of all types whether the objective of payment, repayment, monitoring of quality of collateral (if any), payment terms or any other conditions or matters agreed with the creditor. Furthermore, the Company has the policy to publish the accurate information on financial status, as disclosed to the public, to the creditors in order to ensure the Company's ability to repay the debts and comply with the terms and conditions prescribed in the agreements. In the case of not able to comply with any one of the agreed upon terms and conditions, the Company shall immediately inform the debtor to collaboratively find the best solution while adhering to fair and reasonable guideline to maintain long-term trust and relationship.

4.9 Policy on Social Responsibility

The Company aims to consistently treat society and the environment with the high standards by upholding safety and environment-friendly standards throughout the business. The Company shall take part in any issues relating to public interest and participate in social activities that ultimately benefit the community and surrounding environment as well as act responsibly towards society, related persons and personnel within the organization.

4.10 Policy and Guidelines on Human Rights

The Company recognizes the significance of human rights. Each employee has rights freedom and equality, as well as the opportunity for career advancement according to his/her competency and potentiality. Such rights, freedom and equality must conform to the rights and freedom of the citizens as stipulated in the Constitution of the Kingdom of Thailand, regardless of person's birth origin, ethnicity, language, religion, age, gender, social status or political preference. The Company has stipulated the "Policy and Guidelines on Human Rights" for all directors, executives and employees of the Company and subsidiaries to adhere to.

4.11 Policy on Non-Infringement of Intellectual Property Rights and Copyrights

The Company and subsidiaries aim to become an efficient organization with good corporate governance and thus has set up policy relating to intellectual property right and copyright by ensuring that there are no infringements upon intellectual property rights or any action or benefits derived from copy righted work, unless lawful use has been granted by the owner of those. Therefore, the Company has announced "Policy on Non-Infringement of Intellectual Property Rights and Copyrights" for all directors, executives and employees of the Company and subsidiaries to adhere to.

4.12 Policy on Anti-Corruption

The Company has the policy to conduct business with virtue and social responsibility. The Board of Directors has approved "Policy on Fraud Prevention and Anti- Corruption", which has been

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communicated to personnel of the Company, subsidiaries and associated companies to adhere to, and published on the Company's website.

4.13 Policy on Whistleblowers

The Company ensures that whistleblowers are protected from retaliation as a result of their good faith whistleblowing activities. Such person will be fully protected, and the Company will not use such good faith as an excuse to discontinue employment, punish or incur any negative effects on such whistleblower. The Company has established and announced the "Policy on Whistleblower" as prescribed in the Company's Codes of Conduct for wide acknowledgment.

Section 5 : Information Disclosure and Transparency

The Company recognizes the importance of disclosing financial reports, significant information, general information and any other information, which may affect the interests of the shareholders or the decision to invest in the Company or the price of the securities of the Company. Such information will be fully and accurately disclosed at the appropriate time through fair and suitable channels to the public, investors and analysts with the purpose to ensure that the decision to invest in the Company's securities is fairly made with the equal information in accordance with the "Policy on Corporate Information Disclosure" and "Policy on Supervision of Inside Information Usage" which has been announced for all directors, executives and employees to acknowledge and adhere to.

The Board of Directors prepares the report of responsibilities for financial reports along with the auditor's report which is presented in the Company's annual registration statement and annual report to strengthen the management's recognition on a commitment and responsibility to the accuracy and completion of information and financial reports prior to disseminating to investors.

In addition, the Company has established Investor Relations Division as a direct communication channel between investors, analysts, both domestic and overseas, including related persons and other external parties who are interested in the Company's information so as to comply with the Company's Policy on Corporate Information Disclosure.

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