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## **Good Corporate Governance**

The Company has realized the importance of the operation under the good corporate governance where the board of directors is determined to comply with the code of good corporate governance specified by the Stock Exchange of Thailand under the Code of Best Practice for Directors of Listed Companies.

Moreover, the Company is complied with the 5 Principle of Good Corporate Governance set by the Stock Exchange of Thailand for the benefit of the Company's business operation and for the transparency and efficiency enhancement. This should build up the creditability of the Company for the shareholder, the investors and other relevant parties. The details of the Company's good corporate governance practice are as follows:

### **(1) Shareholder's Rights**

The Company has realized the importance of the equitable treatment to the shareholders where at each shareholder's meeting, the invitation letter and the relevant information shall be sent to the shareholders for not less than 21 days in advance. Moreover, the Company shall equitably encourage the shareholders to review the performance and to express their opinions and/or recommendations. Furthermore, the Company has an effective shareholder's meeting minutes filing system which is easy to refer and check.

For the shareholders who cannot be present at the shareholder's meeting, they can delegate their power of attorney to the independent director and the audit committee to vote for them.

During the shareholder's meeting, the chairman shall equitably encourage all shareholders to raise questions and to express their opinions and other recommendations.

1.1 The Company has upheld the principle to supervise rights of shareholders. It aims to protect and promote the rights of shareholders as follows.

- Shareholders have the right to ownership and controls through the committee to act on their behalf.

- Shareholders have the right to make decisions about significant changes in the Company.

- Shareholders should have the opportunity to propose the agenda and entitle to appoint a proxy to attend the meeting on his behalf.

- Shareholders should have the opportunity to ask questions to directors at the meeting but submit questions in advance.

- Shareholders should receive documents and details or information sufficient to determine the agenda prior to the meeting at the appropriate time.

- Shareholders should aware of the rules and know how to join the meeting at reasonable time.

- Companies should promote the rights of shareholders and does not violate or infringe the rights of shareholders.

1.2 Apart from the basic rights or legal rights of the shareholders, the company was also considering the rights and equitable treatment of all shareholders. The actions to promote the rights of shareholders are as follows.

- So that all shareholders receive the necessary information and enough about the meeting date and an agenda in advance, the company has communicated the documents and information relating to the AGM via the company's website ( [www.lohakit.co.th](http://www.lohakit.co.th) / Investor Relations / Shareholder Information) Date: June 24, 2019 onwards, a period of 30 days before the AGM (Shareholders' Meeting on 25 July 2019) by the same set of data as documents that the Company has submitted with the notice of meeting to shareholders by mail prior to the meeting.

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- In the invitation that contain information about the agenda, reasons and the opinion of the Committee on the proposed agenda, date, time and place of the meeting, guidelines procedures and documentation to register to attend the meeting.

- For the benefit of the shareholders, the company also provides an opportunity for shareholders to submit questions or the proposal to be included on the agenda and the names of persons to be considered for appointment as directors in advance at website ([www.lohakit.co.th](http://www.lohakit.co.th) / Investor Relations / Shareholder Information). The criteria and define clear procedures to inform its shareholders through SET system and posting them on the Company's website during April 3, 2019 until May 7, 2019

At the shareholders meeting for the year 2019, the meeting was conducted by order of the agenda set out in the notice of meeting to inform shareholders in advance. No matters have been added to the agenda or critical data changes without notice to shareholders in advance and to allow shareholders to express opinions and ask questions on various matters. The Directors and senior management participated in meeting to answer the questions of the shareholders at the meeting, which details have been recorded in the minutes of the shareholders.

1.3 Before meeting begun, chairman of the meeting has authorized investor relations officer clearly explained to shareholders of how to vote, the audit of the vote count and the rights of shareholders

- One share represents one vote. For agenda items resolutions shall be passed by a majority of votes, acknowledgement matters for shareholders have no votes. Agenda for the capital reduction, capital increased, amendment of company memorandum of association and regulation shall be passed by votes of not less than three in four of the votes of the shareholders present at the meeting and have voting rights. The agenda of the Remuneration of the directors shall be passed by votes of not less than two third of the total votes of the shareholders present at the meeting.

- The vote on the election of directors, each shareholder is entitled to vote are all as discussed above, selecting one person or several persons as directors but can't divide their votes among the candidates.

