



Disclosure of Insurance Company  
Information

For the year 2019

## Company Profile

Pacific Cross International Limited has specialized in health insurance in Asia for over 45 years. It owns several reputable health insurance companies of the past and present (Blue Cross Insurance Incorporation in Philippines, Blue Cross Thailand and Hong Kong).

Pacific Cross Health Insurance PCL is part of the Pacific Cross Group, the leading travel and medical insurance specialist in Asia. In 1980, the company was granted the first license. As our first contribution to the Thai health insurance market, we established Blue Cross Thailand and the company was acquired by Bupa in 1996. The company has returned to Thailand again in 2001 under the name of Med-Sure Services Co., Ltd., formed partnership with Nam Seng Insurance Public Company Limited to manage the operation of health insurance and travel insurance. During 2005-2014, the company joined partnership with LMG Insurance Public Company Limited, administered the health insurance operation under the project “LMG Pacific Healthcare” for 10 years. In 2013, the company was supported by the Office of Insurance Commission (OIC). The company acquired one registered health insurance company named "Borrirak Insurance Public Company Limited" and restructured its registered capital of US \$ 2 million. The company has officially renamed to "Pacific Crosstab Public Company Limited" in September 2014, started continuing its growth with fast and stable. By the end of 2018, the company has registered capital of 500 million baht

### Vision

"Provide customers guidance and advice on Health, Personal Accident and Travel Insurance which are convenient, easy to access and understand. Give the customer the power to make a decision, interact with the company on their terms"

### Mission

"Assists customers of all ages by providing the complete information for their consideration to purchase an insurance and build strong relationships with intermediaries and policyholders by all channels of distribution"

## Supervision and Management and Internal Control Policies

The Code of Conduct and the company's value adherence to business practices and effective internal control within a robust control environment are fundamental to good operation. One of the company's obligations to the shareholders, policyholders, creditors, and regulators are creating confidence in such individuals that the company has a good internal control system and significant risks are managed with due care.

### (Business Code of Conduct)

- **Business Standards:** The Company operates its business with honesty and integrity. We respect the human rights and interests of our employees. We will also respect the interests of our business partners.
- **Responsibility for Shareholders:** The Company is committed to good representative of its shareholders to create value for the business firmly, continuously and sustainably through a transparent and straightforward management.
- **Business Partners:** The Company is committed to create relationships that bring benefits to customers and other counterparts who the company expects to do business together. Business associates shall adhere to the same Code of Conduct.
- **Employee Responsibility:** Employees are the most valuable resource and the key to organizational success. The company is responsible for maintaining the working environment to ensure the safety of life and property of employees and strictly adheres to the labour law.

- **Customer Responsibility:** The Company recognizes the trust that our customers have and decides to use the service with the company. Therefore, we strive to produce good products and quality services and look for opportunities to develop and increase our efficiency to the next level.
- **Market Competition:** The Company believes in fair competition and supports the development of appropriate trade competition laws. The company and its employees shall conduct the business in accordance with the rules and regulations in a fair manner.
- **Integrity:** We will not give or accept any bribes both direct and indirect mean, as well as benefits or financial gain through the business misconduct. All employees must not offer or receive any gifts whether it is an item or money that is classified as a bribe. Any claim or offer of a bribe must be rejected promptly and reported to the management if any such action is taken.
- **Conflict of Interest:** All employees must avoid personal business or financial gain that may be inconsistent with their duties in the company and do not seek the benefit of yourself or others by using their position in the inappropriate way.

(Core Values)

- Customer Focus

Create a culture to meet the needs or solve problems for customers quickly and with continuous and long-term quality. To exceed the expectations of customers who bring business opportunities to us.

- Focus on effectiveness

Assist in the effectiveness of the work by focusing on outcomes at the end of the activity through a clear set of indicators to achieve goals or objectives resulting in success of individual, team and organization level.

- Continuous Improvement

Continuous improvement to enhance productivity is essential in today's competitive environment. Improving job creation brings change to new quality to indicate the significant customer acceptance which requires continuous development throughout the organization.

- Professionalism

Professionalism requires ethics, morality, knowledge, understanding and self-development to be professional in their work which must have a sense of self-responsibility, social organization and nation.

- Teamwork

Teamwork is crucial for the efficiency and effectiveness of management. Ideal team is a group of people who work together to achieve certain goal. Teamwork means much more than just a group of people. The heart of teamwork depends on having strong leaders and team-driven players. In order to achieve the objectives, every party involved must devote his willingness, thought and cooperation.

- Integrity

Honesty is a virtue required to every society. To be honest with oneself, family, work or nation brings success in life. Integrity in the workplace will directly affect our personal attributes that others see or perceive in us whether the person is honest or not. It also includes ongoing results to our own agencies and organizations.

Performance, analysis results and ratios associated

#### Insurance Business

The main business of the company are accident, health and travel insurances available through various channels such as agents, brokers and legal entities. Source of businesses can be divided by:

1. Direct insurance
2. Reinsurance from other insurance companies to avoid risk accumulation.

#### Top 3 insurance products

- Health insurance
- Accident insurance
- Travel insurance

Unit: Million Baht

	2019	2018
Total premiums	451.80	369.61
Net earned premium	249.31	221.64
Investment income and other incomes	74.81	63.00
Net Profit (Loss)	(17.02)	6.09

## Significant financial ratios (%)

Ratio	2019	2018
Loss Ratio	60%	50%
Expense Ratio	28%	21%
Combined Ratio	102%	98%
Liquidity ratio	530%	536%
Return on equity	-9.15%	4.56%

## Enterprise Risk Management: ERM

Risk management: Board of Directors assign Risk Management Committee to administrate the risk management policy and for the agency to use as guidelines and strategies to manage risks and continuously report to the company's executives. The company has adopted the "Three Lines of Defense" risk management framework, which is divided into three groups

First line of defense means a business unit that carries a risk, responsible for identifying and managing risk directly (Design and Implementation of Controls) these business units must prioritize risk management as key elements in their operations.

Second line of defense means Regulatory Compliance Unit, responsible for ongoing monitoring of the design and implementation of controls in the first level responsible. Include suggestions and facilitate risk management activities. Most of them are management functions that may have some degree of neutrality. But not completely independent of the first level responsible.



Third line of defense means Internal Audit Responsibilities are independent of the risk management.

The company's key risk management process is to: 1) Identify risk factors that may affect the company's operation significantly. 2) Risk assessment and risk monitoring process to be in an acceptable level. And 3) Reporting on various types of risks and issues as follows:

#### 1. Strategic Risk

Means the risks arising from the establishment of a strategic plan; inappropriate or unsuitable for internal factors and external environment as a result, the vision and mission are not fulfilled.

