

1 Corporate Governance Policy

1.1 Overview on Corporate Governance Policy and Guidelines

The Company places much importance on undertaking business under corporate governance principles. With respect to this, the Board of Directors complies with Code of Best Practice for Directors of Listed Companies.

Furthermore, the Company recognizes its roles, duties and responsibilities under the Good Corporate Governance Principles, with firm belief that good corporate governance enables the Company to develop business monitoring systems with transparency, efficiency and social responsibility, helps shape corporate structure and strengthens relationships between directors, executives, shareholders, investors and all stakeholders for productive, continual and steady growth of the business. The Company therefore adopts the Good Corporate Governance Principles as guidelines for operations in order to facilitate and foster business transparency toward higher management efficacy that shall build up the confidence of the shareholders, investors and all related parties.

The Good Corporate Governance Principles cover 5 areas of conduct, which include Section 1: Shareholders' Rights, Section 2: Equitable Treatment of Shareholders, Section 3: Corporate Roles Toward Stakeholders, Section 4: Information Disclosure and Transparency, and Section 5: Responsibilities of the Board. Details of each section are as follows:

Chapter 1 Best practice on Rights of Shareholders

1. Shareholder Meeting

The Company gives the most importance to equitable treatment of all shareholders. At each shareholders' meeting, the Company has submitted the meeting invitation along with supporting information of each agenda item to the shareholders for at least 7 days in advance. In addition, the shareholders have equal rights to examine the Company's operations and able to give comments and recommendations independently. The Company performs the following actions to facilitate the shareholder's right exercising in the shareholder meeting.

The Company defines to hold the Annual General Shareholder Meeting of Shareholders once a year within 4 months as from the date on which the accounting year of the Company ends. In the event of any urgent case, the special agenda shall be offered and the company shall call the Extra-ordinary Meeting of Shareholders on a case by case basis.

Due to the pandemic of COVID - 19 in 2022, for the safety of shareholders the Company has held the Annual General Meeting of Shareholders via electronic means only. The company has scheduled the meeting on November 17, 2022, which will be broadcast live at the meeting room A, 4th floor, Thainakarin Hospital Building.

For advance notice of meeting invitation, after having the resolution to hold the Annual General Meeting of Shareholders and the Company has already disclosed resolutions, meeting date, agendas, in the website of the Stock Exchange of Thailand in order to inform shareholders in advance or before 09:00 a.m. of the next day. The Company will send invitation letter consisted of details on meeting date, time, and venue, some necessary information for making decision or giving the resolution, Board's Opinion, former minutes, 56-1 One Report, supporting documents, and Proxy for any shareholder who is unable to attend the meeting in person. The method of proxy is already specified clearly in the company's documents sent to shareholders and also disclosed on the company's website prior the meeting date as well as announced on the daily newspaper for 3 consecutive days prior the meeting. Shareholders will have adequate time to consider on obtained information. The Company will not perform any action that may hinder or obstruct shareholders from communicate with one another.

The Company will facilitate all groups of shareholders to exercise their right of meeting attending and voting fully without any expense and difficult method. The Company will not perform any action that may limit any opportunity on meeting attending of any shareholder. The Company will check the name list and number of shares of shareholders classified by types of shareholders helping to facilitate registration on the meeting date.

The Company also has a policy to allow shareholders who are unable to attend the meeting to appoint an Audit Committee member of the Company as their proxy to attend the meeting and vote on their behalf by using any Proxy Form sent by the Company with meeting invitation. Moreover, shareholders are also able to download Proxy Form via the Company's website.

2. Procedures of Shareholder Meeting

The Company defines that shareholders have to register via computer system prior attending the meeting and ballots are prepared for each agenda for convenience and correctness.

The Company will introduce the Board, Audit Committee, Executives, and Auditor (mediator) for transparency prior the meeting and the company will keep all ballots/voting data as evidence for any subsequent dispute.

The Company will moderate the meeting based on the order of agendas unless it is voted by the meeting's resolution to change any agenda with the votes not less than two third of total attended shareholders or proxies (if any).

At each shareholders' meeting, the Company has improved meeting procedures and provided all shareholders an equal opportunity to examine the Company's operations, to make enquiries, comments and recommendations. After the meeting, significant enquiries and comments shall be completely and accurately recorded in the meeting minutes.

