

**PART II**  
**MANAGEMENT AND CORPORATE GOVERNANCE**

**7. SECURITIES AND SHAREHOLDERS**

**7.1 Registered and Paid-up Capital**

- The Company has a registered capital of Baht 2,116,753,580 and issued and paid-up capital of Baht 1,666,827,010 divided into 166,682,701 ordinary shares at a par value of Baht 10 per share.
- The Company has no shares of which the rights and conditions are different from the ordinary shares.
- As of the latest share register book closing on 30 December 2020, the total shares held by Thai NVDR Company Limited (a subsidiary wholly owned by the Stock Exchange of Thailand issuing “Non-Voting Depository Receipt” or “NVDR”) in the Company’s shares is 46,950 shares or 0.03 percent of the total issued and paid-up shares of the Company. Pursuant to the provisions of the prospectus of Thai NVDR Company Limited, they will not attend nor vote in any shareholders’ meeting of the Company other than delisting. Therefore, the shares held by Thai NVDR Company Limited will not be considered for quorum and voting in shareholders’ meetings except when the Company wishes to delist its shares from the Stock Exchange of Thailand.

## 7.2 Shareholders

### 7.2.1 Major Shareholders as at 30 December 2020 #

No.	Shareholders	No. of Shares Held	Total Shareholdings	%
1	Banyan Tree Holdings Limited Group of Companies		143,817,503	86.3
	(1) Banyan Tree Assets (Thailand) Company Limited*	80,432,342		
	(2) Banyan Tree Resorts & Spas (Thailand) Company Limited**	62,332,399		
	(3) Banyan Tree Hotels & Resorts Pte. Ltd.*	1,052,762		
2	Thai Wah Public Company Limited		3,480,200	2.1
3	Mr. Suvit Laohapholwattana		2,983,800	1.8
4	International Commercial Development Company Limited		2,585,950	1.6
5	Mr. Wachira Thayanaraporn		2,072,000	1.2
6	Ms. Pawana Atcharawan		1,839,300	1.1
7	Mr. Somchai Tiathasin		1,243,600	0.8
8	Ms. Pawita Kongthanasomboon		731,000	0.4
9	Mr. Permsak Kengmana		557,950	0.3
10	Mr. Phitak Boonpojanasontorn		346,853	0.2
	Other Minority Shareholders		7,024,545	4.2
	<b>Total</b>		<b>166,682,701</b>	<b>100.0</b>

#### Remarks:

# = As at the last share register book closing date. Updated shareholder information prior to the 2021 Annual General Meeting can be accessed through [www.lagunaresorts.com](http://www.lagunaresorts.com), the Company's corporate website.

\* = A company which is a wholly-owned subsidiary of Banyan Tree Holdings Limited.

\*\* = A company which is under the control of Banyan Tree Holdings Limited.

#### The major shareholder who has a significant influence on determining the Company's policy or the operation of the business

Banyan Tree Holdings Limited (BTH), a listed company in the Singapore Exchange, is a leading, international hospitality brand that manages and develops premium resorts, hotels and spas. It is a major shareholder indirectly holding 86.3 percent of the total shares issued and paid-up of the Company.

The subsidiaries and associates whose shares are held by BTH engage in hotel and property development as well as souvenir retail in the hotels managed by BTH. With BTH's expertise and experience of international hotel development and management of award-winning hotels under the trademarks of "Banyan Tree", "Angsana", "Cassia" and "Dhawa", the joint investment with BTH will result in the said subsidiaries and associate benefitting from the use of trademarks, reputation and managerial assistance of BTH.

### **7.2.2 Shareholders' Agreement**

There are no shareholding agreements among the major shareholders, to which the Company is a party, which has an effect on the issue and offer for sale of securities or business operations of the Company.

### **7.3 Issuing of other securities**

The Company has not issued any debentures, notes, convertible securities, debt instruments, etc.

### **7.4 Dividend Policy**

#### **7.4.1 Dividend Policy of the Company**

The Company's dividend policy seeks to maximize shareholder value and encourage shareholder loyalty with predictable annual growth in dividend payout which is not impacted by profit volatility. With that objective, the Company's Dividend Policy is based on the principles of stability, predictability and managed growth, outlined as follows:

- **Stability** Unless the Company suffers a substantial net loss, it will pay a dividend each year so that shareholders are not negatively affected by annual profit volatility.
- **Predictability** Shareholders will be able to better anticipate the appropriate level of dividends to expect each year and therefore may be better able to manage their portfolio investment strategy.
- **Managed growth** The Company will strive to increase and smooth out the dividends year-on-year within a broadband but the specific rate will be dependent on the Company's actual profit performance, cash and cash flow projections

#### **7.4.2 Dividend Policy of the Subsidiaries**

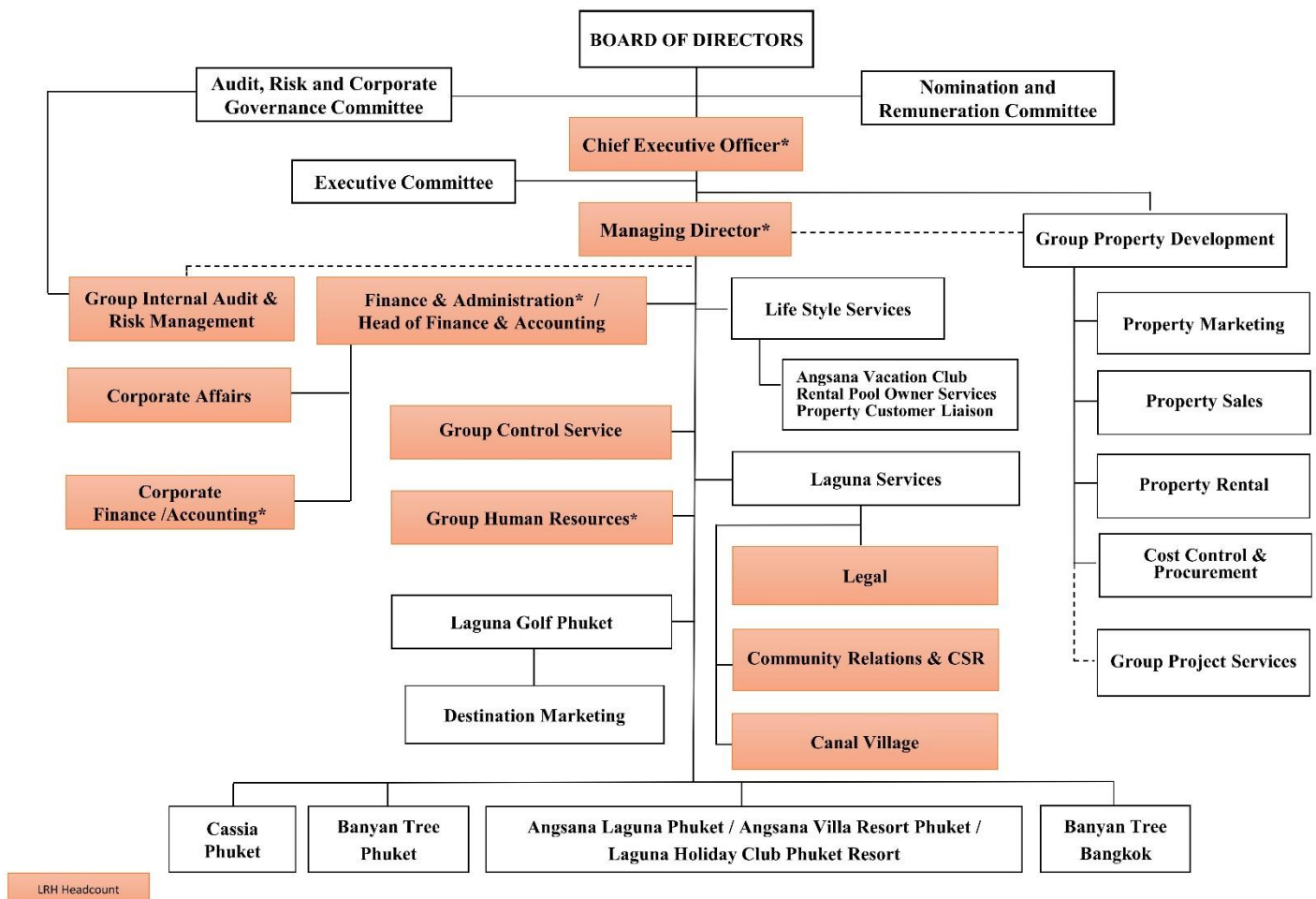
In respect of the dividend payment policy of the subsidiaries, such subsidiaries will pay dividends from their net profits. There is no specific dividend policy and dividend payment is subject to many factors such as their financial condition and results of operations, liquidity, business expansion and factors related to the operation of their business.

## 8. MANAGEMENT STRUCTURE as of 31 December 2020

### 8.1 Board Structure

The Board structure is comprised of the main board and 2 committees: (1) Board of Directors, (2) Audit, Risk and Corporate Governance Committee, and (3) Nomination and Remuneration Committee.

**Organization Chart**



As of December 2020

**Remark:**

\* Management of the Company in accordance with the definition of the Securities and Exchange Commission

**(1) Board of Directors**

The Board of Directors of the Company comprises 13 Directors, 5 of whom are Independent Directors representing more than one-third of total Board members as follows:

Name		Position	Number of Meeting Attendance during 2020 / Total
1. Mr. Ho	KwonPing	• Chairman of the Board	4/4
2. Mr. Vudhiphol	Suriyabhivadh	• Independent Director* • Audit, Risk and Corporate Governance Committee Chairman • Nomination and Remuneration Committee Member	4/4
3. Dr. Jingjai	Hanchanlash	• Independent Director* • Nomination and Remuneration Committee Chairman • Audit, Risk and Corporate Governance Committee Member	4/4
4. Mr. Thongchai	Ananthothai	• Independent Director* • Audit, Risk and Corporate Governance Committee Member • Nomination and Remuneration Committee Member	4/4
5. Ms. Srinthorn	Ounayakovit	• Independent Director*	4/4
6. Mr. Surapon	Supratya <sup>1</sup>	• Independent Director*	3/4
7. Mr. Ariel	P. Vera <sup>2</sup>	• Non-Executive Director	4/4
8. Mr. Ho	KwonCjan	• Director	4/4
9. Mr. Eddy	See Hock Lye	• Director	4/4
10. Mr. Ho	Ren Hua	• Director	4/4
11. Mr. Shankar	Chandran	• Director	4/4
12. Mr. Stuart	David Reading	• Director	4/4
13. Ms. Ho	Ren Yung	• Non-Executive Director	3/4 <sup>3</sup>

\* The definition of “Independent Director” is disclosed under the section of “Corporate Governance”.

- Qualification and profile of the directors are shown in Attachment 1.

<sup>1</sup> Mr. Surapon Supratya resigned from his directorship on 1 January 2021.

<sup>2</sup> Mr. Ariel P. Vera was appointed as an Independent Director at the Board Meeting of the Company held on 24 February 2021.

<sup>3</sup> Ms. Ho Ren Yung was appointed as new Non-Executive Director by the resolution of the 2020 Annual General Meeting on 27 April 2020.

### **Authorized Signatory**

The Company's authorized signatories are "Two directors from the following six directors namely Mr. Ho KwonPing, Mr. Ho KwonCjan, Mr. Stuart David Reading, Mr. Ho Ren Hua, Mr. Eddy See Hock Lye and Mr. Shankar Chandran can jointly sign with the seal of the Company affixed".

### **Duties and Responsibilities of the Company's Board of Directors**

The Board's primary functions are to set the Company's policy and overall strategy for the Group and to provide effective oversight on the management of the Group's business and affairs. Apart from its statutory duties, the responsibilities of the Board include:

1. Overseeing the Company in managing the business for the benefits of shareholders by observing the following four practices:
  - 1.1 Performing its duties with responsibility and all due circumspection and caution (Duty of Care).
  - 1.2 Performing its duties with faithfulness and honesty (Duty of Loyalty).
  - 1.3 Performing its duties in compliance with laws, objectives, Articles of Association, the resolutions of the Board of Directors, and the resolutions of Shareholders' Meetings (Duty of Obedience).
  - 1.4 Disclosing information to shareholders accurately, completely, and transparently with verification and timeliness (Duty of Disclosure).
2. Defining objectives that promote sustainable value creation and governance outcomes as a framework for the operations of the Company.
3. Formulating and approving the Company's vision, mission, broad policies, strategies, and financial objectives for business operation and reviewing them to be consistent with any change in a business situation.
4. Monitoring and approving the Company's key operational initiatives, annual budget, major investment, and funding decisions.
5. Determining and reviewing the board structure, in terms of size, composition, and the proper proportion of independent directors so as to ensure its leadership role in achieving the Company's objectives.
6. Ensuring that the policy and procedures for the nomination and selection of directors are clear and transparent resulting in the desired composition of the board.
7. Ensuring that all directors are properly accountable for their duties and responsibilities, and allocate sufficient time to discharge their duties and responsibilities effectively.
8. Ensuring that directors understand the roles and responsibilities, the nature of the business, the Company's operations, relevant laws and are consistently given support to enhance their skills and knowledge necessary to carry out their roles on the board and board committees.

9. Ensuring that an appropriate director compensation structure and performance evaluation are in place.
10. Ensuring that the Company has effective human resources management and development programs to ensure that the Company has adequate staffing and appropriately knowledgeable, skilled, and experienced employees and staff.
11. Prioritizing and promoting innovation that creates value for business together with benefits for its customers, other stakeholders, society and the environment in support of sustainable growth of the Company.
12. Encouraging management to adopt responsible operations towards society and the environment and incorporate them into the Company's operational plan in order to ensure that every department and function in the Company adopts the Company's objectives, goals, and strategies, applying high ethical, environmental and social standards.
13. Establishing a framework for the governance of enterprise IT that is aligned with the Company's business needs and priorities, stimulates business opportunities and performance, strengthens risk management, and supports the Company's objectives.
14. Ensuring that the Company has effective and appropriate risk management and internal control systems that are aligned with the Company's objectives, goals, and strategies and comply with applicable laws and standards.
15. Monitoring and managing conflicts of interest that might occur between the Company, management, directors, and shareholders. The board should also prevent the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties.
16. Establishing a clear anti-corruption policy and practices and disseminating to the Company's stakeholders for proper implementations.
17. Establishing a mechanism for handling complaints and whistleblowing.
18. Prioritizing and ensuring the integrity of the Company's financial reporting system and that timely and accurate disclosure of all material information regarding the Company is made consistent with applicable requirements.
19. Monitoring the financial liquidity and solvency of the Company and ensuring that risks to the financial position of the Company or financial difficulties are promptly identified, managed and mitigated and that the Company's governance framework provides for the consideration of stakeholder rights.

These functions are either carried out directly by the Board or through Sub-Committees established by the Board, principally the Audit, Risk and Corporate Governance Committee and Nomination and Remuneration Committee. The delegation of authority by the Board to Sub-Committees enables the Board to achieve operational efficiency by empowering these Sub-Committees to decide on matters within certain limits of authority and yet maintain control over major policies and decisions.

### **The Term of Office**

The term of office of a director of the Board shall be 3 years. A director of the Board who vacates his/her office by rotation may be re-appointed.

### **(2) Audit, Risk and Corporate Governance Committee**

The Audit, Risk and Corporate Governance Committee comprises 3 Independent Directors of the Company as follows:

<b>Name</b>		<b>Position</b>
1. Mr. Vudhiphol	Suriyabhivadh	Chairman
2. Dr. Jingjai	Hanchanlash	Member
3. Mr. Thongchai	Ananthothai	Member

Mr. Vudhiphol Suriyabhivadh, the Chairman of the Audit, Risk and Corporate Governance Committee, has adequate expertise and experience to review financial reports. Mr. Vudhiphol's formal education as a trained accountant and his former employment as the Financial Director of East Asiatic (Thailand) Public Company Limited has given him ample experience in reviewing the creditability of the financial reports.

### **Duties and Responsibilities of the Audit, Risk and Corporate Governance Committee**

1. To review the accuracy and adequacy of financial reporting of the Company.
2. To review the adequacy and effectiveness of internal control and internal audit systems of the Company as well as to determine the independence of the internal audit unit, and to approve the appointment, transfer, and termination of employment of the chief of the internal audit unit.
3. To consider, select, nominate and terminate an independent person to be the external auditor of the Company and propose fees for such person, as well as to attend a non-management meeting with the external auditor at least once a year.
4. To review the Company's compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and the laws relating to the business of the Company.
5. To review the connected transactions or the transactions that may lead to conflicts of interests to ensure that they are in compliance with the laws, regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company.
6. To report the activities of the Audit, Risk and Corporate Governance Committee to the Board.



7. To prepare and to disclose a report of the Audit, Risk and Corporate Governance Committee in the Company's Annual Report. The report must be signed by the Chairman of the Audit, Risk and Corporate Governance Committee, comprising at least the following information.
  - a. an opinion on the accuracy, completeness, and creditability of the Company's financial report,
  - b. an opinion on the adequacy of the Company's internal control system,
  - c. an opinion on the compliance with the law on securities and exchange, the Stock Exchange of Thailand's regulations, or the laws related to the business of the Company,
  - d. an opinion on the suitability of an auditor,
  - e. an opinion on the transactions that may lead to conflicts of interests,
  - f. the number of the Audit, Risk and Corporate Governance Committee meetings, and the attendance of such meetings by each committee member,
  - g. an opinion or overview comment received by the Audit, Risk and Corporate Governance Committee from its performance of duties in accordance with the charter, and
  - h. other transactions which, according to the Audit, Risk and Corporate Governance Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board.
8. To review and encourage the Company to enforce and comply with an appropriate and efficient risk management policy, as well as to oversee and monitor the Group Risk Committee.
9. In performing the duty of the Audit, Risk and Corporate Governance Committee, if there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results:
  - a. a transaction which causes a conflict of interest,
  - b. any fraud, irregularity, or material defect in an internal control system, or
  - c. an infringement of the law on securities and exchange, regulation of the Stock Exchange of Thailand, or the law relating to the business of the Company.