- The shareholders who give proxies with indicating their votes. Staff will collect votes on their computer. For proxies to attend the meeting without indicating their votes, The Company assigned legal counsel which is an independent agency to act as a counter and check the votes in the AGM so as to be transparent, legalization and regulation.

- The voting ballots with the following characteristics are considered the invalid voting.

1. The ballots were voted incorrectly to its agenda.
2. There are no marks in the voting box.
3. Any ballots marked in more than one ballot box except in the case of a proxy, a custodian who can divide the votes in each agenda item, agree, disagree or abstain.
4. The damage ballots and it can not be determined what voters wish to vote.

For shareholders who attended the meeting, the officers have prepared a ballot to use in the case of disagree or abstain. And to consider the rights and equitable treatment of all shareholders, the Company provided shareholders in attendance even after the conference has already started with the right to vote on agenda items under the consideration and has not voted yet.

The company has submitted its report to the Stock Exchange of Thailand within 14 days of the meeting and the minutes are simultaneously published to the shareholders via the company's website in order for shareholders to comment and review with no need to wait until the next meeting. Including disclosing the vote counting inspectors in the shareholders' meeting in the minutes of the meeting.

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Shareholders have the right to review the remuneration of directors. The company offers attendance fee and bonus for shareholders approve every year. This year, the company paid to its directors the attendance fee only and no other benefit paid to directors. "Executive Remuneration" section, other benefits are not paid to the directors.

## **(2) The Equitable Treatment to Shareholders**

The Company treats the shareholders equitably in allowing them to check and express their opinions toward the Company's operation. The Company has a policy to comply with the article of association where the shareholders who cannot be present at the shareholder's meeting can delegate their power of attorney to the independent director and the audit committee to vote for them.

At a meeting of shareholders, the company has taken advance notice of the meeting of shareholders into the website at least 30 days before the AGM date and the Company has taken a minority shareholders have the right to propose agenda into AGM in advance and nominate qualified person to be elected as Directors. According to the company scheduled during the April 3, 2019 until May 7, 2019 and informed the shareholders through the Stock Exchange of Thailand and posting them on the Company's website ([www.lohakit.co.th](http://www.lohakit.co.th) / Investor Relations / Shareholder Information) with specifying the clear and transparent procedures and methods. And on the Company's website, predefined form for proposing the agenda and nominating candidates for election as directors can be downloaded as well. During the AGM in 2019, no shareholders propose agenda and nominate candidates for director in.

Accordance with the rules in the voting for election of directors, the company has a cumulative voting rules (Cumulative Voting) is used for the election of directors only. In principle, it is for the channel to provide minorit shareholders the opportunity to choose their directors to be executive.

In order to avoid the conflict of interests, the delegation of the board of directors specifies that the delegated person must not approve any transactions that may lead to the conflict of interests. In addition, the Company and the subsidiaries shall comply with the regulations of the Stock Exchange of Thailand with regard to the connected transaction and the acquisition and disposition of assets of listed companies as the case may be.

### **The Company has set the procedure to undertake the related transaction as follows:**

(a) In case of the normal business transactions or the transactions to support the normal business with general terms and conditions and compensations that can be calculated from assets or reference prices, the procedure to undertake those transactions shall be in accordance with the regulations of the SEC office and the Stock Exchange of Thailand with regard to the connected transaction. The undertaken transactions shall be reported to the audit committee on a quarterly basis.

(b) In case of other related transactions apart from those described in (a), the audit committee shall provide their opinions with regard to the necessity of the transaction and the reasonableness of the transaction's price by considering the normal business practice of the industry and comparing the undertaken price with the price of others or the market price. In case that the audit committee has no expertise on any transaction, the Company would hire an independent specialist or an auditor to provide their opinion on such transaction for the consideration of the audit committee, the board of directors or the shareholders as the case may be. The directors who may have any conflict of interests of the transaction will not be able to vote on such transaction.

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The Control of the use of internal information for the benefit of the management, the Company has a procedure to control the use of the undisclosed information for the benefit of the management or their related parties as follows:

(a) The Company has prevented the use of internal information by specifying that the departments which are accessible to such information must keep the information confidential to other irrelevant departments or parties.

(b) The management who has accessed the Company's financial information must not use such information for their own benefits before the disclosure of such information to public. The management is prohibited to trade the Company's securities within one month before the public disclosure of the Company's financial statements.