#### 2. Operational Risk

Means a risk that will cause damage. It may be caused by failure, inadequacy or inappropriateness of internal processes, personnel, systems, or external factors that may affect the operation and / or financial status, reputation and credibility of the company or lack of supervision and good governance or lack of corporate governance within the organization.

The Company has set policies, plans and operational risk management framework in line with the company's policy. The policy is communicated to all agencies to practice strictly also considered the scope of risk management to cover the following 6 core activities:

1. Insurance Consideration
2. Product Design and Development
3. Determining the premium rate

4. Claim Management

5. Reinsurance

6. Fraud Risk Management

7. Investment in other businesses

3. Insurance risk

Refers to the risk caused by fluctuations in frequency, intensity and the time of the damage deviates from assumptions used to determine the premium rate, calculation of insurance reserves and consideration of the insurance.

Insurance risk factors, such as premium rates, concentration of the disaster or the cost is higher than the assumed cost, allocation of premium reserve, insurance claims, change of behaviour of policyholders, insureds, and the development of new insurance products, which may affect the number of claims and expected future cash flow

4. Marketing / Investment Risk

Means the risk that changes in the market price of an investment asset, interest rate, exchange rate, foreign currency, derivative and commodity prices.

5. Credit Risk

Means the risk that a partner / contract is causing, inability to repay the debt or failure to comply with the contract with the company or the opportunity of the counterparty / partner is downgraded the credit rating.

6. Liquidity risk

Means the risk caused by the fact that the company is unable to pay off liabilities or obligations by due date because the company cannot change the assets into cash or not be able to adequately finance the capital to accommodate the potential risks in the business.

#### 7. Risk of compliance with rules, regulations and other laws related to business operation

Means the risks arising from failure to comply with the rules and regulations relating to the business operation of the agency responsible for regulating and supervising the business and other laws associated.

#### 8. Risk of disaster

Means the sudden and serious damage that may cause enormous losses, such as damage from earthquakes, floods, as there are currently large natural disasters occur. This is an important factor that may affect the business operation of the company. However, approvals of insurance of the company are only for health and accident but if there is a disaster, it can cause a major compensation

#### 9. Reputation Risk

This is the risk to the company in respect of negative image experienced by customers, business partners, shareholders and/or regulators. Health Insurance Company must have a good image and credibility. Customers must be confident that their medical treatment expenses are covered by the company in accordance with the policy terms and conditions. The company must have good financial situation and be able to pay the medical bills to the contract hospitals in due course and cover medical expenses for the insured members.

#### 10. Information Technology Risk

This is the risk arisen from an information technology usage which affects the company's daily operation. This risk factor includes the risks of Cyber Threats.

#### 11. Emerging risk

It is an unexpected new risk that company has never experienced before. This risk is difficult to anticipate in terms of its occurrence and severity. This risk may be resulted from uncertainty and changes of several factors for examples politics, laws, society, technology, physical environment including natural changes

#### Monitoring, evaluating and reporting

Monitoring and evaluating are the process that will continue from whereas the company defines risk management plan and the person responsible for managing the risk. The goal is detailed as follows:

- To assess the suitability and effectiveness of risk management methods including follow-up management and the risk achieved whether the objectives of the risk management have been fulfilled.
- To control and monitor the level of risk.
- To determine whether control measures have been redefined or adjusted to reduce the likelihood or effects of risk effectively.
- To determine who is responsible for the evaluation and bring the evaluation results to report to the Risk Management Committee

### Benefits of risk management

To prevent and reduce losses from disaster which may disrupt or discontinue the business operations.

### Policy, Administration/Management of Insurance Risk

The company will consider carefully whether the level of risk transferred is at the acceptable level and does not refer the handbook of premium rate set up. To monitor and control the distribution of risks must be appropriate, not concentrated by geography or type of risk. The risk higher than the company can be obtained alone is managed to transfer the risk to the insurer through the insurance contract. The selection of the reinsurer is considered on financial stability as the first priority in order to manage the insurance to the appropriate proportion of insurance in terms of the sum of the results of the insurance and to be consistent with the objectives and goals of the company.

### Risk Management for Claims Management and Reserves

To determine the amount of insurance reserves, the company uses the generally accepted actuarial method to calculate and certify by authorized actuaries. The changes in reserves are monitored and analysed to determine factors that may affect the company's reserves regularly to ensure that sufficient reserves for the obligation the company is bound to the insured in the future. The actuarial shall assess the appropriateness and adequacy of the reserves.

### Risk Administration / management of reinsurance

The risk higher than the company can bear alone will be transferred to the reinsurer

through the insurance contracts both advance – annual type and individual type. The selection of the reinsurer is considered on stability first. In addition, the company has insurance portfolio management to appropriate the proportion of insurances in terms of the total of insurance approval results to be consistent with the objectives and goals of the company.

In addition, the company has developed a written reinsurance management strategy to comply with the rules and the requirements of the Office of Insurance Commission which is part of the management framework, overall risk and been approved by the Risk Management Committee and the Board of Directors, respectively consisting of the process of choosing the right reinsurance plan and implementation used for monitoring, review, control and documentation of the company's reinsurance considering the acceptable risk of the company, financial costs by comparing the liquidity, trend of reinsurance market so that the company's business plan is appropriate to the nature, size and complexity of the company's business.

Unit: Million Baht

Description	Amount
Insurance reserve recovery from Reinsurance	134.55
Due from reinsurers	21.00
Reinsurance premium deposit	-

### Asset Liability Management (ALM)

Asset and Liability Management (ALM) is the management of assets and liabilities in the financial statements. It also includes commitments to get returns and risks at an acceptable level. Risks involved are the risks that arise from liquidity management, interest rates and the risk of error pricing. Risks from inaccurate estimation of claim liabilities for example, when the company has to repay its debts and obligations but is unable to change assets available to be cash in time or cannot find sources of finance or can find sources of finance, but the financial cost is too high which will affect revenue and the capital and the reliability of the company.

The asset and liability management strategy emphasize the maintenance of financial liquidity to adequately cover liabilities to policyholders and number of policies. Liabilities as per policies is essential for the company to make investment decisions in terms of time to invest and interest rate risk.

Unit: Million Baht

Particulars	2019		2018	
	Accounting Price	Appraisal Price	Accounting Price	Appraisal Price
Total Investment Assets	271.79	271.79	294.68	294.68
Total Liquid Assets	185.74	185.74	165.96	158.54
Total Liabilities	428.42	406.33	324.10	303.84
Insurance Liabilities	299.45	277.36	216.08	195.82

### Note

- Account price refers to assets and liabilities measured in accordance with financial reporting standards.
- Appraisal price refers to the assets and liabilities assessed as per the Notification of the OIC regarding valuation of assets and liabilities of non-life insurance companies for the primary purpose of directing financial security of insurance companies and to ensure that the company has the ability to fully pay benefits to the Insured.