3. Disclosure on Resolutions of Shareholder Meeting

The Company will disclose the resolutions of shareholder meeting with votes of all attended shareholders and proxies clearly specified with proportion of agreement, disagreement and abstaining of each agenda as well as voting method and vote counting. The Company will clarify this information prior the meeting and disclose this information via the Company's website and news system of the Stock Exchange of Thailand within end of the day after finished the meeting or within 9.00 a.m. of a next day, as well as send the minute of meeting to the Stock Exchange of Thailand and the Office of Securities and Exchange Commission within 14 days from the meeting date. The subject matter of all questions and suggestions provided by shareholders in each agenda shall be summarized completely as well as clarification of the Company's Board and executives.

Chapter 2 Equitable Treatment of Shareholders

1. Protection of Rights of Shareholders

In the shareholder meeting, the Company will nominate each director in election of directors to be considered by shareholders in order to enable shareholders to exercise their rights to vote directors individually.

The Company will not add any agenda without informing shareholders in advance in all cases. In the event of any necessary agenda, it will be specified in the next meeting therefore shareholders will have adequate time for considering.

2. Provision of Dual Language Documents

The Company shall disclose significant information via the electronic system of the Stock Exchange of Thailand and on the corporate website in Thai and English so as to allow equal access to the Company's information for both Thai and foreign shareholders.

3. Insider Trading

Recognizing the significance of prevention against the use of inside information for personal gain, the Board has set forth a policy to maintain the confidentiality of non-public information and to allow only concerned persons to have access to such information.

The Company has already informed all the directors and executives of the duty to report holdings in the Company's securities, including changes thereof, by them, their spouses and minor children to the Office of the Securities and Exchange Commission in accordance with the Securities and Exchange Act B.E. 2535.

Additionally, the Company has implemented a regulation prohibiting directors, executives, personnel as well as their spouses and minor children from utilizing the Company's non-public inside information, especially financial information, for personal gain through the trading, transfer or acquisition of the Company's securities. Except for the aforementioned case, the directors, executives, their spouses and minor children that have traded, transferred or acquired the Company's securities must report every such transaction to the Office of the Securities and Exchange Commission within 3 days from the transaction date, as well as submit a copy of the report to the Company Secretary as evidence.

Chapter 3 Roles of the Company Stakeholders

1. Shareholders

The Company has emphasized on developing the organization to grow continuously enabling the company to earn more income, profit, and value. Consequently, the company's shareholders will be able to gain the highest reward.

The Company puts emphasis on operating business for the ultimate benefit of shareholders and continuous growth of the company with transparency and reliability. The Company has a policy to pay for dividend to shareholders in the rate of 60% of net profit after deducted with corporate income tax. However, the company may specify lower rate of dividend payment in the event that it is necessary for the company to spend such net profit to expand the company's business operation.

2. Customer

The Company pays attention and takes responsibilities towards all customers by providing quality and standard services as well as keeping their secrets under legal compliance. In addition, the company also provides a unit to accept complaining of customers for solving their problems as well as to assess their satisfaction by making the questionnaires on satisfaction and demands of customers for every month.

3. Personnel

Regarding personnel as valuable asset and key factor to success, the Company puts emphasis on human resources and thus implements the following practices:

- For reasonable remuneration, the Company has paid reasonable and fair compensation to personnel in the form of salaries or payment for work, appointments, transfers, and rewards to encourage high-efficiency performance.
- Appropriate welfare: The Company sets up the Welfare Committee and arranges appropriate welfare benefits that extend to employees' families in order to promote their positive performance, work morale and well-being. These benefits include social security fund, provident fund, medical expense, medical expense discount for families, uniform, death-in-service insurance, annual checkup, annual influenza vaccination, COVID – 19 vaccination, wedding gift payment, condolence payment upon the death of employees' parents, children and spouses, financial assistance on flood or fire incident, etc.

- **Personnel Development:** The Company regularly provides basic knowledge training and training of various specialized professions. In order to broaden knowledge, capabilities, operational and technical skills so that personnel could be able to perform their tasks more efficiently. The average personnel training hours is 22.06 hours per person per year.

