



บริษัท แอล เอช ไฟแนนซ์เซียล กรุ๊ป จำกัด (มหาชน)

รายงานการปฏิบัติตามหลักการกำกับดูแลกิจการที่ดี ปี 2565

Good Corporate Governance Report 2022

## 6. Corporate Governance Policy

The company adheres to good corporate governance principles as guidelines for business operation along with the social and environmental development. The company also focuses on creating the culture of corporate governance in the organization by establishing the Corporate Governance Committee to determine, review the corporate governance policy, and act as a representative of the company in communicating and operating corporate governance activities to ensure the same standard throughout the organization. Having business ethics creates competitiveness and trust among shareholders, investors, stakeholders and all relevant parties; and is fundamental to business operations with efficiency, transparency and credibility. The Corporate Governance Committee also supports the enhancement of management with integrity, value addition in business, stability and sustainable growth; places the importance on internal control, internal audit and equitable treatment among shareholders and

stakeholders; supervises and ensures that any transactions with conflicts of interest are handled in an appropriate level and in line with regulatory requirements, and adequate information disclosure in a timely fashion. Moreover, the company has won the CG awards as follows:

### Good Corporate Governance of Listed Companies in 2022

The company is committed to continuously embodying good corporate governance principles in its operations. As a result, the company has received the score from the Corporate Governance Report of Thai Listed Companies 2022 in the level of "Excellence: 5 Stars" for the 8<sup>th</sup> consecutive year from Thai Institute of Directors Association.



### Quality Assessment of Annual General Meeting of Shareholders

The company is aware of the rights and equality of all groups of shareholders, and is intended to encourage the shareholders to rigorously participate in corporate management, and ensures check and balance mechanism. As a result, the company received the "Excellent and Exemplary" quality assessment of the Annual General Meeting of Shareholders in 2022 presented by the Thai Investors Association, the Thai Listed Companies Association and the Securities and Exchange Commission, with a full score of 100 for the 10<sup>th</sup> consecutive year. As a result, the company was also awarded the Investor Choice Award of 2022 by the Thai Investors Association.



The Board of Directors has appointed the sub-committees to supervise a wide range of efficient operations as follows:

- Audit Committee
- Corporate Governance Committee
- Nomination and Remuneration Committee
- Risk Oversight Committee

Each of the sub-committees supervises the business operations following the vision, mission, operation plan and good corporate governance principles. The roles and responsibilities have been defined clearly in writing. The good corporate governance of the company consists of 4 main principles to which the Board of Directors, executives and employees shall adhere as follows:

1. Transparency : Transparency in operations and information disclosure to related parties
2. Integrity : Honesty
3. Accountability : Responsibility for the performance
4. Competitiveness : Ability to compete with rivals

## 6.1 Overall Corporate Governance Policy and Guideline

The company has defined the good corporate governance policy in writing by referring to the Corporate Governance Code (CG Code) of the Securities and Exchange Commission. It consists of the principles and practices on good corporate governance for the Board of Directors, executives and employees to adhere to as the guidelines for business operations. This is to ensure that the company runs the business operations with accountability, transparency and equitable treatment of stakeholders; while promoting its management with integrity, efficiency and effectiveness.

The company reviews its good corporate governance policy annually. The latest review was approved by the Board of Directors meeting on November 14, 2022.

The good corporate governance policy is classified into 8 principles as follows:

Principle 1 Establish clear leadership roles and responsibilities of the board

Principle 2 Define objectives that promote sustainable value creation

Principle 3 Strengthen board effectiveness

Principle 4 Ensure effective CEO and people management

Principle 5 Nurture innovation and responsible business

Principle 6 Strengthen effective risk management and internal control

Principle 7 Ensure disclosure and financial integrity

Principle 8 Ensure engagement and communication with shareholders

The details of the Good Corporate Governance Policy are published on the company's website ([www.lhfg.co.th](http://www.lhfg.co.th)) and Annex 5.

### Compliance with Good Corporate Governance Principles

The Board of Directors is well aware of its roles and responsibilities to enhance good corporate governance for sustainable business growth, effective management with transparency and fairness as follows:

#### Principle 1 : Establish clear leadership roles and responsibilities of the board

1. The Board of Directors has defined the company's objectives and goals through the approvals of annual business plans and budgets, strategies by taking into the sustainable business practices, other factors including environment, social, good corporate governance, follow up, assessment, review of strategic plan and resource allocation to achieve goals. In addition, the Board of Directors is responsible for supervising the management to assure the alignment with prescribed strategies and plans by taking into account the maximum benefit of the company. It also monitors the management on a monthly basis to ensure the strategies are effectively implemented and consistent with their goals and plans.

2. The Board of Directors ensures the company achieve the governance outcomes in the following aspects:

- To be competitive with good performance by considering long-term impacts
- To conduct business operations with ethics, respect for rights and accountability for shareholders and stakeholders
- To be beneficial to society and improving or reducing environmental impacts
- To be adaptable under risk factors

3. The Board of Directors supervises executives to perform their duties with responsibilities, duty of care, integrity and compliance with laws, regulations and resolutions of shareholders meeting and Board of Directors as well as good corporate governance disclosure; clearly determines the scope of duties and responsibilities and assignments for the president; and monitors the performance as assigned, not for personal gains over the responsibilities towards the company.

#### 4. Board of Directors Meeting

- The company has determined the meeting schedule for the Board of Directors and the sub-committees in advance for the period of 1 year. In case of necessity and urgency, an extraordinary meeting may be called on as deemed appropriate and necessary. The company has informed all directors in advance so that they can allocate time and attend the meeting, and has disclosed the meeting schedule on the company intranet. For each meeting, the company secretary will notify all departments of the meeting date at least 14 days in advance, allowing them to propose important matters to be included in the meeting agenda.

- The directors shall attend the meetings at least 75% of the total meetings held each year except having appropriate reasons and necessities. In the meeting, the directors will discuss significant matters and, for some critical agenda items, the directors may invite high-level executives to attend the meeting in order to provide additional details as directly related parties. In addition, the chairman has the duties to promote the culture of open session for sharing ideas during meeting and directors can discuss, argue and exchange ideas in a creative and straightforward manner.

- The agenda of the Board of Directors meeting shall be jointly determined by the chairman and president. The agenda shall be clearly specified as matters for acknowledgement, matters for consent or matters for approval depending on the nature of each agenda.

- The Board of Directors has assigned the company secretary to submit an invitation letter to all directors not less than 7 days before the meeting date, together with accurate, complete and sufficient supporting documents at least 5 business days before the meeting date so that directors have adequate time to study the meeting materials.

- The Board of Directors meeting requires no less than half of all directors to constitute a quorum in accordance with the Articles of Association, and a resolution of the meeting shall be passed by majority vote. In case of a tie vote, the chairman shall have a casting vote. In case of agenda requiring the Board's decisions, a quorum of at least two-thirds is required at the time of voting. Any directors having conflicts of interest in any agenda item cannot join the voting and consideration on that particular item or shall leave the meeting.

Each meeting shall take about 1.5 - 2 hours. The chairman allocates sufficient time for each agenda. After the meeting ends, the company secretary has duties to provide the written minutes featuring complete details, opinions and significant information within the appropriate time. Once the minutes is certified by the Board of Directors, the company secretary shall keep it and relevant documents systematically for audit and reference purposes.