Value, methods and assumptions in assessing liabilities from insurance contracts

Liabilities from insurance contracts consist of:

1. Unearned Premium reserve

The company calculates premium reserve not counted as income in accordance with the Notification of the OIC Re: Rules, Procedures and Conditions for allocation of premium reserve not counted as income, reserves for claims and other reserves of non-life insurance companies by calculating the method 1/365 System

2. Claim reserve and outstanding

Claim reserve and outstanding are recorded when claims are logged by the insured at the value appraised by the independent appraiser or the company's appraiser depending on the case. In addition, the company has made additional provision for claims that have not yet been reported to the company (IBNR), as assessed by the actuarial.

3. Unexpired Risk Reserve

An unexpired risk reserve is the best estimate of the insurance claims that are expected to occur during the remaining insurance period for an insurance policy that is still in force according to an analysis of past claims by an actuary. Unexpired Risk Reserve will be recognized in the financial statement when the unexpired Risk Reserve over unearned premium reserve.



3 methods of mathematical analysis are used in assessment.

1. Chain Ladder method (CL) for claims data and claims occurred.
2. Bornhuetter-Ferguson method (BF) for claims data and claims occurred.
3. Expected Loss Ratio (ELR)

To estimate the best value of claims, we mainly use CL to accommodate claims for damages while BF and ELR methods used on appropriateness of data.

Unit: Million Baht

Particulars	2019		2018	
	Book Value	Appraisal Value	Book Value	Appraisal Value
Insurance contract liabilities	299.45	277.36	216.08	195.82
Premium liabilities	227.52	196.79	182.47	157.17
Claim liabilities	71.93	80.56	33.61	38.65

Note

- Book Value refers to the value of the insurance contract assessed in accordance with accounting standards. The main objective is for investors to financially analyze to understand the economic value of a recognized insurance liability accepted in accordance with accounting principles in Thailand. Such value must be certified by a licensed auditor.

- Appraisal value refers to the value of liabilities from the insurance contract as assessed by the Notification of the OIC re: appraisal of asset value and liabilities of insurance companies for the primary purpose of overseeing the financial security of insurance companies to ensure that the company has the ability to fully pay the insured, which must be assessed by licensed actuaries approved by the actuarial registrar. The assumptions used in the appraisal must be consistent with the actual experience or, if the company has insufficient information, may be based on industry experience and tailored to the specific characteristics of its insurance portfolio. This includes the Provision of Adverse Deviation (PAD), which is in line with the regulation of the OIC.

Observation remark: In some periods of financial reporting, the amount of insurance liability may differ between the accounting value and the appraised value significantly due to the different objectives and methods of assessment as described above. The person who will use the information should study and understand the purpose of the valuation method of the insurance contract both thoroughly before making a decision.

### Investment Policy and Other Business

Investment Policy is to be in line with the overall risk management policy, product design, insurance issuance, insurance contract, asset and liability management, capital status, acceptable risk level, expected return and the availability of systems and personnel to support investment and comply with the Notification of the OIC re: other businesses of insurance companies 2013

### Objectives

The purpose of this policy is to assist Pacific Cross Health Insurance PCL in order to manage its assets efficiently. To oversee, monitor and evaluate its assets of the company and investments in those assets will be held by the Investment Committee by taking into account of the business liquidity for the benefit of the company's mission and objectives. This policy is consistent with the laws and regulations of the OIC.

### Proportion of investment by asset type (Product Limit)

The company has an investment policy in the year 2018 with the objective "to emphasize security of principal and value of return on investment", which determines the proportion of each type of investment to suit the condition of capital market at that time. Considering the consistency of each type of investment with risk management, which must be approved by the Investment Committee, then presented to the Managing Director for an approval before proceeding every time.

Strategy and allocation must be based on the current situation of the company to consider the liquidity as the first priority. This includes investment limits. Investors must keep track of economic movements and regularly analyze data from financial institutions and research

centres of many reliable companies. In addition to investment planning, the flexibility of the investment plan is enhanced if the money market or capital market is fluctuated.

#### Asset quality

1. Cash and Cash Equivalent - is a deposit with domestic and foreign financial institutions established under the laws of each country. Depositing funds with foreign financial institutions is for specific purposes for use in their respective country.
2. Fixed Deposit / Term Deposit - Organizations can deposit money with either government or private banks where there is the guaranteed principal. The interest rate will be compared to the current market rate as well as the exchange rate. The duration of the fixed deposit should start from 3 months to 60 months as the maximum.
3. Debt instrument - Quality of debt instrument i.e. bonds or debentures are selected based on credit rating, which must be at least "A-1", rated by reputable and reliable companies both domestically and internationally. The company is considered to have the ability to conduct business well and the time frame bonds and debentures should be in 3-5 years.
4. Mutual Funds - Mutual funds must have a policy to invest in or hold high quality debt securities or equity instruments so that the return is appropriate to risks, such as treasury bills, government bonds, Bank of Thailand bonds, state enterprise bonds, debt securities issued by legal entities by specific law, debt securities issued by state-owned enterprises or commercial banks or foreign banks or debt securities by commercial banks or private companies with reliable credit rating investable.

### Asset Valuation

The company has invested in assets in cash, deposits with financial institutions, depositories, and negotiable certificate of deposit

1. Cash appraised by the amount available.
2. Deposits with financial institutions and deposit slip appraised by the deposited amount and deposit slip appraised at cost.

Unit: Million Baht

Type of Investment Assets	Value at 31 December			
	2019		2018	
	Book Value	Appraisal Value	Book Value	Appraisal Value
Deposits and deposit certificates with financial institutions	334.69	334.69	294.68	294.68
Debt securities, (bonds, debentures, promissory notes, bills of exchange, convertible debentures and lotteries)	-	-	-	-
Equity securities (excluding investments in subsidiaries and associates)	-	-	-	-
Investment Units	-	-	-	-
Loans, rental cars, leasing properties	-	-	-	-

Warrants, debentures, investment unit	-	-	-	-
Derivatives	-	-	-	-
Other investment funds	-	-	-	-
Total				

Notes

- Book value refers to assets and liabilities assessed by the Financial Reporting Standards.
- Appraisal value refers to assets and liabilities assessed according to the Notification of the OIC re: the valuation of assets and liabilities of insurance companies for the primary purpose of overseeing the financial security of insurance companies and to ensure that the company is able to fully cover the Insured 's insurance benefits.

## Internal control

### Objectives

The company is subject to changes in economic conditions and business operations, which may adversely affect the company's overall risk profile. Changes may occur from both internal and external factors, including economic and industrial conditions, laws, regulations and change of the company operations.