(c) The Company shall guide the management to report the change of their shareholdings to the SEC office as per clause 59 of the Securities and Exchange Act B.E. 2535. In addition, the management and employees who have accessed to the internal information are prohibited to share such information to others or irrelevant parties. They are also prohibited to trade the Company's securities within 30 days before the public disclosure of the financial statements.

### **(3) Roles of Stakeholders**

#### **The Company has taken into account the rights of all stakeholders as follows:**

(a) Employees: The Company always recognizes that all employees are the key resources of the company. It is the success factor of the company's achievement. The Company provides care and fairness in terms of opportunities, returns, appointments, relocation as well as staff development. The Company has adhered to the following principles.

- Treat employees with respect, honor and privacy.
- Maintaining a safe working environment for the lives and assets of employees
- Appointment and relocation Including rewards and punishment for employees, act in good faith and based on the knowledge and ability of each employee
- Pay attention to the development of staff knowledge. The development of employees in various forms such as seminars, training, etc

**In the Year 2019, the company had employees trained by internal and external agencies as follows:**

<b>Department</b>	<b>Internal Agencies Total / Hours</b>	<b>External Agencies Total / Hours</b>
Purchase	8 / 22.5	4 / 34
Finance	3 / 8	-
Sales & Marketing	6 / 18	4 / 137.5
Human resource	18 / 62.5	22 / 243
Quality assurance	23 / 68	10 / 66.5
Planning/Inventory/Logistics	61 / 188.5	31 / 221.5
Production / Maintenance	168 / 1010.5	145 / 947.5

**In the Year 2019 Accident statistics Stop rate And the rate of illness from work as follows:**

<b>Department</b>	<b>Accident rate</b>	<b>Stop rate</b>	<b>Illness rate</b>
Purchase	-	-	-
Finance	-	-	-
Sales & Marketing	-	-	-
Human resource	-	-	-
Production	3	-	-
Quality assurance	-	-	-
Planning/Inventory/Logistics	2	-	-
Maintenance	-	-	-

- Determination of employees' compensation policy and welfare are fair. This is consistent with the company's performance both in the short term, such as market conditions, business competition, nature of work, performance and profitability each year, etc. and in the long term such as performance evaluation, Balance Scorecard etc.

- Listen to comments and suggestions based on professional knowledge.

- To educate and train staff on environmental issues both in the workplace and outside the organization, this is in order to be aware of the importance of natural resources.

(b) Suppliers and Creditors: The Company treats all suppliers and creditors equitably and fairly under mutual terms and/or contracts to create the valuable relationship which shall benefit all parties.

(c) Customers: The Company takes good care and responsibility of the customers by sourcing, fabricating, manufacturing and distributing quality products as well as by taking into consideration the customer's recommendations and opinions.

(d) Competitors: The Company complies with the framework of fair competition and avoids the use of dishonest means to destroy the competitors's reputations.

(e) Shareholders: The Company focuses on the sustainable growth in terms of revenue and profit. As a result, the shareholders will receive the appropriate returns according to the business condition.

(f) Community and Society: The Company takes the responsibility towards to environment of the community and society by taking part in the social activities.

The Company has issued the Code of Ethics for the directors, management and all employees to comply with honest and integrity. The Company shall govern and ensure that such Code of Ethics is strictly complied. The Code of Ethics and the penalty are approved by the board of directors No. 4/2007 on August 15, 2007.

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Company committed to social and environmental responsibility, The integrated data management framework, framework for management and organization management. Social responsibility reports are included in the section. "Corporate Social Responsibility Page 53."

The company has been giving the important on operation with responsibility to social and environment. By that, company in cooperation with stock exchange of Thailand has set up the activities for social.

The Company has enhanced the efficient internal control and audit systems for both the management and operational levels by issuing the statement of duties and authorities of the management and the employees. The duties of execution, control and evaluate are segregated for the check and balance of power purpose. Moreover, the Company has undertaken the internal control over the financial system with the financial report system for the responsible management. The Company has the internal control system audited and appointed A.M.T. Services Office Limited as the Company's internal auditor for year 2019 (April 1, 2019 – March 31, 2020). The auditing shall emphasize on the internal control system and the analysis of the system risks. The summary of the auditing is as follow:

1. To evaluate the sufficiency of the internal control system.
2. To review the procedure of each working system.
3. To review the accounting transactions with the related parties.
4. To review the obligations.
5. To review the contingent liabilities.
6. To report the sufficient of internal controls during the year.