5. The Board of Directors can ask for opinions from independent consultants or external professionals if necessary; it deems to be the company's expense.

6. The chairman encourages non-executive directors to organize meetings among themselves to discuss management-related issues or problems of their interests and to find ways to improve or provide useful suggestions to the management. A summary of their opinions and resolutions shall be reported to executive directors for acknowledgement. In the year 2022, there was 1 meeting among non-executive directors.

7. Annual performance evaluation of the president

The Board of Directors assigns the Nomination and Remuneration Committee to consider the performance evaluation method of the president, and to consider the remuneration and bonus for his annual performance based on the following responsibilities towards the company:

- Guided by the Nomination and Remuneration Committee, the chairman conducts the performance evaluation of the president on an annual basis against indicators that aligns with the company's vision, mission and long-term goals, duties and responsibilities, achievement of goals as well as current situations and business conditions. The evaluation comprises 2 major parts: financial key performance indicators (Financial KPI) and non-financial key performance indicators (Non-Financial KPI). The evaluation results shall be proposed to the Nomination and Remuneration Committee for determining remuneration and the Board of Directors for approval of remuneration and bonus, respectively.

## **Principle 2 : Define objectives that promote sustainable value creation**

1. The Board of Directors shall define the company's objectives and goals for sustainability in compliance with the value creation to the company, customers, stakeholders and society as a whole.

2. The Board of Directors shall supervise and review the business plan, budget and strategies on a semi-annual basis to ensure they correspond with the company's objectives, goals, economic conditions and competitions.

## **Principle 3 : Strengthen board effectiveness**

### **1. Structure, Composition and Qualifications of the Board of Directors**

- The Board of Directors is composed of well-qualified persons with expertise, leadership, vision, independence in decision making and experiences useful and necessary for business operations. They dedicate and strive to best perform duties as a director with accountability, duty of care and integrity for the best interest of the company and shareholders; and ensure the company's sound management.

- The structure of the Board of Directors is appropriate. For the sake of maintaining the independence of the chairman and clear separation of powers to determine the supervisory policy and regular management, the chairman of the Board of Directors and the chairman of the Audit Committee shall not be the same person as president. The explicit division of powers does not allow any of them to have unlimited power as to maintain checks and balances, and to review their performance.

- The Board of Directors has defined the qualifications of independent directors in line with the good corporate governance guideline, the notifications of the Capital Market Supervisory Board and the Bank of Thailand. The Board of Directors consists of at least 3 independent directors or at least one-thirds of the total number of the directors, whichever is higher. The independent directors must not be employees or staffs who receive salary from the company. They shall also be independent from the majority shareholders of the company and be able to protect the minority shareholders' interests.

*The details of the independent directors' qualifications are disclosed under topic 8: Report on Key Compliance, 8.1 Past Performance of Directors, Sub-topic: Qualifications of Independent Directors.*

- Director and independent director have been nominated by the Nomination and Remuneration Committee that they are qualified according to the applicable laws and regulatory requirements and Articles of Association and have intensive knowledge, experience, skill and integrity which are beneficial to the company including independence for expressing their opinion and non-discrimination for gender.

### **2. Nomination of Directors**

The Board of Directors has set the term of directorship in accordance with the Public Companies Limited Act and the Articles of Association with transparency to nominate any person or to propose existing directors to be reappointed as directors, their profiles and sufficient details including criteria and method of nomination shall be readily available for shareholders' voting.

- The company gives minority shareholders the opportunity to nominate any qualified persons for directorship.

- The Nomination and Remuneration Committee is entitled to scrutinize and nominate qualified persons based on their knowledge and experience in finance and banking, economy, laws and other areas. Organization's necessity, good corporate governance, qualifications required for directorship as specified in related laws and the Articles of Association have also been considered.

In addition, the Nomination and Remuneration Committee shall nominate qualified persons to the Board of Directors for consent and propose the list to the shareholders meeting and the Bank of Thailand for approval.

### 3. Number of Directorship in Other Companies

The Board of Directors has established a clear guideline on the number of other companies in which a director can hold positions in accordance with the good corporate governance principles. The Board of Directors shall carefully consider the performance of directors who hold positions in other companies, ensuring that their sufficient time will be devoted to performing the company's duties as follows:

- Director, president and authorized management persons are allowed to hold the position of either chairman or executive director in other companies of not more than 3 business groups and not more than 5 listed companies on the Stock Exchange of Thailand or abroad.

*The details of directorship in other companies are disclosed in Annex 1.*

### 4. Independent Directors' Term of Office

The office term of directors conforms to the Public Limited Companies Act and the Articles of Association. Independent directors can hold their position with a maximum of 9 consecutive years.

### 5. Number of Directors to Retire by Rotation

One-thirds of the total number of directors must retire by rotation at every Annual General Meeting of Shareholders. In the case that the total number of directors is not divisible by three, the number of directors to retire shall be the number closest to one-thirds of all directors. Directors who have held office for the longest term shall be retire first, and, if there are any disagreements arising, it is suggested to draw lots to decide who will retire. Directors retiring by rotation may be re-elected to continue their office.

### 6. Sub-committees

The company's management structure consists of the Board of Directors who has delegated their management power for the sake of effectiveness and transparency. The Board of Directors has appointed sub-committees to help study details and screen tasks so as to ease the burden of the Board of Directors. Consequently, the company has different sub-committees for specific matters. Such committees shall report their performances to the Board of Directors. These sub-committees are as follows:

- Audit Committee
- Corporate Governance Committee
- Nomination and Remuneration Committee
- Risk Oversight Committee

However, the chairman of the Audit Committee, the Corporate Governance Committee, the Nomination and Remuneration Committee and Risk Oversight Committee are independent directors. Chairman of the Audit Committee shall not be the chairman of the Nomination and Remuneration Committee and of Risk Oversight Committee for the sake of transparency and independence in performing duties.

*The details of sub-committees and scope of authority and duties of each sub-committee are disclosed in the Topic 7.2: Sub-committees.*

### 7. Company Secretary

- The Board of Directors has appointed Mr. Vichian Amornpoonchai, director and deputy president of Corporate Affairs Group, to be the company secretary since May 15, 2009. His duties involve providing some advice pertaining to laws and regulations that the Board of Directors should know, and taking responsibilities for matters connected to the Board of Directors. In addition, the company secretary shall cooperate with related parties to ensure that the resolutions of the Board of Directors and that of the shareholders meeting have been followed. The scope of company secretary's duties and responsibilities according to the laws require him to act with responsibility, prudence and honesty.

- The Board of Directors has encouraged and supported the company secretary to continuously receive trainings in order to develop necessary skills, and expand knowledge of law and accounting areas, or corporate secretarial duties.

*Profile of the company secretary are disclosed in the Topic 7.6 : Other Significant Information: Company Secretary.*

## 8. Remuneration of Directors and Executives

The remuneration of directors determined by the Annual General Meeting of Shareholders in monetary form consists of salary and meeting allowances. Proposed by the Nomination and Remuneration Committee and later consented by the Board of Directors. The remuneration has been clearly defined, fair, reasonable, transparent and aligning with their duties and performance, company's performance, industry, and sufficient to retain qualified directors. Moreover, it shall be proposed to the shareholders meeting for approval on an annual basis.