The company is therefore required to set policies, operation and appropriate control to manage significant risks associated with the company's business operations. Establishing effective internal controls, under a strong control environment, is a key element of good governance. One of the company's obligations to the shareholders, policy holders, creditors and regulators are creating confidence for such individuals. The Company has a good internal control system and significant risks are managed with care and due diligence.

### Definition

Internal control refers to policies and processes designed and practiced to build the confidence that the company will achieve the following objectives.

- Effective and efficient operation.
- Financial reports are reliable.
- Compliance of rules and policies

## Structural control and operational procedures

The company has clearly structured the management of each unit. There are subdivisions and decentralized management in each hierarchy. The administration and risk management has been properly considered.

## Company's business operation

The business operation of the Company is divided into 2 sections.

### 1. Underwriting

The main business of the Company is personal accident and health insurances.

- Direct insurance - Insurance through agents, brokers, legal entity brokers, and directly to prospects
- Reinsurance from other insurance companies.

### 2. Investment

Insurance companies can take cash to invest or seek return as another way to earn income. The investment must be made in line with the acceptable level of risk and the liquidity of the portfolio of investments in cash that the company uses in the future adequately. The company must comply strictly with the type, proportion and conditions regulated by laws under the provision regarding investment in accordance with the Notification of the OIC re: investment in other businesses of insurance companies 2013 – Loans, investment in securities, bill of exchange, bonds, ordinary shares, debentures, as well as deposits with banks.



## Insurance Products

The company offers Accident and Health Insurances as follows:-

1. Personal Accident Insurance
2. Group Accident Insurance
3. Travel Insurance
4. Travel Insurance for Tour Operators and Guides (TTG)
5. Health Insurance
6. Group Health Insurance

The company's main focuses are Health, Group Health, Personal Accident, and Travel Insurances. To offer products, the company considers the interests of the Insured to obtain the maximum benefits. At the same time, the company must be able to operate and profit from the operation.

## Customer Groups

The company has sold health insurance and accident insurance for individual customers as well as foreigners residing in Thailand. It offers a wide range of appropriate coverage limits up to a very high coverage limit. In addition, the company provides group coverage plans. Employee welfare is an important part of the business to attract and retain good employees to work with the company continuously.

## Insurance premium percentage of premiums classified by type of insurance year 2019

Unit: Million Baht

Particulars	Fire	Marine		Motor		Miscellaneous					Total	
		Hull	Cargo	Compuls	Voluntar	Property	Public	Engineeri	Personal	Health		Other
Direct Premiums									27.55	408.98		436.53
Premium Proportions%									6.31%	93.69%		100%

Note: The information retrieved from the annual report 2019

## Important financial information

## Capital management of the company

The company has set a minimum capital adequacy ratio of 200% and has estimated the adequacy ratio of the fund as part of its business plan. There are reports to the Risk Management Committee to present to the Board of Directors on regular basis. In addition to the process of assessing and managing business risks, the company generally conducts risk appraisal and management procedures, considering both qualitative and quantitative. The objective is to provide management with a clear understanding of the risks, capital requirements for various types of business risk including finding the way to deal with that risk appropriately

Unit : Million baht

Particulars	At December 31	
	2019	2018
Total Assets	547.94	460.65
Total Liabilities	428.42	324.10
- Insurance Contract Liabilities	299.45	216.08
- Other Liabilities	128.97	108.02
Equity	119.52	136.55
Capital Adequacy Ratio (%)	230.65%	497.94%
Capital Available	132.77	149.38
Capital required	57.56	30.00

**Note**

- According to the Notification of the OIC regarding Classification and type of capital funds, rules, procedures and conditions for calculating the capital fund of insurance companies. The Registrar may impose necessary measures to supervise the company with a capital adequacy ratio lower than one hundred and forty percent.
- The capital fund is appraised by the appraised value according to the Notification of the OIC regarding Valuation of assets and liabilities of insurance companies.

- The above items are calculated using the appraisal price according to the Notification of the OIC regarding Valuation of assets and liabilities of insurance companies.

Claims service (Keep same information)

Procedure, period, documentation and processes for obtaining insurance claims.

(Link to) >> <https://www.pacificcrosshealth.com/make-a-claim/>

How to contact the company and the relevant agencies for any dispute or complaint

(Link to) >> <https://www.pacificcrosshealth.com/make-a-claim/#ClaimDisputes>

## Board of Directors

	Name	Position
1	Mr. Thomas Prentice Thomson	Chief Executive Officer
2	Mrs. Chompan Kulnides	Director
3	Mr. Thanachat Kaewjaipetch	Director
4	Ms. Veerapat Udomkham	Director
5	Mr. Nat Uawithaya	Director
6	Mr. Piyapadh Vana-ukrit	Director
7	Mr. Bancha Thanprakorn	Director

The board has the authority to supervise and manage the company to comply with the laws, objectives, regulations and resolutions of the shareholders' meeting. The Board may delegate one or several directors or any other person acting on behalf of the board with a condition of two directors to jointly sign and seal.

The scope of authority of the Board of Directors is as follows: -

- 1) Determine the policy, vision, mission, strategies, goals, direction of the company's operation and supervise the management to ensure that the policies are implemented effectively and efficiently.
- 2) Consider matters relating to the company's business operations, such as policies and business plans suitable to executive power, acquisition or disposition of assets and any other items prescribed by law.

- 3) Consider and approve the nomination and appointment of the qualified management team with the appropriate qualifications, duties and responsibilities and experience that is beneficial to the organization.
- 4) Administer any risks to be at an appropriate level under the law, objectives and regulations of the company with honesty, reasonable and cautious in accordance with good practice.
- 5) Consider the remuneration for the Board of Directors and to consider the annual dividend payment to propose to the shareholders meeting.

#### Charter of the Board of Directors

- The Board of Directors of the company consists of not less than five (5) directors and no less than half of the directors. All directors must have a residence in the Kingdom of Thailand. There must be a director who is of Thai nationality according to the ratio prescribed by the Insurance Act.
- The Board of Directors shall elect one director to be the chairman. In the case where the Board deems it appropriate, one or more directors may be elected as vice chairmen. The Vice Chairman is responsible for the regulations of the affairs assigned by the Chairman.
- The meeting of shareholders shall elect the directors in accordance with the following rules and procedures:
  - 1) One shareholder has one (1) share to one (1) vote.
  - 2) Each shareholder shall use the existing votes to elect one or several persons as directors. In the case of election of several persons, the number of votes shall not be divided among any other persons.

