

Connected Transaction Policy

Thonburi Healthcare Group Public Company Limited

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Chairman

Connected Transaction Policy

Pursuant to Section 89/12 of the Securities and Exchange Act B.E. 2535 (as amended) (the “**Securities Act**”), directors, managements, or related persons who will enter into any transaction with a company listed on the Stock Exchange of Thailand or its subsidiaries (the “**Connected Transaction**”) after such transaction is approved by the shareholders’ meeting saved for the transaction which has a characteristic as set out in the Section 89/12 of the Securities Act.

The Capital Market Supervisory Board has issued the Capital Market Supervisory Board’s Notification no. ThorJor. 21/2551 re: the rules on entry into the Connected transaction on 31 August 2008 (the “**SEC Notification no. 21/2551**”) and has determined that the entry into the Connected Transaction shall comply with the Stock Exchange of Thailand’s Notification (BorJor/Por 22-01) re: the disclosure and the procedure of a listed company in relation to the Connected transaction B.E. 2546 on 19 November 2003 (the “**SET Notification BorJor/Por 22-01**”).

Therefore, the rules in relation to the Connected Transaction shall be considered in accordance with the Securities together with the SEC Notification no. 21/2551 and the SEC Notification BorJor/Por 22-01 (the “**Rules on Connected Transaction**”).

Thonburi Healthcare Group Public Company Limited (the “**Company**”) which is managed in accordance with laws and guideline of good corporate governance of the Stock Exchange of Thailand (the “**SET**”) and the Company understands how importance of shareholders’ right and responsibilities to its shareholders and stakeholders, fair treatment among shareholders, roles of stakeholder’s awareness, and disclosure and transparency. Therefore, the Company has determined the Connected Transaction of which the details are as follows:

1. Definition

“**Connected Transaction**” means any transaction between a listed company or a subsidiary company and the listed company’s connected persons; or any transaction between a subsidiary company and its connected persons.

“**Decision to Enter into a Transaction**” means an entering into or a decision to enter into any contract or agreement, whether direct or indirect, in order to cause an acquisition or disposition of assets and/or rights to acquire or dispose

of assets, leasing or renting asset, an offer or a receipt of service, an offer or a receipt of financial assistance and an issuance of new securities, including to create rights or waiver of such right to do the same.

“Connected Person” means the following:

- (1) the controlling persons¹ of a listed company of the SET
- (2) any person which acts by understanding that if a company enters into a transaction which will give a financial benefit to such person and the following persons will receive a financial benefit as well provided that it shall be related to such transaction.
 - (a) directors and managements of a listed company of the SET.
 - (b) controlling persons of a listed company of the SET.
- (3) connected person as set out in the SET Notification BorJor/Por 22-01 including
 - (a) a shareholder who directly or indirectly holds shares in any juristic person in a total amount exceeding 10 per cent of the paid-up capital of that juristic person. Such shareholding shall also include the shares held by related persons (the “Major Shareholder”).
 - (b) any juristic person having a major shareholder or a controlling person as a major shareholder or
 - (c) controlling person of a listed company of the SET.
 - (d) any person whose behavior can be indicated as an acting person or under a major influence of persons from (a) and (b) when making decision, determining policy, handling management or operation.

2. Characteristic of Connected Transaction

The Connected Transaction can be divided into 2 characteristics as follows:

¹ Pursuant to Section 98/1 of the Securities Act “control” means

- (1) holding of shares with voting right of a juristic person in an amount exceeding fifty percent of the total number of the voting rights of such juristic person;
- (2) having control of the majority voting rights in the shareholders’ meeting of any juristic person, whether directly or indirectly or by any other reasons; and
- (3) having control over appointment or removal of at least half of all directors.

(1) When a company or its subsidiary enters into a transaction with its management, major shareholder, related person or close relative person of such persons.

(2) When a company or its subsidiary enters into a transaction with any juristic person which has major shareholder or controlling person as the management, major shareholder, controlling person or person to be nominated as the management or a controlling person of a listed company or its subsidiary including related person or close relative person of such persons.

3. Type of Connected Transaction

Connected transactions can be divided into 6 categories as follows:

- (1) normal business transaction;
- (2) supporting normal business transaction;
- (3) transaction regarding rental or lease of immovable property of not exceeding 3 years;
- (4) transaction relating to assets or service;
- (5) transaction regarding offer or receipt of financial assistance; and
- (6) other connected transactions other than transaction in (1) to (5).

4. Conflict of Interest Prevention

The Company attaches great importance to the consideration of transactions which are transparent and beneficial to the Company. Therefore, it is important to protect the transactions which may be conflict of interest. The Connected transaction or related transaction will have the key principles as follows:

- (1) Director and management must inform the Company regarding the relationship or related party transactions that may cause a conflict of interest.
- (2) avoid any connected transactions with directors, executives or related persons that may cause conflict of interest with the Company. In case of need to do that transaction, it shall propose such connected transactions to the Audit Committee for consideration before proposing to the Executive Committee or the Board of Directors, as

the case may be in accordance with the rules on entering into connected transactions and in accordance with good corporate governance.