The Audit, Risk and Corporate Governance Committee shall report such transactions or acts to the Board for rectification within the period of time that the Audit, Risk and Corporate Governance Committee thinks fit. If the Board or management fails to make rectification within such period of time, Audit, Risk and Corporate Governance Committee members may report on such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

10. To investigate and report the preliminary result to the Office of the Securities and Exchange Commission and the external auditor within thirty days upon receipt of the fact from the external auditor in relation to any suspicious circumstance that the director, manager, or any person responsible for the operation of the Company commits an offense under the law on Securities and Exchange.

11. To implement and oversee the annual self-performance evaluations including reviewing the evaluation results and reporting the results to the Board on an annual basis.
12. To supervise the performance of management to strictly comply with the Company's good corporate governance policy.
13. To review the Corporate Governance Policy and Code of Corporate Conduct of the Company at least once a year.
14. To oversee the anti-corruption policy to ensure it is sufficient and appropriate for the Company's business.
15. To supervise and offer advice related to the operation concerning the Company's sustainable development.
16. To review and assess the adequacy of the Charter of the Audit, Risk and Corporate Governance Committee annually and recommend modification to the Board as needed, and
17. To perform any other acts as assigned by the Board and accepted by the Audit, Risk and Corporate Governance Committee.

In order that the duties and responsibilities of the Audit, Risk and Corporate Governance Committee can be fulfilled, the Audit, Risk and Corporate Governance Committee shall have the power to investigate related persons and matters within the scope of the authority and duty of the Audit, Risk and Corporate Governance Committee and, with the approval of the Board of Directors, shall have the power to employ or ask a specialist to provide advice and opinions as deemed appropriate by the Audit, Risk and Corporate Governance Committee.

#### **The Term of Office**

The term of office of a member of the Audit, Risk and Corporate Governance Committee shall be 2 years. A member of the Audit, Risk and Corporate Governance Committee who vacates his/her office by rotation may be re-appointed.

#### **(3) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises 3 Independent Directors of the Company as follows:

<b>Name</b>		<b>Position</b>
1. Dr. Jingjai	Hanchanlash	Chairman
2. Mr. Vudhiphol	Suriyabhivadh	Member
3. Mr. Thongchai	Ananthothai	Member

### **Duties and Responsibilities of the Nomination and Remuneration Committee**

1. To propose guidelines and make broad recommendations for the annual salary increment and bonus policies for the Company.
2. To review and award the bonus, salary increment, and incentives of the Company Chairman and his relatives who are employees of the Company.
3. To review and approve the expenses claims of the Company Chairman.
4. To review and if necessary, propose changes to the remuneration of the Company's directors serving on the Board of Directors, Audit, Risk and Corporate Governance Committee, and Nomination and Remuneration Committee.
5. To review and if necessary, propose changes or additions to senior management welfare, benefits, (such as employee stock options and other employee welfare allowances, subsidies and schemes), salary increment, and bonus policies. The emoluments of individual employees shall be determined by the management of the Company.
6. To establish criteria for Board membership.
7. To formulate a standard and transparent process for the selection of directors.
8. To propose and/or evaluate directorial candidates and Board committee members for consideration by the Board when there is a vacancy.
9. To assess independent directors to identify if the independence of any is compromised and if new independent directors are required under the Board's policy.
10. To inform the Board of the names of directors and Board committee members who are retiring by rotation and make recommendations to the Board as to whether the Board should support the re-nomination of those retiring directors and committee members.
11. To review the Committee Charter at least once a year and recommend modifications to the Board of Directors as needed, and
12. To report to the Board of Directors on the Committee's activities and findings.

To assist the Nomination and Remuneration Committee in achieving its objectives, the Nomination and Remuneration Committee shall have the discretion to appoint appropriate third-party consultants to review existing employee-related policies, propose new employee benefit and welfare programs, and/or undertake other HR-related research and studies.

### **The Term of Office**

The term of office of a member of the Nomination and Remuneration Committee shall be 2 years. A member of the Nomination and Remuneration Committee who vacates his/her office by rotation may be re-appointed.

## 8.2 Management\*

Management of the Company comprised of the following members:

Name			Position
1.	Mr. Ho	KwonPing	Chief Executive Officer
2.	Mr. Shankar	Chandran	Managing Director
3.	Mr. Kuan	Chiet <sup>1</sup>	Chief Financial Officer, Vice President, Finance & Administration and Company Secretary
4.	Ms. Piploy	Pluemarom	Assistant Vice President, Group Human Resources
5.	Ms. Areewan	Sriwichupong	Chief Accountant and Assistant Vice President, Finance

**Remark:**

- Qualification and profile of the management is shown in Attachment 1
- \* Effective from 1 February 2015 all positions from Assistant Vice President and above are considered management of the Company in accordance with the definition of the Securities and Exchange Commission
- <sup>1</sup> Mr. Kuan Chiet resigned as Chief Financial Officer on 15 January 2021 and was replaced by Mr. Edmund Tan Min Hai.

## 8.3 Company Secretary

Mr. Kuan Chiet was appointed as the Company Secretary of the Company effective from 1 December 2020 following the resolution of the Board of Directors' Meeting on 11 November 2020. The Company Secretary is responsible for preparing and maintaining the register of directors, notice and minutes of the Board of Directors' meeting, annual report, notice and minutes of the shareholders meeting, maintaining directors and management's report on interests, and performing other duties as required by the Capital Market Supervisory Board and as assigned by the Board of Directors of the Company. (Qualification and profile of the Company Secretary is shown in Attachment 1)

## 8.4 Remuneration

### 8.4.1 Remuneration Policy

#### Employees' Remuneration

The Group's remuneration policy is built on a transparent appraisal system and formulated to drive the performance of its employees, who are its most important asset.

The objective of the Group's remuneration policy is to attract, motivate, reward, and retain quality staff. The typical compensation package for employees comprises basic salary, variable

performance bonus, allowances, as well as benefits. In determining the composition of the package, the nature of the role performed and market practice are taken into consideration. To ensure that its remuneration package is competitive with the industry's benchmark, the Group periodically reviews its base salary ranges and benefits package with comparative groups in the hospitality sector.

The remuneration for the Group's senior management and senior executives aims to motivate them to achieve the Group's annual and long-term goals to ensure that they are aligned with shareholders' interests. Performance-related elements, therefore, form a part of senior management and senior executives' total remuneration.

The Group's approach to rewarding employees not only helps to attract, retain and motivate talented employees but also fosters a performance-oriented culture across the organization that will help attain the Group's financial objectives.

#### **Directors' Remuneration**

The fees for Independent Directors, Non-Executive Directors, and Directors reflect the scope and extent of a director's responsibilities and obligations. They are measured against industry benchmarks and are competitive. Directors' fees are subject to shareholders' approval at the Annual General Meeting. In addition to directors' fees, Independent Directors and Non-Executive Directors also receive compensation in kind in terms of goods and services provided at hotels operated by the Group.

Details of the remuneration paid to directors of the Board and management in 2020 are disclosed in the Company's 2020 annual report and Form 56-1 under the section "Directors' and Managements' Remuneration".

#### 8.4.2 Remuneration and Other Benefits of the Directors during the Year 2020\*

No	Name	Position	Remuneration/Other Benefits (Baht/Year)		
			The Board	Audit, Risk and Corporate Governance Committee	Nomination and Remuneration Committee
1	Mr. Ho KwonPing	Chairman of the Board and Chief Executive Officer	969,400 / -	- / -	- / -
2	Mr. Vudhiphol Suriyabhivadh	Independent Director, Audit, Risk and Corporate Governance Committee Chairman and Nomination and Remuneration Committee Member	647,500 / 60,000 <sup>1</sup>	321,900 / -	45,000 / -
3	Dr. Jingjai Hanchanlash	Independent Director, Audit, Risk and Corporate Governance Committee Member and Nomination and Remuneration Committee Chairman	647,500 / 60,000 <sup>1</sup>	166,500 / -	87,000 / -
4	Mr. Thongchai Ananthothai	Independent Director, Audit, Risk and Corporate Governance Committee Member and Nomination and Remuneration Committee Member	647,500 / 60,000 <sup>1</sup>	166,500 / -	45,000 / -
5	Ms. Srinthorn Ounayakovit	Independent Director	647,500 / 60,000 <sup>1</sup>	- / -	- / -
6	Mr. Surapon Supratya	Independent Director	647,500 / 60,000 <sup>1</sup>	- / -	- / -
7	Mr. Ariel P. Vera	Non-Executive Director	647,500 / - <sup>2</sup>	- / -	- / -
8	Mr. Ho KwonCjan	Director	425,500 / -	- / -	- / -
9	Mr. Eddy See Hock Lye	Director	425,500 / -	- / -	- / -
10	Mr. Ho Ren Hua	Director	425,500 / -	- / -	- / -
11	Mr. Shankar Chandran	Director and Managing Director	425,500 / -	- / -	- / -
12	Mr. Stuart David Reading	Director	425,500 / -	- / -	- / -
13	Ms. Ho Ren Yung <sup>3</sup>	Non-Executive Director	472,500 / - <sup>4</sup>	- / -	- / -

**Remark:**

- \* Voluntary reduction of 15% in directors' fees at the board and sub-committee levels with effect from Q2 to Q4 2020
- <sup>1</sup> Spa and Gallery Voucher amounting to USD 2,000 (approximately Baht 60,000 per person)
- <sup>2</sup> Mr. Ariel P. Vera, Non-Executive Director, did not take spa and gallery vouchers.
- <sup>3</sup> Ms. Ho Ren Yung was appointed as a new Non-Executive Director by the resolution of the 2020 Annual General Meeting on 27 April 2020.
- <sup>4</sup> Ms. Ho Ren Yung, Non-Executive Director, did not take spa and gallery vouchers

#### 8.4.3 Directors and Managements' Remuneration

##### Monetary Remuneration

##### (a) Directors

The remuneration fees of the year 2020 for each category of directors of the Board and each category of committee members of the Audit, Risk and Corporate Governance Committee (ARCG) and Nomination and Remuneration Committee (NRC) remained at the same amount and format approved by the 2019 Annual General Meeting and will continue to be in effect for each subsequent year, unless or until resolved otherwise by a general meeting

of the shareholders of the Company. Details of the remuneration are shown in the following table.

**Board of Directors**

<b>Position</b>	<b>Remuneration / Meeting / Person (Baht)</b>	<b>Spa &amp; Gallery Vouchers / Year / Person</b>
Chairman of the Board	262,000	-
Independent Director	175,000	USD 2,000 (Approximately Baht 60,000)
Non-Executive Director	175,000	USD 2,000 (Approximately Baht 60,000)
Director	115,000	-

**Audit, Risk and Corporate Governance Committee and  
Nomination and Remuneration Committee**

<b>Position</b>	<b>Remuneration / Meeting / Person (Baht)</b>
Chairman	87,000
Member	45,000

Monetary remuneration for the Directors and Sub-Committee Members in 2020 was in the total amount of Baht 8,286,300. Directors of LRH are not paid director fees by any of LRH's subsidiary companies.

Details as shown in the above section, "Remuneration and Other Benefits of the Directors during the Year 2020".

**(b) Management**

Monetary remuneration for the top 7 management in 2020 amounted to Baht 22,176,128 consisting of salaries, bonus, housing allowance, social security payment, provident fund payment, tax paid by the Company, children education subsidy, medical expenses, etc.

**Non-Monetary Remuneration**

**(a) Directors**

Benefits in the form of spa and gallery vouchers for the Independent Directors and Non-Executive Directors in 2020 were in the total amount of Baht 300,000.

Details as shown in the above section, "Remuneration and Other Benefits of the Directors during the Year 2020".

**(b) Management**

Employee benefits such as personal accident and health insurance and complimentary vouchers, etc., for the top 7 management in 2020 were in the total amount of Baht 968,415.

**8.5 Human Resources**

The number of employees of the Company (excluding those in the subsidiaries) as at 31 December 2020 was 50 employees as detailed below:

<b>Department</b>	<b>No. of Employees</b>
Management office	4
Cost, Contract Administration & Procurement Services	4
Accounting	5
Corporate Community Relations	7
Administration & General	6
Corporate Affairs	2
Community Relations & Corporate Social Responsibilities	4
Group Control Service	2
Human Resources	10
Internal Audit	1
Canal Village	1
Legal	2
Owned Hotels Operations	1
Laguna Job	1
<b>Total</b>	<b>50</b>

Total remuneration and benefits paid to employees (such as salary, bonus, car allowance, social security payment, provident fund payment, medical, accident & health insurance, complimentary vouchers, etc.) during the 12 months ended 31 December 2020 amounted to Baht 62,617,165.



## **9. CORPORATE GOVERNANCE**

### **9.1 Corporate Governance Policy**

The Company is committed to maintaining high standards of good corporate governance within the organization to protect and enhance long-term shareholder value. The Company has adopted and is continuously developing a set of good corporate governance practices and policies that are modeled on principles advocated by the SET as per the details set out in the following sections. Additionally, the Company has put in place a Code of Corporate Conduct approved by the Board of Directors and Standard Operating Procedures which have been communicated throughout the organization and publicized the Corporate Governance Policy and Code of Corporate Conduct via the Company's website for all employees at all level to better understand and use as working guidelines and strictly follow in the course of performing their duties. As and when required, new internal rules and regulations are introduced to ensure there are no gaps in the policies.

The Board of Directors has acknowledged and reviewed the implementation of the Corporate Governance Code for Listed Companies 2017 published by the Securities and Exchange Commission to update the Company's corporate governance. In 2019, the Company has established the Corporate Governance Policy which has been considered and recommended by the Audit and Risk Committee (currently known as Audit, Risk and Corporate Governance Committee) and approved by the Board of Directors to benefit its business to have good long-term performance and create value for sustainable business. The Board of Directors has annually reviewed the Corporate Governance Policy for the improvement of good corporate governance. For any principle which has yet to be implemented, the Board of Directors has assigned the management to study in detail for further consideration.

#### **1. Rights of Shareholders**

The Company recognizes the importance of shareholders' rights. In the Company's Annual General Meeting held on 27 April, 2020 the Company conducted the meeting in full compliance with all relevant laws and regulations in respect of shareholders' rights in the following manner.

- 1.1 All shareholders have the same basis and rights in the casting of votes at the meetings and the receipt of dividends when declared by the Company. These are calculated based on their respective shareholding in the Company.
- 1.2 At shareholders' meetings, shareholders are given the right to approve important matters such as the election of directors (shareholders can elect directors individually), directors' remuneration, the appointment of auditors and dividend payment, etc.

Furthermore, shareholders who arrive at the meeting after the meeting has begun are still entitled to vote on the agenda items that are still under consideration and have not been voted upon.

- 1.3 The Company has the policy to facilitate and encourage all groups of shareholders including institutional shareholders to attend the Company's Annual General Meeting such as allowing every shareholder to propose agenda or send questions related to the Company's business in advance, distributing a package containing the notice and meeting documents in English to foreign shareholders, selecting meeting venue that is convenient for attendance, etc.
- 1.4 The Company invites shareholders to propose agenda items in advance of the AGM through the SET and the Company's website ([www.lagunaresorts.com](http://www.lagunaresorts.com)). However, none have been proposed by the shareholders.

The Company provides the opportunity for a shareholder or shareholders who hold shares of the Company representing at least 5 percent of the total voting rights of the Company to propose an AGM agenda item in advance within 30 days before the end of the accounting period. The Audit, Risk and Corporate Governance Committee shall review the proposed agenda item and express its opinion to the Board of Directors for consideration. The proposed agenda item deemed to qualify by the Board of Directors shall be included in the AGM agenda. In the event that the proposed agenda item is deemed not to qualify by the Board of Directors, it shall be announced with reasons at the AGM.

The Company provides channels for minority shareholders to make suggestions, express their opinions or make a complaint by sending the original duly signed statement together with supporting evidence to the Company Secretary by registered mail to the Company's address or by phone +66 2677 4455.

- 1.5 The Company does not invite the minority shareholders to nominate their candidates to be appointed as the Company's directors ahead of the meeting. This is because the Company already allows all shareholders to nominate their candidates (who meet the requirements under the Plc Act) and to vote for candidates at the shareholders' meeting.
- 1.6 Through the Thailand Securities Depository Company Limited, the Company's share registrar, the Company sends out a package containing the notice and agenda of the meeting to the shareholders at least 21 days before the meeting (the package for 2020 AGM was sent 10 days in advance which is later than usual due to the impact of Covid-19 pandemic). The meeting documents include the facts, rationales, and opinions of the Board as well as other information relating to the agenda items such as information on the persons nominated for election as directors, auditors' profiles, the part of the Company's Articles of Association that relates to the shareholders' meeting, map showing the venue of the shareholders' meeting, proxy forms, documents and evidence of entitlement to attend the meeting, etc. This is to enable the shareholders to prepare themselves for the meeting. In addition, the notice of the shareholders' meeting is advertised in the newspaper and all information contained in the meeting documents will also be posted on the Company's website ([www.lagunaresorts.com](http://www.lagunaresorts.com)) at least 30 days before the meeting (the meeting documents for the 2020 AGM were posted on the Company's website 19 days in advance which is later than usual due to the impact of Covid-19

pandemic). Moreover, shareholders are always invited to register at least 1 hour before the meeting begins.