- 3) The persons receiving the highest number of votes in descending order shall be elected as directors. In cases where the persons elected in descending order are equal, the number of directors shall be equal to the number of directors to be elected. The Chairman shall be the casting vote.
- At every Annual General Meeting, directors must retire at least one third (1/3). If the number of directors cannot be divided into three parts, the number nearest to one-third (1/3) of the directors must be retired in the first year. In the second year after the registration of the company, the lottery [of names] shall be drawn up. In subsequent years, the longest directors shall retire. A retiring director may be re-elected.
  - In addition to termination of office, directors may vacate office with the following factors.
    - 1) Death
    - 2) Resignation
    - 3) Lack of qualifications or obtain prohibited characteristics under the law governing public limited companies or the Securities and Stock Exchange Act, or Casualty Insurance Act or Life Insurance Act
    - 4) The shareholders' meeting resolution
    - 5) The court has issued an order.
  - Any director wishing to resign shall submit a letter to the company. Resignation is effective from the date the letter is issued to the company. A resigned member under paragraph one shall notify his resignation to the Registrar in accordance with the law governing public limited companies.

- If the position of the director is vacant for reasons other than the expiration of the term, the Board of Directors may elect a qualified person who does not obtain prohibited character to be a director for the next Board meeting, except for a term of less than two (2) months, such person shall possess the position for the remaining term of the director who is replaced by such person. The resolution of the committee under paragraph one shall consist of votes of not less than three quarters (3/4) of the remaining directors.
- In the event that the Board of Directors vacates office, the retiring board shall remain in office only for the conduct of the business of the company until the new board is in office, unless the court orders otherwise. If the board vacates office under a court order, the Board of Directors shall hold a shareholder meeting for the election of new board within one (1) month from the date of retirement. The notice of the meeting shall be sent to shareholders no less than fourteen (14) days prior to the date of the meeting. The announcement in the newspaper is not less than three (3) days before the meeting by advertising for a period of three (3) consecutive days.
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- The Board is responsible and manage all activities of the company. It has the power to act within the scope of law, objectives, and regulations of the company and according to the resolution of the shareholders' meeting. The Board may delegate one or more persons to perform any act on behalf of the director.
- The Board of Directors must meet at least three (3) consecutive months. The Board of Directors 's meeting shall be held in the area where the headquarters of the company located or neighbouring provinces
- To call a meeting of the Board of Directors, the Chairman or assigned person send a letter notify the meeting to directors (7) days prior to the date of the meeting. Unless in case of urgent need to maintain the rights or benefits of the Company, the meeting shall be notified by other means and the meeting date is set sooner than that. In cases where two (2) or more directors request a meeting of the Board of Directors, the Chairman shall fix the date of the meeting within fourteen (14) days from the date of such request.
- The meeting must consist of not less than one half of the total number of directors to constitute a quorum. In case the Chairman is absent from the meeting or cannot perform the duty, if there is a vice chairman, the vice chairman shall act as the chairman. If there is no the Vice chairman, the directors who are present at the meeting shall elect one of them to preside over the meeting. The decision of the meeting shall be taken by the majority of votes. One director is eligible to one vote. Directors who have interests in any matter shall not vote on such matter. In case of equal votes, the chairman of the meeting shall have a casting vote
- Directors are prohibited from doing business with the same conditions and compete with the company or a partnership in an ordinary partnership or a partnership not

limited to liability in limited partnership or a director of a private company or any other entity that conducts business of the same nature and compete with the company whether it will be done for their own benefit or for the benefit of others, unless it is notified to the shareholders' meeting prior to the appointment.

- Directors must notify the company without delay if there is any conflict of interest in the contract that the company makes, directly or indirectly or hold shares or debentures increased or decreased in the company or affiliated companies.
- Directors are entitled to receive remuneration from the company in the form of meeting allowances, bonuses, or other benefits according to the consideration of the shareholders' meeting. The meeting may fix certain amount or principles which is scheduled periodically, or it will take effect until it changes. In addition, directors may receive the allowance and welfare of the company. The provisions of the preceding paragraph shall not affect the rights of staff members and employees of the company who is elected as a director in order to receive remuneration and benefits as a staff or employee of the company.
- Numbers or names of the authorized directors to sign for the company – there must be two directors jointly sign and the company's seal. The meeting of shareholders or the Board of Directors is authorized to determine the list of authorized directors.

### Executives of the company

	Name	Position
1	Mr. Thomas Prentice Thomson	Chief Executive Officer
2	Mr. Piyapadh Vana-ukrit	EVP
3	Mr. Thanachat Kaewjaipetch	Executive Director
4	Ms. Veerapat Udomkham	Executive Director
5	Mr. Surin Suchartchotiwong	Chief Operation Officer
6	Ms. Opas Sirisan	Chief Financial Officer

Duties and powers of the company's Executive Directors are to act on behalf of the Board in various matters as follows:

1. Manage the company's business to be in line with objective, rules and regulations and resolution made by the Board of Directors' meeting and has the power to supervise staff and employees of the company. In terms of managing the operation, the Chief Executive Officer is responsible for the Board of Directors
2. Define working conditions of staff and employees, issue orders or notices, determine the management and operation of the company. It must not conflict with the company's regulations and resolutions of the directors or labour law or other relevant laws;
3. Third Party Business - The Chief Executive Officer and the authorized directors are entitled to represent and bind the company within the scope of authority specified in Clause 1. Unless the Chief Executive Officer and the authorized signatory assign any person to carry out specific business.

Nomination and appointment of directors, independent directors and executives

## Committee of Nomination and Remuneration

	Name	Position
1	Mr. Thomas Prentice Thomson	Chairman of the Nomination and Remuneration Committee
2	Mr. Piyapadh Vana-ukrit	Nomination and Remuneration Committee
3	Mr. Arinchai Thammawang	Nomination and Remuneration Committee

Nomination and appointment of directors, independent directors and executives  
 Nomination Committee shall define the remuneration and administration of human resource as part of the Good Corporate Governance. The Nominating Committee shall define the remuneration and administration of human resource and has a duty to propose a recruitment policy and remuneration for directors and executives to be transparent, fair comply with the rules, regulations and relevant laws including the policy and strategy for human resource management to presented to the Board of Directors.

### 1. Committee

Nomination Committee to define remuneration and manage human resource appointed by the Board of Directors consists of directors / experts with knowledge of recruitment, remuneration and human resource management no less than 3 persons

### 2. Qualifications

- 2.1 Experience in human resource management and understanding of their responsibilities and responsibilities as a member of the Nomination Committee to define remuneration and manage human resource.
- 2.2 Independent and able to dedicate sufficient time to perform duties.

### 3. Term of office

3.1 Nomination Committee to define remuneration and manage human resource has the term of three years. Upon expiry of the term, they may be reappointed.

