



Bangkok Chain Hospital Public Company Limited

Succession Plan Policy

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Succession Plan Policy

Bangkok Chain Hospital Public Company Limited

1. Introduction

Bangkok Chain Hospital Public Company Limited (the “Company”) has implemented this policy to enhance its human resource management system and improve workforce capabilities through strategic workforce planning, competency development, and organizational effectiveness. The Company is dedicated to ensuring a sustainable talent pipeline by executing both short-term and long-term succession strategies that will allow the organization to navigate future changes effectively.

Management has developed a Succession Plan to identify and prepare successors for key positions anticipated to become vacant over time. This plan represents a strategic approach to recruitment and selection, identifying potential candidates referred to as “Successors” and cultivating their skills to align with the Company’s long-term strategic objectives.

2. Objectives

- To plan for the replacement and succession of key positions due to retirement or position vacancies.
- To ensure continuity of operations and effective organizational management.
- To regularly assess the organization's readiness in terms of having qualified personnel with the necessary qualifications, competencies, and experience.
- To reduce the risk of losing personnel with critical knowledge, skills, and experience.

3. Definitions

“**The Company**” means Bangkok Chain Hospital Public Company Limited.

“**Subsidiaries**” means companies in which Bangkok Chain Hospital Public Company Limited holds, directly and/or indirectly, more than 50 percent of the shares.

“**Succession Plan**” refers to a structured process of identifying, developing, and preparing high-potential internal talent to assume key positions within the organization when those roles become vacant due to retirement, end of term, resignation, or other reasons. The objective is to ensure continuity and efficiency in operations and management through a systematic talent development process.

4. Scope of enforcement

This Succession Plan Policy applies to executive roles, including the Chairman of the Executive Committee, Chief Executive Officer, Deputy Chief Executive Officer, Executive Directors, and senior management within the Company and its subsidiaries. This policy is a fundamental component of the Business Ethics Manual and the Employee Regulations and Benefits Handbook. It serves as a framework to ensure a fair and transparent process for the succession planning of executive and key personnel.

5. Regulations and Procedures

5.1 Regulations and Procedures of the Succession Plan

The Company has established criteria and procedures for selecting personnel to assume responsibility for key management positions in an appropriate and transparent manner, to ensure that the Company appoints executives with the required qualifications, competencies, and experience as follows:

- **Chief Executive Officer (CEO), Deputy Chief Executive Officer (Deputy CEO), Executive Directors, and Chairman of the Executive Committee**

The Executive Committee shall develop the succession plan for positions ranging from Deputy Chief Executive Officer to Chief Executive Officer, Executive Directors, and Chairman of the Executive Committee, and submit it to the Board of Directors for consideration.

When any of these positions become vacant or the incumbent is unable to perform their duties, the Company will implement a system whereby an executive at a comparable or immediate subordinate level will act as interim in the position until a qualified candidate is recruited and selected in accordance with the Company's established criteria. The candidate must possess vision, knowledge, competence, experience, and cultural fit, as evaluated by the Executive Committee, which will then present the nomination to the Board of Directors and/or shareholders' meeting for approval of the appointment.

The criteria for the selection of the Chief Executive Officer are as follows:

1. Possess at least 10 years of experience in hospital business management and/or related industries.
2. Demonstrate knowledge, competence, and experience in operational management, strategic planning, and specialized expertise beneficial to the Company's business.
3. Exhibit leadership with a broad vision, along with integrity and business ethics.
4. Maintain a transparent work history without any prohibited characteristics as defined by the Securities and Exchange Commission (SEC) regulations.
5. Have strong organizational management skills and the ability to make prudent, well-considered decisions, addressing problems with careful judgment while prioritizing the best interests of the organization, and driving the Company towards its goals and policies as assigned by the Board of Directors.

The qualifications for Deputy Chief Executive Officer, Executive Directors, and Chairman of the Executive Committee are as follows:

1. Possess no less than 5 years of management experience.
2. Have experience in an executive position equivalent to or higher than Division Director.
3. Demonstrate strong leadership and a broad, forward-looking vision.
4. Be capable of strategic planning and organizational management.

5. Exhibit sound judgment and thoughtful problem-solving skills, with a focus on the organization's best interests.

- **Executive Level (from Department Director onwards)**

Suppose an executive position at or above the Department Director level becomes vacant, or the incumbent is unable to fulfill their duties. In that case, the Company shall consider nominating a qualified and experienced individual for review by the appointed Executive Committee. The Company's succession planning process for this management level is outlined as follows:

1. Analyze the company's business environment in terms of corporate strategy, policies, investment plans, projects, and business expansion.
2. Assess workforce readiness to align with the company's strategies in both the short and long term.
3. Develop workforce readiness plans by either training current employees or recruiting new staff to prepare for replacing employees who leave the company.
4. Establish recruitment, employee training, and development plans in advance of employees' retirement or early departure from their positions.
5. Define the qualifications and competencies, including knowledge, skills, personality, and attitudes, desired for employees in each position, and create individual development plans accordingly.
6. Select, evaluate performance, and assess employee potential to determine suitability for succession.
7. Utilize assessment tools to test and evaluate personnel for analyzing employee potential.
8. Identify successors based on performance and potential evaluations, notify the employees in advance to prepare for handover and job learning, and designate alternate successors.
9. Develop and evaluate employees identified as potential successors to ensure they meet the expected progress and performance standards. If expectations are not met, take one of the following actions:
 - 9.1 Conduct a new selection and succession planning process, or
 - 9.2 Develop alternate successors (if available), or
 - 9.3 Recruit and select from external candidates.