For convenience, transparency, and accuracy of the registration and vote counting at the shareholders' meeting, a barcode system is used.

- 1.7 At every shareholders' meeting, all agenda items are clearly identified and particularized, objectives, and rationale and opinions of the Board are also presented in the meeting for consideration of the shareholders. The Chairman will conduct the meeting according to the sequence of the agenda and will not add any additional agenda items which are not indicated in advance in the notice unless there is a proposal to consider other matters other than those specified in the notice, in accordance with the law, from shareholders holding not less than one-third of the total number of shares issued.

No additional agenda item was proposed to the 2020 Annual General Meeting other than those specified in the notice.

- 1.8 Before the start of every shareholders' meeting, the Company Secretary will explain the voting methodology to shareholders. In the interest of good corporate governance regarding transparency, minority shareholders are also invited to witness vote counting of each agenda item. A team of legal counsels from a leading international law firm is appointed to verify the registration procedure before the Chairman of the meeting announces to the shareholders, the number of shareholders and proxy holders present at the meeting and the number of shares held by them. The legal counsels also verify the vote-counting procedure in respect of each agenda item before the votes are announced as the resolution of the shareholders' meeting. Shareholders may verify the detailed results of the vote of each agenda item at the end of each meeting. The same results and a summary of questions from shareholders will also be included in the minutes of the meeting which are accurately and completely documented in all material aspects and will be sent to all shareholders for their review before the following meeting. The minutes of the 2020 Annual General Meeting is posted on the Company's website ([www.lagunaresorts.com](http://www.lagunaresorts.com)) within 14 days after the meeting was held.

- 1.9 The Company's policy in conducting shareholders' meetings is not only to meet all legal requirements but to also provide a platform and opportunity for shareholders to communicate their views and ask the directors and management questions regarding matters affecting the Company. The Chairman allocates sufficient time for the meeting and conducts the meeting in an appropriate and transparent manner. During the meeting, shareholders are allowed to give comments and ask questions before the resolution on each agenda item. In addition, shareholders who have any questions that require the Company's clarification during the meeting may send their questions in advance at "ir@lagunaresorts.com" or fax them to 66 (0) 2285 0733.

- 1.10 Apart from the external auditor who will attend the Annual General Meeting, the Chairman of the Board, the Chairman of the Audit, Risk and Corporate Governance Committee, and the Chairman of the Nomination and Remuneration Committee and all of the Company's directors will endeavor to be present at the shareholders' meeting to assist the Board in addressing queries raised by the shareholders. The Company also invites its legal counsels from a leading international law firm to attend the meeting in case there are any legal questions that require clarification during the meeting. Furthermore, the Company provides a professional translator to be present at the meeting to assist shareholders and the Board to communicate more effectively in English and Thai. At the 2020 Annual General Meeting, the Chairman of the Board, the Chairman of the Audit, Risk and Corporate Governance Committee, the Chairman of the Nomination and Remuneration Committee, and other directors were present at the Meeting in person and via electronic media. Details of their names are stated in the minutes of the 2020 Annual General Meeting.
- 1.11 The Company gives an opportunity for shareholders to freely communicate with each other without creating any barriers and also provides convenient access to relevant news and information via the Company's website ([www.lagunaresorts.com](http://www.lagunaresorts.com)) for shareholders to receive adequate important information such as the resolutions of the Company's Board of Directors on important matters, resolutions of the shareholders' meetings, financial information, information which may affect the Company's share price, Annual Report, etc.
- 1.12 The Company received a score of 94.50 points out of 100 points for the 2020 AGM Checklist assessment conducted by the Thai Investors Association. The Company will continue to strive to improve its good corporate governance practices.

## **2. Equal Treatment of Shareholders**

The Company treats all shareholders fairly despite different shareholding proportions and voting power due to their shares. In recognition of its duty to ensure equal treatment of shareholders, the Company complied with all relevant laws and regulations as follows:

- 2.1 The Company has only one class of shares, the ordinary shares. Shareholders shall have votes equal to the number of shares held by each of them, which means one share is entitled to one vote.
- 2.2 For shareholders who are unable to attend a meeting in person, the Company provides the opportunity for such shareholders to appoint another person as a proxy to attend the meeting on their behalf by using a proxy form B sent by the Company. The Proxy form B is one of the forms prescribed by the Ministry of Commerce which allows shareholders to make voting directions. Moreover, the Company provides the opportunity for shareholders to appoint the Company's independent director as a proxy to undertake proxy voting on behalf of shareholders who are unable to attend the meeting. The name of the independent director is provided in the proxy forms, together with the profile of that independent director who has been given the proxy to vote on behalf of shareholders who are unable to attend the meeting, all of which are attached as part of the meeting documents.

- 2.3 The Company ensures that directors and management are aware of their duty to report a change in their holding of the Company's securities to the SEC within 3 business days in accordance with the Securities and Exchange Act. The securities holding report is also included in the agenda of the Board meeting for the Board's acknowledgment once every 3 months.
- 2.4 Any director or management who has an interest in, or is related to, any transaction between the Company and an interested or related person will not participate in the decision-making process involving such transaction. The Company has disclosed the details and reasonableness of transaction to shareholders before dealing with any transaction in case such transaction requires approval from shareholders and strictly follows the procedures on such transaction under the notification of the Capital Market Supervisory Board. The details of all connected transactions are disclosed under the heading "Related Party Transactions" in Form 56-1 and under the heading "Persons with Mutual Interest and Connected Transactions" in the Company's Annual Report.

During 2020, there is no report of non-compliance with the notification of the Capital Market Supervisory Board on connected transactions.

- 2.5 The Company has formulated a Corporate Governance Policy and Code of Corporate Conduct to provide guidelines for the Board, senior management, and employees of all levels to comply with. The Statement includes the prohibition on the improper use of insider information for personal benefit or to benefit others. Additionally, the Board approved a policy on dealing in securities of the Company which prohibits the dealing in the Company's shares while in possession of unpublished confidential and price-sensitive information during the "Embargo Period." Details are further described under the heading "Supervision on the Use of Inside Information" in the Form 56-1 and the Company's Annual Report. There is no violation of the policy found during the past year.
- 2.6 Apart from the credit term payment given under the normal course of business, the Company has no policy on providing financial assistance to any non-subsidiary companies except those whose loans or guarantees are in accordance with the proportion of shareholding in a joint venture agreement

### **3. Role of Stakeholders**

In its pursuit of sustainable growth and financial returns for its shareholders, the Company strives to become a role model corporate citizen. It respects the rights of all its stakeholders and conducts its operations fairly and strictly in compliance with all laws, rules, and regulations.

#### **Shareholders:**

The Board of Directors is committed to performing its duties honestly, transparently, and diligently in the best interest of all its shareholders, to preserve and enhance long-term shareholder value. All important information that may have an impact on the Company's share price and/or shareholders' decisions are fully disclosed in a timely manner.

**Employees:**

Being in the hospitality industry, the Company believes that its people are its greatest asset. The Company has taken steps to ensure that all labour laws are complied with and all employees are treated fairly without discrimination or favoritism. The Company offers competitive pay packages and welfare benefits such as meal allowance, laundry allowance, complimentary vouchers, and health & personal accident insurance to all its employees with continually upgraded programs. Additionally, the Company provides its employees a safe, hygienic and conducive working environment, air-conditioned buses, and provident fund.

**People Development Policy**

The Company believes that the growth of the Company depends on the quality and efficiency of employees. As such, the employee development policy mainly focuses on the knowledge and skills development of employees at all levels to strengthen the enterprise and overall success of the Company. The Company intends to have all management and employees set their working plan following the Company's direction and goals, based on Company's Vision, which can efficiently lead the operations towards the same direction. Each department sets up its own business strategy and business plan so employees can have clear objectives and individual KPIs (Key Performance Indicators) that support the Company's Operations and their responsibilities. The KPIs will be used as a standard to evaluate employee's performance.

Training is divided into 2 categories;

- 1) Compulsory training which is the Company tailored for each position/employee such as new employee orientation and anti-corruption policy
- 2) Career training is a special course. Employees can apply for, including outsourced institutions, for a specific development.

Training is one of the Key Performance Indicators (KPIs) and will be used for employee evaluation standards. Each employee is evaluated during the fourth quarter of every year.

**New Employee Orientation**

All new employees shall attend orientation training which is aimed to introduce new employees to the rules and regulations in the workplaces, the organization's policies and products, and the location of each hotel/BU, to prepare them to work with other employees.

**Anti-Corruption Policy**

All employees shall attend Anti-Corruption policy training annually. The purpose of the training is to provide associates with practical information on preventive anti-corruption activities through guided discussions.

**Knowledge/Skills Development**

The Company assigns the development process by having training courses to increase employee's knowledge and ability such as;

- Intensive Supervisory Leadership for Middle management
- Tax Knowledge for Accounting and Human Resources
- Finance for Non-Finance
- Train the trainer
- Relationship with customer

**People Development to Support the Growth and Expansion of the Company**

For the staff development to support the growth and expansion of the Company, there is the Succession Plan for the managerial level up. This is to prepare them to be ready for the next position and long-term expansion of the Company. Furthermore, high potential middle Management and Assistant Manager employees are selected to participate in the Management Development Program (MDP) and Talent Management Program respectively, to prepare them for promotion opportunities.

For talent development, the Company also has the Management Trainee Program to develop new graduates to grow in the management level in the future. In the first year, they are assigned to experience every department to gain operational knowledge and skills. They are also expected to submit their report with their findings and alternative solutions to the executive team. In the second year, they are promoted to be permanent staff at their sponsored hotel and further developed to be middle and top management accordingly.

**Customers:**

The Company aims to conduct business, both in property development, sales of products, and services, in a safe and environmental-friendly manner and continuously develop products and services, innovate to add more value to the products, and respond to the customers' needs. Safeguarding customer confidentiality and/or customer privacy is one of the Company's top priorities and in this regard, the Company conducts business with integrity, honesty, and fairness, and does not take any action that would violate customer rights and refrain from abusing it for personal interest or the interest of other parties.

The Company will strictly comply with the trading agreements, if any particular condition cannot be met, the Company would notify the customers in advance, and jointly seek a resolution to prevent any possible damage.



**Competitors:**

The Company believes that competition is the essence of a free and open market and therefore avoids any actions which may prevent, obstruct or discourage potential competitors from entering the markets in which the Company operates in. The Company takes the view that healthy competition encourages product and service innovations in the market place which would increase market standards and ultimately benefit consumers and society at large. The Company will neither engage in any fraudulent activity to violate or obtain competitors' trade secrets nor in any infringement of intellectual property or copyright including corruption and bribery, which has been stipulated in the Code of Corporate Conduct approved by the Company's Board of Directors, for the benefit of the Company's business.

**Society & Environment:**

The Company emphasized and aims to be a socially responsible company and has established a dedicated team of CSR and Community Relations practitioners who strive to make a positive difference to the local communities where the Company operates and to develop sustainable communities by initiating various CSR programs which focus on social and educational development, environmental conservation, religious and cultural preservation, associate benefits and relations, details as shown under the heading "CSR" in Form 56-1 and in the Company's Annual Report as well as in the Company's website ([www.lagunaresorts.com](http://www.lagunaresorts.com)).

Green Leaf Awards received by the individual hotels reflect recognition of Laguna Phuket's commitment to conserving the environment. In property development, the Environmental Impact Assessment (EIA) has been carried out to evaluate the likely environmental impacts of the Company's development projects, taking into account inter-related socio-economic, cultural, and human-health impacts, both beneficial and adverse including proposed measures for shaping projects to suit the local environment and reducing any potential impact. The Company encourages and supports the staff to use resources efficiently. Day-to-day operations at the resort apply the "Three Rs" of green management: Reduce, Re-use and Recycle. Each hotel has a staff education program to teach the importance of caring for the environment, and consumption of energy and water is closely monitored through the extensive checklists to be completed by the staff. No raw sewerage is discharged into the sea from the resort complex. After being treated, sewerage and wastewater are directed into a sophisticated recycling system. The resulting water is used to irrigate the gardens, details as shown under the heading of "CSR/Environmental Policy" on the Company's website ([www.lagunaresorts.com](http://www.lagunaresorts.com)).

**Suppliers:**

The Company strives to forge long-term business relationships with its suppliers and therefore has the policy to always give a fair profit to its suppliers and to respect payment terms and conditions. Besides, the Company has a policy in selecting its suppliers fairly and transparently, competitive quotations from at least 3 suppliers are required according to the criteria specified in the Company's Standard Operating Procedures which have been distributed and communicated throughout the organization to understand and to strictly adhere to the procedures accordingly.



**Creditors:**

The Company considers creditors as important business partners and therefore aims to treat all creditors in an equal and fair manner and strictly comply with all the terms and conditions agreed upon, particularly on credit guarantee, and capital management. The Company's financial position will be duly and accurately disclosed. In the event that any particular condition cannot be met or in case of debt default, the Company will inform creditors concerned beforehand and seek a mutually acceptable solution to prevent any possible damage. In the previous year, no creditors challenged that the Company had failed to comply with any obligations.

There is no violation of laws and regulations regarding labour, employment, consumer protection, commercial competition, and the environment in the previous year.

**Policy and Practice Relating to the Control and Prevention of Corruption Involvement**

The Company is committed to conducting its business with integrity, transparency, morality, and accountability. The Company adheres to the principles of the Corporate Governance Code and conducts its business responsibly towards society and its stakeholders. Apart from the Corporate Governance Policy and Code of Corporate Conduct, the Company has established the Anti-Corruption Policy which was proposed to the Audit, Risk and Corporate Governance Committee for recommendation before being submitted to the Board of Directors for approval to promote anti-bribery and anti-corruption practices and to be a clear guideline for business operations.

The Company has adopted a zero-tolerance policy towards corruption for directors, management, and employees of the Company to strictly follow. The policy forbids them to carry out or participate in corrupt practices in any form both directly and indirectly and they must seriously follow the guidelines in the Anti-Corruption Policy which covers various processes, including charitable contribution, sponsorship, and the provision and acceptance of gifts.

The Company communicated its Anti-Corruption Policy to business partners and the public through its website and notice board for them to acknowledge and conform to the Company's guidelines. In order to understand as well as to promote anti-bribery and anti-corruption practices and serve as clear guidelines for all employees, training will be scheduled annually. During orientation, new employees are required to sign the Associate Declaration Form to confirm their intention to fully comply with the Company's Code of Corporate Conduct and Anti-Corruption Policy and all employees are required to sign the same every year.

The Company has put in place a risk management system suitable to the Company's business nature and implemented a risk assessment procedure, which includes internal compliance and control program to monitor and prevent possible risks including corrupt practices. As part of the on-going risk management process, the Company's Group Risk Committee in collaboration with Group Internal Audit regularly conducts risk monitoring, assessments, evaluations, and proposes a control program to prevent and mitigate possible risk and reports findings to the Audit, Risk and Corporate Governance Committee. The Audit, Risk and Corporate Governance Committee is responsible for overseeing and reviewing strategic and operational risk management including risk assessment and

control procedures as well as seeking to ensure that the Company has a continuous process for managing risk, appropriate and effective internal control, and internal audit systems.

Seeing the long-term benefits to operate business ethically with integrity, and implementing business principles to encounter corruption, the Company has declared an intent to fight corruption by a declaration of intent with Thailand Private Sector Collective Action Coalition Against Corruption (CAC). The Company is proud to announce it is a certified member of CAC since February 2019 after putting in place all necessary anti-corruption policies and measures under the stringent guidelines of the CAC.

The Company announced the “No Gift Policy” during new year festivals and other occasions in compliance with the Good Corporate Governance Policy and Anti-Corruption Policy regarding the provision and acceptance of gifts by employees at all levels. A letter on “No Gift Policy” was distributed to the Company’s business partners to ask for their cooperation not to offer any kinds of gifts to the management and employees of the Company. In case it is inconvenient to return gifts, the Company will consider donating them to charitable entities or social projects as deemed appropriate.

Failure to comply with the Anti-Corruption Policy or any employee who is caught committing corruption shall be disciplined under the Company’s policies including termination of employment. A criminal/civil case may also be brought upon such an employee if the act violates the law.

There is no report of wrongful conduct involving fraud and corruption during the past year.

### **Policy on Whistle Blowing and Complaints**

The Company recognizes the importance of compliance with good corporate governance and adheres to the high standards of conduct and responsibility for all stakeholders. The Whistle-Blowing Policy has been established and approved by the Board of Directors and communicated throughout the organization. The policy emphasizes to encourage and enable associates and third parties to raise any serious concerns on wrongdoing, irregularity, or impropriety within the Group. The Head of Group Internal Audit was appointed as the Receiving Officer or a channel for stakeholders to communicate critical corporate issues with the Company, any concerns can be raised either in writing via “*ethics@lagunaresorts.com*” or directly by hotline number 66 (0) 2285 0112. The Receiving Officer will ensure that the report from the whistleblowers will be professionally and independently addressed, assessed, and investigated. Additionally, the Whistle Blowing Evaluation Team, comprising of members of Audit, Risk and Corporate Governance Committee and Head of Group Internal Audit, was set up to evaluate the reports from whistleblowers to assess and review the nature of the complaints, and set the direction of the investigation, where necessary. An appropriate timeframe to consider the complaints is set and the protection of the genuine whistleblowers from any unfair treatment will be observed. If at the conclusion of an investigation, the Company determines that a violation has occurred or the allegations are substantiated, effective remedial action commensurate with the severity of the offense will be taken. Results and conclusions of the investigation shall be reported to the Board of Directors. There is no report of complaints or allegations during the past year.