The internal auditor shall report the result of the auditing to the audit committee on a quarterly basis. In addition, the internal auditor shall review the significant related transactions as per the request of the audit committee. The secretary of the audit committee shall coordinate between the internal auditor and the audit committee.

Risk Management, the Board of director has been focusing on risk management very seriously. In the meeting of the Board of Directors no. 2/2016 had appointed the Risk Management Committee to define and assess of the business risks, to protect and manage risk. These include risks affecting the Company's operations, as defined in "The Risk Factors".

Board of Lohakit Metal Public Co., Ltd. (the Company) has scheduled its business practices with principles of good governance, adhering to the responsibility of all aspects of the business and to focus on the fight against corruption. On April 3, 2015 the company attended the announcement of the intention of a unified practice (Collective Action Coalition) Thailand's private sector in the fight against corruption. The Company has been approved as a member of the coalition against corruption in the private sector in Thailand on April 22, 2016 to the guidelines of the Committee, all employees. The company has made "policy against corruption" in writing to provide a clear guideline in the sector which is divided into three main policies

### **Definition**

Corruption refers to bribery in all its forms by offer or promise to provide the money, property or other benefits incorrect and inappropriate to authorities, government agencies or private individuals to do duty, omission to do duty, to obtain or retain any improper business benefits. Unless, they are comply by the law, regulatorion, customs or local tradition.

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## **1. Anti-Corruption Policy**

Directors, executives and employees of company are prohibited to action or to accept corruption in any form, either directly or indirectly. It covers businesses in all countries and all agencies involved. The review of the implementation of the policy against corruption is required to review regularly, including also review practices and the requirement to take steps to comply with changes in business regulations and legal requirements.

### **Responsibilities**

1. Board of Directors has duties and responsibility to establish policies and a regulatory system that effectively supports anti-corruption in order to ensure that management is aware of the importance of anti-corruption and to cultivate a corporate culture.
2. The Audit Committee has duties and responsibility to review financial reports and accounts, internal control system, Internal audit system and risk management system in order to ensure the compilation to international standards, appropriate, modern and efficient.
3. Managing director, board of executive management has duties and responsibility to establish the system, to promote and advocate policies against the corruption, to communicate to employees and stakeholders and to review the appropriateness of systems and measures in order to comply with changes in business, regulatory and legal requirements.
4. The Audit Committee has duties and responsibility to monitor and review the work that is going to be required to meet the operational policy guidelines, regulatory and legal requirements of the regulatory authorities in order to ensure that controls are adequate to the risk of corruption and report to the Board of Directors.

### **Guidelines and action**

1. Director, Management, Employee of LHK at all levels must strictly adhere to the policy without exception.
2. Employees must not be ignored or neglected when find any action relating on corruption. The notification to their supervisors or the person responsible is required.
3. Company will ensure fairness and protect employees who report for clues about corruption as defined in "Policies to protect complainants, witnesses, information user or clue about illegal and unethical (Whistle Blower Policy)".
4. Those who commit corruption must be considered for disciplinary action as prescribed without exception.
5. Company will disseminate the knowledge and understanding to others who have duties relating to the company subject to compliance with this policy.
6. Policies against corruption cover personnel administration since the recruitment, selection, promotion, training, evaluation and compensation. The supervisors at all levels communicate the clear understanding to the staff.
7. To clarify to operating in high risk to have the corruption, directors and executives and employees at all levels must be in caution in the following.
  - 7.1 To give or receive gifts, entertainment must comply as prescribed in the manual and a code of conduct for employees.
  - 7.2 Donations to charity or providing financial support or donations or grant must be transparent and legalization.
  - 7.3 Business relationship, prohibit giving or receiving bribes in conducting business in all aspects must be transparent, honest and is in accordance with the relevant legislation.

## **2. Policy to protect complainants, witnesses, information user or clue about illegal and unethical (Whistle Blower Policy).**

### **Definition**

The complaint	Refers to employees of the Company and its subsidiaries whether normal staff, diary staff or special staff.
Complaints recipient	Refers to one among the directors, audit committee, executive directors Or managing director.