## 9. Self-assessment of the Board of Directors

The Board of Directors provides the self-assessment for the Board of Directors and sub-committees in the form of collective assessment, individual assessment and cross-assessment at least once a year to review their performance and challenges in the previous year. The self-assessment fosters the awareness of their roles and responsibilities, which consequently helps enhance work efficiency. It is also an essential tool to assess the appropriateness of the Board of Directors' composition and its performance. The assessment results and recommendations from directors shall be applied to improve the duties of the committees and individual director. The self-assessment form of the Stock Exchange of Thailand and the Thai Institute of Directors has been applied and adjusted in order to cover the committees' duties, the company's nature of business and environment. The self-assessment includes:

- Self- Assessment of the Board of Directors and sub-committees on a collective basis
- Self- Assessment of the Board of Directors and sub-committees on an individual basis
- Cross- Assessment of directors
- Good Corporate Governance Self-Assessment

### • Self-assessment of the Board of Directors and Sub-committees on a Collective Basis

**Self-assessment form** is divided into 6 areas as follows:

1. Structure and qualifications
2. Roles, duties and responsibilities
3. Committees meeting
4. Duties of directors
5. Relationship with management
6. Directors' self-improvement and management

training

**Scoring** : The assessment forms contain scores so that directors can compare the result of each topic year over year. Here is the definition of scoring system.

- 0 = Strongly disagreed or never conducted
- 1 = Disagreed or seldom conducted
- 2 = Fairly agreed or moderately conducted
- 3 = Agreed or well conducted
- 4 = Strongly agreed or excellently conducted

**Evaluation Method** at the meetings of the Board of Directors and sub-committees, the directors thereof jointly conducted an evaluation by marking a score for each assessment item.

**Assessment result of self-assessment on a collective basis** for the year 2022, most items were marked in 4.

### • Self-Assessment of the Board of Directors and Sub-Committees on an Individual Basis

**The assessment form** is divided into 3 areas as follows:

1. Structure and qualifications of directors
2. Board of Directors meeting and sub-committees' meeting
3. Roles, duties and responsibilities of directors

**Scoring** : The assessment form contains scores so that directors can compare the result of each topic year over year. Here is the definition of scoring system.

- 0 = Strongly disagreed or never conducted
- 1 = Disagreed or seldom conducted
- 2 = Fairly agreed or moderately conducted
- 3 = Agreed or well conducted
- 4 = Strongly agreed or excellently conducted

**Evaluation Method**, the company secretary and the secretaries of sub-committees shall send individual directors' self-assessment forms to each committee in which they hold an office. The completed forms will then be returned to the secretary of each committee.

**Assessment result of self-assessment on an individual basis** for the year 2022, most items were marked in 4.

- **Cross-Assessment of Directors**

**Cross-assessment form** is to evaluate the responsibilities, roles and duties of the chairman and directors.

**Scoring** : The assessment form contains scores so that directors can compare the result of each topic year over year. Here is the definition of scoring system.

- 0 = Strongly disagreed or never conducted
- 1 = Disagreed or seldom conducted
- 2 = Fairly agreed or moderately conducted
- 3 = Agreed or well conducted
- 4 = Strongly agreed or excellently conducted

**Evaluation Method** the company secretary shall submit the cross-assessment of directors to the chairman to evaluate directors individually and in turn the individual directors evaluate the chairman. The completed forms will then be returned to the company secretary to report the result to the Board.

**Assessment result of cross-assessment** for the year 2022, most items were marked in 4.

- **Good Corporate Governance Self-Assessment**

The Board of Directors arranges the self-assessment in line with the good corporate governance principles as a tool for the Board of Directors and management to evaluate themselves on issues the company has done or has not, for an adequate disclosure of the company. The Board of Directors analyzes the evaluation results, recommendations and observations and apply the results to suit the business environments as follows:

**The assessment form** is divided into 4 areas as follows:

1. Rights of Shareholders and Equitable Treatment of Shareholders
2. Roles of Stakeholders
3. Information Disclosures and Transparency
4. Responsibilities of the Board of Directors

**Scoring** : No scoring system is specified in the assessment form; only check boxes are provided for checking whether a particular practice had been followed or not:

- If the company has fulfilled the principles of good corporate governance, please check (✓) in the "Yes" box.

- If the company has not yet complied or not fully implemented any principles of good corporate governance, please check (✓) in the "No" box.

**Evaluation Method** the Corporate Governance Committee collectively conducted the evaluation and proposed the results to the Board of Directors for consent.

**Assessment results of good corporate governance**, most items were marked in "Yes" box.

#### **Principle 4 : Ensure effective CEO and employee management**

The Board of Directors has appointed the Nomination and Remuneration Committee to clearly and transparently nominate directors, president, and define their remunerations which are commensurate with their roles and responsibilities. The remunerations of directors must be approved by the shareholders meeting and disclosed in the annual report Form 56-1 One Report.

#### **1. Knowledge Development for Directors, Executives and Employees**

The company values the efficiency improvements of directors, executives, employees, secretariat, compliance, internal audit and corporate governance; therefore, it has the policies to encourage them to attend external trainings and in-house seminars to sharpen their skills, and expand their knowledge and competencies to accommodate both short-term and long-term business growth. These include several training courses by the Institute of Directors, the Securities and Exchange Commission, the Stock Exchange of Thailand, and the Thai Listed Companies Association. The company secretary acts as the center to communicate news and encourage them to attend the training courses that particularly benefit their duties. The company will notify seminar programs to directors in advance.



Table : Trainings of Directors in 2022

Name of Directors	Training and Seminar Program
1. Dr. Vorapol Socratayanurak Chairman	<ul style="list-style-type: none"> <li>● <b>Information Technology Risk management</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 20 June 2022</li> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>
2. Mr. Wu, Kou-Chin Vice Chairman	<ul style="list-style-type: none"> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>
3. Mr. Pradit Sawattananond Independent Director	<ul style="list-style-type: none"> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Cyber Resilience Leadership: SMART Goal 2022</b> <b>Organized by</b> Bank of Thailand <b>Date:</b> 30 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>
4. Prof. Piphob Veraphong Independent Director (Appointed on June 29, 2022)	<ul style="list-style-type: none"> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> PDPA and Legal Consultant (Deloitte) <b>Date:</b> 19 December 2022</li> </ul>
5. Dr. Supriya Kuandachakupt Independent Director	<ul style="list-style-type: none"> <li>● <b>Risk Management Program for Corporate Leaders : RCL 26/2022</b> <b>Organized by</b> Thai Institute of Directors (IOD) <b>Date:</b> 1 – 2 February 2022</li> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>
6. Mr. Pichai Dusdeekulchai Independent Director	<ul style="list-style-type: none"> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>
7. Mr. Li, Ming-Shieh Director	<ul style="list-style-type: none"> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>
8. Mr. Naporn Sunthornchitcharoen Director	<ul style="list-style-type: none"> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>