**Policy on Environmental and Social Sustainability**

The Company is committed to strive towards achieving environmental and social sustainability. With the participation in the EarthCheck program, which is widely regarded as the world's leading sustainable environmental benchmarking and certification program used by the travel and tourism industry, the Company is committed to continually improve its environmental and social sustainability performance by implementing an environmental management system, identifying environmental risks, recording and monitoring any impact to meet the standard of EarthCheck and will comply with all relevant legislation and regulations, and strive to achieve international best practice. The Company was certified to environmental standards and has been awarded EarthCheck Gold Certification in December 2020.

The Company has constantly provided an environmental training session for employees to raise awareness about environmental sustainability. A risk assessment on potential environmental impacts resulting from the Company's business operation has been conducted and an environmental approach has been established and communicated throughout the organization by posting on the intranet and bulletin board so that all employees understand the policy and contribute to environmental sustainability.

Since 2017, the Company together with hotels in Laguna Phuket jointly announced the Environmental & Social Sustainability Policy with the commitment to continually improve their environmental and social sustainability performance and annual Benchmarking as measured by the EarthCheck tool. As a part of the Laguna Phuket Community, they continue to work on environmental and social development projects by safeguarding the natural environment, the cultural heritage, and promoting communal prosperity through participation in Laguna Phuket Community's Corporate Social Responsibility programs such as carbon reduction through tree planting, providing mentoring and scholarships to the youth in the community, cleaning activity, considering special employment and empowering local employees and using local products and services that are environmentally friendly, etc.

**Policy on Health, Safety, and Environment**

The Company has a concrete policy in regards to health, safety, and the environment which gives top priority to the safety and health of the surrounding community and overall society. Realizing that it is a contributing factor in driving sustainable development of society and the environment, the Company continuously carries out community and social development activities together with its business operations with responsibility toward the overall community and society as per the following details:

- (1) Continuously perform business operations in compliance with safety law and other related regulations.
- (2) Safety at the workplace shall be treated as a top priority and responsibility of every employee.

- (3) Every level of managers must be a good role model and be able to lead, train, instruct and motivate other employees to perform duties safely.
- (4) All employees must take into account their personal safety as well as the safety of their colleagues and properties of the Company as their topmost priority while on duty.
- (5) All employees must always maintain cleanliness and order in their workplace.
- (6) Supporting safety-related activities to raise safety awareness among employees and promote a safe work environment.
- (7) Continuously review, improve and develop the safety management system.
- (8) Seeking solutions to minimize environmental impact by constantly checking, monitoring, and controlling the amount of pollutions released including the disposal of hazardous and non-hazardous waste to protect existing natural resources.
- (9) Using the available resources and energy in the most efficient manner, including minimising water and air pollutions as well as wastes and other pollutions that arise from the Company's business activities to ensure minimal impact on the environment and surrounding community.

- **First Aid Supporting Team (FAST)**

The Company has selected potential employees from various departments as well as from hotels to be in the FAST to administer medical help in an emergency. Training curriculum is put together by the Bangkok Phuket Hospital and employees receive training periodically to maintain the level of competency to help guests and employees found to have illness or accident in the hotel and workplace.

- **Exercise Evacuation Tsunami in Phuket.**

The Company has many employees working in offices and hotels in Phuket. Tsunami Evacuation drills are practiced every year. The main objectives are to enhance the knowledge, skills and expertise in evacuating staff and guests, help victims, practice the order of command, and the testing of tools and equipment.

### **Policy on Respecting Human Rights**

The Company gives importance to respecting human rights by conducting business in compliance with laws and human rights which are the basic rights ensuring that all human beings are born free and equal in dignity and rights without discrimination against race, nationality, color, gender, religion, age, language, personal status, social value, education or political opinion.

The Company provides equal opportunity to all employees in working under the rules, regulations, notifications, and orders of the Company. The Company treats the employees' personal information confidentially and shall neither send nor distribute such information to any irrelevant

person nor disclose personal information without the consent of the owner. The Company also supports and respects the protection of human rights by not violating any human rights such as forced labor, unfair dismissal, and the use of child labor. There were no complaints about the unfair treatment of employees in the past year.

#### **Policy on Preventing Violation of Intellectual Property or Copyright**

The Company has established a policy and practice not to support any violation of intellectual property or copyright, which has been stipulated in the Code of Corporate Conduct such as using licensed computer software, programs authorized by the copyright owners, and restricting computer program installation by authorized person only. The use of computers and information technology will be monitored periodically by the Group Internal Auditor. There is no violation of intellectual property or copyright found in the past year.

#### **IT Risk Management**

The Company is committed to operating its business without disruptions and safeguarding the Company and customer's information. Therefore, information technology is important in managing the following:

- Using the most up to date firewalls to secure the company network
- Locating the server room in a secure place and equipping it with an FM200 fire extinguisher
- Adopting the latest version of IT systems on all computers and servers.

The Company manages IT-related disaster risks by setting up a data backup and recovery system that can reinstall the IT system in a timely manner to ensure continuity of business operations in the event of viruses, trojans, malware, fraudulent email, or hacker attacks.

Each year, the Company reviews and practices its Business Continuity Plan (BCM) and Disaster Recovery Plan (DRP) to prepare the IT system for risks and crises that may occur. In addition, the internal auditor monitors compliance with the risk mitigation measures to ensure that the Company's risk is acceptable and manageable.

#### **IT Governance Policy**

IT Governance Policies and Procedures have been developed and communicated to all employees of the Company to comply with the Company's corporate governance regulations. Some of these policies include,

- Use of non-infringement software only.
- The use of computers and the internet must not cause any risk, data corruption and the computer system of the Company.
- Safeguarding the Company and its customers' data to prevent data leakage.

- Computer and internet usage must comply with the Computer-Related Crime Act.
- Data access level control – password and data retention can be verified backward.

**Application development and environmental responsibility.**

Environmental responsibility is an issue that the Company places great importance on. The Company has developed online application software systems, such as Purchasing Online, Member Online, and Leave online to reduce the amount of paper used in the Company and to also increase efficiency and productivity of our employees.

**4. Information Disclosure and Transparency**

The Company's emphasis on the disclosure of accurate and complete information in a transparent and timely manner is shown by the following.

- 4.1 Each of the directors and executives of the Company has filed with the Company a report covering his interest or his related person's interest in relation to the Company or its subsidiaries in accordance with the criteria and procedures as specified in the notification of the Capital Market Supervisory Board, and has updated and filed with the Company within 30 days should there be any change in the report. The report is also included in the agenda of the Board meeting for the Board's acknowledgment once every 3 months.
- 4.2 In the previous year, the Company disclosed all general and financial information as well as information that may affect the price of the Company's securities correctly, completely, transparently, and in a timely manner, following the rules and regulations of the SEC and the SET. All information is communicated to investors, shareholders, and relevant sectors through the channels of the SET and the Company's website ([www.lagunaresorts.com](http://www.lagunaresorts.com)).
- 4.3 Individual investors, shareholders, stock analysts, and state agencies may contact the Company through the Company Secretary at telephone number 66 (0) 2677 4455 or at "[ir@lagunaresorts.com](mailto:ir@lagunaresorts.com)".
- 4.4 The Company's financial statements contain accurate and complete information and are prepared following generally accepted accounting standards. Also, they are audited/reviewed by auditors from a well-known auditing firm approved by the Securities and Exchange Commission (currently EY Office Limited) and are approved by the Company's Audit, Risk and Corporate Governance Committee and Board before being disclosed through the SET. The information relating to the "Board of Directors' Responsibility for the Company's Financial Statements" is available in the Company's Annual Report. In 2020, the Company's quarterly and annual financial statements were unconditionally certified by the auditor.

4.5 The Company wishes to refer the following matters to the disclosure made in other places:

- The name of directors and the scope of the powers, duties, and responsibilities of the Board and other committees are detailed under the heading "Management Structure" in Form 56-1 and the Company's Annual Report.
- The professional experience of the directors, members of other committees, Head of Group Internal Audit and Company Secretary is detailed in Attachment 1 to Form 56-1 and under the heading "Board of Directors Management, Head of Group Internal Audit and Company Secretary of the Company" in the Company's Annual Report.
- The number of Board meetings held and the number of Board meetings attended by each director in 2020 are detailed in clause 5 under "Board Responsibility" hereof.
- The performance of the Audit, Risk and Corporate Governance Committee in the past year are detailed in Attachment 4 to Form 56-1, and under the heading "Report of the Audit, Risk and Corporate Governance Committee" in the Company's Annual Report.
- The performance of the Nomination and Remuneration Committee in the past year are detailed in Attachment 5 to Form 56-1 or under the heading "Report of the Nomination and Remuneration Committee" in the Company's Annual Report.
- The remuneration for directors and management is detailed under the heading "Directors' and Management's Remuneration" in Form 56-1 and the Company's Annual Report.

4.6 In 2020, the Company made full disclosure of information within the time frame specified in the regulations of the SET and the SEC. In addition, neither the SET nor the SEC challenged that the Company had failed to comply with any disclosure requirement.

## **5. Board Responsibility**

### **5.1 Board Structure**

#### **5.1.1 Members of the Board and Terms of Directorship**

The Company's Board of Directors currently comprises 13 members, 5 of whom are Independent Directors namely Mr. Vudhiphol Suriyabhivadh, Dr. Jingjai Hanchanlash, Mr. Thongchai Ananthothai, Ms. Srinthorn Ounayakovit and Mr. Surapon Supratya, representing more than one-third of the total Board members.

The Board members are selected based on, among other things, knowledge, experience, skill, diversity of expertise, integrity, abilities to make independent analytical inquiries, and their understanding of the Company's business. Currently,

the Board comprises business leaders and professionals with financial, accounting, legal, business management, and sales & marketing backgrounds.

Directors and senior management of the Company have never been an employee or partner of the current external auditor in the past 2 years.

All independent directors of the Company are independent of management and major/substantial shareholders and meet the Company's definition of Independent Director which also in line with the qualification of Audit Committee in accordance with the notification of the Capital Market Supervisory Board.

The Company's directors are knowledgeable, competent, honest, ethical and have sufficient time to devote themselves to serve the Company. There are no independent directors of the Company who serve on more than five boards of listed companies and no executive directors who serve on more than three boards of listed companies outside of the Group.

The Company's policy to fix the term of office of directors is under Article 14 of the Company's Articles of Association which stipulates that at each annual general meeting, one-third of directors shall retire from office and that the director who has been longest in the office shall retire. Therefore, the term of office of a director of the Board shall be 3 years. Retiring directors would be eligible for re-election.

The independent directors have no affiliations or business relationships with the Company and are not directly associated with a shareholder of the Company, nor do any relationships or circumstances exist which are likely to, or could appear to, interfere with the exercise of their independent business judgment with a view to the best interest of the Company.

#### **5.1.2 Definition of "Independent Director"**

"Independent Directors" means the persons who have all the necessary qualifications and independence which is in line and more stringent than the criteria set by the Capital Market Supervisory Board. At present, the said criteria prescribe that the qualifications of an Independent Director are as follows:

- (a) holding not exceeding 0.75 percent of the total voting shares of the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, including shares held by the connected persons of such independent director;
- (b) neither being nor having been an executive director, employee, staff, advisor who receives a salary or the controlling person of the Company, its parent



company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, unless the foregoing status has ended not less than two years prior to the date of appointment. Such prohibited characteristics shall exclude the case where an independent director used to be a government official or advisor of a governmental agency, which is a major shareholder or the controlling person of the Company;

- (c) not being a person who is related by blood or registration under laws, such as father, mother, spouse, sibling and child, including the spouse of a child, other directors, executives, major shareholders, controlling person or person to be nominated as director, executive or controlling person of the Company or its subsidiary;
- (d) not having or having had a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person in a manner that may interfere with his/her independent judgment, and neither being nor having been a significant shareholder or the controlling person of any person having a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or controlling person, unless the foregoing relationships have ended not less than two years prior to the date of appointment.

The term ‘business relationship’ aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transactions relating to assets or services or grant or receipt of financial assistance through receiving or extending loan, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or his/her counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or twenty million baht or more, whichever amount is lower. The amount of such indebtedness shall be in accordance with the method for calculating the value of connected party transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions *mutatis mutandis*. The combination of such indebtedness shall include the indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences;

- (e) neither being nor having been an auditor of the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor of the Company, its parent company, subsidiary, associate company, major shareholder, or controlling person, unless the foregoing relationship has ended not less than two years prior to the date of appointment;

- (f) neither being nor having been any professional advisor including the legal advisor or financial advisor being paid with a service fee of more than two million baht per year by the Company, its parent company, subsidiary, associated company, majority shareholder, or controlling person, and not being a significant shareholder, controlling person, or partner of the professional advisor, unless the foregoing relationship has ended for not less than two years prior to the date of the appointment;
- (g) not being a director who is appointed as the representative of the Company's directors, major shareholder, or shareholder who is a connected person of the Company's major shareholder;
- (h) not operate any business which has the same nature as and is in significant competition with the business of the Company or its subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, advisor earning a regular monthly salary, or not holding shares exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or its subsidiary;
- (i) not having any other characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

After having been appointed as an independent director with qualifications complying with the criteria under (a) to (i) of the first paragraph, the independent director may be assigned by the board of directors to take part in the business decision of the Company, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person, providing that such decision shall be in the form of collective decision.

### **5.1.3 Consecutive Terms of Office of an Independent Director**

When independent directors are due to retire by rotation, the Board of Directors may nominate their names to be re-elected at the Annual General Meeting of Shareholders as deemed fit.

The Company has yet stipulated a limitation on the consecutive directorship terms of office for independent directors, as the Company's independent directors are qualified according to the definition specified by the SEC and the Company. They also have the knowledge and good understanding of the Company's business and are able to provide opinions independently in Board of Directors' meetings and Sub-committees' meetings.

#### **5.1.4 Roles of the Chairman of the Board**

- Summoning meeting for Board and presiding over the meeting. In making a decision, the Chairman has a deciding or casting vote in the event of tied votes.
- Setting Board meeting agenda in consultation with the Chief Executive Officer / Managing Director, Chairman of the Audit, Risk and Corporate Governance Committee and Chairman of the Nomination and Remuneration Committee and ensuring that Board members receive accurate, complete, timely, and clear information prior to the meeting to assist their decision-making process.
- Conducting the Board meeting according to the agenda, relevant laws, and good corporate governance, allocating sufficient time and encouraging all directors to participate in the discussion, exercise their discretion prudently, and express their opinions freely.
- Overseeing and ensuring that the Board of Directors and the Sub-Committees effectively carry out their duties to achieve the Company's objectives.
- Promoting constructive relations between the executive and non-executive directors, and between the Board and the management.
- Ensure that all directors contribute to the Company's ethical culture and good corporate governance.

#### **5.1.5 Duties and Responsibilities of the Chief Executive Officer / Managing Director**

- To be in charge of the daily business operations of the Company, supervise and manage the works and operations of the Company for complying with the policy, vision, mission, values, strategy, and goals, both in terms of financial and non-financial, as well as to drive the business plan to achieve the financial budget as approved by the Board of Directors;
- To employ, appoint, transfer, dismiss, and terminate employees in all levels, except the appointment, transfer, and dismissal of the Head of Group Internal Audit, which shall also be approved by the Audit, Risk and Corporate Governance Committee;
- To determine the salary and remuneration, adjust the salary, bonus, reward, and welfare of all employees of the Company, including the senior management in correspondence with the remuneration mechanism and welfare as approved by the Nomination and Remuneration Committee;
- To issue internal orders, policies, announcements, and memos to ensure that the operations of the Company comply with the policy and the interest of the Company, including the maintenance of organizational discipline;

- To perform other tasks as assigned by the Board of Directors and to perform any other acts as stipulated by laws and regulations of the authorities.

#### **5.1.6 Aggregation or Separation of Positions - Chairman of the Board and Chief Executive Officer**

Currently, Mr. Ho KwonPing is the Chairman of the Board and the Chief Executive Officer of the Company. He is closely associated with the Group's success. The current board structure maintains an appropriate check and balance system because half of the Board members are non-executive directors. The Board is of the view that the current structure is appropriate and adequate given that Mr. Ho KwonPing has been able to effectively and competently execute the responsibilities of both the Chairman of the Board and Chief Executive Officer positions.

To support the balance of power between the Board of Directors and the Management, prior to the Board of Directors' meeting the Audit, Risk and Corporate Governance Committee Chairman and the Nomination and Remuneration Committee Chairman, who are the independent directors, has participated in determining the agenda of the Board of Directors' meeting.

#### **5.1.7 Separation of Power, Duties, and Responsibilities of the Board of Directors and the Management**

The Company has a management structure that clearly defines the separation of power, duties, and responsibilities of the Board of Directors and the Management. The Board of Directors, as the policy supervisor, has the duties to define the Company's vision, mission, values, strategy, and long-term goals, including overseeing monitoring, and evaluating the performance of the Management. Management, as the executives, has the duties to perform day-to-day operations to be efficient, effective and in compliance with the defined policies, vision, mission, values, strategy, and long-term goals and report its performance to the Board of Directors regularly.