3.2 Member of the committee shall vacate the office as follows:

3.2.1. Expiration of term

3.2.2 Resignation

3.2.3 Death

3.2.4 The Board of Directors has forced for resignation

In case of the position is vacancy for any other reasons beyond the expiration of the term, the Board of Directors shall appoint a qualified person to be the committee. The person who becomes a member of the remuneration committee to supervise human resource shall perform his/her duties only for the remaining term of the committee replaced by him/her.

### 4. Scope of duties and responsibilities

To ensure the performance of the Nomination Committee defining the remuneration and managing human resource is to support the company's operation and according to good corporate governance principles, the Board of Directors has set the scope of duties of the committee.

4.1 Nomination

- Formulate policy framework, guidelines and criteria for nomination of directors, board members in various committees appointed by the Board of Directors, consultants and executive directors.
- Consider and nominate qualified persons to serve as directors and sub-committees and advisors to the Board of Directors to replace the vacant position or as appropriate to propose to the Board of Directors for approval.
- Consider the appointment of executive directors proposed to the Board of Directors for appointment and evaluation of guidelines facilitated to determine annual remuneration by considering the responsibilities and risks involved.

#### 4.2 Remuneration

- Propose guidelines and procedures for setting meeting allowances, awards, monetary incentives and gratuities, as well as other benefits in the form of remuneration given to Board of Directors, subcommittees, consultants of the board to propose to the Board of Directors for approval.
- Policy Suggestions To consider and approve the remuneration of the President. In the same level of industry. The Board of Directors is responsible for the approval of the Board of Directors.

#### 4.3 Human Resources Management

- Suggestion of policies and strategies for human resource management, including organizational structure, employee assessment system and the criteria for employee remuneration to be consistent with the company's management strategy.
- Consider selecting appropriate persons to perform executive positions from

director level before proposing upward to the Board of Directors for approval.

- Suggestion of policies to consider and approve the remuneration of executives from the director position upward in the same level of industry to propose to the Board of Directors for approval.
- Ensure that the policy is based on the overall compensation and benefits that can be accommodated for external personnel, and maintain the potential internal personnel.

#### 4.4 Other

- Perform any other tasks as assigned by the Board of Directors.

### 5. Meetings

5.1 Nomination Committee setting the compensation and human resource management shall hold a meeting at least once a year.

5.2 At each meeting, at least half of all directors must attend the meeting.

5.3 If the Chairman of the committee is absent or cannot perform the duty, the committee attending the meeting shall elect one person to be the Chairman of the meeting.

5.4 The decision of the meeting shall be taken by the majority of votes. If the votes are equal, the chairman of the meeting shall have an additional casting vote.

5.5 If any of the Nomination Committee setting the compensation and human resource management is deemed to have conflict of interest must not participate in the consideration and vote on the matter.

### 6. Reporting

6.1 Reporting to the Board of Directors once a year

## 6.2 Summary of performance in the annual report and information.

### 7. Compensation (Remuneration policy)

#### Composition of Directors and Management Remuneration

- Human Resources Department offers opinions to the Board of Directors regarding structure and composition of remuneration for directors on an annual basis.
- To consider and review the performance valuation report of the Board of Directors to propose to the Board of Directors to approve and conduct the assessment. The Nominating Committee will use the results of such assessment to determine the directors' remuneration.
- Propose remuneration criteria appropriately to the duties of directors by linking the compensation with the results of the business plan and the overall performance of the company to be able to motivate and secure the directors who is competent, qualified and capable. The Board of Directors shall consider and agree on the matter before presenting to the Annual General Meeting of Shareholders for approval.



### Audit Committee

	Name – Surname	Position
1.	Mrs. Songvilai Jiraphothong	Chairman of the Audit Committee
2.	Miss Saijai Wangpattanasirikul	Audit Committee
3.	Miss Suruthai Songsiridej	Audit Committee

#### Charter of the Audit Committee

##### 1. Objectives

The Audit Committee is an independent board established by a resolution of the Board of Directors to promote the good corporate governance and operational efficiency. The Audit Committee will support and operate on behalf of the Board of Directors to assure the confidence and reliability of the financial reports submitted to shareholders and other related persons, review and evaluate the internal control system, risk management system and internal audit system, monitor to ensure compliance with the good corporate governance policy, business ethics and related laws, as well as coordination with the company's auditors.

##### 2. Composition and Qualifications of the Audit Committee

###### 2.1. Composition

2.1.1. The Audit Committee consists of 3. 2 of them are independent directors.

2.1.2. The Audit Committee consists of at least one Audit Committee member who has adequate accounting and financial knowledge and experience to review the reliability of the financial statements.

## 2.2. Qualification

Audit Committee must meet the criteria and not contrary to the rules of Clause 18, Clause 19 and Clause 20 of the Notification of the OIC regarding Rules, Procedures and Conditions for Receipt of Payment, Inspection and Internal Control of insurance companies 2014. The Audit Committee must be impartial, no conflict of interest either directly or indirectly in such a manner that may affect the use of discretion in accordance with responsibilities and independence.

## 3. Term of office

3.1 The term of office of the Audit Committee is 4 years from the date of appointment.

3.2 The members of the Audit Committee may be reappointed by resolution of the Board of Directors or shareholders' meeting. In addition to vacating office upon the expiration of the term of office, Audit Committee will be vacated by:

1.) Resignation

2.) The Board of Directors resolve to vacate office.

3.) Not being qualified as a member of the Audit Committee in accordance with the Notification of the OIC regarding Rules, Procedures and Conditions for Receipt of Payment, Inspection and Internal Control of insurance companies, 2014

## 4. Scope of Authority and Responsibilities of the Audit Committee

4.1 Review that the company has correct, complete and reliable financial report in accordance with generally accepted accounting standards

4.2 Review and evaluate that the company has internal control, internal audit and risk management systems which are appropriate, effective and concise

according to the framework accepted by international standards, including the authorities and responsibilities of the Internal Audit Unit

4.3 Review that the company complies with the insurance law, regulations of the OIC and other laws relating to the business of the company

4.4 Appointment of an independent person to perform as the company's auditor and propose the compensation of such person. Also, attend meetings with the auditors with no executives attend the meeting at least once a year

4.5 Provide management feedback for effective and efficient supervision of the operation and report to the Board of Directors for corrective action within the timeframe specified by the Audit Committee deems appropriate. In the case where the Audit Committee finds or suspicions that there are any transactions or actions as follows:

A) Conflict of Interest

B) Corruptions, abnormalities or significant defects in the internal control system.

C) Violation of the insurance law or other laws relating to the business of the company.

4.6 Provide opinion on the results of the overall internal control evaluation of the company to the Board of Directors.

4.7 Ensure that business ethics and code of conduct, management and employees, and policies in place to prevent conflicts of interest which is in writing for all management and staff to acknowledge.