Name of Directors	Training and Seminar Program
9. Mr. Khunawut Thumpomkul Director	<ul style="list-style-type: none"> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>
10. Mr. Vichian Amornpoonchai Director	<ul style="list-style-type: none"> <li>● <b>Information Technology Risk management</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 20 June 2022</li> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Financial Statements for Directors : FSD 47/2022</b> <b>Organized by</b> Thai Institute of Directors (IOD) <b>Date:</b> 15 – 16 November 2022</li> <li>● <b>Cyber Resilience Leadership: SMART Goal 2022</b> <b>Organized by</b> Bank of Thailand <b>Date:</b> 30 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>
11. Mr. Shih, Jiing-Fuh Director	<ul style="list-style-type: none"> <li>● <b>Information Technology Risk management</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 20 June 2022</li> <li>● <b>IT Security Awareness</b> <b>Organized by</b> Land and Houses Bank Public Company Limited <b>Date:</b> 14 November 2022</li> <li>● <b>Personal Data Protection Act PDPA Overview</b> <b>Organized by</b> Legal Consultant and PDPA Office and Deloitte <b>Date:</b> 19 December 2022</li> </ul>

## 2. Remuneration and Employee Welfare

The company sets the appropriate remuneration and welfare for its employees to align with both short-term and long-term performance to ensure a good standard of living by emphasizing fairness and competitiveness. Therefore, the company has a policy to increase annual salary and bonus payment based on their annual performance. A special round of salary increase is also made by utilizing the survey results of employee remuneration in the same industry for consideration with an aim at retaining skilled employees whose performances met expectations of the company.

## 3. Provident Fund

The company established a provident fund as a welfare benefit for employees. It is an important factor to encourage and motivate them to perform their tasks and to nourish their good standard of living. They can contribute between 3-15 percent of their salary to the fund, to which the company contributes 3-7 percent depending on the number of years of employment. The Provident Fund Committee which comprises of representatives elected by fund members and representatives appointed by the employer, has main duties and responsibilities on supervising the management of the fund and formulating investment policies on behalf of fund members. In addition, a multi-investment fund or the “Master Fund” has been offered to employees as an alternative investment policy option, allowing them to choose what suits their needs.

### The total number of employees having the provident in 2022

	Total Employee	Total Employee Having Provident Fund	Percentage
LH Financial Group Public Company Limited	245	222	91
Land and Houses Bank Public Company Limited	1,264	1,158	92

#### 4. Orientation Program for New Directors

The company arranges an orientation session for newly appointed directors. The President and top executives will give them thorough briefings, from the company's vision, mission, performance, strategies and business targets to key operations and business nature. Relevant documents including roles and responsibilities of directors, laws and regulations related to the business, annual report Form 56-1 One Report and other information of the company are also provided.

#### 5. Succession Plan for Top Executives

The Board of Directors puts an emphasis on the development of their successors to maintain continuous and smooth business operations and to ensure appropriate personnel are put into the key positions crucial to the company. To get personnel in the organization ready to fill key positions in the future, the company has strengthened potential successors by providing them with opportunities to join exclusive programs for top executives and meetings of the Board of Directors and Management Committee as well as appointing them the company's representatives in various occasions. This helps secure the stability and continuity of the company's business operations and ensure the company has staff ready to fill positions critical to the company's business operations. Furthermore, the company pays attention to new challenges to improve the leadership of key positions in the future and initiates the leadership competency program in order to get executives ready to potential changes now and in the future.

#### Nomination of Directors and Top Executives

The qualified candidates with sound knowledge, experience in various areas and thorough understanding of banking, finance, economy, laws and related fields, will be carefully screened to ensure the complete composition of the board as required. The board skill matrix was established to ensure such nominations are in line with the company's business directions. The Nomination and Remuneration Committee will propose the Board of Directors to consider the appointment of directors and/or independent directors in case of vacancies from other causes rather than completing the term, or to propose to the shareholders meeting in order to elect directors and/or independent directors in case of vacancies by rotation and/or election of additional new directors.

The company has defined the qualifications for the members of the Board of Directors according to the Board Skill Matrix with various directors suitable for the nature of business as follows:

- Business Administration/Management
- Economics/Commerce/Finance/Accounting
- Strategic Planning/Business Strategies
- Internal Control
- Risk Management
- Marketing
- Human Resource Management
- Sustainable Development
- Information Technology
- Tax law

In this regard, all directors and the non-executive directors have experiences related to the company's business.

The criteria for nomination and appointment of independent directors indicate that each eligible candidate must meet the qualifications of independent directors as required by the company and be in accordance with the notification of the Capital Market Supervisory Board and good corporate governance principles.

*The details of criteria for the nomination of independent directors and qualifications of independent directors are disclosed in Topic 8 Report on Key Compliance, 8.1 Past Performance of Board of Directors, Sub-topic: Qualifications of Independent Directors.*

According to the recruitment criteria for the company's top executives, the Nomination and Remuneration Committee will screen and select talented persons with proper qualifications, ethics, morality and honesty. The basic factors for consideration include qualifications, knowledge and experiences. The Nomination and Remuneration Committee will nominate the qualified person to the Board of Directors for appointment and propose to the Bank of Thailand for approval.

#### Remuneration of Directors and Executives

- The Nomination and Remuneration Committee chaired by an independent director shall lay down policies, methods and criteria for remuneration of directors and president with fairness, reasonableness and transparency in relation to the company's operating results and his performances. The remuneration must be on a par with industry's standards and competitive enough to retain desired directors and executives.

- Remuneration of directors is determined by the shareholders meeting both in monetary form and other forms considered and proposed by the Nomination and Remuneration Committee. The remuneration will be considered on the basis of industry's general practices by considering work experience, knowledge and competencies, coupled with duties and responsibilities and contributions to the company. The remuneration shall also be on par with those at other SET listed companies in similar industries and the average figures at listed companies according to the survey report on remuneration rates for listed companies' directors by the Thai Institute of Directors. The rates of monetary remuneration and other compensations for the directors approved by the 2022 Annual General Meeting of Shareholders are disclosed in the annual report Form 56-1 One Report.

*The details of directors' compensations approved by the shareholders meeting are disclosed in Topic 8 Report on Key Compliance, 8.1 Past Performance of Board of Directors, Sub-topic: Directors' remuneration.*

## **Principle 5 : Nurture innovation and responsible business**

### **1. Taking into account the rights of stakeholders**

The company gives priority to and takes into account the rights of stakeholders based on related laws; does not commit any act that violates their rights; and is committed to fulfilling its responsibilities towards stakeholders.

### **2. Determining the policy on the treatment of stakeholders**

- Instill strong work ethics with strict adherence as guidelines to carry out duties honestly and fairly for the company, stakeholders, public and society

- Disclose the company's information to shareholders, investors and public accurately, comprehensively, in a timely manner and in line with related laws and regulations; and cooperate with regulators in providing accurate and comprehensive reports in a timely manner.

- Set up good corporate governance policy to support management with honesty, correctness, transparency and effectiveness as to enhance business' long-term values, stability and sustainable growth.

- Establish the company's code of conduct and ethics in writing as guidelines on the treatment of all stakeholders from internal stakeholders, namely,

employees and executives, to external stakeholders, namely, shareholders, customers, business partners, competitors, government sectors and other agencies. Ensure transparent operations and encourage active cooperation between the company and stakeholders for mutual benefits; and ensure that stakeholders will receive protection and good treatment.

- Establish the code of ethics for directors and employees and promote their participation so that they uphold ethical principles and practices with honesty, morality and carefulness; and prevent any act that violates rules and regulations and tarnishes the company's reputation.