(3) Executives and employees must comply with the Company's regulations and the business ethics of the company, which is important to be strictly enforced in order for the Company to be trusted and trusted by all stakeholders and disseminate information on employee visibility throughout the company.

In addition, all directors and employees of the Company shall avoid any conflict of interest that may impact the duties as follows:

- (1) not competing or similar business of the Company.
- (2) not being a partner or shareholder or executive with having decision-making power in competing businesses or similar to the business of the Company however in case of inevitability, it shall immediately report to the supervisor.
- (3) where employees are involved in the business or any event that may cause a conflict of interest, it shall report to the supervisor immediately.
- (4) do not seek the benefit of information or anything they know from their positions and responsibilities.
- (5) avoid involvement with the activity or cause conflict of interest of the Company or make financial obligations in any form with the business related to the Company or employees of the Company itself.
- (6) avoid work other than the work of the Company that may have an adverse effect on the task in any way.
- (7) employees must not use property or information or position in the Company for personal gain or to compete with the Company.
- (8) all employees must disclose when a situation is believed to cause a conflict of interest. If employees suspect that there will be a conflict of interest or something that could make others think of a conflict of interest, it shall report to the supervisor.

(9) For the entry into a transaction / Connected Transaction, the Company will consider carefully including the determining of price and the terms of the Connected Transactions as transactions with any third persons without any relevant person who have a conflict of interest in entering into connected transactions present at the meeting and vote at the meeting.

5. Rules and Procedure for Entering into the Connected Transaction or Related Transaction

The Company understands its duty to comply with rules regarding connected transactions and, therefore, has set rules and procedures regarding connected transactions as follows:

In considering connected transactions, the Company shall apply the same criteria for determining price and trade conditions as applicable to general customers. The trade terms and conditions must be fair, reasonable, and create utmost benefits to the Company.

If such criteria applicable to general customers does not exist, the Company shall compare the price of product or service to the market price under the same or similar conditions.

The Company may use report of independent appraiser under the approved list of the Office of the Securities and Exchange Commission (“**Officer of the SEC**”) appointed by the Company or entity within the group company for price comparison to ensure that such price of connected transactions is reasonable and will lead to utmost benefits of the Company and its subsidiary.

Directors, management or related persons may enter into a transaction with the Company or subsidiary only if such transaction has been approved by the Company’s shareholders meeting. Exceptions apply where transaction is with terms and conditions similar to transaction with other counterparties under the same circumstances, the position as director, management or related person, as the case may be, do not have influence on the transaction, and trade terms and conditions of the transaction have been approved by the Board of Directors of the Company or in line with principles as approved by the Board of Directors, or the transaction size does not require approval from the Company’s shareholders meeting.

If the Company has other connected transactions, which are subject to requirements under the relevant rules of the SET, it shall strictly comply with such rules.

The Company must disclose any transactions which might raise conflict of interest, connected transactions or related party transactions according to the relevant rules of the Office of the SEC and SET. Such information shall be disclosed in Annual Registration Statement and Annual Report or any other report, as the case may be. The information regarding connected transactions shall be disclosed to the SET in accordance with the relevant rules of the SET and the connected transactions shall be disclosed according to applicable accounting standards. The connected transactions shall be reviewed in accordance with the internal audit plan. The internal audit shall report such matter to the Audit Committee. Procedures for control and monitoring must be in place for conducting random checks whether actual transactions have taken place and if transactions were carried out accurately and in accordance with relevant agreements or prescribed policies or conditions.

6. Significant Matters for Consideration when Entering into the Connected Transaction or Related Transaction

Reason and necessity for entering into a transaction with connected individuals or organizations or organizations with conflict of interest, reasonableness of price, trade terms compared to transactions with other third parties, opinion of independent appraisers or financial advisors.

The Company is measures for compliance with the relevant rules and regulations whether the Company keeps records on shareholding; directors and important information of its subsidiaries and associated companies up to date.

7. Approval of connected transactions

(1) If the size of connected transaction is small and the transaction has normal trade terms which has been approved by the Board of Directors of the Company, the management team is authorized to make the decision.

(2) If the size of connected transaction is medium or large and the transaction has normal trade terms which has been approved by the Board of Directors of the Company, the Executive Committee is authorized to make the decision.

(3) If the size of transaction is small or medium and the transaction has unusual trade terms, the Board of Directors of the Company shall make the decision whether or not to enter into the transaction.

(4) If the size of transaction is large and the transaction has unusual trade terms, the shareholders' meeting shall make the decision whether or not to enter into the transaction. Criteria for consideration of transaction size is as follows:

- (a) small transaction is a transaction with value of less than or equal to Baht 1 million or less than or equal to 0.03% of net tangible assets, whichever is greater;
- (b) medium transaction is a transaction with value of more than Baht 1 million but less than Baht 20 million or more than 0.03% but less than 3% of net tangible assets, whichever is greater;
- (c) large transaction is a transaction with value of equal to Baht 20 million or more or more than 3% of net tangible assets, whichever is greater.

