Bumrungrad Hospital Public Company Limited

Chief Executive Succession Policy

Purpose

The purpose of this policy is to clarify and outline Bumrungrad Hospital Public Company Limited ("**Bumrungrad**") commitment to ensuring the availability, continuity, and appropriate development of our organization's leadership talent through a systematic approach to succession planning, and our commitment to a well-managed leadership transition.

We believe that succession planning is essential to ensure our organization's ongoing sustainability, growth, and development. Further, we believe that having a CEO Succession Policy in place enables a well managed leadership turnover and provides the chance to capitalize on the capacity-building opportunities inherent during leadership change.

For the purposes of this document, ***succession planning*** refers to the plans and preparation that ensure overall continuity in leadership positions, and the development of leadership talent. ***Chief executive transition*** refers to the plans and actions involved in managing the turnover in the CEO position. This includes diligent planning for leadership change, a robust successor search and selection process, and the provision of deliberate orientation and onboarding for the new executive. Together these tools ensure the continuity and advancement of our organization's work.

Responsibilities

Chairman of the Board, in consultation with the executive committee, is responsible for implementing this policy and ensuring the procedures are initiated.

The Nomination and Remuneration Committee (**NRC**) is responsible for:

- Reviewing and updating this policy at least annually or as organizational changes occur.
- Ensuring that best practices are followed in planning for leadership succession and managing executive transitions.
- Selecting and hiring an external interim executive, if necessary.
- Managing all three phases of a CEO transition, when needed, to: (1) prepare for a leadership change, (2) search and select a new leader with the following leadership criteria, and (3) onboard and support the new leader.
  - Proficiency in digital technology
  - Emotional intelligence and effective communication skills
  - Creativity and innovation
  - Flexibility and adaptability
  - Strategic thinking and vision
  - Commitment to lifelong learning and self-development
  - Risk management and decision-making abilities
  - Social and environmental responsibility
- Selecting the best candidate for the CEO position.

The executive committee is responsible for:

- Notifying key stakeholders of the leadership change.

The current CEO is responsible for:

- Ensuring that succession plans are in place for all executive leaders and other mission-critical staff positions.
- Continuously identifying, encouraging, and developing senior managers and other staff members to meet Bumrungrad's future leadership needs.
- Managing the orderly transition for all staff roles other than the CEO position.

Guiding Principles

- Bumrungrad is committed to always being prepared for unexpected absences and leadership transitions in all senior management positions, including the CEO role.
- Bumrungrad is open to and will consider both internal and external candidates when filling the CEO position. A national search will be conducted unless the board concludes that a current staff member is most appropriate and available for the job.
- To provide career advancement for staff, the organization is committed to encouraging the professional development of all employees.
- As a matter of policy, Bumrungrad believes in promoting from within. Therefore, we will consider internal candidates first for any vacancies before opening the search to external candidates.
- To develop a finalist pool that reflects the community, the organization commits to prioritizing diverse candidates as part of a CEO transition.
- The optimal time for the CEO to disclose his/her departure plans to the board is at least six months before the departure date, although 12 months would be preferable.
- The board understands that the time required to complete a planned CEO transition is at least six months.

Procedure for Managing a Chief Executive Transition

In the event of an anticipated or unexpected vacancy in the CEO position, the board will undertake the following six tasks. The NRC will be responsible for planning and managing the transition process, including searching for and selecting a successor, as well as participating in the interviews of the CEO candidates.

1. **Understand and guide the transition.**
   a. Recognize that a CEO transition involves an organizational change process and not just the appointment of a new CEO.
   b. Commit to understanding the scope, nature, and dynamics of the transition, and take that into account to plan and guide the process.
   c. Manage the entire transition process from planning for the leadership change through the conclusion, making sure the new executive is properly onboarded and supported.
2. **Prepare for a leadership change.**
   a. Ensure that the organization is stable and ready for a new executive to assume the leadership role.
   b. Ensure that the CEO job is ready for a successor to step into the position and effectively accomplish the job. Make sure that the job has been unpacked and refitted to reflect present

requirements with consideration for the future direction of the organization.

   c. Ensure team readiness by making sure that the board, the NRC, the departing executive, and senior managers are ready to play their parts in the transition process and are clear about their roles.

3. **Ensure leadership continuity** by appointing an interim CEO if necessary and making sure there's a good handoff between the incumbent CEO and the successor.
4. **Manage transition communications** with appropriate announcements and updates for staff and key stakeholders. Also, ensure that there is positive closure with the current executive, and a prior approval from the board of directors for a change in the key person.
5. **Search for, select, and hire the new CEO** with an effective process to recruit a diverse candidate pool, screen candidates, conduct the interviews, make the final selection (by vote of the full board and, finally, negotiate the employment arrangement with the new executive.
6. **Onboard and support the new executive** with an appropriate introduction to the organization and the community, support during the executive's "take charge" process, and explanation of the four elements for a successful board-executive relationship:
   a. Clear aims and priorities,
   b. Respective roles and responsibilities,
   c. Mutual expectations,
   d. Clear criteria and processes to evaluate performance.

Roles in Chief Executive Transition

The departing CEO, in concert with the NRC, will be involved in some transition activities such as communications, preparing the organization, briefing the incoming CEO, and ensuring there is a successful handoff.

The NRC will be responsible for:

Implementing and managing the board's six core tasks for a successful leadership transition:

1. Understand and guide the overall transition process.
2. Prepare for a leadership change.
3. Ensure leadership continuity.
4. Manage transition communications.
5. Conduct the executive search and recommend candidates to the board.
6. Plan the orientation and onboarding of the new executive.

Securing an appropriate organizational review or assessment, if needed.

Scheduling and planning a board retreat, as needed, to review and refresh the organization's strategic plan and recalibrate the CEO role.

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Chai Sophonpanich
Chairman of the Board