The company has published the good corporate governance policy, code of conduct and code of business ethics, and code of ethics for directors and employees through the company's intranet and website; and included them in the training courses for employees.

### **3. Disclosure of policy compliance and reporting for sustainable business development**

The company has established a policy on corporate social responsibility for sustainable business development by integrating CSR into the main process of business operations (CSR-in-Process) and outside the main process of business operations (CSR-after-Process). It also reinforces executives and employees at all levels to engage in and instill a volunteer spirit to build their awareness of social responsibility. Also, it lays a strong foundation for sustainable development which leads to true sustainability of social and national development.

## **Social Responsibility for Sustainable Business Development Policy**

The company is aware of operating business with social responsibility for sustainable growth by focusing on taking care of stakeholders, economy, society and environment with morality and ethics as well as corporate governance. The business operations must be conducted with honesty, transparency and fairness with the awareness of negative impact on the economy, society and environment. Thus, the company develops the policy of social responsibilities for sustainable business development in writing following the guideline of Corporate Social Responsibility Institute, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand. The company realizes the importance of "dependence" as people in the society are target

consumers of all business' products and services. Therefore, no matter what direction a business organization is developing towards, people in the society inevitably contribute some support. The policy and practical guideline help direct members of the organization to operate CSR-in-process and CSR-after-process by encouraging executives and employees at all levels to instill voluntary spirit and CSR awareness.

The policy on social responsibilities for sustainable business development consists of principles and practical guidelines for directors, executives and employees at all levels to adhere to 9 areas as follows:

1. Good Corporate Governance
2. Fair Business Operation
3. Anti-Corruption
4. Respect for Human Rights
5. Fair Treatment of Labor
6. Responsibilities towards Consumers
7. Cooperation in Development of Community and Society
8. Environmental Management
9. Innovation and Dissemination of Innovative Corporate Social Responsibilities

● **Disclosure of the Policy Compliance and Reporting for Social Responsibility**

The company discloses its compliance of social responsibility policy in the annual report Form 56-1 One Report and company's website, including employees' participation in conformity with the policy to instill a sense of social responsibility.

**4. No violations of human rights and care for public sentiments**

The company recognizes the importance of stakeholders, employees, communities and surrounding societies that should be treated with fairness, equality, respect and dignity. The company aims to build good relationships, not violate basic rights, and operate its business with great care of public sentiments. This endeavor is fundamental to human resource management and development.

The company is aware of fair treatments for employees at all levels, ensuring that they will receive appropriate remunerations and benefits while developing their potential for professional advancement and supporting employees participation as well as providing them with several channels to receive complaints and to report any inappropriate acts. Staff members are able to voice their opinions, report or lodge complaints or concerned issues which are considered unfair, corruptive or misconducted through supervisors or other channels. The company

has established independent procedure for receiving complaints with the committee to scrutinize them to ensure fairness and transparency. Verifications and decisions are made by taking into account the results and remedies in accordance with the principles of human rights and with the aim to encourage staff to share their opinions when there are any actions, committed by the company or employees, that might violate human rights. Such practice ultimately helps reflect problems and solutions.

In addition, the company supports and respects any protection of human dignity by not engaging in forced labor and child labor exploitation, which affect the confidence of external stakeholders.

**Occupational Health and Safety Policy in Workplace**

The company has determined the occupational health and safety policy for the workplace and established the Safety Healthy Environment Committee as a mechanism to drive the policy to a success.

**5. Reinforcing Fair Treatments of Stakeholders**

**Fair Treatments of Employees**

The company has provided appropriate remunerations, benefits and provident funds for good quality of life of employees.

**Fair Treatments of Business Partners, Competitors and Creditors**

The company has encouraged fair treatment towards business partners, competitors and creditors in terms of costs and returns. For example, the company manages its procurements by determining adequate delivery period, and fair trade agreements; does not involve in any activities that violate property or infringe intellectual property; and arranges payments for services or acquisition of properties in a fairly and timely manner.

**Principle 6 : Strengthen effective risk management and internal control**

**1. Internal Control and Internal Audit**

The Board of Directors supports and places an importance on internal control activities in 5 areas to ensure that the company has adequate and appropriate internal control to achieve the established objectives of business operations under the good compliance and internal control as follows:

- Environment
- Internal control
- Risk assessment
- Information technology system control and communication
- Monitoring and evaluation

## 2. Risk Management

The Board of Directors places an emphasis on risk management across the organization and monitors the financial business group to have risk governance framework and risk culture. The Board of Directors has established the risk management policy and risk management procedures which consist of risk identification, risk assessment, risk monitoring and controls, and risk reporting; and regularly reviewed the adequacy and effectiveness of risk management.

## 3. Compliance with Regulations

The Board of Directors, executives and employees of the companies in the financial business group have complied with related laws, regulations and rules to ensure that all companies have operated their businesses with responsibilities, transparency, equitable treatment of stakeholders and management with honesty. The company also ensures the companies in the financial business group have complied with supervisory regulations, provides the procedure for related party transactions with performance report, data storage and booking according to financial reporting standards.

In 2022, the company has not committed any offenses or violations of the law until criminal proceedings have been taken or civil sanctions or administrative action.

## 4. Prevention of Conflicts of Interest

The Board of Directors takes heed of transactions with potential conflicts of interest, inappropriate connected transactions and connected transactions whose pricing and conditions should be determined similarly to those of external parties. In addition, the disclosure of information shall conform to rules, regulations and laws.

## 5. Report on Changes in Holding of Securities and Derivatives

Directors and the first 4 executives from the president, those who hold the executive position in the 4<sup>th</sup> rank; those who hold the position that is higher or equivalent to accounting and finance manager and their connected persons as follows:

- (1) Spouse or person who lives together as husband and wife
- (2) Underage child
- (3) Juristic person in which the individuals

in (1) and (2) hold the shares of more than 30 percent of all voting rights of such juristic person and such combined shareholding having the highest proportion in such juristic person, to proceed as follows:

- Notify the Board of Directors or the company secretary of the company's securities trading at least 1 day before trading session.

- Report any changes in holding of securities and derivatives within 3 business days as from the date of buying, selling, transferring or receiving the transfer of securities or derivatives, according to the announcement of the Securities and Exchange Commission.

- Submit stakeholding report according to the Securities and Exchange Act, B.E. 2535 (1992) and the notification of the Capital Market Supervisory Board, within 1 month as from the date of holding the position or in case of changes from the latest report to the company secretary for filing and submitting the copy of such report to the chairman of the Board of Directors and the chairman of the Audit Committee.

## Principle 7: Ensure Disclosure and Financial Integrity

The Board of Directors oversees and assures complete, timely and transparent disclosure of its financial and non-financial information via easily accessible, equal and reliable channels.

