



GOOD CORPORATE GOVERNANCE POLICY

LAND AND HOUSES BANK PUBLIC COMPANY LIMITED

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Preface

Land and Houses Bank Public Company Limited is committed to operating its business under good corporate governance principles along with sustainable development of society and environment by focusing on creating the culture of corporate governance in the organization. The bank has established the Corporate Governance Committee with the duties to determine and review the corporate governance policy, and act as representative of the bank in communicating and operating corporate governance activities to ensure the same standard throughout the organization. Having business ethics can create competitiveness and trust among shareholders, investors, stakeholders and all related parties; and is fundamental to operating business with efficiency, transparency and trust. The Corporate Governance Committee also supports the enhancement of management with honesty, value addition to business, stability and sustainable growth, places the importance on internal control, internal audit, and equitable and fair treatment of shareholders and stakeholders and business ethics; prevents any transactions with conflicts of interest, discloses adequate information; and is aware of risks and appropriate risk management.

Board of Directors has appointed sub-committees to help supervise a wide range of operations and to ensure efficiency. The sub-committees include:

- Executive Committee
- Audit Committee
- Nomination and Remuneration Committee
- Corporate Governance 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 indicated clearly in writing. The good corporate governance of the bank 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 performance
4. Competitiveness : Ability to compete with rivals

Good Corporate Governance Policy

The bank has defined the good corporate governance policy according to the Corporate Governance Code: CG Code of the Securities and Exchange Commission for the Board of Directors, executives and employees to use as the guidelines for the operations. It is classified into 8 categories 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

Principle 1 Establish clear leadership roles and responsibilities of the board

1. Board of Directors, the heart of good corporate governance, is composed of qualified members with expertise and experience in a wide range of fields, leadership, vision, and independency in decision making, devote time and try hard to perform the duties and responsibilities with carefulness and honesty for the optimal benefits of the bank and shareholders. It also supervises and ensures the bank's sound management in the areas of:
 - Determining objectives and goals
 - Determining strategies, operational policies, and the allocation of important resources to achieve objectives and goals
2. Board of Directors supervises and ensures the bank achieve the governance outcomes in the following aspects:
 - Being competitive with good performance by considering long-term impacts
 - Conducting business operations with ethics, respect for rights, accountability to shareholders and stakeholders
 - Being beneficial to society, developing or reducing environmental impacts
 - Being adaptive under risk factors
3. Board of Directors supervises directors and executives to perform their duties with accountability, conservatism, honesty to the organization, ensures compliance with laws, regulations and resolutions of shareholders' meeting; expressly determines the scope of duties, responsibilities and assignments for the president; and ensures his/her performance aligns with assignments.
4. Board of Directors Meeting
 - The bank determines one-year period meeting schedule for the Board of Directors in advance. In case of any special agenda item, extra meetings shall be arranged as deemed appropriate and necessary. The bank shall inform all directors in advance so that they can schedule and attend the meeting, and shall clearly disclose meeting

agenda items, especially key agenda items such as quarterly or annually financial statements and the bank's performance.

- Directors are responsible for attending the meetings at least 75% of the total Board of Directors meetings held each year except having appropriate reasons and necessities.
- The quorum of the Board of Directors Meeting must not be less than half of the total number of the directors in accordance with the bank's Articles of Association and the decision of the meeting requires a majority vote. If the votes are tied, the chairman of the meeting can exercise his casting vote. For agendas requiring resolutions, a vote of not less than two-thirds of the total number of the directors shall be obtained.
- Chairman and top executives have a duty to determine and select eligible agenda items for the meeting.
- Company secretary shall submit meeting's invitation to all directors not less than 7 days before the meeting date together with accurate, complete and sufficient supporting documents submitted at least 5 days before the meeting date so that directors have adequate time to study the materials. The secretary shall record meeting minutes in written and well store the minutes approved by the Board of Directors for audit purposes.
- The Board of Directors may ask for opinions from independent consultants or external professionals if necessary; it deems liable to the bank.
- Non-executive directors may hold meetings without the presence of the President to discuss management-related issues or problems of their interest and to find ways to improve or provide useful suggestions to the management. The meetings' comments shall be summarized and the resolutions shall be reported to executive directors for acknowledgement.
- The annual performance assessment of the President shall be carried out. The Nomination and Remuneration Committee shall consider method for assessing and determine remuneration and bonus by considering the responsibilities towards the bank.

