



Definition of Independent Director

Ratchaphruek Hospital Company Limited (“the Company”) has defined the definition of “Independent Directors” to be in line with the minimum requirement of regulation set by the Securities Exchange Commission and the Stock Exchange of Thailand. In this regard, “Independent Director” means a director who is independent of any management and major shareholder, and holds the following qualifications:

- (1) holding shares not exceeding 1 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, principal shareholder or controlling person of the Company, including the shares held by related persons of the independent director;
- (2) neither being nor having been executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, principal shareholder or controlling person of the Company unless the foregoing status has ended not less than two years prior to the date of appointment;
- (3) not being a person related by blood or registration under laws i.e. father, mother, spouse, sibling, and child, including spouse of the children; of executives, major shareholders, controlling person, or persons to be nominated as executive or controlling persons of the Company or its subsidiary;
- (4) not having a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and neither being nor having been a principal shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than two years prior to the date of appointment;

The term “business relationship” under the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterpart being subject to indebtedness payable to the other party in the amount of 3% or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The consideration of such indebtedness shall include indebtedness occurred during the period of 1 year prior to the date on which the business relationship with the person commences;

- (5) Neither being nor used to being an auditor of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person, or partner of the audit firm which employs auditors of the Company, its parent company, subsidiary companies, associated companies, major shareholder or controlling person, unless the foregoing relationship has ended not less than 2 years;
- (6) Neither being nor used to being any professional service provider including a legal counselor or financial advisor who receives service fee of exceeding Baht 2 million per year from the Company, its parent company,



subsidiary companies, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person or partner of the aforementioned professional service provider, unless the foregoing relationship has ended not less than 2 years;

- (7) Not being a director appointed as representative of directors of the Company, major shareholder or shareholder who is related to major shareholder;
- (8) Not undertaking any business of the same nature as and significantly competing with that of the Company or its subsidiary companies or not being a significant partner in a partnership or being a director who takes part in the management, employee, staff member, advisor who receives regular salary or holding shares exceeding 0.5% of the total number of shares with voting rights of other companies which undertake businesses of the same nature as and significantly competing with that of the Company or its subsidiary companies;
- (9) Not having any other characteristics which cause the inability to render independent opinions with regard to the Company's business operations. Independent Director with qualifications described in 1-9 above may be empowered by the Board of Directors to make decision for the business operation of the Company, its parent company, subsidiary companies, the same - level subsidiary companies, major shareholder or the controlling person of the Company in the form of collective decision.

“Partner” prescribed in item (5) and item (6) means the person who authorized from the audit firm or the professional service provider to sign on the financial documents and professional financial report (in any case) on behalf of such audit firm. In case the person appointed by the Company as the Independent Director is person having or used to having business relationship or providing professional service with value of exceeding those prescribed in item (4) or item (6), the Board of Directors may consider waiving this disqualification if the Board opines that the appointment of the said person does not affect his duty performance and his rendering of independent opinion and the Company has disclosed the following information in 56-1 Form and the notice calling for the shareholders' meeting:

- a) Manner of business relationships or professional service causing the said person not being qualified under the prescribed criteria.
- b) Reason and necessity to maintain or to appoint the said person as the independent director.
- c) Opinion of the Company's Board of Directors nominate the said person as the independent director.