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### **Complaint subject or provide information**

Corruption, illegal, regulations or ethics that impact on reputation, image, norm, financial position or conflict with the policy of the business and involved with high position management.

### **Channels of complaints or information, access to information and advice**

1. Verbal or written to

Company Secretary  
or E-Mail: [whistleblower@lohakit.co.th](mailto:whistleblower@lohakit.co.th)  
Tel. 0-2673-9559 Ext. 210

2. E-mail via the company's website: [www.lohakit.co.th](http://www.lohakit.co.th)

3. Mail sent to

Company Secretary  
Lohakit Metal Public Company Limited  
No. 43, Thai CC Tower, 16th Floor, Room 167-169  
Sathorn Road, Yannawa, Sathorn, Bangkok 10120.

### **The complaint guideline**

1. The complainant can appeal to more than one channel and do not necessarily reveal the identity. But self-disclosure will help the complaint recipient inform the result of action against complaint.
2. If the complainant chooses not to reveal his name, have to identify enough fact or evidence to show that there is reason to believe that the actual act according to the information, including inform the channels of communication in return in order to inform the results of the action on the complaint. The complaints are treated as confidential.

### **The process of investigation of the complaint**

1. The recipient of the complaint will be processed by own or assigned to individuals or group of persons to perform on their behalf.
2. Make sure that is true. If it is important for the image, reputation or norm, they must be submitted to the Executive Board for consideration and presented to the Board of Directors in the following order in order to determine action or punishment according to the guidelines of the company.

### **The protection for complainant or information provider**

1. Protection occurs immediately right after complainant inform and give clues.
2. The relevant information is considered confidential and will be disclosed in consideration of damage and safety of complaints.
3. Where the complaint said, it may not be safe or damage occurred. The complainant may request the Company to determine the appropriate protective measures or the company may impose protective measures for the complainant even with no request if that is likely to be suffered and unsafe.

### **3. Policies and procedures to support the political/ charitable donations/ grants. (Sponsorships)/ paying bills/ gift and hospitality expenses.**

The Board of Directors has established business practices with the good governance that recognizes its responsibility for the impact of all aspects of doing business and declared policy against corruption (Anti-Corruption Policy) to guide practice strictly for directors, management and all the staff there. The Company has established policies and measures related to anti-corruption functions in the practice of contributing to political / charitable donations / grants. (Sponsorships) / paying bills / gift and hospitality expenses as following



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1. Policies and practices involved in this matter in accordance with the policy set out in the Anti-Corruption policy and the ethical conduct of managers and employees
  2. If it is not listed, shall comply with the policies and guidelines that have been identified

### **Policies governing political contributions**

Company adheres to the policy of political neutrality, not support the funding or help in other ways to help the political parties both direct and indirect

Political contributions meant to help whether it be financial or to help in other ways (In-kind), such as providing goods or services, advertising, promoting or supporting political parties, to purchase tickets, to join the event to raise funds or donate to organizations with close ties to political parties or to be the agent for co-operation on political campaign etc.

The company provides support of political democracy and that employees have rights and duties as citizens by law to participate in or support any political activities freely in private but prohibiting all employees act on behalf of the company or using assets of the company to support or any other actions.

### **Policy on Charitable Giving**

The use of funds or assets of the company to donate to charity must be conducted openly and transparently is required by law and must not be used as a pretext in order to bribery

Donations to charity will be made on behalf of the Company and proceed through the process of approval by an authorized person of company. It must be donated to organizations or entities for benefit to education society or the public and is not affiliated with any reciprocal benefits, such as foundations, corporate philanthropy, nursing school, etc., has to be evidence of a credible and verifiable

### **Funding policy for sponsorships**

Funding refers to money paid to or received from customers, suppliers and business partners for the purpose of business, product brand or company reputation. It is beneficial to create The Commercial Trust (Goodwill) help intensify business relations and must be appropriate to the occasion

The use of funds or assets of the company to fund sponsorships must be conducted openly and transparently is required by law and must not be used as a pretext in order to bribery

Funding will be made on behalf of the Company and proceed through the process of approval by an authorized person of the company. The grants paid aimed at businesses image or reputation of the company shall have the reliable evidence, indentity clear objectives and can be detect

### **Policies about gifts, entertainment and other expenses**

Company policy prohibits directors and employees must not accept or give gifts, souvenirs of any stakeholder in the work that they are responsible both direct and indirect to government officials, government sector, private organizations and business partners so as to obtain benefits illegally and in an induced abstinence in the performance of their duties, except for the giving or receiving gifts, souvenir on the occasion of the agenda or the like, according to tradition, local custom , tradition of trade or the suitable opportunity. It is worth not much more than normal or worth less than the prohibition on public officials should have been.