Principle 2: Define objectives that promote sustainable value creation

1. The Board of Directors shall define the bank's objectives and main goals for sustainability in compliance with creating value to the bank, customers, stakeholders and society as whole.
2. The Board of Directors supervises and ensures that periodic objectives, goals, and strategies are consistent with the main objectives and goals.

Principle 3: Strengthen board effectiveness

1. Structure, Composition and Qualifications of the Board of Directors
 - The Board of Directors comprises appropriate number of not less than 5 directors which is suitable to the bank's business and with fair distribution as specified in the bank's Articles of Association. For the sake of maintaining the independence of the chairman, the clear separation of powers, the chairman of the Board of Directors and the President.

The explicit separation of powers does not allow any of them to have unlimited power as to maintain check and balance, and to review the management.

- 3 independent directors or at least one-thirds of the total number of directors, whichever is higher, shall be maintained.
 - All directors including independent directors must possess the qualifications specified by related legal requirements, official regulations, and the bank's Articles of Associate concerning directors and good corporate governance principles. Qualified directors are knowledgeable, experienced, and honest and must have a wide range of expertise contributable to the bank, independence in decision making, and banking business understanding. Without sexism involved, appointment of directors is made by The Nomination and Remuneration Committee.
2. Appointment of directors shall be pursuant to specified term with transparency and clearness. To nominate any person for directorship 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.
 3. To satisfy good corporate governance principles, director, President, and authorized management persons can be in 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 working efficiency of directors who hold several company directorships shall be considered to ensure they can dedicate their time to sufficiently perform their duty for the bank.
 4. The term of directorship must be accordance with the act of the public company limited and the bank's Articles of Association, that is, directors can consecutively hold their directorships with nine-year maximum in accordance with the regulations of the Bank of Thailand.
 5. At every Annual General Meeting of Shareholders, directors who have been in office longest shall resign at one-thirds of all directors. However, they may be re-elected.
 6. Sub-committees

The Board of Directors appoints sub-committees to help study details and screen tasks so as to ease the burden of the Board of Directors. Consequently, the bank has different sub-committees for specific matters. Such committees shall report their performances to the Board of Directors. The sub-committees consist of:

 - The Executive Committee
 - The Audit Committee
 - The Nomination and Remuneration Committee
 - The Corporate Governance Committee

- The Risk Oversight Committee

The chairman of the Audit Committee, the chairman of the Corporate Governance Committee and the chairman of the Nomination and Remuneration Committee are independent directors as to maintain transparency and independency in performing the duties.

7. Company Secretary

- A company secretary shall be appointed to provide advice regarding laws and regulations that the Board of Directors should acknowledge, to monitor activities of the Board of Directors, and to cooperate with related parties to ensure that the resolutions of the Board of Directors and that of the shareholders' meeting have been followed. In addition, the company secretary has the scope of duties and responsibilities to follow with responsibility, conservatism and honesty according to the laws.

- The company secretary is encouraged to always receive trainings, develop necessary skills, and expand knowledge in law and accounting areas, or corporate secretarial duties.

8. The remuneration of the directors and the executives

The determination, method, and criteria of the remuneration of directors and President are fair, reasonable, transparent, relevant, and in conformity to the duties of directors, the company's performance, individual performance, aligned with industry, and sufficient to maintain desired directors. Moreover, it shall be proposed to the shareholders' meeting for approval on an annual basis.

9. Self-assessment of the Board of Directors

A self-assessment is prepared for the Board of Directors and the sub-committees in forms of collective assessment, individual assessment and cross-assessment at least once a year to review previous year's performance and challenges. The self-assessment is essential to better effectiveness of the Board of Directors and is applied and adjusted according to the bank's business environment and operations.