4. Competitors

The Company has complied with good competitive rules and avoided any dishonest method to destroy any competitor.

5. Suppliers / Alliance / Creditors

The Company treats suppliers, alliance and creditors in an honest and fair manner, and complies with all trading conditions or terms of agreements in order to establish healthy business relationship and also to bolster their confidence which will be beneficial to all parties. Moreover, the Company shall not conceal any information or facts damaging to its suppliers, alliance and creditors.

6. Society Community and Environment

The Company has always emphasized on community and environment as a part of society with responsibility towards environment of nearby communities by supporting many activities for public benefits including providing general health check-up service for free in Bangna and Prawet, etc. Moreover, The Company also emphasizes and takes responsibilities on environment by controlling wastewater discharge, standard and efficiency general infectious and toxic waste disposal as defined by laws.

Attentive to personnel development regarding environmental concern, moreover, the Company has arranged environment-related courses for working personnel and interested persons in effort to inculcate in them awareness of the issue. During August 2022 - July 2023, training courses were organized as follows:

Environment Related Course					
Training	Course	Institution	Place	D/M/Y	Attendance
External Training	IC Rama Re-union 2022. Infection Prevention and Control in the NEW Hospital Standards	Faculty of Medicine Ramathibodi Hospital - Mahidol University	Faculty of Medicine Ramathibodi Hospital	1 Aug. 2022 - 2 Aug. 2022	2
External Training	Prevention and control of infection in hospitals for nurses	Bamrasnaradura Infectious Diseases Institute	Amari Don Muang Airport Bangkok	21 Jan. 2023 - 3 Feb. 2023	2
External Training	Risk assessment using Fault Tree Analysis	Perfect Safety Training & Consulting Co., Ltd.	Online	31 Jan. 2023	1
External Training	Occupational Disease	Perfect Safety Training & Consulting Co., Ltd.	Online	14 Feb. 2023	1
External Training	Security risk assessment	Department of Labour Protection and Welfare	Online	17 Feb. 2023	1
External Training	Duties of road safety personnel (TSM)	Perfect Safety Training & Consulting Co., Ltd.	Online	21 Feb. 2023	1

Environment Related Course

Training	Course	Institution	Place	D/M/Y	Attendance
External Training	Safety in working with chemicals, confined spaces, and risk analysis and assessment using Fault Tree Analysis (FTA) tools.	Department of Labour Protection and Welfare	Online	24 Feb. 2023	1
External Training	Measuring and analyzing the working environment	Business Administration, Siam University	Online	27 Mar. 2023	1
External Training	Techniques for being a safety instructor	Krusuea Safety Training & Consulting Co., Ltd.	At the Industrial Estate Auditorium, Hi-Tech Training Center, Ban Wa Industrial Estate (Hi-Tech), Ayutthaya	1 Apr. 2023 - 2 Apr. 2023	1

Chapter 4 Disclosure and Transparency

1. Disclosure

- 1.1 The Company will disclose some important information on the Company's website, www.thainakarin.co.th, in order to enable shareholders investor, analysts and general persons to search for public information rapidly.
- 1.2 In the Annual General Meeting of Shareholders, the Company will send meeting invitation and 56-1 One report (in QR code) to shareholders via mail and announce this meeting via newspaper and the company's website. In the Extra-ordinary Meeting of Shareholders, the Company will send meeting invitation to shareholders via mail and announce this meeting via newspaper as well as the Company's website.
- 1.3 The Company assigned the person taking the highest responsibility in finance and accounting to act as the Investor Relation whereas the Administrative Office shall be responsible to provide information of Company activities to shareholders, investors, analysts general person via the Company's Website. All providing information shall base on truth and reliable facts and with careful operation. Those without assigned or relevant responsibilities to share information on interviewing for mass media or any public entity on the Company in any matter which might affect the reputation or the Company business are not allowed to do so.
- Accordingly, the investors contact Administrative Office and the Investor Relation at telephone number 0 2340 7777, 0 2340 6488, 0 2340 6499, 0 2361 2727, 0 2361 2828 or Email: ir@thainakarin.co.th
- 1.4 The Company shall disclose some important information of the company via the websites of the Stock Exchange of Thailand and the Company's website.
- 1.5 The Company will provide a contact channel to any person with any complaint on any illegal action against ethics or any behavior that may lead to any incorrect financial report preparation or presentation or defect internal control system whereas the company will keep such complaint as secret. In the event that any person finds any action as mentioned above, please inform the Company via Telephone: 0 2340 7777, 0 2340 6488, 0 2340 6499, 0 2361 2727, 0 2361 2828 Email: cg@thainakarin.co.th
- 1.6 Process of actions upon receipt of complaints: The supervisory unit shall prudently consider the reported complaint as appropriate to the case, by gathering facts, then evaluating and scrutinizing information. In a serious or complex case, the matter may either be sent to related unit for examination