## 5. Meetings

5.1 The Audit Committee shall hold or convene the meeting as it deems appropriate at least 4 times a year and have the power to call additional meetings as needed.

The quorum consists of not less than half of the members of the Audit Committee.

5.2 The Audit Committee may invite the top executives of the Risk Management Group, the internal auditor, the auditor or the related person attends the meeting and requests information as necessary and appropriate for the agenda.

## 6. Other Responsibilities

6.1 The Audit Committee must prepare a written report to present responsibility and the performance of the Audit Committee to propose to the Board of Directors and to propose as part of the annual report of the company. The report should state the purpose, responsibilities, and mission or activities of the Audit Committee that have been implemented in the past year and recommendations.

6.2 Perform other tasks as assigned by the Board of Directors.

6.3 Regularly review and evaluate the Charter of the Audit Committee and propose to the Board of Directors for approval.

6.4 Provide self-assessment at least once a year and present the results to the Board of Directors.

### Risk Management Committee

	Name - Surname	Position
2.	Mr. Piyapadh Vana-ukrit	Chairman
2.	Mr. Thomas Prentice Thomson	Committee
3.	Mr. Thanachat Kaewchaipetch	Committee
4.	Ms. Veerapat Udomkham	Committee
5.	Ms. Opas Sirisan	Committee
6.	Mrs. Nanthana Srisomwong	Committee

### Charter of the Risk Management Committee

#### 1. Objectives

To comply with the good corporate governance policy of the company regarding administering and managing the risks that may occur to the company operation efficiently, the Board of Directors has appointed Risk Management Committee to manage the risks to be consistent with the company's vision, mission and objectives to perform such duties on behalf of the Board of Directors.

#### 2. Duties and Responsibilities

- 2.1 Review and present the policy and risk management framework to the Board of Directors for approval.
- 2.2 Review and approve the risk appetite and submit it to the Board of Directors for acknowledgment including risk reports. The company regularly monitors and maintains risk management policies.

- 2.3 Supervise, development and implement the policy and risk management framework continuously so that the company has an enterprise-wide risk management system and there is practice on regular basis.
- 2.4 Review the risk management report to monitor the risk and to ensure that the organization has adequate and appropriate risk management.
- 2.5 Coordinate with the Audit Committee on major risks. The Internal Audit Department is responsible for ensuring that the company has an appropriate internal control system for risk management and that the risk management system is properly deployed and implemented throughout the organization.
- 2.6 Other operations related to risk management assigned by the Board of Directors

### Investment Committee

	Name - Surname	Position
1.	Mrs. Chompan Kullanites	Chairman
2.	Mr. Thomas Prentice Thomson	Director
3.	Ms. Opas Sirisan	Investment manager

#### Investment and other business policies

To ensure that the operation of Pacific Cross Health Insurance Plc is efficient and effective, with adequate levels of control and acceptable capital, the company has set policies and measures to manage capital adequacy of the Company Investment Policy Framework and Risk Management. The Board of Directors is responsible for overseeing and supervising the operations related to management functions in order to comply with the policies and measures of the capital fund management of the company and to be properly monitored and up to certain situations.

#### 1. Objectives

The purpose of this policy is to help the company effectively manages assets and liabilities, supervises, monitors and evaluates investment in the company's assets. Investments in those assets will be held by the Investment Committee for the benefit of the company's mission and objectives. This policy is consistent with the following.

- Determine the level of adequacy of capital funds acceptable and not lower than the benchmark as a guideline for maintaining adequate capital levels to sufficiently accommodate risk.
- Determine and assign the responsibilities of each department concerned.

- Create clear understanding of all parties involved in the governance and capitalization of the company and its objectives, assign and allocate assets and liabilities, the risk acceptable and the compliance of the OIC.
- Capital adequacy must consider liquidity and capital concentration of the company.
- Framework and criteria for monitoring, evaluating and comparing performance is scheduled by the investment manager regularly including report to the Board of Directors and / or Investment Committee.

## 2. Risk Management Practices and Procedures caused by investment, responsibilities of the Board of Directors or the Investment Committee.

2.1 Executive Board has highest responsibilities for the investment strategy and risk management of the organization and investment assets.

2.2 Executive Board may delegate authority regarding the investment of the organization under the Investment Committee. The member must comply with the regulations of the OIC.

2.3 Executive Board or Investment Committee may outsource an outside expert as an investment consultant or investment manager to manage the corporate portfolios if necessary.

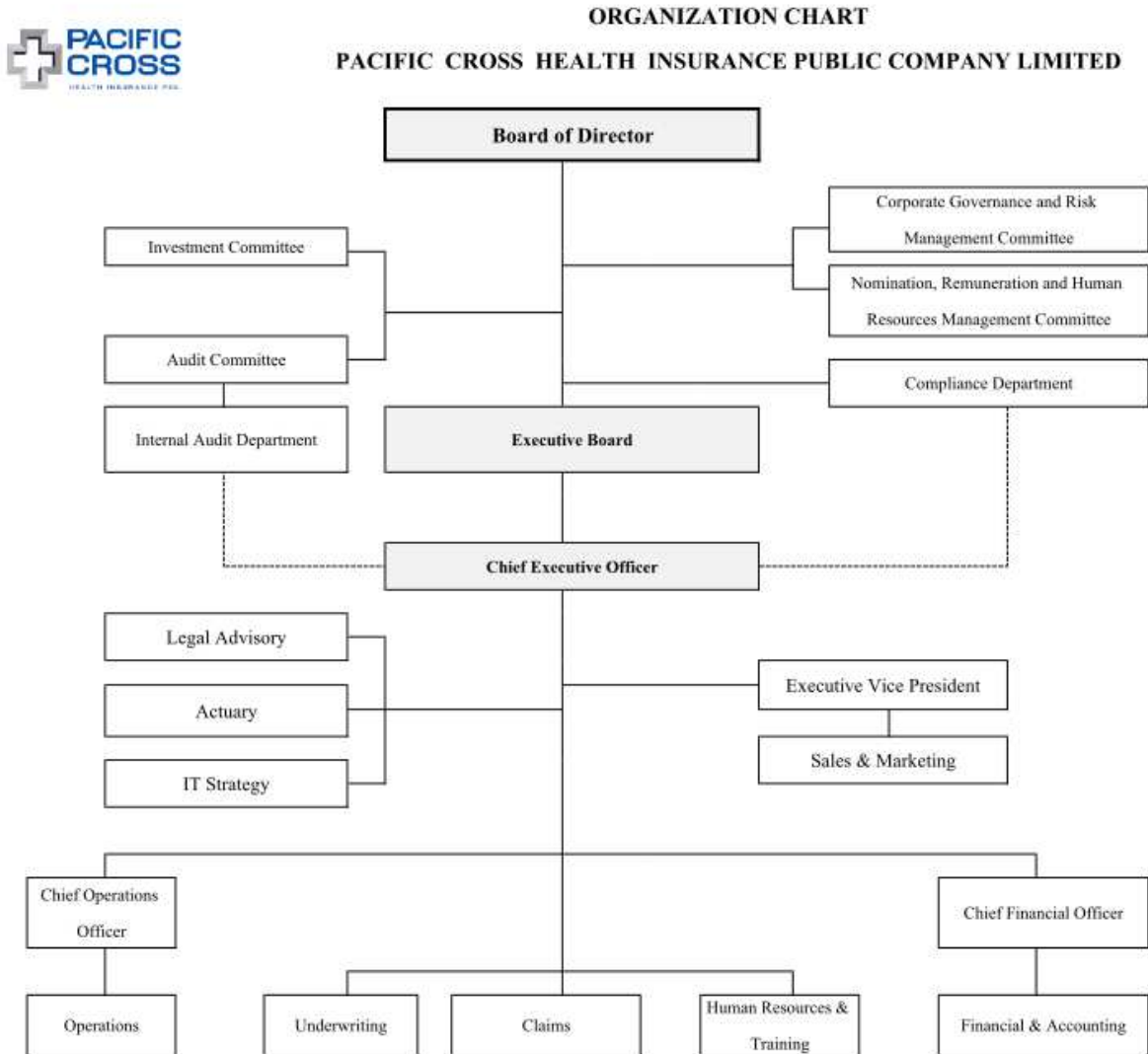
2.4 Executive Board or authorized person or Investment Committee is responsible for managing corporate portfolio assets. The conditions are as follows.