Principle 4: Ensure Effective CEO and People Management

1. Development of knowledge for directors, executives and employees
 - Value and support knowledge development of directors and sub-committees by encouraging them to regularly attend training courses and activities which are related to their roles and responsibilities.
 - Always support any skill enhancement, knowledge expansion, and expertise development of executives and employees to accommodate both short-term and long-term business growth.
2. An orientation for newly appointed directors gives briefings on the vision, mission, performance, strategies and key business targets including nature of business. Relevant documents including roles and responsibilities of directors, laws and regulations related to the business, annual report, and other information of the bank are also provided.

3. Succession Plan for Top Executives

The development of successors in key positions is important to maintain continuous and robust business operations and to ensure appropriate personnel are put into the positions important to business of the bank.

4. An appropriate remuneration and welfare for employees to ensure a good standard of living

5. Provident fund for employees

Principle 5: Nurture Innovation and Responsible Business

1. The bank gives priority to and takes into account the rights of stakeholders based on related laws; does not commit any violation against the rights of stakeholders; and fulfills its responsibility towards all groups of stakeholders

2. The treatment of stakeholders

- Raise awareness to work in a moral manner and follow guidelines to carry out the work honestly and fairly for the bank, stakeholders, public and society.
- Disclose the information of the bank to shareholders, investors, and public accurately, comprehensively, in a timely manner, and in line with related laws and regulations; and cooperate with regulators by providing reports with accuracy, completeness and in a timely manner.
- Establish the code of conduct and ethics of the bank to be used as treatment guidelines for all groups of stakeholders consisting of internal stakeholders: employees and executives, and external stakeholders: shareholders, customers, trade partners, competitors, government sectors and other agencies; to ensure operations with transparency; to initiate cooperation between the company and stakeholders to create mutual benefits; and to ensure that stakeholders receive protection and good treatment.
- Establish the ethics of directors and employees; promote the implementation so that they perform their duties with ethical, honest, moral and conservative principles and practices; and prevent any acts that violate the rules and regulations and may have negative impacts on the bank's reputation.
- Determine a whistleblower policy to ensure the effectiveness of whistleblowing and open up opportunities for both external and internal stakeholders to share their opinion, whistle blow clues of corruptions, voice their complaints, and suggest constructive advice; and put in place procedure and channels of receiving and handling complaints or other significant matters through independent directors and the bank's website. The company protects whistleblowers from any threat or damages.

- Establish a policy for corporate social responsibility (CSR) for sustainable business development by applying business ethics together with good corporate governance and placing CSR as 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 staff at all levels to participate and provide volunteer to build awareness of social responsibility. Besides, it lays a strong foundation for sustainable development which leads to sustainability of social and national development.

3. Disclosure the policy compliance and reporting social responsibility

- Demonstrate the compliance of the social responsibility policy through the bank's several activities and encourage employees' policy implementation to create sense of social responsibility among all levels of employees.
- Deliver the bank's social responsibility report
- Establish Safety Healthy Environment committee (SHE) to steer occupational health and safety policy for workplace
- Do not violate human rights and care for public sentiments
- Encourage fair treatment towards stakeholders in both costs and compensations by having fair procurements, setting adequate delivery period and fair trade agreements, avoiding any activities that violate property or infringe intellectual property, and arranging payments for usage or acquisition of properties fairly and timely.

Principle 6: Strengthen Effective Risk Management and Internal Control

1. Internal Control and Internal Audit

The Board of Directors supports and pays attention to internal control activities in 5 areas: environment, internal control in the organization, risk assessment, information technology system control and communication activities, and monitoring and evaluating, to ensure that the bank has adequate and appropriate internal control which will achieve the established objectives of business operations under good compliance and good internal control.

2. Risk Management

The Board of Directors pays attention to risk management across the organization and promotes risk governance framework and risk culture by establishing risk management policy and risk management procedure which consist of risk identification, risk assessment, risk monitoring and controls and risk reporting; and by regularly reviewing the adequacy of risk management and the effectiveness of risk management.