The delegation of authority by the Board to the management is clear. All major investments, acquisition of assets, and loans made by the Company and/or its subsidiaries require approvals from the Board as follows:

- New investments and acquisition of assets with the value from 1.5 percent of the Company's total assets and
- New loans with the value from 5 percent of the Company's shareholders' equity.

The approval to enter into a significant transaction by the Company's Board of Directors and/or shareholders' meeting as well as all information disclosure must

comply with rules and regulations of the Stock Exchange of Thailand and/or the Capital Market Supervisory Board.

Duties and responsibilities of the Board have been disclosed under the heading “Management Structure” in Form 56-1 and the Company’s annual report.

## **5.2 Sub-Committees**

The Board approved the establishment of two sub-committees comprising all Independent Directors to assist the Board to screen details to achieve operational efficiency. Additionally, to perform their duties transparently and independently, the Chairman of the Board is neither a Chairman nor a member of both committees as follows:

### **5.2.1 Audit, Risk and Corporate Governance Committee**

The Audit, Risk and Corporate Governance Committee comprise three independent directors, one of whom has adequate expertise and experience to review the creditability of the financial reports by reviewing the financial reports of some listed companies in the Stock Exchange of Thailand. The members and the scope of duties and responsibilities of the Audit, Risk and Corporate Governance Committee have been disclosed under the heading "Management Structure" in Form 56-1 and the Company's Annual Report.

### **5.2.2 Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises three independent directors, thus forming a strong and independent element that will enable decisions on nomination and remuneration to be made independently. Members and the scope of duties and responsibilities of the Nomination and Remuneration Committee have been disclosed under the heading "Management Structure" in Form 56-1 and the Company's Annual Report.

## **5.3 Role, Duty, and Responsibility of the Board**

### **5.3.1 Corporate Governance Policy**

The Company is committed to maintaining high standards of good corporate governance within the Company. The Company has adopted and is continuously developing a set of good corporate governance practices and policies that are modeled on the Corporate Governance Code for listed companies 2017 advocated by the SEC. The Company has established and continues to apply the Corporate Governance Policy and Code of Corporate Conduct approved by the Board of Directors and communicated throughout the organization. The Standard Operating Procedures have also been documented and applied by the Company. In addition, new internal rules and regulations to continuously

improve the good corporate governance of the Company are approved and announced from time to time.

In the past year, no director resigned due to the issue of corporate governance of the Company and no conduct causing a negative reputation of the Company due to the failure of the Board of Director's supervisory performance.

### **5.3.2 Code of Corporate Conduct**

The Board of Directors has approved the Code of Corporate Conduct to set the framework for its officers, executive directors, associates, and agents to act in business matters solely for the benefit of the Company and not enter into any business or other transactions which cause or appear to cause a conflict of interest between him/her and a hotel within the group, the Company/subsidiary, owning company or any other related parties. The Code of Corporate Conduct was distributed and communicated to all relevant persons to understand and to strictly adhere to the Code. The Code was drafted based on the highest level of business ethics and law compliance. To promote compliance with the Code of Corporate Conduct, all employees are required to sign for the acknowledgement and compliance with the Company's Code of Corporate Conduct on an annual basis.

### **5.3.3 Company Strategic Planning and Implementation**

The Board of Directors sets aside sufficient time each year to review and debate the budget of the coming year and the five-year strategic plan. During each year, the Board is periodically updated on the implementation of the plan and if there is any deviation from the plan, a new course of action would be discussed after taking into account the prevailing economic, financial, and market situation.

### **5.3.4 Leadership and Vision**

The Board's primary functions are to set and annually review vision, mission, corporate policy, and overall strategy for the Company and to provide effective oversight of the management of the Company's business and affairs.

### **5.3.5 Conflict of Interest**

Transactions between the Company and its related parties which may give rise to a conflict of interest are scrutinized by the Audit, Risk and Corporate Governance Committee and if necessary, the approval to enter into such transactions is sought from the Board of Directors and/or shareholders. Any director or management who has an interest in, or is related to, such transaction will not participate in the decision-making process.

Such transactions are made on terms and pricing that have been negotiated on an arm's length basis. If the price is unavailable, the Company will then rely on the report of an independent appraiser appointed by the Company to value important related party transactions to arrive at a pricing that is fair to both the Company and the related party.

All related party transactions are disclosed clearly and accurately. Details are further described under the heading "Related Party Transactions" in Form 56-1 and under the heading "Persons with Mutual Interest and Connected Transactions" in the Company's Annual Report.

#### **5.3.6 Internal Audit and Control**

The Company realizes the significance of an effective system of control, such as Standard Operating Procedures, particularly in management and operations. Hence, the duties and responsibilities of the employees and the management are clearly defined. The Company has put in place policies to safeguard the Company's assets and duties between the operators and the appraisal which are separated for effective checks and balances. Furthermore, the Company has also implemented an internal audit of the financial and information technology systems.

##### **Internal Audit**

Internal audit is an independent function within the Company that reports directly to the Audit, Risk and Corporate Governance Committee on audit matters and the Managing Director on administrative matters. Internal audits are performed to assist the Board and Management in the discharge of their corporate governance responsibilities and to improve and promote effective and efficient business processes within the Group. The internal auditor plans its internal audit schedules annually in consultation with, but independent of, Management and its plans are submitted to and approved by the Audit, Risk and Corporate Governance Committee. The Audit, Risk and Corporate Governance Committee reviews the activities of the internal auditors every quarter to ensure it is adequately resourced and has appropriate standing within the Company to perform its role effectively.

##### **Enterprise Risk Management**

The Company appointed an external consultant to assist management in implementing a Risk Management framework for the business of the Company. The Risk Management framework covers all aspects of the Company's operations to enable significant business risks within the Group's current business environment to be identified, assessed, monitored, managed, and evaluated. As part of the on-going risk management process, the Company's Group Risk Committee annually

conducts a risk assessment and considers the adoption of an adequate and cost-effective system of internal controls to mitigate significant business risks. It also provides for significant risks to be managed through regular reviews by the Company's Group Risk Committee and the Audit, Risk and Corporate Governance Committee. The Audit, Risk and Corporate Governance Committee has reviewed the Group's risk management processes and procedures and is satisfied that there are adequate internal controls in place to manage the significant risks identified.

### **5.3.7 Meetings of the Board and Committees**

#### **1. The Board**

The Company conducts Board meetings at least 4 times a year every quarter which are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. The meeting documents shall be sent out to the directors in advance at least 5 days prior to the meeting date. Additional meetings are convened as and when circumstances warrant. In 2020, the Company conducted 4 Board meetings and the attendance of all directors is shown below.

<b>Name</b>		<b>Number of Attendances / Total</b>
Mr. Ho	KwonPing	4/4
Mr. Vudhiphol	Suriyabhivadh	4/4
Dr. Jingjai	Hanchanlash	4/4
Mr. Thongchai	Ananthothai	4/4
Ms. Srinthorn	Ounayakovit	4/4
Mr. Surapon	Supratya	3/4
Mr. Ho	KwonCjan	4/4
Mr. Ariel	P. Vera	4/4
Mr. Eddy	See Hock Lye	4/4
Mr. Ho	Ren Hua	4/4
Mr. Shankar	Chandran	4/4
Mr. Stuart	David Reading	4/4
Ms. Ho	Ren Yung	3/4 <sup>1</sup>

<sup>1</sup> Ms. Ho Ren Yung was appointed as new Non-Executive Director by the resolution of the 2020 Annual General Meeting on 27 April 2020

The Board is of the view that the contribution of each director should not be focused only on his or her attendance at Board and/or Committee meetings. A director's contribution may also extend beyond the confines of the formal environment of Board meetings, through the sharing of views, advice,



experience, and strategic networking relationships which would further the interests of the Company.

## **2. Audit, Risk and Corporate Governance Committee**

The Company conducts regular scheduled Audit, Risk and Corporate Governance Committee meetings on a quarterly basis at least 4 times a year, prior to the Board meeting, which is planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2020, the Company conducted 4 Audit, Risk and Corporate Governance Committee meetings. Each of the Audit, Risk and Corporate Governance Committee members attended the meetings as follows:

Name		Number of Attendances / Total
Mr. Vudhiphol	Suriyabhivadh	4/4
Dr. Jingjai	Hanchanlash	4/4
Mr. Thongchai	Ananthothai	4/4

In addition, in 2020, the Audit, Risk and Corporate Governance Committee attended 1 non-management meeting with the external auditor to deliberate accounting approaches and audit plans.

## **3. Nomination and Remuneration Committee**

The Company conducts the Nomination and Remuneration Committee meetings as deemed appropriate. The meetings are planned and formally agreed upon in advance in the fourth quarter before the start of the new financial year. Additional meetings are convened as and when circumstances warrant. In 2020, the Company conducted 1 Nomination and Remuneration Committee meeting. Each of the Nomination and Remuneration Committee members attended the meetings as follows:

Name		Number of Attendances / Total
Dr. Jingjai	Hanchanlash	1/1
Mr. Vudhiphol	Suriyabhivadh	1/1
Mr. Thongchai	Ananthothai	1/1

The Company encourages that at the time of Board and/or Sub-Committees' decision, the quorum should not be lesser than two-thirds of the total number of directors.

### **5.3.8 The Non-Management Meeting**

The Company encourages non-executive directors to hold meetings with the external auditor as necessary without the presence of executive directors and management attendance to review and discuss freely on any business issues that are of interest. In 2020, there was one non-management meeting held in November.

### **5.3.9 Board of Directors' Report**

#### **1. Financial Report**

The Board of Directors is accountable to its shareholders for the Company's financial statements as well as the financial information as shown in the Annual Report. The Board of Directors is satisfied that the Company's financial statements are prudently prepared in accordance with generally accepted accounting principles and are independently reviewed by the external auditors every quarter with a full audit performed at each year-end. Additionally, the Audit, Risk and Corporate Governance Committee has been tasked to independently review the Company's financial report and internal control practices directly with the auditors. All pertinent information relating to the financial statements is clearly and completely disclosed in the accompanying notes.

Details are described under the heading "Internal Control and Risk Management" in Form 56-1 and under the heading "Opinion of the Board of Directors on the Company's Internal Control" and the "Board of Directors' Responsibility for the Company's Financial Statements" in the Company's Annual Report

#### **2. Minutes of Meetings**

The minutes of the meetings of the Board and other committees are accurately and completely recorded in all material aspects addressed at each meeting, including the questions, opinions, and clarifications. The Company has a safe and secure filing system in place to keep the minutes of meetings and other supporting documents.

### **5.3.10 Development of Directors and Management**

The Company's directors, management, and employees are constantly encouraged to develop their skills by attending various seminars and training courses organized by various organizations, e.g. the Thai Institute of Directors Association, the SET

and the SEC, etc. Seminars and training courses are periodically forwarded to them. Furthermore, the relevant information is regularly provided to the directors so that they are kept abreast of the latest developments thus enabling them to make informed decisions. In 2020, Mr. Kuan Chiet, Company Secretary and Vice President – Finance & Administration attended the CGR 1-1 Workshop 2020 held by the SET.

Details of the training previously undertaken by each director are set out in Attachment 1 to Form 56-1 and under the heading "Board of Directors, Management, Head of Group Internal Audit and Company Secretary of the Company" in the Company's Annual Report.

#### **5.3.11 Orientation for New Director**

The Company recognizes the importance of supporting new directors in performing their duties. The Company has provided the information on its business and other information related to the operations of the Company to new directors such as an annual report and relevant laws and regulations so that they are adequately informed of the rules and regulations and business of the Company prior to performing their duties.

#### **5.3.12 External Directorship Policy**

The Board of Directors has set a policy to limit the number of listed companies in which each director may hold a directorship. This policy aims to protect the Company's best interests because it helps to ensure that directors have sufficient time to handle their duties efficiently. The Board of Directors has agreed to set the policy prescribing that each director should hold directorship of a maximum of 5 other listed companies.

In addition, the Company has a guideline that the Chief Executive Officer shall obtain prior approval for any external directorship from the Nomination and Remuneration Committee. While all other executive officers shall obtain prior approval for any external directorship from his/her superior holding the rank of Senior Vice President or higher relevant to the Executive officer's business unit. Where the approval as described was obtained but a material change in circumstances renders it inappropriate for the executive officer to continue his/her external directorship, it is a conflict of interest unless a fresh approval is obtained by the executive officer in accordance with the requirements set out.

### **5.3.13 Nomination of Board members**

The Nomination and Remuneration Committee will be responsible for the nomination of new directors. The Nomination and Remuneration Committee will search for potential candidates and propose the same to the Board of Directors or the shareholders' meeting (as the case may be) for consideration and appointment. The following matters will be taken into consideration as part of the selection criteria: the structure of the Board of Directors, which shall consist of members in the number that is suitable for the size and business strategy of the Company, the diversity in the structure of the Board of Directors (Board Diversity), including but not limited to, race, religion, national origin and gender, the appropriateness of the qualifications and skills of the director(s) that are necessary but lacking among the existing Board of Directors. The Board Skill Matrix will be used to identify the required qualifications.

### **5.3.14 Nomination Procedures**

The Nomination and Remuneration Committee will select candidates for the position of director(s) of the Company from the recommendation of other directors, the nomination by the shareholders of the Company, the service of external professional search firms, or the directors' pools of various agencies, or other nomination procedures as the Nomination and Remuneration Committee considers appropriate.

### **5.3.15 Succession Plan**

The Board of Directors places importance on having an effective and efficient management as well as the continuance of its business operations, which are essential factors to the sustainable growth of the organization. Thus, the Company is required to prepare a succession plan for the positions of the Chief Executive Officer, Managing Director, and other senior executive positions, and to review every 3 years to ensure that there will be competent senior executives for the succession of these key positions in the organization.

### **5.3.16 Performance Evaluation of the Board**

Based on the principles of good corporate governance, the Board of Directors and Sub-committees conduct a self-evaluation at least once a year so that they could review and improve their performance. The evaluation is based on the self-assessment form developed by the Stock Exchange of Thailand, which is adapted to suit the Company's business nature and to cover the performance of the Board which consists of the following:

1. Self-assessment form of the Board of Directors to evaluate the performance of the entire Board and on an individual basis.
2. Self-assessment form of the Sub-committees
  - 2.1 The Audit, Risk and Corporate Committee
  - 2.2 The Nomination and Remuneration Committee

At the end of every year, the Company Secretary will send a self-assessment form to each member of the Board of Directors and Sub-committees to appraise the annual performance, collect the completed forms, conclude and report the performance evaluation results to the Board of Directors and/or each Sub-committee for acknowledgement.

The self-assessment form of the Board of Directors and Sub-committees consists of the following main topics for performance rating including

- Board structure and qualifications
- Roles, duties, and responsibilities of the Board
- Board meeting
- Board performance
- Relationship with management
- Director's self-improvement and management development

The assessment forms follow the levels of performance in accordance with the scores achieved as shown below:

From 85%	=	Excellent
From 75%	=	Very good
From 65%	=	Good
From 50%	=	Fair
Below 50%	=	Need improvement

The assessment result in 2020 of the Board of Directors and each Sub-Committee are as follows:

1. The Board of Directors as a whole achieved an average score of 86.4 percent which is in the Excellent category and the Board of Directors on an individual basis achieved an average score of 88.4 percent which is in the Excellent category.
2. The Audit, Risk and Corporate Governance Committee achieved an average score of 97.2 percent which is in the Excellent category.
3. ***The Nomination and Remuneration Committee achieved an average score of 94.4 percent which is in the Excellent category.***

## **9.2. Board Structure**

Details on Board Structure and Management of the Company are described in Section 8.1 and 8.2 under the heading "Board Structure" and "Management".

## **9.3 Method of Appointment and Removal of Directors as Included in the Company's Articles of Association**

### **9.3.1 Appointment of Directors**

- (a) The number of the Board of Directors shall not be less than 5 directors and at least half of the total directors shall reside in Thailand.
- (b) Directors shall be elected in a shareholders' meeting in accordance with the following rules and procedures:
  - In voting to elect directors, the votes shall be non-cumulative.
  - In voting, the shares of each shareholder shall be counted as one vote for every share.
- (c) If any vacancy occurs in the Board of Directors other than by rotation, the Board of Directors shall elect another person who is qualified and has not been prohibited by Section 68 of the Public Limited Company Act. B.E. 2535 to be a director for the next directors' meeting, except when the period of office for the vacating director is less than 2 months, it is then not necessary to appoint any new director. The appointed person shall stay in office for the remaining period of the vacating director.

The resolution of the Board of Directors for the above paragraph shall not be less than three-fourths of the remaining number of directors.

In the event where there are director positions vacant and the numbers of remaining directors are unable to form a quorum, the remaining directors shall transact on behalf of the Board of Directors only to arrange for a shareholders' meeting to appoint new directors for the vacant positions. The shareholders' meeting to appoint new directors to fill the vacant positions shall be made within 1 month from the date they became vacant.

### **9.3.2 Removal of Directors**

- (a) At each Annual General Meeting, one-third of the directors shall retire from office, or if their number is not a multiple of 3, then the number nearest to one-third shall retire from office.

Directors due to retire during the first and second years following the registration of the Company shall be drawn by lots. In subsequent years, the director who has been longest in the office shall retire.

A retiring director shall be eligible for re-election.