### 1. Disclosure of Financial Information and Non-financial Information

The company has disclosed its material information to shareholders, investors and public with transparency, accuracy, completeness, timeliness and accountability in compliance with related laws and regulations in both Thai and English version. The company also publishes the press release, organizes the analyst meeting, press conference and provides information for press via various channels which are easily accessible, equal and regularly updated as follows:

1. The company's website ([www.lhfg.co.th](http://www.lhfg.co.th))
2. Disclosure channels of the Stock Exchange of Thailand such as the company's financial statements, Management Discussion and Analysis (MD&A), annual report Form 56-1 One Report, notifications on the resolution of the Board of Directors meeting, notifications on the resolution of the shareholders meeting and other matters.
3. The Securities and Exchange Commission's website such as report on changes in securities holding of directors and executives (Form 59), list of directors and executives, financial statements and annual report Form 56-1 One Report, etc.
4. Postal delivery to shareholders
5. Announcement in newspapers

The Board of Directors places an emphasis on the quality of financial statements and adequate disclosure of financial information. Disclosures are in line with the Bank of Thailand, the Stock Exchange of Thailand, the Office of the Securities and Exchange Commission and Financial Reporting Standards. The financial statements are reviewed / audited by certified public accountants and endorsed by the Audit Committee and the Board of Directors before disclosure.

In addition, the company has disclosed financial statements on a quarterly, half-year and yearly basis, coupled with significant information in notes to financial statements, management discussion and analysis (MD&A) and capital requirement disclosure (Pillar III Report) of the financial business group, allowing investors to know the information and understand changes in the company's financial position and operating result which will be beneficial to shareholders, investors and public.

The Board of Directors provides the report on its responsibilities towards the company's financial statements and financial information. The report is submitted together with auditor's report in the annual report Form 56-1 One Report. The company's financial statements must be made in accordance with the financial reporting standards by utilizing proper accounting policies with regular practice.

The company published the 2021 annual report Form 56-1 One Report within 120 days from the end of the fiscal year through the SET website on March 18, 2022 and the company's website.

The company's communication channels and contact:

Address : No.1 Q.House Lumpini Building, 5<sup>th</sup> Floor,  
South Sathon Rd., Thungmahamek,  
Sathon, Bangkok 10120  
Telephone : 0 2359 0000 Ext. 2020, 2021, 2024  
Fax : 0 2677 7223  
Email : presidentoffice@lhbank.co.th  
Website : www.lhfg.co.th

The company has disclosed the shareholding structure and shareholding information of directors and executives together with direct and indirect shareholding of their spouses and minor children in the annual report Form 56-1 One Report. The company has assigned a department to be responsible for disclosing information, receiving requests and providing information as well as building good relationships with shareholders, investors, analysts and other related organizations. The company prepared several reports to be disclosed to public on

a fair and straightforward basis with clear explanations of its performance including significant events occurred throughout the year for shareholders' acknowledgement.

The Board of Directors has assigned the Audit Committee to review the financial reports of the company and its subsidiaries to ensure their compliance with financial reporting standards with adequate information disclosure.

The company has disclosed the reports of sub-committees, Board of Directors and lists of directors and their authority, total number of meetings; attendance of individual director, remuneration of directors, profiles of directors and executives, company's information, and reports of certified public accountants in the annual report Form 56-1 One Report and the company's website.

The company notifies the details and supporting documents of the shareholders meetings in Thai and English to investors in advance through the communication channels of the Stock Exchange of Thailand and the company's website. This way, shareholders can have enough time to study the supporting documents beforehand. Besides, the company advertises the notices of shareholders meetings in the newspaper for 3 consecutive days at least 3 days prior to the meeting date. Each item on the agenda is clearly stated whether it is matters for acknowledgement, matters for approval or matters for consideration, together with the Board of Directors' opinions on each item.

## 2. Investor Relations Function

The company has assigned the company secretary to be responsible for investor relations to publicize the company's financial and general information to shareholders, investors, analysts and related regulators through the following channels: the Stock Exchange of Thailand, the Securities and Exchange Commission and the company's website under the topic of "Investor Relations", enabling interested persons to study the information with ease. Furthermore, the company organized the analyst meeting and press conference for information sharing, opened the opportunity for participants to ask questions with top executives and prepared the summary report on investors relation activities, questions and suggestions from analysts or investors to be proposed to the Board of Directors. In 2022 the company hosted investors relation activities as follows:

1. Two analyst meetings with 20 analysts from various securities companies per each meeting



2. Four one-on-one meetings
3. Two press conferences, to meet with the press from various news agencies with estimated 50 press agencies attending each time.



4. Press releases and interviews with top executives

### 3. Appointment of Auditors and Determination of Audit Fee

The Audit Committee considered the qualifications and performance of auditor, proposed to the Board of Directors for consent and the board will propose it to the shareholders meeting for approval. The list of prospects to be appointed as the company's auditor shall be consented by the Bank of Thailand and disclosed in the annual report Form 56-1 One Report.

#### Principle 8: Ensure engagement and communication with shareholders

##### 1. Rights of Shareholders

Never conduct any acts of infringements or deprivations of shareholders' rights and all shareholders are encouraged to exercise their fundamental rights as stipulated by law.

##### 2. Protection of Shareholders Rights and Equitable Treatment of Shareholders

In recognition of the significance of shareholders' basic rights, the company is committed to ensuring equitable treatment of all shareholders and urging individual and institutional shareholders to exercise their basic rights as stipulated by law. Such basic rights include the right to buy, sell or transfer securities they own, the right to receive a share of the company's profits, the right to receive dividends, the right to appoint a proxy to attend the meetings and cast their vote, the right to participate in the meetings of shareholders and vote for the appointment or removal of directors, the right to determine directors' remuneration, the right to appoint auditors and determine audit fees, the right to express their opinions and ask questions at the shareholders meetings and the right to obtain adequate information via easily accessible communication channels.

The Board of Directors places an emphasis on the rights of all stakeholders, whether they are internal stakeholders: directors, executives and employees of the company or external stakeholders: all shareholders, competitors, government sector and other related agencies. The company has a policy of transparency in conducting its business operations, and encourages active collaboration between the company and its stakeholders for mutual benefits, while ensuring all stakeholders are well protected and treated.



The Board of Directors recognizes the importance of accurate, complete, timely and transparent disclosure through the company's website, [www.lhfg.co.th](http://www.lhfg.co.th), in both Thai and English to ensure that stakeholders have easy access to the company's information and news.

The company encourages shareholders to fully exercise their rights by providing them with convenient access to participate in shareholders meetings and cast their vote. The company shall refrain from any action that may limit shareholders' opportunities of attending the meeting and voting. The voting is required to be conducted with simple procedures, for instance, providing relevant information via the company's website, assigning the company secretary to directly communicate with shareholders, providing shareholders with opportunities to propose the agenda for the shareholder's meetings and nomination of directors, and facilitating the attendance of shareholders meetings, etc.

The company disclosed the resolution of the Board of Directors meeting No. 2/2022, held on February 25, 2022, which determined the 2022 Annual General Meeting of Shareholders to be held on April 20, 2022. The agenda of the 2022 Annual General Meeting of Shareholders, both in Thai and English, was disclosed via the SET since February 25, 2022 while materials of the Annual General Meeting of Shareholders, both in Thai and English, were disclosed via SET and the company's website on March 18, 2022.