The expenses for the entertainment of business and other expenses associated with implementing business contracts can be done but the level and extent appropriate must be reasonable and can be audited

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**Procedure and control in respect of the political, charitable donations/ grants./paying bills/ gift and hospitality expenses.**

The company wishes to donate money or property to charity, funding or pay gift / hospitality services and expenses related to the organization or agency shall take steps as below.

1. To received a letter or call for support and proposed by considering issues such as
  - Consider that according to the policies and objectives of the company or not
  - Consider a donation to charity, the gifts or financial support / entertainment and expenses is normal / business custom or not
  - Monitor and track information whether having appropriate objective, quantity, amount, agencies address and there are clear responsible person,
2. The department proposes he matter to the managing director for approval

**(4) The information disclosure and the transparency**

The Corporate Governance Policy: the board of directors has specified the corporate governance policy as they deemed that such policy is necessary for the sustainable growth of business. The board of directors is determined and intended to comply with such code of conducts where the business policies and directions have emphasized the importance of the internal control system and internal audit to govern the management to efficiently operate for the long-term benefit of the shareholders under the scope of laws and business ethics. The board of directors is also determined to emphasize the appropriate transparency of business operation, the information disclosure and the risk management.

The board of directors's meeting: The board of directors's meetings shall normally be convened once every quarter where the additional board of directors's meetings can be convened as necessary. The Company's secretary shall submit the invitation letter and the meeting agendas to the directors 7 days in advance thus the directos shall have sufficient time to study the information before the meeting. The minutes of the meetings are recorded in writing where the past minutes which have been approved by the board of directors are filed for the reference of the directors or other relevant parties.

**In 2019 and 2020, the details of the board of director's meeting are as follows:**

Directors	2019 (01/04/18–31/03/19)		2020 (01/04/19–31/03/20)	
	Number of meetings convened / Number of meetings attended	%	Number of meetings convened / Number of meetings attended	%
1. Mr. Wanchai Umpungart	5/5	100%	4/4	100%
2. Mr. Prasarn Akarapongpisakdi	5/5	100%	4/4	100%
3. Mr. Vittawat Akarapongpisak*	5/3	60%	4/4	100%
4. Mr. Somnuik Thanasarn	5/5	100%	4/4	100%
5. Mr. Anurut Vongvanij	5/4	80%	4/4	100%
6. Mr. Teera Na Wangkanai	5/5	100%	4/4	100%
7. Mr. Lert Nitheranont	5/5	100%	4/3	75%

**Remark :** \* Appointed in July, 2018

**In 2019 and 2020, the details of The audit committee meeting are as follows:**

Directors	2019 (01/04/18–31/03/19)		2020 (01/04/19 – 31/03/20)	
	Number of meetings convened / Number of meetings attended	%	Number of meetings convened / Number of meetings attended	%
1. Mr. Wanchai Umpungart	4/4	100%	4/4	100%
2. Mr. Teera Na Wangkanai	4/4	100%	4/4	100%
3. Mr. Lert Nitheranont	4/4	100%	4/3	75%

**In 2019 and 2020, the details of The Nomination and Compensation Committee meeting are as follows:**

Directors	2019 (01/04/18 – 31/03/19)		2020 (01/04/19 – 31/03/20)	
	Number of meetings convened / Number of meetings attended	%	Number of meetings convened / Number of meetings attended	%
1. Mr. Teera Na Wangkanai	2/2	100%	3/3	100%
2. Mr. Wanchai Umpungart	2/2	100%	3/3	100%
3. Mr. Lert Nitheranont	2/2	100%	3/3	100%