and investigation of facts, or be considered by the Audit Committee. If it is deemed necessary and appropriate, the supervisory unit can propose the matter to the consideration and scrutiny of the Audit Committee.

1.7 For financial report preparation, the Company will prepare the financial report correctly, completely, and transparently and the Company will send such financial report, annual and quarterly financial statements to related organizations within the due date as stipulated by laws strictly and will publicize such information on the company's website. The Company has emphasized on preparing financial statements correctly according to Accounting Standard.

1.8 The Company prepares explanation and analysis of the management by giving analytical explanation on financial position, performance, some important changes, and factors that are causes or affect to the Company's financial position and performance and such explanation must be submitted to the Securities and Exchange Commission and the Stock Exchange of Thailand.

2. Information Disclosure on Company's Website

The Company discloses some financial information and non-financial information as required by the Stock Exchange of Thailand correctly, completely, timely, and transparently via the Company's website as well as publicizes some important documents that may be interested by investors and analysts on the Company's website. For example, objectives, vision, mission, nature of business, financial statement and financial information, annual report, 56-1 One Report, invitation letter of Shareholders Meeting with documents related to Shareholders Meeting etc. In addition, all of these information and documents are always updated and the Company also provides the Company's telephone number, facsimile and email for contacting on the Company's website

3. Report on the change in the Company's directors shareholding in 2023

Name	Position	Number of shares as of July 27, 2022	Number of shares as of August 2, 2023	Number of shares changed increased / decreased.	Shareholding (%)
Charoen Meensook, M.D. Spouse and minor children	Chairman of the Board	2,500,000 2,285,500	2,500,000 2,285,500	- -	1.39 1.27
Mr. Thiti Sihanatkathakul Spouse and minor children	Director / Chief Executive Office	2,485,000 -	2,485,000 -	- -	1.38 -
Mr. Prapat Suthawate Spouse and minor children	Director / Company Secretary	- -	- -	- -	- -
Arkorn Cheirsilpa, M.D. Spouse and minor children	Director	- -	- -	- -	- -
Mr. Pitipat Sihanatkathakul Spouse and minor children	Director	1,000,000 -	1,000,000 -	- -	0.56 -
Mr. Norathep Sihanartkatakul Spouse and minor children	Director	- -	- -	- -	- -
Mr. Tosaporn Sihanatkathakul Spouse and minor children	Director	1,000,000 -	1,000,000 -	- -	0.56 -
Col. Dan Tanphaichitra, M.D. Spouse and minor children	Director	- -	3,000 -	- -	0.0017 -

Name	Position	Number of shares as of July 27, 2022	Number of shares as of August 2, 2023	Number of shares changed increased / decreased.	Shareholding (%)
Mr. Kraisaak Kadkum Spouse and minor children	Director / Independent Director / Chairman of the Audit Committee	- -	- -	- -	- -
Assoc. Prof. Chertsak Dhiraputra, M.D. Spouse and minor children	Director / Independent Director / Member of the Audit Committee	- -	- -	- -	- -
Assoc. Prof. Panya Issarawornrawanich, Ph.D. Spouse and minor children	Director / Independent Director / Member of the Audit Committee	- -	- -	- -	- -
Mr. Chailerg Viriyarattanaporn Spouse and minor children	Director / Independent Director / Member of the Audit Committee	- -	- -	- -	- -

Chapter 5 Responsibilities of the Board

1. Board Structure

The Board is consisted of qualified persons with knowledge and experiences in various fields who have to supervise the management to perform the operations as planned efficiently and effectively in order to give the maximum value to the Company and the ultimate confidence to shareholders. The Board Meeting should be held at least once a quarter in order to consider on performance reports of the Company.

