Report
Corporate Governance Assessment Result of EDL-Generation Public Company
2024



By:

Lao Securities Exchange

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1. Info of EDL-GEN Public Company

1.1. General Information

Title	Description
Company Name:	EDL-Generation Public Company (EDL-GEN)
Headquarter Location:	Mittapharb Lao-Thai Road, Thongkang Village, Sisattanak District, Vientiane Capital
Tel:	021 316142
Key Business Type:	Electricity Generation
Date of Listing:	11 January 2011
Website:	www.edlgen.com.la
Number of Employees:	795 people
Number of Listed Shares:	1,679,303,697 shares
Market Price (20/12/2023):	2,290 KIP/Share
Market Capitalization (20/12/2023):	3,845,605,466,130 Kip

1.2. Financial Information

Statement of Financial Position (31 December 2023) Unit: Million LAK	
Assets: 32,120,934	Revenues: 3,152,517
Liabilities: 21,688,730	Expenses: 4,246,253
Equities: 10,432,204	Net Profit: 1,093,736

1.3. List of Board of Directors

The board of directors of EDL-GEN consists of total 11 members as below:

No	Name and Surname	Position
1	Mr Soulivath Souvannachoumkham	Chairman
2	Mr. Chanthaboun Soukaloun	Vice Chairman
3	Mr. Vongsakoun Yingyong	Member
4	Mr. Somphith Keovichith	Member
5	Mr. Pasomphet Khamtanh	Member
6	Mr. Souksavart Sosouphanh	Member
7	Mr. Phongsavath Senaphuan	Member
8	Mr. Somlath Mekakath	Member
9	Mr. Chollawit Winichai	Member
10	Mr. Khammoune Viphongxay	Independent Member
11	Mr. Khamkeo Visisombath	Independent Member
12	Dr. Phanhpakit Onphandala	Independent Member

1.4. List of Board Committees

The board of director consists of total 5 committees, each committee has the following members:

1) Audit Committee

No	Name and Surname	Position
1	Mr. Khammoune Viphongxay	Chairman (Independent Member)
2	Mr. Somlath Mekakath	Vice Chairman
3	Mr. Khamkeo Visisombath	Independent Member
4	Mr. Pasomphet Khamtanh	Member

2) Risk Management Committee

No	Name and Surname	Position
1	Mr. Somphith Keovichith	Chairman
2	Mr. Phongsavath Senaphuan	Vice Chairman
3	Dr. Phanhpakit Onphandala	Independent Member
4	Mr. Pasomphet Khamtanh	Member
5	Mr. Souksavart Sosouphanh	Member

3) Nomination and Remuneration Committee

No	Name and Surname	Position
1	Mr. Chanthaboun Soukaloun	Chairman
2	Mr. Phongsavath Senaphuan	Vice Chairman
3	Mr Soulivath Souvannachoumkham	Member
4	Mr. Chollawit Winichai	Member

4) Corporate Governance Committee

No	Name and Surname	Position
1	Mr. Chanthaboun Soukaloun	Chairman
2	Mr. Somphith Keovichith	Vice Chairman
3	Mr. Somlath Mekakath	Member
4	Mr. Vongsakoun Yingyong	Member
5	Mr. Souksavart Sosouphanh	Member

5) Hydropower Project Transfer and Shares in IPPs Transfer from EDL to EDL-GEN Committee

No	Name and Surname	Position
1	Mr. Souksavart Sosouphanh	Chairman

2	Mr. Phongsavath Senaphuan	Vice Chairman
3	Mr. Chollawit Winichai	Member
4	Mr. Pasomphet Khamtanh	Member
5	Mr. Vongsakoun Yingyong	Member

1.5. List of the Directors

No	Name and Surname	Position
1	Mr. Vongsakoun Yingyong	Managing Director
2	Ph.D Bounthene Chansamay	Deputy Managing Director
3	Mr. Daovieng Sounanthalath	Member