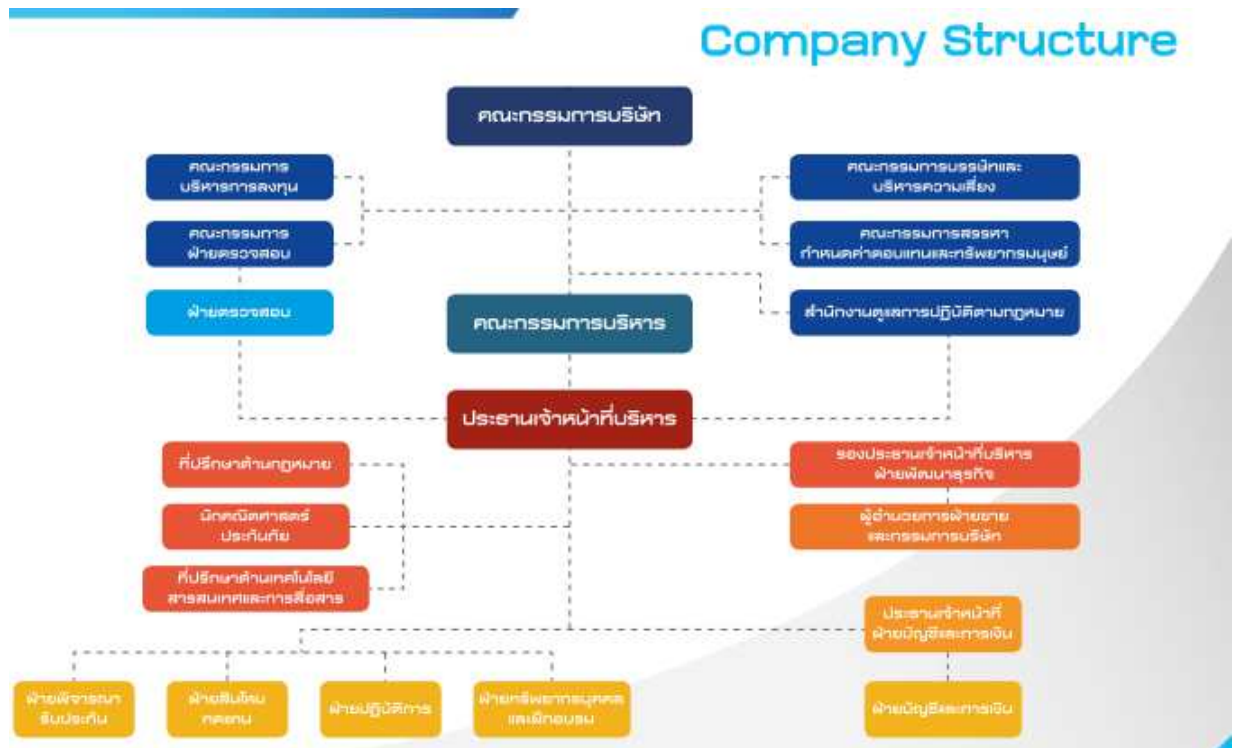
- Must communicate the financial needs of the organization to the investment manager at the right time.
- Consider and approve investment objectives including policies and allocation of the property to be invested every year.



- Be cautious in choosing the right method or investment expert including investment managers, Asset Management Auditors and Asset Supervisors
- Regularly assessed the performance of asset managers in asset management to ensure to follow the operating guidelines and investigate the progress to meet the objectives of the investment.
- Review and monitor the performance of the investment to follow the policies of the organization.

Company Structure แผนผังองค์กร





Roles, responsibilities and the qualifications of personnel.

1. Board of Directors must have goal and objective, knowledge and understanding of the business and related risks of the company to ensure that problems get properly resolved and to make the effectiveness of the internal control system.
2. Audit Committee is responsible for monitoring the management and the Board of Directors by reviewing the internal audit report, the scope of work and the legal practice.
3. Risk Management Committee establishes a policy framework and risk management guidelines in line with the company's strategy to propose to the Board of Directors to consider risk management. The strategy is in line with the risk

management policy.

4. Investment Committee is responsible for overseeing the company's investment to comply with the investment policy framework and the risk management policy, investment laws and the requirements of relevant laws, considering the risks inherent in investing and the management approach, control and verify the risk of investing, covering key issues
5. The Investment Department shall invest in accordance with the investment policy framework set by the Investment Committee. It also complies with the terms and conditions of the OIC regarding investment in other businesses of insurance companies including other laws associated
6. Risk Management Agency establishes a framework and guidelines for risk management, risk assessment, and risk indicators and provide guidance on risk control and mitigation.
7. Internal Audit Department has an important role in assessing effectiveness. The company is responsible for reviewing and testing the control system and risk management system.
8. Regulatory Compliance is responsible for monitoring and supervising the operations of all departments within the company comply with the regulations and other laws associated

Financial statements, Auditor's Responsibilities for the Audit of the Financial Statements and Notes to the financial statements, show in below link.

<https://www.pacificcrosshealth.com/financials/>