2. Leadership and Vision

Despite no Nomination Committee, the Company's Board consists of directors with expertise, competence and experience in medical, accounting, legal and management fields. The Board shall set policies, vision, strategies, business goals, business plans and corporate budget as well as supervise the Management to efficiently and effectively comply with the specified policies, goals and plans under the legal framework, the Company's Articles of Association and the resolution of the shareholders' meeting, for the maximum benefit of the Company and shareholders as a whole.

The Board has also established effective internal control, internal audit and risk management systems, together with regular monitoring. In this regard, it shall supervise to ensure that all committees and responsible executives comply with the set policies.

3. Review and Approval of Corporate Vision, Mission and Business Policy and Direction

The Board reviews, revises and approves vision, mission, corporate governance policy and business ethics on an annual basis; takes part in determination of strategies, targets, business directions, business plan, budget, internal control system, internal audit and risk management measures, by assigning relevant committees to undertake the review, revision along with monitoring of such matters regularly; and supervises that all working units implement the determined business plan and budget efficiently and effectively in order to maximize economic value for the Company and investment security for the shareholders, taking account of the best interest of all stakeholders. It adheres to the code of conduct in performing the duties with integrity, and shall not perform any act for personal or other persons' gain or any act in conflict or competition with the Company's interest. This includes overseeing that business operations are in accordance with the Company's objectives as well as the laws and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

The Company's vision, mission, business targets, including corporate governance policy have been published on its website and disclosed in the 56-1 One Report.

4. Conflict of Interest

The Company currently has measures against conflicts of interest that may arise from related-party transactions between the Company and potential conflict-of-interest persons, where the executives and persons with related interest are unable to take part in approval of the transactions. Such related-party transactions shall be carried out in accordance with the laws on securities and exchange, the Public Limited Companies Act B.E. 2535, and the regulations, notifications, orders and requirements of the Stock Exchange of Thailand.

Additionally, the Audit Committee and the auditors are assigned to review and give opinions on the appropriateness of prices and reasonableness of transactions. Details of the related-party transactions shall be disclosed in the notes to financial statements according to the accounting standards stipulated by Federation of Accounting Professions. The Company has set forth clear procedures for approval of future related-party transactions, details as shown under the Internal Control heading. It has also implemented a policy and measures to prohibit executives and related persons from using inside information for personal gain, which require the executives to report the change in their securities holding to the Office of the Securities and Exchange Commission.

5. Balance of Power for Non-executive Directors

As of 31 July 2023, the Company's Board of Directors is comprised of 12 directors, 1 of whom is executive directors and 11 non-executive ones. Of the total number, 4 were independent directors and also members of the Audit Committee, representing 33.33% of the total directors.

All such directors are qualified under the notification of the Stock Exchange of Thailand, Public Limited Companies Act B.E. 2535 and the other relevant laws regarding qualifications and scope of duties of the Audit Committee, and shall perform their check-and-balance duties to ensure accurate and fair business management of the Company for the maximum benefit of its shareholders, transparency, and efficiency.

6. Aggregation or Segregation of Positions

The Company has set a policy to segregate duties of Executive from day-to-day management and defined clear scopes of authority for each position. Executives of company shall have neither absolute power over any particular matters, including to approve or execute transactions in which they or their related persons have interest or may lead to conflict of interest against the Company.

7. Director and Executive Development and Succession Plan

The Board of Directors places emphasis on the development of directors and executives through a project on continual enhancement of knowledge and capacity proper to the assigned duties in order to endorse performance efficiency and efficacy of directors and executives. In this regard, directors are encouraged to take relevant courses of the Thai Institute of Directors.

To Development and Succession Plan for Director and Executive Development, the Board of Directors have plan to prepare as soon as the directors or executive retired or unable to perform their duties that the management of the Company can continuously and develop sustainably.

The Executive who assigned as a successor must be a person who is ready with qualifications and has experience in the appropriate field. Also, it should have knowledge and experience to transfer by working rotation in other relevant departments and attend the necessary additional training courses to prepare for the future career in higher positions in order to work smooth and management continuously.