### 3. Shareholders Meeting

Before the Annual General Meeting of Shareholders, with the aim of encouraging and supporting all groups of shareholders, including institutional shareholders to pay attention to the meeting attendance, the company provides the invitation letter to inform shareholders of the meeting schedule, agenda and supporting documents in both Thai and English, which clearly specifies whether the matters are for acknowledgement, approval or consideration including directors' opinions, facts and reasons of each agenda sufficient for making decisions. Such information and materials are disclosed to public via SET and the company's website at [www.lhfg.co.th](http://www.lhfg.co.th) 30 days prior to the meeting date, enabling the shareholders to have sufficient time to study the information. In addition, the company will disseminate the notice together with supporting documents to the shareholders not less

than 7 days before the date of the shareholders meeting as specified by the law. The company will also advertise the notice of shareholders meeting in the newspaper for 3 consecutive days at least 3 days prior to the meeting date. The invitation letter sent to shareholders are as follows:

1. Invitation letter including the explanation and reasons for each agenda items and the Board of Directors' opinions
2. Annual report Form 56-1 One Report in QR code
3. Biographies of proposed directors for shareholders to elect
4. Details of the shareholders' registration and identification documents before the meeting, proxy appointment, voting and method of vote counting
5. Articles of Association of the company, concerning the shareholders meeting
6. Proxy form A, form B and form C
7. Biographies of independent directors for shareholders' proxy appointment to attend the meeting
8. Definition of independent directors
9. Map of the meeting venue
10. Request from for a printed copy of annual report Form 56-1 One Report

The Annual General Meeting of shareholders is required to be held within 4 months after the end of accounting period, the Board of Directors may summon the Extraordinary General Meeting on the date, time and place determined by the Board of Directors. Besides, a shareholder or many shareholders who hold shares in aggregate not less than 10 percent of the total paid-up share capital may jointly submit a letter to the Board of Directors requesting an Extraordinary General Meeting at any time. Matters and reasons for calling the meeting are required to be specified in the letter. In this case, the Board of Directors must hold an Extraordinary General Meeting within 45 days from the date of receiving the notice.

The company encourages and promotes all groups of shareholders including institutional shareholders to attend the shareholders meeting as the shareholders have the right to own the company by appointing a director to act on their behalf and have the right to make decisions on the significant changes of the company.

The 2022 Annual General Meeting of Shareholders held on April, 20<sup>th</sup> 2022, the company was concerned over the COVID-19 outbreak and aware of health and safety of attendees. The company, therefore, held the meeting via E-AGM according to the Emergency Royal Decree on Electronic Media Conference B.E. 2563 by broadcasting from Sathorn 1 Meeting Room, 4<sup>th</sup> floor, No. 1 Q.House Lumpini Building, South Sathon Road, Thungmahamek, Sathon, Bangkok 10120. For shareholders' convenience, the company allowed the shareholders to register in advance since April 7<sup>th</sup>, 2022. After registration, the shareholders would receive the username and password to join the meeting from 11:00 am onwards.

The company takes into account the rights of shareholders based on the good corporate governance principles by following the Annual General Meeting of Shareholders' checklist prepared by the Thai Investors Association.

#### **At the Meeting Date**

- The company has attached the registration form together with the notice of the Annual General Meeting of Shareholders for convenient registration of joining the meeting.

- The company carefully conducts the shareholders meeting in order to make it fast and accurate, starting from the preparation for participants' information, attendance registration, processing of voting results on each agenda and summary report.

- On the shareholders meeting date, the company carefully makes all the arrangements for the meeting, shareholders can register 2.5 hours in advance.

- The company has conducted E-AGM via DAP e-Shareholder Meeting system by Digital Access Platform Company Limited, a subsidiary of The Stock Exchange of Thailand in order to make the meeting fast, correct and accurate, starting from registration process, processing of voting results on each agenda and summary report of the shareholders meeting.

- The company provides a staff to monitor the vote counting throughout the meeting.

#### **Attending the Shareholders Meeting**

- The company assigned officers to support shareholders to enter DAP e-Shareholders Meeting system to secure the rights and equality of shareholders

- During the meeting, the shareholders can register to attend the meeting to exercise their voting rights on any agenda that have not yet been voted.

- At the 2022 Annual General Meeting of Shareholders, the company nominated 2 independent directors: the chairman of the Audit Committee and a member of the Audit Committee to act as shareholders' proxies. The company has sent the notice of AGM with Proxy Form B and Proxy Form C to the shareholders, enabling them to determine the direction of voting. In addition, the shareholders can download other types of proxy forms from the company's website in both Thai and English.

- At the 2022 Annual General Meeting of Shareholders, there were 8 directors attending the meeting in person and 3 directors attending the meeting via electronic media conference, namely Mr. Wu, Kuo-Chin, Mr. Li, Ming-Shieh and Mr. Khunawut Thumpomkul. Several top executives of the companies in the financial business group also participated in the meeting.

- The company provides independent parties, namely the auditors and legal consultants to act as intermediaries in observing the shareholders meeting whether it was held in a transparent manner and in compliance with related laws and the Articles of Association.

#### **4. Open Session for Shareholders' Queries and Comments**

- Before the meeting date, the company has given the shareholders the opportunity to submit their questions in advance via the company's website at [www.lhfg.co.th](http://www.lhfg.co.th) or the e-mail to the company secretary at [presidentoffice@lhbak.co.th](mailto:presidentoffice@lhbak.co.th) which the Board of Directors will clarify on the meeting date.

- At the shareholders meeting, the chairman of the meeting shall allocate appropriate time and encourage equal opportunity for shareholders to express their opinions and queries.

- The company shall endeavor to encourage all directors and top executives of the company and its subsidiaries including the auditors to attend the shareholders meeting to answer any queries. Directors and management will clearly explain and clarify such matters. And the company will record the minutes of the meeting with complete and relevant information so that the shareholders can review it later.

### Conducting the Meeting and Voting

- **Before the meeting starts**, the chairman welcomes and opens the meeting by presenting the number and proportion of shareholders and proxies attending the meeting as well as clarifying rules, voting rights required for each agenda item, voting procedures and vote counting.

- **Conducting the Meeting**

- The company accommodates the shareholder's meeting by keeping the process correct following the related law, regulations and the good corporate governance principles.

- The company allows shareholders sufficient time to consider the meeting agenda in the order specified in the invitation letter, unless shareholders holding total number of shares not less than two-thirds of the total number of shareholders attending the meeting resolve to change the order of the agenda. In addition, the shareholders holding a total number of shares not less than one-thirds of the total number of paid-up shares may request the meeting to consider other matters in addition to those specified in the invitation letter.

- The company encourages shareholders to express their comments, suggestions and questions. Directors and related executives are responsible for explaining and answering their queries.

The 2022 Annual General Meeting of Shareholders was conducted according to the Articles of Association and arranged in the order as identified in the invitation letter. There was no addition or switch of agenda items as well as changes in material information without prior notice to shareholders.

- **Voting Process**

- The voting process via E-AGM for each agenda was done on DAP e-Shareholder Meeting system.

- For each agenda, a shareholder carries one vote per share. Regarding the agenda of the appointment of directors, the voting shall be done on an individual basis. For the purpose of equitable treatment of shareholders, the company collected votes to be processed in advance in computer and voting results on each agenda will be announced to the meeting by specifying as "Approved", "Disapproved", "Abstained" and "Voided Ballot".