**In 2019 and 2020, the details of The Risk Management Committee meeting are as follows:**

Directors	2019 (01/04/18 – 31/03/19)		2020 (01/04/19 – 31/03/20)	
	Number of meetings convened / Number of meetings attended	%	Number of meetings convened / Number of meetings attended	%
1. Mr. Prasarn Akarapongpisakdi	2/2	100%	4/4	100%
2. Mr. Anan Manutchinapisit*	2/2	100%	4/3	75%
3. Mr. Somnuik Thanasarn	2/2	100%	4/4	100%
4. Mr. Wisit Worayosgovit	2/2	100%	4/4	100%
5. Mr. Vittawat Akarapongpisak	2/2	100%	4/4	100%

**Remark :** \*Resigned in November, 2019

**In 2019 and 2020, the details of the Directors and Company's management holding as follows:**

Director / Company's management	2019 (01/04/18 – 31/03/19)		2020 (01/04/19 – 31/03/20)	
	Directors	Spouse / child	Directors	Spouse / child
1. Mr. Wanchai Umpungart	-	-	-	-
2. Mr. Prasarn Akarapongpisakdi	13,320,960	-	960	-
3. Mr. Teera Na Wangkanai	-	-	-	-
4. Mr. Somnuik Thanasarn	-	-	-	-
5. Mr. Anurut Vongvanij	-	-	-	-
6. Mr. Lert Nitheranont	-	-	-	-
7. Mr. Vittawat Akarapongpisak	15,980,760	-	16,030,760	-
8. Mr. Wisit Worayosgovit	-	-	-	-
9. Mr. Theebune Chaiyaserikul	-	-	-	-
10. Mr. Wipark Wongthanasophon	5,000	-	5,000	-
11. Mr. Nonthawat Khruarattanapaiboon	-	-	-	-
12. Mr. Anocha wannapintu	-	-	-	-

Director's report: The board of directors is responsible for the Company's financial statements and financial information disclosed in the annual report. The Company's financial statements are prepared in accordance with the general accepted accounting principles where the appropriate accounting policies are adopted and regularly complied with care and the best financial forecasts are prepared. The significant information is sufficiently disclosed in the notes to the financial statements.

In addition, the audit committee is responsible to consider the information and the disclosure of the financial statements.

Investor's Relation: The board of directors shall assign a person to be responsible for the information disclosure of the Company that is accurate, timely and transparently. In the near future, the board of directors shall consider to set up the Investor Relation department to be responsible to communicate with the institutional investors, shareholders and securities analysts.

The committee also gives important on disclosing the complete information with covering both general and financial information. There are press conferences to reporter and 3<sup>rd</sup> parties through the event of SET Opportunity Day every quarter. The company has also assigned investor relation staff to responsible for disclosure the important information and acting for company to relate the communication with institution investor, shareholders and general analysts. All general investors are welcome to contact for company information by phone at 0-2673-9559 ext 210 or by email at ird@lohakit.co.th.

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The Company focuses on the development of knowledge and training of board directors as follows:

Directors Name	Institutions / Associations	Training course	Year
Mr. Vittawat Akarapongpisak	Thai Institute of Directors Association (IOD)	Family Business Governance (FBG) 11/2018	2018
	Thailand Securities Institute (TSI)	CFO's ORIENTATION COURSE FOR NEW IPOs 3/2019	2019
	NYC Management Co., Ltd.	Thai Financial Reporting Standards : TFRS 9	2019

The Company has the channel to report the offenders about illegal and ethics (Whistle Blower Policy) on the Company's website and channels as defined in the policy covered the complainant or witnesses to report information about illegal and unethical (Whistle Blower Policy)

#### **(5) Director's Responsibility**

The Company's board of directors participates in setting vision, mission, strategy, business goal, business plan and budget. The Company and also participation in reviewing and approving vision, goals, strategies and directions for each year. The Company also monitors the implementation of the Company's strategy. The board also governs the management to run the business according to the goal, plan and budget efficiently and effectively to increase the economic value of the Company and the stability of the shareholders.

#### The balance of power of non-executive directors

The Company's board of directors consists of 7 members including

- 3 Executive Directors
- 4 Independent Directors

Therefore, the Company has 4 independent directors, accounting for 57.14% of the total number of directors.

The Company has an Audit Committee with expertise and expertise in accounting. (See data from "Director and Executive Profiles: Mr. Wanchai Umpueg-art and Mr. Teera Na Wangkanai) There are roles in nomination and dismissal of external auditors. (See data from "Title, Scope of Duties, and Responsibilities of the Audit Committee Article 4"

As for the segregation and aggregation of positions, the chairman position is segregated from the Managing Director position to separate the duties of policy governance and day-to-day operation.