3. Head of Compliance

Head of Compliance shall be assigned or shall oversee audit tasks and regulatory compliance, policies, regulations, and code of conduct.

4. Prevention of Conflicts of Interest

- The bank's transactions independently conducted shall be free from conflicts of interests deliberately and reasonably under good ethical framework for the utmost benefits of the bank, shareholders and all groups of stakeholders.
- Directors and executives shall accurately and adequately disclose the information about transactions with the bank for decision making, consideration, and approval of said transactions.
- Directors must immediately inform the bank when having conflicts of interest both directly and indirectly in any contracts of the bank or in case of any doubt over conflicts of interest.
- Any director or person who may have stakes or conflicts of interest in any agenda items shall not consider, have authority to approve operations, or cast votes for such agenda items as required by the Office of the Securities and Exchange Commission and / or the Stock Exchange of Thailand. The details of stakes and conflicts of interest shall be recorded in meeting resolutions.
- The Board of Directors is aware of transactions with conflicts of interest, connected transactions or inappropriate connected transactions. Such transactions' prices and conditions shall be set in the same way as those of external parties. The disclosure of details is required by policies, regulations and related laws.

5. Directors and the first 4 executives from the Chief Executive Officer; those who hold the executive position in the 4th 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 persons in which the individual in (1) and the individual in (2) hold the shares of more than 30 percent of all voting rights of such juristic persons and such combined shareholdings having the highest proportion in such juristic persons.

Report on any changes in holding of securities and derivatives of LH Financial Group Public Company Limited shall be submitted within 3 working days as from the date of buying, selling, transferring or receiving the transfer of securities or derivatives. *Report on stake holding shall also be submitted according to the bank's requirements.*

6. An anti-corruption policy shall be established to align with accreditation and membership of Collective Action Coalition Against Corruption (CAC) of Thailand's Private Sector against the corruption as guidelines for operations. The principles and procedures are as follow so that Directors and employees are aware of their duties and responsibilities, have a sense of responsibility to combat corruption, transact business with ethics, code of conduct, and in opposition to all kinds of corruption.

Principle 7: Ensure Disclosure and Financial Integrity

Disclosure of important financial and non-financial information shall be made with completeness, timeliness, and transparency via various channels which are convenient to access, equal and reliable.

1. Disclosure of Financial Information and Non-financial Information

- Disclose important information to the shareholders, investors and public with transparency, accuracy, completeness, sufficiency, timeliness and accountability in compliance with the related laws and regulations in both Thai and English versions via various channels which are convenient to access, easy to search, and equal. The information shall be kept updated.
- Disclose shareholding structure and direct and indirect shareholding information of directors and executives in the annual report.

2. Investor Relations Function

- A unit is set up to publicize information, coordinate to provide information, create a healthy relationship between the bank and shareholder, investors, analysts, and other related bodies.

Principle 8: Ensure Engagement and Communication with Shareholders

1. Any acts of infringement or derogation of the rights of shareholders are prohibited and all shareholders are encouraged to exercise their fundamental rights as regulated by law.

2. Protection of Shareholders Rights and Fair Treatment of Shareholders

- All shareholders are the owners of the business who equally have all fundamental rights, thus the bank is committed to ensuring equitable treatments for all shareholders by preserving their rights and benefits and urging individual shareholders and institutional shareholders to exercise their basic rights. The basic rights include right to receive the rightful portion of company's profits and dividends; right to buy, sell, or transfer securities they own; rights to obtain relevant and adequate information via easily accessible communication channels and in due time for decision making; rights to appoint or remove directors; rights to determine the director's remuneration; rights to appoint auditors; right to attend and vote in shareholder's meetings.