- (b) Apart from retiring by rotation, a director position shall also be vacated upon:-
- Death
  - Resignation
  - Lack of qualification or subject to any prohibition under Articles 68 of the Public Limited Company Act B.E. 2535
  - Removal by a resolution of a shareholders' meeting
  - Removal by a court order
- (c) A director may be removed by a resolution of the shareholders' meeting passed by a vote of not less than three-fourths of the number of the shareholders who attend the meeting and are entitled to vote and the shares which voted shall not be less than half of the total shares of the shareholders who attended the meeting and are entitled to vote thereon.

#### **9.4 Governing Over Operations of Subsidiary / Associated Companies**

In monitoring the business operations of subsidiaries and associated companies, the Company will assign its directors or managements to act as directors in subsidiary and associated companies according to the proportion of shareholding. They act as the representatives on behalf of the Company to set policies and conduct the business of subsidiaries and associated companies consistently with the Company's main policy. The assignment of the Company's representatives to be directors or managements in subsidiary and associated companies is in the scope of authority of the management. The directors or managements who represent the Company will perform their duties within the scope of their roles and responsibilities in order to maintain the maximum benefit of the Company and report directly to the management. All transactions in any subsidiaries and associated companies, which may significantly affect the business operation or financial position of the Company, must be considered and approved by the Board of Directors of the Company

The Company encourages and monitors the subsidiaries and associated companies to operate their business in compliance with the good corporate governance policy and the rules and regulations of relevant authorities including business transactions such as the acquisition and disposition of assets and connected transaction of the Company and its subsidiaries and associated companies, to maintain accurate accounting records and financial reports according to accounting standards and to be audited by the Company's Internal Audit to ensure that there is a sufficient and effective internal control system.

#### **9.5 Supervision on the Use of Inside Information**

To prevent the misuse of confidential and price-sensitive corporate information, the Board of Directors of the Company approved the policy on dealing in securities of the Company which prohibits any directors, management, and employees, regardless of rank, from disclosing or using such confidential and price-sensitive corporate information. Employees are prohibited to trade in the Company's shares for personal gain or any other reason not in the Company's interest or dealing in the Company's securities

while in possession of unpublished confidential and price-sensitive information during the “embargo period” which is defined as 1 month before and up to the date of announcement of the Company’s financial results for each quarter. The policy and reminder of the embargo periods are communicated to directors, management, and employees on an annual and quarterly basis to strictly comply with this policy. Confidential and price-sensitive information is also restricted to only directors, management, and those officers who have direct responsibility over such matters. Any violation of this policy shall be subject to disciplinary actions under the working regulation. Additionally, the Company monitors the trading of the Company’s securities by its directors and senior management who are required to report to the Board of Directors on a quarterly basis on the holding of the Company’s securities and in accordance with the rules of the Securities and Exchange Commission.

**9.6 Auditor’s Remuneration (for the fiscal year ended 31 December 2020)**

**1. Audit Fees**

The Company and subsidiaries paid audit fees for the fiscal year to an audit firm which amounted to Baht 7,980,000 and subsidiaries paid audit fees to other audit firms which amounted to Baht 916,744. This amount does not include the audit fees paid by associated companies.

**2. Non-Audit Fees**

There are no non-audit fees for agreed-upon procedures of net sales and other consultant fees for the fiscal year paid to other audit firms by the Company and subsidiaries. There is no outstanding commitment to pay any fees in the future for uncompleted engagements relating to the year 2020.



## 10. **CORPORATE SOCIAL RESPONSIBILITIES**

### 10.1 **Overview of CSR Programmes**

Corporate Social Responsibility (CSR) is a major undertaking at Laguna Phuket. The Company focuses on implementing socially responsible business practices that touch all stakeholders in the quest to deliver environmental and social benefits alongside increasing economic performance.

Since the establishment of Laguna Phuket in 1987 - which began with the rehabilitation of Bangtao Bay which was once a tin mine and declared by the United Nations Development Program as “too environmentally damaged to have any development potential,” - the Company has continued to safeguard the natural environment, cultural heritage, and promote shared prosperity.

The company aims to support associates with fair employment and comprehensive benefits, it has also maintained a commitment to helping local communities through community relations and CSR efforts.

The Company’s Community Relations & CSR programs are divided into the following focus areas:

1. Cultural Diversity
2. Social Equity
3. Educational Empowerment
4. Health & Sports Promotion
5. Environmental Preservation

### 10.2 **Operation and Report Preparation**

The report on CSR initiatives is included in CSR Section. This section highlights Laguna Phuket CSR, its recent history, long-term objectives, current annual activities, and it provides a synopsis of the CSR initiatives implemented during the year under report.

Laguna Phuket was established 33 years ago and over this history, we are proud to have many facets of CSR programs and activities that make this time span a memorable milestone. This report section mentions mainly the recent annual events, however, the short look at our past and beginnings is a taste of how far we have come.

What we hope, perhaps only after reviewing all past annual reports, is that people learning about Laguna Phuket CSR efforts will get an indelible mental picture showing how our corporate responsibility truly has centered around these five aspects and also has achieved lasting benefits. A key to this is that not only CSR team members, but more generally all Laguna Phuket associates are actively engaged in the community and environmental responsibility and taking care of stakeholders.

Another key is that we have an enlightened view of what sustainability means, and this involves thinking not only in present mindful terms but also imagining a future of even greater sustainable practices. Encouraging the forward-looking dreamers is every bit as important as supporting the present doers. Being mindful of the needs of today as well as planning for a brighter future are built-in to our goals and partnership strategies. Thus, apart from specific events, CSR also tries to encourage all Laguna Phuket associates to have a mindset that sees all work as partly directed towards a journey of sustainable development, in both business practices and our personal lives.

We can show Laguna Phuket has been successful in such efforts. Sometimes the successes can be measured, such as through our many awards, recognitions, press coverage, and other objective outcomes mentioned in this report. Then there are less visible efforts such as the volunteering we encourage from both our associates and our guests who are given opportunities to give the gift of their time to help out in various local community support efforts, including lending their expertise at Laguna Phuket Kindergarten.

### **10.3 Impact of Business Operations on CSR**

The Company emphasizes and aims to be a socially responsible company and has established a dedicated team of CSR and Community Relations practitioners who strive to make a positive difference to the local communities where the Company operates.

There is no report of any claims about the impact of the Company's business operations on CSR.

### **10.4 CSR Initiatives and Projects**

#### **10.4.1 Cultural Diversity**

Our Cultural Diversity initiatives help to promote and preserve ancient traditions of various origins in local communities. In doing so, Laguna Phuket contributes to uplifting the spiritual well-being of associates, their families, and local community members, to ensure a balance between the influx of western influences brought by tourism and the preservation of the local way of life. A brief report of CSR activities in 2020 supporting cultural preservation includes the Buddhist Lent, Sart Duen Sib, the Vegetarian Festival, and Loy Krathong.

##### **Buddhist Lent**

The annual Laguna Phuket Buddhist Lent activity was held on 3 July 2020 at Chergntalay Temple and attended by 20 Laguna Phuket associates and community members. Apart from the corporate donation of lent candles, this year Laguna Phuket has raised Baht 8,000 for the temple. Laguna Phuket has annually celebrated Buddhist Lent for over 25 years.

### **Sart Duen Sib (Ghost Festival)**

The Ghost Festival (Baan Don Sart Duen Sib) is a southern traditional festival for Buddhists to make merit in remembrance of loved ones who passed away, and our local heroes who sacrificed their lives to protect, enrich and improve our community. 3 Laguna Phuket associates participated and served 200 traditional Thai snacks in this event at Baan Don temple on 10 September 2020.

### **Vegetarian Festival**

The Phuket Vegetarian Festival is an annual event celebrating the Chinese community's belief that abstinence from meat and various stimulants during the ninth lunar month of the Chinese calendar will help them obtain good health and peace of mind. This year's festival falls from 17 - 25 October 2020. During these 9 days, local residents of Chinese ancestry strictly observe a vegetarian or vegan diet for spiritual cleansing and merit-making. Laguna Phuket donated Baht 40,000 worth of food and supplies this year to our local shrines and set up an offering shelter on 22 October 2020 to worship Ma-Song devotees through whom the gods are said to enter during the annual Phuket Vegetarian Festival.

### **Loy Krathong**

Loy Krathong Festival brings people together on the full moon night of the 12th Thai lunar calendar to pay respect to the water goddess, Pra Mae Khongkha, and the water spirits. This year's event was held on 31 October 2020 with lots of meaningful cultural appreciation activities --- Rak Thai Kids Cultural Appreciation Contest, Krathong demonstration, traditional performances, community F&B stalls, and live music. Nearly 5,000 guests, associates, and residents participated in releasing Krathong and expressing their gratitude towards the plentiful use of water.

## **10.4.2 Social Equity**

Our social equity initiatives aim to build the capacities of local communities and associates through socially beneficial projects whereby community members and associates can benefit from our support for their personal betterment as well as professional advancement.

### **Seedlings - Social Enterprise Restaurant**

Seedlings is the first restaurant launched by Laguna Lang Co under Banyan Tree's group-wide mentorship program with the aim to provide training and job opportunities for disadvantaged and marginalized local young adults, giving them the necessary life skills to forge successful careers in hospitality. Seedlings serves as a launching platform for local youth development in collaboration with Prince of Songkla University, Phuket campus, providing invaluable vocational skills and experience.

To-date, 46 interns have graduated from the program since 2014 and 31 of them were offered a career opportunity with Laguna Phuket.

This year, the Company received a certificate of appreciation from the Ministry of Social Development and Human Security regarding our excellent performances on social support and sustainability from the Seedlings Program.

As a result of the Coronavirus pandemic, the Seedlings program was temporarily suspended in April 2020.

#### **Laguna Phuket Associate Saving Co-Operative**

Laguna Phuket Social Committee successfully established the Laguna Phuket Associate Saving Co-Operative in January 2010 with the objective of providing secure, reliable, profitable, and fair financial services to members. As “shareholders,” members are entitled to such benefits as annual dividends, low-interest loans, and high-interest savings schemes. To date, the cooperative holds Baht 49 million share volume with 576 associate members.

#### **Laguna Phuket Children’s Day**

Laguna Phuket organized the 28<sup>th</sup> Children’s Day event on 11 January 2020 which was attended by more than 3,500 people from the local communities and guests of Laguna Phuket. Highlights of the event were: stage performances, magic show, merry-go-round, game booths, and goodies. Our children’s day activities aim to encourage and inspire children to become active, informed, and concerned citizens of the next generation, and to help them recognize the importance of their role in society.

#### **Children First Fund (CFF)**

Children First Fund (CFF) is established as part of the celebrations commemorating the 30<sup>th</sup> anniversary of Laguna Phuket. The key objective of CFF is to constantly provide sustenance to more than 400 orphans and underprivileged children from 7 orphanages from Phuket and neighboring provinces.

CFF’s motto is “Nourishing Hearts, Inspiring Dreams” because nurturing the hearts and minds of orphans in our community should also go hand-in-hand with providing material sustenance for their growing and developing brains.

In 2020, more than Baht 586,390 was spent for sustenance.

### **Feeding Community**

Laguna Phuket is always providing free meals to the local communities and in 2020 more than 900 meals worth Baht 26,000 were served in 5 events.

#### **10.4.3 Educational Empowerment**

Educational empowerment initiatives aim to build the capacities of local communities and associates through our programs that empower people of all ages to help people pursue a life-long learning journey, and realize their potential.

At Laguna Phuket, we seek to fulfill our stakeholders' needs to match guidance and knowledge to their interests and sources of inspiration. We believe that there is no greater empowerment than the will and feverish desire to learn something new every day.

#### **Laguna Phuket Kindergarten**

Originally established in 1992 as a Child Care Centre. The center is widely acknowledged as one of the best in Thailand and at the end of 2008 was formally established as Laguna Phuket Kindergarten, to provide free education to the children of our associates and community members, under the guidance of the Ministry of Education. Today, the greatly-expanded program caters to 156 children aged between three to six, with 12 certified teachers creating fun and educational daily activities. To-date, 1,663 students have enrolled at Laguna Phuket Kindergarten.

#### **Laguna Phuket Community Learning Centre (CLC)**

Laguna Phuket Community Learning Center (CLC) was established in March 2007 from Phuket Tsunami Recovery Funds (PTRF) to develop long-term assistance for those affected by the 2004 Tsunami, it was originally set up as a community English language center providing free English courses to community members, with the generous support of Cherrngtalay Sub-District Administrative Office.

On 22 December 2014, the newly refurbished center was relaunched as the Community Learning Centre in recognition of the 10<sup>th</sup> Tsunami commemoration and has become a community hub where people can develop their general life skills, and further their knowledge in Chinese and English. In 2020, 28 people enrolled for language courses and 17 people took part in the life skills training such as the towel folding course conducted by our associates with the respective expertise who volunteered to be trainers. To-date, 8,733 learners have participated in our programs.

### **Fully Booked! Mobile Learning Centre (MLC)**

Fully Booked! Mobile Learning Center project aims to re-introduce reading, the basis of self-empowerment to children in the local community who lack adequate access to books on a diverse range of topics. The Mobile Learning Center was launched in April 2014 to provide a 2-in-1 service as a library and a classroom to increase the rate and quality of literacy among pilot schools in Phuket and neighboring provinces.

Our program start-up was funded by Baht 2.2 million fundraised from Laguna Phuket sports events and another Baht 2.2 million matching funds from Banyan Tree Global Foundation. MLC helps teachers creating learning courses including English day camp and local learning centre day trip benefiting over 178 students and 8 teachers in Phuket and Pang-Nga in 2020.

#### **10.4.4 Health & Sports Promotion**

Laguna Phuket is dedicated to helping people achieve a sensible work-life balance. We encourage people to work hard, and we promote play and leisure. We believe that leisure is the most fun when it exercises the mind and body, so our health and sports promotion events focus on meaningful sporting activities, such as Red Cross Blood Donation and Associate Running activity.

#### **Red Cross Blood Donation**

Laguna Phuket is one of Thailand's prominent corporate blood donors to the Thai Red Cross Blood Donation Program. Since 2003, we have donated 2,018,700 cc of blood and 4,486 associates have participated in our Blood Drive program.

#### **Community Support during Coronavirus Pandemic**

During the Coronavirus Pandemic in April 2020, Laguna Phuket has donated the necessities to our stakeholders worth Baht 312,000 as detailed below:

1. Baht 100,000 cash was donated to Vachira Hospital, the field hospital of Phuket.
2. Dried food, sustenance, meal box, and face mask worth Baht 79,000 were donated to local authorities, municipality, and Subdistrict Administrative Organization.
3. Dried food, sustenance, drinking water, and face mask worth Baht 62,000 were donated to nearby communities.
4. Hand sanitizer alcohol gel worth Baht 36,000 was donated to 7 orphanages under the Children First Fund program.
5. Angsana Laguna Phuket and Banyan Tree Phuket provided 700 meal boxes in a week worth Baht 35,000 for the medical staff of Vachira Hospital.

6. Set up a sharing pantry at the entrance of Canal Village to help the community members who suffering hardship caused by Coronavirus Pandemic. This program allowed 115 people who are in a better financial position to contribute food items to the pantry and benefiting 775 people who are in need.

#### **10.4.5 Environmental Preservation**

Our Environmental Conservation initiatives emphasize raising awareness of climate change and human impact on local natural resources. In partnering with local conservation efforts, Laguna Phuket supports various initiatives that ensure sustainable rehabilitation of marine and shoreline resources around Phuket Island and nearby provinces.

##### **EarthCheck**

EarthCheck is the environmental certification program that Laguna Phuket is registered with as a precinct. The key objective is to monitor and improve our environmental practices to achieve sustainability outcomes in our business operations by providing a framework for environmental and social sustainability.

Laguna Phuket received EarthCheck's Bronze Status in September 2014, Silver Status in April 2015, and Gold Status since December 2020.

##### **Greening Community Initiative**

Since 2007, Laguna Phuket has worked in collaboration with Phuket Mangrove Station. To-date over 32,500 saplings were planted in the southern provinces of Thailand. 1,490 associates have participated in this project and 690 community members have joined us.

##### **Sea Turtle Conservation**

Laguna Phuket has supported sea turtle conservation programs in Phuket province since 1994. Our efforts focus on raising funds and awareness in support of the Phuket Marine Biological Centre (PMBC) and the 3<sup>rd</sup> Area Naval Command, Royal Thai Navy, and their ongoing conservation and rehabilitation programs.

To-date, 2,145 turtles have been released and 4,700 people have participated in this program since 1994.

##### **Cleaning Community**

Laguna Phuket associates frequently participate in the cleaning community initiative with the local government and community members especially beach clean-ups that were organized 4 times in 2020. More than 900 kilograms of trash were collected by about 600 people.

## **11. INTERNAL CONTROL AND RISK MANAGEMENT**

### **11.1 Opinion of the Board of Directors on the Company's Internal Control**

Based upon the reports of work carried out by the external auditors, the Board of Directors is of the opinion that the Company's internal accounting controls are adequate and have enabled the external auditors to opine that the financial statements for the year ended 2020 are presented fairly. The Board has also taken note of and accepted the Audit, Risk and Corporate Governance Committee's report on the internal control system and therefore concludes that there are no material weaknesses in the Company's internal control system.

### **11.2 Opinion of the Audit, Risk and Corporate Governance Committee on the Company's Internal Control**

The Audit, Risk and Corporate Governance Committee met four times in 2020 to perform its duties in accordance with the charter. Amongst other activities, it reviewed the work of both the Company's internal and external auditors. These reviews were based upon a structured yearly work plan which the ARCG Committee approved annually in advance and it also takes on additional reviews when it is deemed appropriate.