8. Committees

The Executive Director shall be in charge of managing the Company according to the set policies. Moreover, the quality structure has been established in order to enhance the supervision and management of the Company.

There are 39 committees overseeing corporate governance and quality structure management, as follows:

1. Thainakarin Hospital Policy and Strategy Committee
2. Directing Cross-Functional Team Committee
3. Directing Clinical Team Committee
4. Medical Staff Organization
5. Nurses - Service Organization
6. Dentist Committee
7. Risk Management Committee
8. Information Management Committee (IMC)
9. Pharmacy and Therapeutics Committee
10. Human Resources Management and Development Committee
11. Infection - Control Committee
12. Medical Record Committee
13. Occupational Health, Safety and Environment Committee
14. Multidisciplinary Surgery Committee
15. Multidisciplinary Pediatrics Committee
16. Multidisciplinary Medicine Committee
17. Multidisciplinary Obstetrics and Gynecology Committee
18. Multidisciplinary Cardiology Committee
19. Multidisciplinary Orthopedics Committee
20. Multidisciplinary Eye Ear Nose Throat Committee
21. Multidisciplinary Eye committee
22. Multidisciplinary Stroke Committee
23. Multidisciplinary Emergency Medicine Committee
24. Multidisciplinary Gastroenterology Committee
25. Multidisciplinary Breast Cancer Committee
26. Kidney Transplantation Thainakarin Hospital Committee
27. Health Promotion Committee
28. Resuscitation Committee
29. Opioids Management Committee
30. Ethics Committee
31. Drug Selection and set drug price Subcommittee
32. Medical Record Quality Inspection Committee
33. NURSE CPR Committee
34. Prepare for standard certification AACI accreditation: Breast Cancer Committee
35. Hospital Infection Control Committee (Supporting agency)
36. Antimicrobial Stewardship Program (ASP) Committee
37. Palliative Care Team Committee
38. Infection Control Ward Nurse Committee
39. Medical equipment Committee

These committees are responsible for overseeing the quality of medical care for patients. Data has been compiled and analyzed for approaches or measures to improve the quality of medical care and services, aiming to attain high quality of services that meet the hospital accreditation standards and relevant regulations.

Consisting of 15 members from various department, the Risk Management Committee is responsible for formulating risk management policies and systems pertinent to quality of services and safety of patients. The Committee shall analyze and identify contributory risk factors, develop risk-mitigating measures, as well as assign concerned units to constantly monitor the risks in accordance with the standards of The Healthcare Accreditation Institute (Public Organization) and American Accreditation Commission International (AACI).

9. Internal Control and Internal Audit

The Company puts great emphasis on the internal control systems both at management and operational levels, with control measures to optimize the use of resources. Responsibilities for approval, transaction recording and asset custody are segregated in order to promote proper checks and balances. The Company also carries out internal audits of financial-related and financial reporting systems, and periodically reports the results to the executives in charge.

At present, the Company has appointed Office of Dharmniti Internal Audit Company Limited as the internal auditor and established the Compliance Audit Department to control, audit and oversee the internal systems for more efficiency. The internal auditor must directly report to the Audit Committee for independence and transparency.

10. Subcommittees

The Board of Directors has appointed the Audit Committee to review financial reports, internal control system and disclose information on related-transactions etc. The Audit Committee shall minimally have qualification on independence as defined by the Stock Exchange of Thailand. Qualifications, scope of responsibilities and duties of the Audit Committee can be seen in Audit Committee section.

11. Investor Relations

The Company pays much importance to the disclosure of both financial and general information in an accurate, complete, transparent and extensive manner which is also available by telephone at 0 2340 7777, 0 2340 6488, 0 2340 6499, 0 2361 2727, 0 2361 2828 and via the Company's website at www.thainakarin.co.th. It also has a policy to develop channel of the information disclosure continually.

1.2 Business Ethics

The Company has adopted code of ethics or statement as guidelines for the Board, executives and all personnel in discharging their duties with honesty, integrity and fairness. The Company shall supervise and monitor to ensure strict compliance with said code of ethics or statement, as well as stipulate disciplinary measures.