### 5. Minutes Preparation and Resolution Disclosure

- **After the Shareholders Meeting**

- The company published the 2022 shareholders meeting resolutions with voting results for each agenda both in Thai and English within the meeting date on April 20, 2022, through the Stock Exchange of Thailand's channel within its specified period. This information was also published on the company's website at [www.lhfg.co.th](http://www.lhfg.co.th).

- The company carefully prepared the minutes of shareholders meeting both in Thai and English, containing the comprehensive important information such as the list of directors attending and absent from the meeting, executives attending the meeting, resolutions of the meeting, voting results for each agenda item divided into "Approved", "Disapproved", "Abstained" and "Voided Ballot", queries and answers as well as opinions of the meeting.

- The company provided video recordings of the shareholders meeting and published them on the company's website.

- The company submitted the copies of the minutes of 2022 Annual General Meeting of Shareholders to the Stock Exchange of Thailand and the Department of Business Development, Ministry of Commerce within 14 days from the meeting date and also published the minutes on the company's website on April 28, 2022 and posted the news via SET.

### 6. Equitable Treatment of Shareholders

The company is fully aware of its duty to ensure that every shareholder will be treated and protected equally and fairly based on their fundamental rights, by providing measures to prevent conflicts of interest or the misuse of insider information for benefits of their own or others.

## 7. Protection of Rights of Minority Shareholders

- The Board of Directors realizes the rights and equality of individual shareholders and treats all of them, whether they are majority or minority, individual or institution, foreign or Thai, fairly and equally. All shareholders shall receive important and accurate information at the same time to protect their basic rights.

- The company pays attention to the shareholders meeting as an important opportunity allowing shareholders to exercise their rights to participate in decision making on the company's crucial matters. The following efforts are taken to facilitate the shareholders meeting:

- **Open opportunities for shareholders and minority shareholders to propose queries, and agenda for the Annual General Meeting and to nominate candidates for appointment as directors**

The company allows shareholders in both individual and group who hold shares of not less than 0.01% of the total issued and paid-up capital of the company, to propose agendas that they deem worthy of being included on the annual general meeting agenda, and to nominate qualified candidates for appointment as the company's directors. The proposals of such matters are required to be submitted within 3 months before the end of accounting period. The company publishes all related rules and details on the company's website as well as publishing the invitation via the SET. Shareholders can submit their proposals to the company via the following channels:

- Company's website at [www.lhfg.co.th](http://www.lhfg.co.th)
- E-mail to the company secretary at [presidentoffice@lhbanc.co.th](mailto:presidentoffice@lhbanc.co.th)
- Letter to the company secretary
- Fax number at 0 2677 7223

For the proposal of qualified candidates to be elected as directors, the Nomination and Remuneration Committee will consider their qualifications and propose to the Board of Directors for further proposal to the shareholders meeting. For any matters that are not received consent from the Board of Directors and/or the Nomination and Remuneration Committee, the company will notify the shareholders together with the reasons at the Annual General Meeting of Shareholders and will also post them on the company's website and other channels as deemed appropriate.

At the 2022 Annual General Meeting of Shareholders, the company disclosed and announced on September 27, 2021 that minority shareholders could propose various matters and nominate qualified persons to be considered and elected as directors from October 1, 2021 – December 31, 2021. And on January 17, 2022, the company posted the results of minority shareholders' proposals to be included in an agenda of the 2022 Annual General Meeting of Shareholders on the company's website.

- The company will not add an item on the shareholders meeting's agenda which is not notified in advance without necessity, especially a special item which the shareholders need to spend time studying relevant information before making a decision.

- The company has followed the shareholders meeting process in accordance with the criteria for evaluating the quality of the shareholders meeting. The company also conducts corporate governance in accordance with the principles of Corporate Governance Assessment of Listed Companies of the Thai Investors Association and the Thai Institute of Directors Association.

## 8. Protection of Insider Information

### • Insider Trading Policy

The Board of Directors realizes to keep and protect the use of internal information, the company has set up the policy in writing to oversee the use of inside information as a guideline for maintaining confidentiality of the company, to ensure equal information disclosure and to prevent the misuse of internal information for benefits of directors, executives and employees, including their spouses and minor children so that they can perform duties with honesty, fairness, compliance with laws and regulations and do not give priority to their own interests over the responsibilities towards the company. Moreover, employees are not allowed to use internal data for personal gain in order to enhance good corporate governance as follows:

1. To prohibits directors, executives, employees, and their spouses, minor children, who are aware of material information and financial statements of the company that is yet to be disclose to the public both internal and external especially insider information. This includes information between business units to prevent pre-mature non-public information disclosure, except the business unite that required to know by nature and assigned as custodian same as the information owner.

This does not include providing information to regulatory authorities such as the Bank of Thailand and Securities and Exchange Commission.

2. To prohibits directors, executives, employees, and their spouses, minor children, who are aware of material information and financial statements of the company trade or transfer company's securities within 30 days before financial statements disclosed to the public.

### 3. Policy review

To review policies once per year or at any material change

In 2022, the company secretary sent email to all related parties regarding the blackout period in advance and there was no insider violation from directors, executives, or employees.

## 6.2 Code of Business Ethics

The company has determined the code of conduct and code of business ethics to be guidelines for all groups of shareholders and to ensure its operation with integrity, and encouraged active collaboration between the company and its stakeholders for mutual benefits, while ensuring all stakeholders are well protected and treated equally. The business ethics creates competitiveness and trust among shareholders, investors, stakeholders and all relevant parties; and is fundamental to business operations with efficiency, transparency and credibility. The company also defines the code of ethics for directors and employees and urges for their engagement so that they have principles and practical guidelines and behave with ethics, sincerity, moral and caution as well as prevent any acts to violate rules and regulations which lead to the defamation of the company.

### Process for Management and Prevention of Violations of Business Ethics

The company had distributed the company's code of conduct to all its staffs with the purpose to provide good practice guidelines as a working's standard for all employee and directors. The content covers the code of business ethics, roles and responsibilities of directors and management, service standards, working environments, responsibility toward customers, protect against conflict

of interest, information and communication management, good corporate governance oversight, free and fair competition, settle disputes, social and environmental responsibility, whistleblower's channel and process, and disciplinary action against unethical business conduct.

In 2022, in company had conducted code of business ethics as follows:

1. The company communicated the code of business ethics, directors' code of conducts, code of conduct for executives and employees via company's intranet. The executives and employees received 100 percent of communicated information.

2. The company has no ethics and code of conduct violation.

*The code of conduct and code of business ethics has been disclosed in the company's website [www.lhfg.co.th](http://www.lhfg.co.th) and annex 5.*

## 6.3 Development of Overall Corporate Governance Policy and Guideline in 2022

The Board has reviewed the good corporate governance policy in an annual basis in order to increase efficiency, enhance good corporate governance of the company and listed companies in 2017 (CG Code). In 2022, the company proceeded as follows:

- Reviewed the corporate governance policy (Board of Directors meeting No.11/2022, held on November 14, 2022).
- Provided the communication with executives and employees to be aware of the code of ethics for employees via learning management system of the company.
- The managements and employees had completely followed the good corporate governance policy.
- There were no case regarding the resignation of independent director, non-executive director and executive director due to good corporate governance.

However, the company has some practical guidelines which have not yet been complied as follows:

CG Code Practical Guidelines	Reasons
The chairman should be an independent director.	The chairman is a non-executive director and not an independent director.