Throughout the year 2020, Risk Management was rigorously implemented and enforced across all companies under Laguna Resorts & Hotels Public Company Limited. In this regard, controls that mitigate risks to an acceptable level were identified, updated in risk registers, and periodically reviewed. Additionally, the internal controls were also examined and results documented to ensure that the Company has sufficient procedures and controls.

Based upon these reviews, the ARCG Committee is satisfied that the Group's internal controls are sufficient to support its operations and to enable the external auditors to express the opinion that the Company's financial statements are presented fairly in all material respects.

### **11.3 Head of Group Internal Audit**

Mr. Teoh Tian Eng was appointed as Head of Group Internal Audit on 2 December 2020.

Mr. Teoh Tian Eng graduated from the University of Western Australia with a Bachelor of Commerce degree. He brings with him 12 years of extensive Internal Audit experience in the Real Estate industry covering the Hospitality, Retail, Commercial and Residential business sectors. The Company views that based on his experiences and knowledge, he meets the qualifications to head the internal audit function. (Qualification and profile of the Head of Group Internal Audit is shown in Attachment 1)

The Audit, Risk and Corporate Governance Committee is empowered to approve the appointment, termination and transfer of employment of the Head of the Internal Audit unit as prescribed in its Charter described in section 8.1 under heading "Board Structure".



## 12. RELATED PARTY TRANSACTIONS

As has been the case in the past, in 2020 the Company and its subsidiaries had a significant number of business transactions with related parties (related by way of shareholding, common shareholders, directors, and/or management) but all of which are conducted as part of the Company's normal course of business.

The Company by the nature of its product and its complex group structure has a large number of related party transactions. Laguna Phuket is an integrated resort with a number of hotels and associated resort services being incorporated in different companies within the group. This in itself results in a significant number of related party transactions which are considered to be necessary and reasonable for the operation of Laguna Phuket. The nature, pricing, and agreements of these transactions are summarised below:

### Inter-Resort Charges and Credit Card Commission

- These charges relate to goods and services that are consumed by customers in one part of Laguna Phuket but are billed centrally to the customer at the hotel at which the customer is staying. Such charges relate to meals at restaurants, golf fees, treatments at the spas, and goods purchased at shops in the resort. On receiving the funds centrally from the customer, the hotel reimburses the company in which the goods and services are consumed. Actual receipts are paid and credit card commission is charged ranging from 2 percent to 5 percent of the revenue and are based on the commissions charged by the credit card companies. Such inter resort charges are also incurred at the Banyan Tree Bangkok and Laguna Golf Bintan primarily for treatments at the spas and goods purchased at the shops and golf fees at the golf course.
- These transactions provide the convenience of guest's payment and promote resort integration.

### Management Fees

- Royalty fee paid for the use of "Banyan Tree", "Angsana" and "Cassia" trademarks, and all other proprietary rights associated with it.
  - (i) Banyan Tree Phuket (LBTL), Cassia Phuket (PGR), Angsana Villas Resort Phuket (BGL), and Laguna Holiday Club Phuket Resort (BGL) pay a royalty fee of 2 percent of total revenue.
  - (ii) Banyan Tree Bangkok (TWPL) and Angsana Laguna Phuket (BGL) pay a royalty fee of 3 percent of total revenue.
  - (iii) BTG(T) and BTG(S) pay a royalty fee of 1 percent of total revenue.

- Hotel management and technical assistance fees.
  - (iv) The Technical Assistance Agreement of the Banyan Tree Phuket charges a technical fee of 7.5 percent of gross operating profit.
  - (v) The Hotel Management Agreement of the Banyan Tree Bangkok and the Angsana Laguna Phuket charge a hotel management fee of 10 percent of gross operating profit. Cassia Phuket, Angsana Villas Resort Phuket, and Laguna Holiday Club Phuket Resort pay a hotel management fee of 7.5 percent of gross operating profit.
  - (vi) In addition, under the hotel management and technical assistance agreements, expenses relating to the sharing of group marketing costs such as promotional campaigns and advertisements, sales staff salaries, central reservations, and international sales offices incurred by the Banyan Tree and/or Angsana and/or Cassia corporate head office are charged as follows:
    - Group marketing services shared on a group basis are based on 2 percent of total actual hotel revenues.
    - Reservation service fees are 1 percent of room revenue plus USD 12 per booking sourced through third-party channels.
- All management fees are consistent with industry practice and the sharing of group marketing costs incurred by Banyan Tree Phuket, Banyan Tree Bangkok, Angsana Laguna Phuket, Angsana Villas Resort Phuket, Cassia Phuket, and Laguna Holiday Club Phuket Resort are the reimbursement of costs benefiting each of the hotels. As a result, these transactions are on normal commercial terms and conditions.

#### **Management Fee – Project Service, Architectural and Interior Design Service**

- The fees for project service, architectural, and interior design services are based on a 10 percent markup of actual working hours in providing the service and included all costs. The fees are consistent with industry practice. Therefore, these transactions are on normal commercial terms and conditions.

#### **Management Fee – Providing Operational, Visual, and Product Training Service**

- This relates to the management fee charged to related companies for providing operational, visual, and product training services. The fee is an annual fee at SGD according to each agreement plus 15 percent of gross operating profit.

**Management Income**

- The management fee is charged to BTRS(T) and BTHR(T) for providing administration services of information technology and human resources. The monthly fee is charged at cost plus a certain margin.

**Sale and Purchase of Goods**

- Purchase of goods for their sales & marketing gifts and guest supplies for the hotel and spa relates to:
  - (i) Sale of goods from Gallery operations to related companies is priced at a 15 percent to 30 percent discount to the retail price depending on the volume purchased.
  - (ii) Sale of guest and spa supplies of high volume purchases from companies that operate galleries to related companies is priced at cost plus up to 30 percent and 40 percent margin.
  - (iii) Sale and purchase of goods among BTG(S) and BTG(T) are priced at cost plus a handling fee of 5 to 20 percent. In this instance, they act as a purchasing agent and central purchasing for products in their countries to facilitate bulk purchasing for competitive pricing.

**Sale and Purchase of Spa and Gallery Vouchers**

- Banyan Tree Spa and Banyan Tree Gallery vouchers are purchased for distribution to management to provide an additional benefit scheme. The vouchers are issued yearly to qualifying executives and are valid only within the year of the issue. The voucher is priced at the face value of the voucher.
- There is the sale of spa and gallery vouchers by companies that operate Banyan Tree Spas and Banyan Tree Gallery to related companies for use as a marketing tool. The Spa vouchers are priced at a 30 - 50 percent discount to the Spa price list. The Gallery vouchers are priced at 20 percent to the face value of the voucher.

**Reimbursement of Costs**

- Costs are often incurred within the group which is reimbursed by the company to which the expense relates. Actual costs are reimbursed.
- These transactions are made for the convenience of payment.
- The centralised service fee charges by BTRS(T) in respect of providing centralised service relating to Accounting, Purchasing, Human Resources, Learning & Development, Reservation and Information Technology. These charges are based on a 5 percent markup on actual cost and the same is applied to all hotels and business operations concerned.

### **Rent and Service income**

- These transactions relate to rent paid for premises and land.
  - (i) Rental of hotel premises and service income received from BTRS(T) and BTG(T) for Spa premise, gallery shops, office, and stores are based on 5 percent to 10 percent of sales revenue or fixed monthly charge which is dependent on criteria such as the location, budgeted sales, term of the lease, size of the area leased and type of operation.  
  
Banyan Tree Spa and Banyan Tree Gallery are recognised brand names that enhance the image of the hotel and help in its marketing. Rental charges to BTRS(T) and BTG(T) are consistent with industry practice and rents charged to them by other non-related party resorts.
  - (ii) Rental and service income earned by TWPL for renting the office space at Thai Wah Tower and Banyan Tree Bangkok. Rental and service fees charged are in line with the market rate. Terms and conditions in the agreement are similar to other customers and the market. Service has been separated from rental for tax reasons.
  - (iii) Rental and service income for space in Banyan Tree Phuket for Banyan Tree Spa office and store is at Baht 1,207 per square meter per month.
  - (iv) Service income from the rental of Banyan Tree Management Academy is at Baht 136,591 per month.

### **Rental Return on Hotel Units**

- This relates to a Management Agreement to manage the hotel units of CGL in the Angsana Resort & Spa on Bintan Island, Indonesia under which CGL receives a return of 15 percent per annum on the investment of the leasehold rights. A very good rental return is being received from the hotel prior to the units being required for the operation.

### **Resort Service Charges**

- Resort service charged to BTRS(T) relates to revenue of LSC which provides centralised services to operations in the group located at Laguna Phuket at the following rates:
  - Laundry charge : at the price based on cost plus a certain margin
  - Staff buses : at the price based on cost plus a certain margin
  - Common area services, transportation charges : based on the actual cost
- LSC centralises certain facilities and services for operations in Laguna Phuket to avoid duplication in investment and operating expenses. Where the charge is based on a standard or fixed rate, the same is applied to all hotels and business operations concerned.

### **Training Charges**

- Training charges by BTHR(T) in respect of providing centralised training facilities and courses for staff. The training costs are allocated to each operation based on the actual cost.

### **Procedures for Approving Related Party Transactions**

It is the Group's policy to ensure that there is no conflict of interest when related party transactions are executed. All existing related party transactions are communicated by each of the operations on a quarterly basis and reviewed by management. New proposed related party transactions are identified by and/or communicated to higher-level management and the transactions are approved by either senior management, Board of Directors, or the shareholders in accordance with the requirements of the SET and SEC. All new significant related party transactions are presented to the Audit, Risk and Corporate Governance Committee for an opinion that includes demonstrating that the transaction is on commercial terms and on an arm's length basis. Once recommended by the Audit, Risk and Corporate Governance Committee the transaction will be proposed to the Board of Directors or the Board of Directors and shareholders for approval. Interested directors do not take part in approving the transaction.

### **Future Policy or Tendency of Related Party Transactions**

It is the intention of the Company to minimise the incidence of related party transactions wherever practicable. However, given the nature of the Group structure and the Group's business, it is not possible to cease many of the current transactions. As a result, the Group's future policy is geared towards ensuring that all current and future transactions are necessary and are on commercial terms and an arm's length basis.

### **The reason for having persons with mutual interest holding (both directly and indirectly) more than 10 percent of the shares in the subsidiaries and associate in lieu of the Company**

The person who may have a mutual interest and holds (both directly and indirectly) more than 10 percent of the shares in the subsidiaries and associates of the Company is BTH, who is also a major shareholder of the Company. The subsidiaries and associates whose shares are held by BTH engage in hotel and property development as well as souvenir retail in the hotels managed by BTH. With BTH's expertise and experience of international hotel development and management of award-winning hotels under the trademarks of "Banyan Tree", "Angsana", and "Cassia", the joint investment with BTH will result in the said subsidiaries and associate benefitting from the use of trademarks, reputation and managerial assistance of BTH.

Related party transactions, which have been concluded on the terms and basis determined by the Company, its subsidiaries, and related parties, or in accordance with the agreement, are detailed below. Significant transactions greater than Baht 1 million are disclosed separately and non-significant transactions have been grouped.

**TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2020**

	Payee	Payer	Details of Transaction / Contract	Transactions in 2020 (MB)	Persons with Mutual Interest	Nature of Relationship	Directors with Common Interest
<b>TRANSACTIONS WITH ASSOCIATE</b>							
<b>Reimbursement Receipts</b>							
1	TWPL	TWPC	Reimbursement	3	-	-	CSH
<b>Rent and Service</b>							
2	TWPL	TWPC	Lease and Service Agreement at 1 <sup>st</sup> floor, 5 <sup>th</sup> floor, and 6 <sup>th</sup> floor of Thai Wah Tower consists of:  1 <sup>st</sup> and 5 <sup>th</sup> floors (area 276 sq.m.) agreement from 1 January 2019 to 31 December 2021  6 <sup>th</sup> floor (area 1,042 sq.m.) agreement from 1 June 2019 to 31 May 2022.  6 <sup>th</sup> floor (area 859 sq.m.) agreement from 1 October 2019 to 30 September 2022.	15	-	-	CSH

**TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2020 (CONT'D)**

	Payee	Payer	Details of Transaction / Contract	Transactions in 2020 (MB)	Persons with Mutual Interest	Nature of Relationship	Directors with Common Interest
<b>TRANSACTIONS WITH RELATED COMPANIES</b>							
<b>Credit card commission receipts</b>							
3	TWPL	BTRS(T)	Credit card commission receipts	0	BTRS(T)	B	CH, CSH, KW
<b>Inter resort payments</b>							
4	BTRS(T)	BGL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	2	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
5	BTRS(T)	LBTL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	9	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
6	BTRS(T)	PGR	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	0	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
7	BTRS(T)	TWPL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	5	BTRS(T)	B	CH, CSH, KW
<b>Management fees income</b>							
8	LRH	BTRS(T)	Technical Assistance Agreement for providing management services for Information Technology, Human Resource, and maid services.	5	BTRS(T)	A	CSH, ESHL, KCH
9			Management fees income (< 1 MB)	0			
<b>Management fees expenses</b>							
10	BTHR	BTG(T)	Royalty agreement:  For the use of “Banyan Tree” and “Angsana” trademarks and all proprietary rights associated with them.	1	BTH	A, B	ESHL
11	BTHR	BGL	Royalty agreement:  For the use of the “Angsana” trademark and all proprietary rights associated with it.  The agreement is from July 2012 to November 2031 for Angsana Laguna Phuket  The agreement is from 1 August 2016 up to 25 years (as per HMA) for Angsana Villas Resort Phuket  The agreement is from 19 October 2015 up to 20 years (as per HMA) for Laguna Holiday Club Phuket Resort  Project Services Agreement and Design Services Agreement for Project Angsana Ocean View  Project Services Agreement is from 1 January 2016 and Design Services Agreement is from 1 January 2018 both agreements shall continue until it is terminated any time in writing by either Party upon servicing one month written notice.	8	BTH	B	ESHL
12	BTHR	BTL	Project Services Agreement and Design Services Agreement for Project Angsana Beach Front.  Project Services Agreement is from 1 January 2016 and Design Services Agreement is from 1 January 2018 both agreements shall continue until it is terminated any time in writing by either Party upon servicing one month written notice.	0	BTH	B	ESHL
13	BTHR	LBTL	Royalty agreement:  For the use of the “Banyan Tree” trademark and all proprietary rights associated with it.  The agreement is from 1 July 2012 to December 2015, renewal agreement from 1 January 2016 to 31 December 2025  Project Services Agreement and Design Services Agreement for Project Banyan Tree Phuket Expansion, Banyan Tree Spa Phuket Sanctuary Expansion, and Banyan Tree Phuket Plateau.  Project Services Agreement is from 1 January 2016 and Design Services Agreement is from 1 January 2018 both agreements shall continue until it is terminated any time in writing by either Party upon servicing one month written notice.	11	BTH	B	ESHL
14	BTHR	LRH	Project Services Agreement and Design Services Agreement for Project Chiang Mai Boutique Farmers and the other.  Project Services Agreement is from 1 January 2016 and Design Services Agreement is from 1 January 2018 both agreements shall continue until it is terminated any time in writing by either Party upon servicing one month written notice.	0	BTH	A	ESHL
15	BTHR	LGL	Project Services Agreement and Design Services Agreement for Project Dhawa, Laguna Park Phase 2 and T-Junction.  Project Services Agreement is from 1 January 2016 and Design Services Agreement is from 1 January 2018 both agreements shall continue until it is terminated any time in writing by either Party upon servicing one month written notice.	6	BTH	B	-
16	BTHR	TWRH	Project Services Agreement and Design Services Agreement for Project Sky Park and LVR -8  Project Services Agreement is from 1 January 2016 and Design Services Agreement is from 1 January 2018 both agreements shall continue until it is terminated any time in writing by either Party upon servicing one month written notice.	1	BTH	B	ESHL

**TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2020 (CONT'D)**

	Payee	Payer	Details of Transaction / Contract	Transactions in 2020 (MB)	Persons with Mutual Interest	Nature of Relationship	Directors with Common Interest
<b>Management fees expenses (con't)</b>							
17	BTHR	PGR	Royalty agreement: BTHR  For the use of the "Cassia" trademark and all proprietary rights associated with it.  The agreement is from 19 October 2015 up to 25 years (as per HMA).  Project Services Agreement and Design Services Agreement for Project Cassia Phase 3, 4, and 5, Phuket Royale and Dusit Expansion.  Project Services Agreement is from 1 January 2016 and Design Services Agreement is from 1 January 2018 both agreements shall continue until it is terminated any time in writing by either Party upon servicing one month written notice.	4	BTH	B	ESHL
18	BTHR	TWPL	Royalty agreement: BTHR  For the use of the "Banyan Tree" trademark and all proprietary rights associated with it.  The agreement is from July 2012 to December 2021.  Project Services Agreement and Design Services Agreement for Project BT Bangkok - Saffron Cruise, BT Bangkok Phase 2 and upgrading.  Project Services Agreement is from 1 January 2016 and Design Services Agreement is from 1 January 2018 both agreements shall continue until it is terminated any time in writing by either Party upon servicing one month written notice.	9	BTH	B	-
19	BTHR(T)	BGL	Technical Assistance agreement:  Conduct of Hotel Business and technical assistance in the planning, building, furnishing, equipping, decorating & operating of Angsana Laguna Phuket and Reservation fee.  Agreement is from July 2012 to November 2031	0	BTRS(T)	B	CSH, ESHL
20	BTHR(T)	LBTL	Technical Assistance agreement:  Conduct of Hotel Business and technical assistance in the planning, building, furnishing, equipping, decorating & operating of Banyan Tree Phuket and Reservation fee.  The agreement is from July 2012 to December 2015 with an option to extend for 2 successive periods of 10 years, each at the option of BTHR(T), the 1 <sup>st</sup> renewal from 1 January 2016 to 31 December 2025.	4	BTRS(T)	B	CSH, ESHL
21	BTHR(T)	PGR	Hotel Management agreement:  Conduct of Hotel Business and technical assistance in the planning, building, and furnishing, equipping, decorating & operating of Cassia Phuket and Reservation fee.  The agreement is from 19 October 2015 until the expiry of the term (25 years)	3	BTRS(T)	B	CSH, ESHL
22	BTHR(T)	TWPL	Hotel Management agreement:  Conduct of Hotel Business and technical assistance in the planning, building, furnishing, equipping, decorating & operating of Banyan Tree Bangkok and Reservation fee.  The agreement is from July 2012 to December 2021 with an option to extend for another successive periods of 20 years, each at the option of BTHR(T).	2	BTRS(T)	B	CSH
23	BTMG	BGL	Group Marketing services and share of operating cost of Regional Marketing offices	4	BTH	B	ESHL
24	BTMG	LBTL	Group Marketing services and share of operating cost of Regional Marketing offices	6	BTH	B	ESHL
25	BTMG	PGR	Group Marketing services and share of operating cost of Regional Marketing offices	2	BTH	B	ESHL
26	BTMG	TWPL	Group Marketing services and share of operating cost of Regional Marketing offices	6	BTH	B	-
27			Management fees expenses (< 1 MB)	1			



**TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2020 (CONT'D)**

	Payee	Payer	Details of Transaction / Contract	Transactions in 2020 (MB)	Persons with Mutual Interest	Nature of Relationship	Directors with Common Interest
<b>Purchase of spa &amp; gallery vouchers</b>							
28	BTS	BGL	Purchase of Spa voucher for management benefits	1	BTH	B	CSH, ESHL
29	BTS	LBTL	Purchase of Spa voucher for management benefits	1	BTH	B	CSH, ESHL
30	BTS	PGR	Purchase of Spa voucher for management benefits	1	BTH	B	CSH, ESHL
31	BTS	LSC	Purchase of Spa voucher for management benefits	0	BTH	B	CSH
32	BTS	TWPL	Purchase of Spa voucher for management benefits	0	BTH	B	CSH
33			Purchase of spa & gallery vouchers (< 1 MB)	0			
<b>Sale of goods</b>							
34	BTG(T)	HSSA	Sale of goods	0	BTH	A, B	CSH, ESHL
35	BTG(T)	LVCL	Sale of goods	1	BTH	A, B	ESHL
36	BTG(T)	MAPL	Sale of goods	0	BTH	A, B	ESHL
37	BTG(T)	MBPL	Sale of goods	2	BTH	A, B	ESHL
38	BTG(T)	PTBH	Sale of goods	0	TRL	C	KCH
39	BTG(T)	VM	Sale of goods	1	BTH	A, B	ESHL
40			Sale of goods (< 1 MB)	1			
<b>Reimbursement receipts</b>							
41	AVCI	PTBH	Reimbursement of expenses	0	TRL	C	-
42	BGL	BTHR(T)	Reimbursement of expenses	13	BTRS(T)	B	CSH, ESHL
43	BGL	BTRS(T)	Reimbursement of expenses	0	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
44	BTG(S)	BTS	Reimbursement of expenses	1	BTH	A, B	ESHL, KCM
45	BTG(S)	BTHR	Reimbursement of expenses	0	BTH	A, B	ESHL, KCM
46	BTG(T)	BTS	Reimbursement of expenses	4	BTH	A, B	CSH, ESHL
47	LBTL	BTHR(T)	Reimbursement of expenses	0	BTRS(T)	B	CSH, ESHL
48	LBTL	BTRS(T)	Reimbursement of expenses mainly for sharing staff expenses and other expenses related to Spa at Laguna Phuket.	2	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
49	LGL	LVCL	Reimbursement of expenses mainly for staff expenses who work for Laguna Langco projects	0	BTH	B	-
50	LGL	BTS	Reimbursement of expenses	1	BTH	B	CSH
51	LRH	BTH	Reimbursement of expenses	5	BTH	A	KPH, RHH
52	LRH	BTHR	Reimbursement of expenses	1	BTH	A	ESHL
53	LRH	BTHR(T)	Reimbursement of expenses	3	BTRS(T)	A	CSH, ESHL
54	LRH	BTRS(T)	Reimbursement of expenses	1	BTRS(T)	A	CSH, ESHL, KCH
55	PGR	BTRS(T)	Reimbursement of expenses	0	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
56	TWPL	BTRS(T)	Reimbursement of utilities and other expenses related to the rental agreement and sharing common department's expenses	1	BTRS(T)	B	CH, CSH, KW
57	TWPL	BTHR	Reimbursement of expenses	3	BTH	B	-
58	TWPL	BTHR(T)	Reimbursement of expenses	0	BTRS(T)	B	CSH
59			Reimbursement receipts (< 1 MB)	4			

**TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2020 (CONT'D)**

	Payee	Payer	Details of Transaction / Contract	Transactions in 2020 (MB)	Persons with Mutual Interest	Nature of Relationship	Directors with Common Interest
<b>Reimbursement payments</b>							
60	BTHR	BGL	Reimbursement of expenses	2	BTH	B	ESHL
61	BTHR	BTG(S)	Reimbursement of expenses	2	BTH	A, B	ESHL
62	BTHR	LBTL	Reimbursement of expenses	2	BTH	B	ESHL
63	BTHR	LSC	Reimbursement of expenses	1	BTH	B	-
64	BTHR	BTL	Reimbursement of expenses	1	BTRS (T)	B	ESHL
65	BTHR	TWPL	Reimbursement of expenses	2	BTH	B	-
66	BTHR	LGL	Reimbursement of expenses	1	BTH	B	-
67	BTRS(T)	BTG(T)	Reimbursement of utilities and other expenses related to the rental agreement, sharing common department's expenses	4	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
68	BTRS(T)	LBTL	Reimbursement of sales and marketing costs incurred by Banyan Tree group which relate specifically to the promotion of the Banyan Tree Phuket and expenses for centralized departments	6	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
69	BTRS(T)	LGL	Reimbursement of expenses for centralized departments and office supplies of Laguna Golf Phuket	4	BTRS(T)	B	CH, CSH, KW
70	BTRS(T)	LHC	Reimbursement of expenses for centralized departments - Non-Hotel	3	BTRS(T)	B	CH, CSH, KW
71	BTRS(T)	LRH	Reimbursement of expenses for centralized departments - Non-Hotel	1	BTRS(T)	A	CSH, ESHL, KCH
72	BTRS(T)	LSC	Reimbursement of expenses for centralized departments - Non-Hotel	1	BTRS(T)	B	CH, CSH, KW
73	BTRS(T)	LGL	Reimbursement of expenses for centralized departments - Non Hotel	2	BTRS(T)	B	CH, CSH, KW
74	BTRS(T)	PGR	Reimbursement of expenses for centralized departments - Hotel	2	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
75	BTRS(T)	BGL	Reimbursement of expenses for centralized departments - Hotel	3	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
76	PTBH	AVCI	Reimbursement of expenses mainly for maintenance & utilities, sharing of the common department and other expenses related to the operation of holiday club business in Bintan	2	TRL	C	-
77	RYS	LBTL	Reimbursement of expenses	12	BTH	B	ESHL
78	BTHR	PGR	Reimbursement of expenses	1	BTHR	B	ESHL
79	BTHR(T)	LBTL	Reimbursement sales for promotion BT Phuket	8	BTHR(T)	B	CSH, ESHL
80	BTI	LBTL	Reimbursement of expenses	4	BTI	B	ESHL
81			Reimbursement payments (< 1 MB)	2			
<b>Rent and service income</b>							
82	BGL	BTRS(T)	Space rental at the Angsana Laguna Phuket to operate the Angsana Spa. Agreement commenced from December 2011 to November 2041	1	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
83	LBTL	BTRS(T)	Space rental at the Banyan Tree Phuket to operate the Banyan Tree Spa. The agreement commenced on 1 January 1997 and shall terminate upon the termination of the Technical Assistance Agreement between BTRS(T) & LBTL. - Rental and service agreement for office & store in the Banyan Tree Phuket (521.53 sq.m.) from 1 January 2020 to 31 December 2022. - Rental agreement for Banyan Tree Management Academy from 1 January 2020 to 31 December 2022.	10	BTRS(T)	B	CH, CSH, ESHL, KCH, KW
84	TWPL	BTRS(T)	Lease and service agreement for space rental at Thai Wah Tower and Banyan Tree Bangkok - Rental and service agreement for 19th – 21st floor (total area 1,178 sq.m.) at Banyan Tree Bangkok from 1 January 2020 to 31 December 2020 - Rental agreement at Thai Wah Tower I for 5th floor (Office area 97.98 sq.m.) from 1 February 2019 to 23 June 2022 - Rental agreement at Thai Wah Tower for 5th floor (storage, area 13 sq.m.) and 12th floor (Office area 243.35 sq.m.) from 16 December 2019 to 15 December 2022. - Rental agreement for ground floor at Thai Wah Tower (area 80 sq.m) from 1 February 2019 to 31 January 2020.	2	BTRS(T)	B	CH, CSH, KW

**TRANSACTIONS BETWEEN THE GROUP (THE COMPANY AND ITS SUBSIDIARIES) AND RELATED PARTIES IN YEAR 2020 (CONT'D)**

	Payee	Payer	Details of Transaction / Contract	Transactions in 2020 (MB)	Persons with Mutual Interest	Nature of Relationship	Directors with Common Interest
<b>Rent and service expenses</b>							
85	BTHR	BTG(S)	Rental office space at Angsana Building 4th floor (270.52 sqf) Banyan Tree Gallery (Singapore) Pte. Ltd.	1	BTH	A, B	ESHL, KCM
<b>Rental return on hotel units</b>							
86	CGL	PTBH	Rental return on hotel units in the Angsana Resort & Spa Bintan	4	TRL	C	-
<b>Resort service income</b>							
87	LSC	BTRS(T)	Service charges on laundry, staff bus, etc. charged to Banyan Tree Spa – Phuket	2	BTRS(T)	B	CH, CSH, KW
88			Resort service income (<1 MB)	0			
<b>Training charges</b>							
89	BTHR(T)	BGL	Training courses held for Laguna Phuket staff and allocated to all operations based on actual cost.	1	BTRS(T)	B	CSH, ESHL
90	BTHR(T)	LBTL	Training courses held for Laguna Phuket staff and allocated to all operations based on actual cost.	1	BTRS(T)	B	CSH, ESHL
91	BTHR(T)	PGR	Training courses held for Laguna Phuket staff and allocated to all operations based on actual cost.	0	BTRS(T)	B	CSH, ESHL
92	BTHR(T)	TWPL	Training courses held for Laguna Phuket staff and allocated to all operations based on actual cost.	0	BTRS(T)	B	CSH
<b>Interest expenses</b>							
93	BTS	BTG(S)	Interest	0	BTH	A, B	ESHL, KCM
<b>Transaction with management and directors</b>							
94	KPH	LRH	Rental return on hotel units	1	KPH	Director of LRH	-
95	CSN	LRH	Rental return on hotel units	1	CSN	Spouse of KPH	-

**TRANSACTIONS WITHIN THE GROUP AND A COMPANY WHICH IS OWNED BY PERSONS WITH A MUTUAL INTEREST MORE THAN 10 PERCENT IN YEAR 2020**

	Payee	Payer	Details of Transaction / Contract	Transactions in 2020 (MB)	Persons with Mutual Interest	Nature of Relationship	Directors with Common Interest
<b>Inter resort receipts</b>							
1	BTG(T)	BGL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	0	BTH	A, B	AS, CH, CSH, ESHL, KCH, KW, SDR
2	BTG(T)	LBTL	Inter Resort Charges is a function of collection from customer and remittance to the provider of the service.	2	BTH	A, B	AS, CH, CSH, ESHL, KCH, KW, SDR
3	BTG(T)	TWPL	Collection from customer and remittance to the provider of the service.	1	BTH	A, B	AS, CH, CSH, KW, SDR
4			Inter resort receipts (<1 MB)	0			
<b>Purchase of goods</b>							
5	BTG(T)	BGL	Purchase of guest supplies for the hotel	1	BTH	A, B	AS, CH, CSH, ESHL, KCH, KW, SDR
6	BTG(T)	BTG(S)	Purchase of goods by acting as a purchasing agent	0	BTH	A, B	CSN, ESHL, SDR
7	BTG(T)	LBTL	Purchase of guest supplies for the hotel	1	BTH	A, B	AS, CH, CSH, ESHL, KCH, KW, SDR
8	BTG(T)	LGL	Purchase of goods	0	BTH	A, B	AS, CH, CSH, KW, SDR
9	BTG(T)	PGR	Purchase of guest supplies for the hotel	1	BTH	A, B	AS, CH, CSH, ESHL, KCH, KW, SDR
10	BTG(T)	TWPL	Purchase of guest supplies for the hotel	3	BTH	A, B	AS, CH, CSH, KW, SDR
<b>Reimbursement of costs</b>							
11	BTG(S)	BTG(T)	Reimbursement of expenses mainly for traveling and freight expenses	4	BTH	A, B	CSN, ESHL, SDR
12	LBTL	BTG(T)	Reimbursement of utilities and other expenses mainly related to the rental agreement	0	BTH	A, B	AS, CH, CSH, ESHL, KCH, KW, SDR
13	TWPL	BTG(T)	Reimbursement of utilities and other expenses mainly related to the rental agreement	1	BTH	A, B	AS, CH, CSH, KW, SDR
<b>Rent and service</b>							
14	LBTL	BTG(T)	- Rental agreement with Banyan Tree Gallery for the 2 shops in the Banyan Tree Phuket, 3-year lease from 1 January 2020 to 31 December 2022  - Rental agreement for office & store (46.2 sq.m.) in the Banyan Tree Phuket from 1 January 2020 to 31 December 2022.	1	BTH	A, B	AS, CH, CSH, ESHL, KCH, KW, SDR
15	TWPL	BTG(T)	- Rental agreement for the Gallery outlets and office premises at the Thai Wah Tower and Banyan Tree Bangkok.  - Rental agreement for outlets 1st floor for an approximate area of 30 sq.m. and 21st floor for an approximate area of 141 sq.m., totaling an area of approximately 171 sq.m. at Banyan Tree Bangkok from 1 January 2020 to 31 December 2020  - Rental agreement for office premises on 3rd Flr (88 sq.m.) at Thai Wah Tower from 26 June 2019 to 23 June 2022  - Rental agreement for office premises on the ground floor (60 sq.m.) at Thai Wah Tower from 1 January 2020 to 31 December 2020	1	BTH	A, B	AS, CH, CSH, KW, SDR

**Remarks:**

- (A) Major shareholder  
 (B) Major shareholder of the parent company (LRH)  
 (C) The Company in which the major shareholder of LRH is its major shareholder

**ABBREVIATIONS**

AVCI	PT. AVC Indonesia
BGL	Bangtao Grande Limited
BTG(S)	Banyan Tree Gallery (Singapore) Pte Ltd.
BTG(T)	Banyan Tree Gallery (Thailand) Limited
BTH	Banyan Tree Holdings Limited
BTHR	Banyan Tree Hotels & Resorts Pte. Ltd.
BTHR(T)	Banyan Tree Hotels & Resorts (Thailand) Limited
BTI	Banyan Tree Investments Pte. Ltd.
BTL	Bangtao Laguna Limited
BTMG	Banyan Tree Marketing Group Pte. Ltd.
BTRS(T)	Banyan Tree Resorts & Spas (Thailand) Company Limited
BTS	Banyan Tree Spas Pte. Ltd.
CGL	Cheer Golden Limited
HSSA	Heritage Spas South Africa (Pty) Ltd.
LBTL	Laguna Banyan Tree Limited
LGL	Laguna Grande Limited
LHC	Laguna Holiday Club Limited
LRH	Laguna Resorts & Hotels Public Company Limited
LSC	Laguna Service Company Limited
LVCL	Laguna (Vietnam) Company Limited
MAPL	Maldives Angsana Pvt Ltd
MBPL	Maldives Bay Pvt Ltd
PGR	Phuket Grande Resort Limited
PTBH	PT Bintan Hotels
RYS	Rong Yuan (Shanghai) Business Management Co., Ltd.
TRL	Tropical Resorts Limited
TWPC	Thai Wah Public Company Limited
TWPL	Thai Wah Plaza Limited
TWRH	TWR-Holdings Limited
VM	Vabbinvest Maldives Pvt. Ltd.

**INITIALS**

AS	Ms. Areewan Sriwichupong
CH	Mr. Kuan Chiet
CSH	Mr. Shankar Chandran
CSN	Ms. Chiang See Ngoh Claire
ESHL	Mr. Eddy See Hock Lye
KCH	Mr. Ho KwonCjan
KCM	Mr. Moy Keen Choy
KPH	Mr. Ho KwonPing
KW	Mr. Kontee Warapitayut
RHH	Mr. Ho Ren Hua
SDR	Mr. Stuart David Reading