#### **Policies and Procedures for Other Company Directorships of Directors and Managing Directors.**

The Board emphasizes the efficiency of the directors' performance. The directors can devote their time to supervise the company. The policy is to limit the number of listed companies for which no more than 5 directors are present. There are currently no board members who hold the position of listed company directors in excess of the specified criteria.

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In addition, the Board of Directors has set the policy for directorships of other companies for directors and managing directors as follows: Director and Managing Director must not conduct business with the same conditions and compete with the business of the company or a partnership in a partnership or a partnership in limited partnership or a director of a private company or other companies operating the same business. It is a competition for the company's business, whether for its own benefit or for the benefit of others except for the notice to the shareholders meeting prior to the appointment.

At present, the directors and the Managing Director does not hold the position of director of another company that conducts business with the same conditions and is in competition with the Company. In addition, the directors and the Managing Director do not participate in the partnership or a partnership in limited partnership or a director of a private company or other companies that conduct the same business and compete with the Company.

#### **Board of Directors' Meeting.**

Board of Directors meetings are scheduled in advance every year. Each meeting has a clear agenda for the meeting and the agenda for consideration. There is sufficient documentation for the meeting. The meeting agenda must be submitted to the Board of Directors at least 7 days in advance so that the Board has sufficient time to study the information before attending the meeting. At the meeting, chairman had allocated sufficient time to allow all directors to discuss and express their views in an open manner. Opinions and conclusions reached by the meeting are recorded in writing by the Secretary of the Board of Directors and after being certified by the meeting. They will be stored at the company storage room. The office is located on the 16th Floor, Thai CC Tower, to be inspected by directors and related persons.

The Company has set a policy on minimum quorum at the Board of Directors' meeting, whereby the Board of Directors is required to have at least two-thirds of the total number of directors.

The Company's policy is to conduct an orientation for all new directors, to build knowledge and understanding of the business and implementation of various aspects of the company to prepare to perform the duties of a director by presentation of the business characters and policies, an overview of business operations and operating results so that the new director has a clear picture.

#### **Annual meeting schedule of the Board of Directors for the year 2020**

Q1	Q2	Q3	Q4
August 13, 2020	November 13, 2020	February 12, 2021	May 28, 2021

Note: Accounting period start April 2020 to March 2021

#### **Information essential to the duties of directors in the introduction of new directors.**

1. The company must comply with the law such as trading company shares and reporting possible conflict of interest of them, their spouses, close relatives who are the major shareholders, executive director in any businesses relating to the company, etc.
2. Memorandum and Articles of Association
3. The duties and responsibilities of the Board of Directors and Board Committees
4. Board of Directors and meeting schedule
5. Policy on Corporate Governance
6. Maintenance of internal information.
7. Risk Policy
8. Internal Control

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9. Relating Transactions (Conflict of Interest).
  10. Business Conduct and practices in work (Code of Conduct).
  11. Policy against corruption and violations (Whistle Blowing)
  12. Legal disputes (if any)
  13. Report of organization that supervise the company  
The company secretary to prepare the relevant documents.

#### **Evaluation of Managing Director and Remuneration Policy.**

Board of Directors set the annual performance for the Managing Director by using the goals and criteria for the assessment that linked to the Key Performance Indicators (KPIs) and the proper incentive.

The remuneration policy of the Managing Director, It depends on the performance evaluation (KPI) as mentioned above. Also set in accordance with the capabilities, status including industry compensation. The remuneration has both short-term and long-term compensation such as bonuses and salary etc.

#### **Remuneration for Directors and Executives.**

The Company provides the Nomination and Remuneration Committee has performed duties within the scope of authority and responsibility of "the Nomination and Remuneration Committee" as assigned by the Board of Directors. The remuneration policy is clearly and transparently set at the same level as the industry include the experience, obligations, scope of roles and responsibilities in order to maintain qualified directors. In the year 2019, the Nomination and Remuneration Committee had 3 meetings.

#### **Sub-Committee.**

The board of directors appointed the audit committee to assist governing the Company where the scope of authorities has been clearly specified. The Company has no remuneration committee; however, the Company has the appropriate procedure to fix the remuneration where the remunerations of others in the same industry and size as well as the Company's performance are taken into consideration.