8. Rules on Consideration of Transaction with General Trading Conditions

- (1) Whether characteristic of transaction is a normal business

If such transaction occurs due to a normal business, it shall proceed in accordance with the normal operation as proceed with other transactions and such related transaction is according to a normal business of the Company and reasonable for supporting the normal business and for the best benefits of the Company with the same trading terms as general customers or other persons.

- (2) Whether price and condition are reasonable

If it compares with a transaction between a third person, it shall be considered whether the price and condition will be better or not.

9. Consideration of Price according to General Trading Conditions (pursuant to the regulation of the SET)

A transaction with the general trading conditions means the trading condition having price and reasonable condition and shall not cause the conflict of interest by consideration whether:

- (1) it is a price and condition that the Company or its subsidiary receive or offer to general persons.
- (2) it is a price and condition that the Connected Person offers to general persons.

(3) it is a price and condition that the Company can prove that any persons who carry out the similar business offer to general persons.

10. Procedure to Propose to the Audit Committee in relation to the Connected Transaction

(1) A Connected Transaction that under the approval of the management.

If the entry into a Connected Transaction is under the approval of the management, the management will consider the Connected Person such as accounting department, operating department or executives who have the relevant roles and responsibilities on the consideration of the entry into any transactions in accordance with the procedure for approval and authorization manual of the Company after it has been approved by the management, will propose to the Audit Committee to consider the reasonable of a transaction and will disclose such transaction in the annual disclosure and annual report of the Company. In addition, the directors of the stakeholders who have a conflict of interest in entering into connected transactions should not be present at the meeting and no right to vote at the meeting.

(2) A Connected Transaction that under the approval of the Executive Committee

In the case of a connected transaction under the approval of the Executive Committee, the parties to the matter shall present the necessity and reasonableness of the transaction to the Audit Committee for the Audit Committee to review the reasonableness of the transaction. This is proposed to the Executive Committee for approval. They must report the transaction to the Board of Directors and disclose the transaction on the annual disclosure and annual report of the Company. In addition, the directors of the stakeholders who have a conflict of interest in entering into connected transactions should not be present at the meeting and no right to vote at the meeting.

(3) A Connected Transaction that under the approval of the Board of Directors

In case there is a small transaction or the medium transaction does not meet the normal trading conditions which is under the approval of the Board of Directors. The parties to the matter must present the necessity and reasonableness of the transaction for the Audit Committee to review and comment on such transaction before submitting to the Board of Directors for consideration of the transaction of which the procedures are as follows.

(a) the primary unit shall summarize the detail of the transaction and provide all relevant information to the Managing Director;

(b) the Managing Director will assign the internal audit department to coordinate with the Audit Committee to prepare the agenda.

(c) the internal audit department together with the relevant departments shall prepare the supporting documents and shall have significant conclusions to propose to the Audit Committee for consideration.

(d) Upon the resolution of the Audit Committee's meeting, the secretary shall propose it to the Board of Directors for further consideration and approval. In this case the Connected Person should not be present at the meeting and no right to vote at the meeting.

(e) to disclose the transaction in the Company's annual disclosure and annual report including to disclose resolutions of the Board of Directors' meetings to the SET with the minimum information required by the SET.

(4) Connected Transaction that under the approval of the shareholders

In the case of a Connected Transaction is under the approval of shareholders, the primary unit shall propose the details of the necessity and reasonableness of the transaction to seek the opinion of the Audit Committee before proposing to the Board of Directors for approval and present to the shareholders meeting for approval of entering into the transaction.

(a) the primary unit shall summarize the detail of the transaction and provide all relevant information to the Managing Director;

(b) the Managing Director will assign the internal audit department to coordinate with the Audit Committee to prepare the agenda.

(c) the internal audit department together with the relevant departments shall prepare the supporting documents and shall have significant conclusions to propose to the Audit Committee for consideration.

(d) Upon receipt of a resolution from the Audit Committee, the secretary shall submit the matter to the Board of Directors for consideration and approval of the transaction. In this case the Connected Person should not be present at the meeting and no right to vote at the meeting.

(e) Upon obtaining a resolution from the Board of Directors, the secretary prepares the meeting documents for the consideration and approval of the transaction from the shareholders. The information must be sufficient to make the decision as specified in the SET regulations. The name and number of shares of Connected Persons who do not have the right to vote are also required. The Company is required to convene the meeting in accordance with the procedures and guidelines in relation to the Connected Transaction of the SET.

(f) to disclose the transaction in the Company's annual disclosure and annual report including to disclose resolutions of the Board of Directors' meetings to the SET with the minimum information required by the SET.