- A policy to prevent the use of internal information for illicit personal gain shall be established.
- An easily accessible website shall be set up to update the bank's information and news such as financial statements, the Management Discussion and Analysis (MD&A), letters to shareholders, CSR activities, annual reports, invitation to shareholders' meeting, other activities of the bank, etc.
- The bank shall notify shareholders in advance of the rules and procedures for attending the AGM meeting, shall sufficiently and timely prepare necessary information of each agenda for their decision making, shall disclose such information on the bank's website before sending physical copies to them so that they can study in advance, and shall facilitate them by providing channels for all shareholders and institutional investors to exercise right to attend the meeting and vote or to give a proxy to another person to attend the meeting and vote on their behalf without restriction. The bank also provides an easy registration process for them to attend and vote.

3. Shareholders Meeting

- Shareholders meeting has been properly organized according to related laws, regulations and good corporate governance principle.
- All groups of shareholders are encouraged to attend the meeting as they are the owners of the bank and through the Board of Directors acting on their behalf, they have right on the bank's key decision making.
- The bank opens an opportunity for each shareholder to have a right to elect individual members of the Board of Directors.
- The bank takes into account the rights of shareholders according to the good corporate governance principles.

4. Operations on the date of shareholders meeting

- Any operations shall be carried out quickly, properly, and accurately so that shareholders who join the meeting experience convenience and promptness.
- The bank's directors, chairmen of sub-committees, top executives are obliged to allocate their time to attend shareholders meeting and answer any questions from shareholders attending the meeting unless they have other priorities with greater urgency to attending the meeting.
- A person shall be assigned to verify vote counting to ensure transparency, and compliance with law and the bank's articles of association.

- Vote shall be casted agenda by agenda, especially, in the appointment of directors, shareholders shall vote for each director individually to ensure transparency and verifiability throughout the process.
- During the meeting, shareholders can register to attend the meeting as to exercise their right to vote in the agenda has not yet been voted.
- The bank shall manage time appropriately and encourage shareholders to inquire, comment, and express their opinions. Directors and related executives are responsible for explaining and answering the queries.

5. Minutes taking and disclosure shareholders meeting resolutions

- The minutes of shareholders meeting shall contain discussions, queries and answers, voting method, voting result of each agenda, and name list of the directors attending the meeting and absent directors; and shall be published on the bank's website.

6. Equitable treatment of shareholders

- The bank shall equitably treat shareholders, fairly protect their fundamental rights, and have measures to prevent conflicts of interest and wrongful use of internal data for their own and other people's benefits.

7. Information provision prior to the shareholders meeting

- An invitation to shareholders meeting which contains meeting itinerary, agenda and supportive documents shall be provided. Each agenda shall be clearly labeled either as matters for acknowledgement, matters for consent, or matters for approval, depending on the nature of each agenda; and shall sufficiently contain director's opinion, facts, and reasons for decision making. The invitation is published on the bank's website prior to the shareholder's meeting day so that shareholders can study the information.
- Power of attorney form shall be available as required by law so that shareholders can determine the direction of their vote.
- At least 2 independent directors along with their profiles shall be proposed for shareholders' consideration and convenience.
- Rules of meeting shall be made known among shareholders. The rules, method for attending a meeting, voting method, voting right, and voting counting shall be displayed in the meeting invitation.

- The bank shall equally establish full rights for all shareholders, and treat all groups of shareholders fairly. All shareholders shall, at the same time, receive key information with completeness and correctness from the bank.

8. Protection of the minorities' rights

- The bank shall equally establish full rights for all shareholders, and treat all groups of shareholders fairly. All shareholders shall, at the same time, receive key information with completeness and correctness from the bank.

9. Protection of Internal Information Usage

- An insider trading policy shall be established for directors, executives, employees, and their spouses, minor children, who are aware of material information and financial statements of the bank, to strictly follow to guard the secret of the bank.
Guidelines shall be laid down for employees to fulfill their duties with honesty, integrity, fairness, compliance with law and other regulations; and to not prioritize their personal benefits to responsibilities towards the bank, including not exploiting internal information for personal interests.

Self-Assessment of Compliance with the Good Corporate Governance Policy

The assessment shall be made once a year as a tool for the bank's Board of Directors and management to self-assess the bank's compliance for proper improvement.

Policy Review

The review shall be held one a year or when any key changes made.