When a successor possesses all the qualifications required for a higher-level position, and such position becomes vacant or a new higher-level position is created, a proposal for promotion and acting appointment shall be submitted in accordance with the company's policies regarding organizational structure, criteria for daily or monthly employee adjustments, promotions, and position changes. The proposal must be reviewed and approved by the Chairman of the Executive Committee and the Chief Executive Officer.

5.2 Regulations and Procedures for Managing Talented Personnel

Qualified individuals can be sourced and selected from internal employees or recruited externally, based on the selection criteria for knowledgeable and capable employees within the organization. Priority is given to personnel with consistently high performance (as measured by High Performance KPIs) and high competency levels (as evaluated over the past three consecutive years). These individuals must meet the organization's competency assessment standards as specified, which are categorized into competency areas (for further details, see Attachment 1) as follows:

1. Business Strategy Management

Understand the business context, its uniqueness, and sustainability. Ability to develop strategies using various tools to enhance operational efficiency, know how to drive the organization toward its goals, and achieve results that exceed the targets.

2. Lean and Financial Management

Possess knowledge of the costs associated with their activities, understand the efficiency of resource utilization within their department, and recognize the overall effectiveness of organizational activities. Able to leverage strengths to become a national-level leader.

3. Risk Management

Possesses knowledge of all business risks and can manage risks to levels acceptable to the company. Able to mitigate potential risks to minimize losses to the company while ensuring fairness to all parties involved.

4. Leadership

Able to create and set directions and policies that drive transformational change in communication management across the entire organization.

6. Succession Plan Process

6.1 Chief Executive Officer (CEO) and Deputy Chief Executive Officer (Deputy CEO)

- The Human Resources department shall compile information on qualified candidates, including individuals from both within and outside the company, and present it to the Executive Committee at least 6 months and no more than 1 year before the retirement date or end of term.
- The Executive Committee shall jointly review and assess the readiness of the potential successors and, together with the Human Resources department, develop Individual Development Plans (IDP).
- In cases where there is more than one successor, testing must be completed within 180 days before the retirement date or end of term.
- The Executive Committee shall submit the qualified candidates to the Board of Directors for approval at least 90 days before the position is assumed.
- The Human Resources department shall coordinate the development of the potential successors' capabilities according to the established plan, to be completed within 60 days before assuming the position.

6.2 Executive Level (from Department Director onwards)

- The Human Resources Department compiles information on qualified candidates, including both internal and external individuals, and submits this to the Executive Committee through the Chief Executive Officer (CEO) at least 3 months but no more than 6 months before the incumbent's retirement date or term expiration.
- The CEO and Deputy CEO jointly review and assess the readiness of the successors and collaborate with the Human Resources Department to develop Individual Development Plans (IDPs) for the candidates.
- In cases where there is more than one successor, testing and evaluation must be completed within 90 days before the retirement date or term expiration.
- The Human Resources Department coordinates and facilitates the development of the successor's capabilities according to the defined plan, ensuring completion at least 60 days before the successor assumes the position.

7. Review and Improvement

The Company reserves the right to amend or revoke this policy as deemed necessary, with such changes requiring written approval from the Chairman of the Board.

This Succession Planning Policy shall come into effect on January 13, 2025, pursuant to the resolution passed at the Board of Directors' Meeting No. 1/2025 held on January 13, 2025.

Attachment 1
Competency Assessment Criteria

Assessment Level Determination Principles

Proficiency Level	Proficiency Level Definition
Level 5 – Expert	Level 5 – Set strategy
Level 4 – Advanced	Level 4 – Manage
Level 3 – Intermediate	Level 3 – Supervise
Level 2 – Basic or Developing	Level 2 – Proficient (apply & understand)
Level 1 – Awareness of Beginner	Level 1 – Beginner

Organizational Competency Assessment Criteria by Hierarchical Level

Hierarchical Level	Proficiency Level			
	Business Strategy Management	Lean and Financial Management	Risk Management	Leadership
Chairman of the Executive Committee	5	5	5	5
Chief Executive Officer (CEO)	5	5	5	5
Deputy Managing Director	5	5	5	5
Executive Director	4	4	4	4
Management Level (Director and above)	4	4	4	4