1.6. List of the Persons in charge of CG

ລ.ດ	ຊື່ ແລະ ນາມສະກຸນ	ເບີໂທ	ອີເມລ
1	Mr. Phouthasone Inthapanya	020 2302 2222	phouthasone_inthapanya@hotmail.com
2	Mr Litthisak Viravong	020 2229 1999	viravongfamily@gmail.com
3	Ms. Malaso Bounmy	020 2837 2127	Malaso_b@hotmail.com
4	Miss. Dalavanh Chanthavong	020 5879 6326	Dalavanhctv@gmail.com

2. Overview of Corporate Governance Assessment

2.1. The Result Assessment by Actual Score

In 2024, EDL-GEN has achieved a total of 78.89 scores for CG Scorecard assessment, classified in 4 Stars Rating. The details are provided as follows:

Section	Full Score	Actual Score
Shareholder Rights and the Equal Treatment of Shareholders	10	7.33
Management of Relationship with Stakeholders	10	7.73
Disclosure and Transparency	40	34.05
Roles and Responsibilities of the Board	40	23.78
Total	**100**	**72.89**

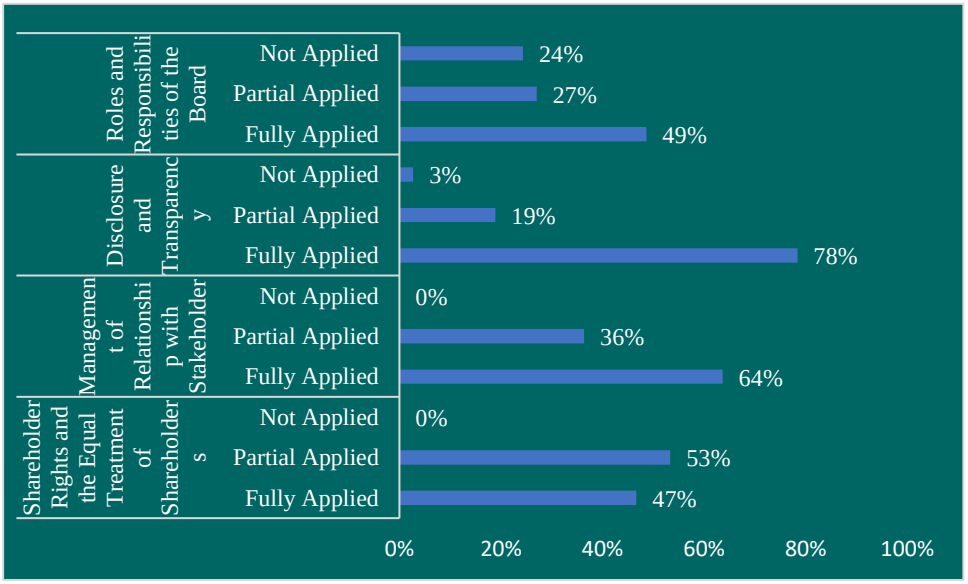
1. Shareholder Rights and the Equal Treatment of Shareholders achieved 7.33 points;
2. Management of Relationship with Stakeholders achieved 7.73 points;
3. Disclosure and Transparency achieved 34.05 points;
4. Roles and Responsibilities of the Board achieved 23.78 points.

2.2. The Assessment Result Calculated in Each Scoring Categories

The scoring comprises of 3 categories including FA (Fully Applied) = 1 Score, PA (Partial Applied) = 0,5 Score and NA (Not Applied) = 0 Score, which the result of EDL-GEN performance could be shown as follows:

EDL-GEN	Shareholder Rights and the Equal Treatment of Shareholders		Management of Relationship with Stakeholder		Disclosure and Transparency		Roles and Responsibilities of the Board		Total	
	Question	%	Question	%	Question	%	Question	%	Question	%
Fully Applied	7.0	47%	7.0	64%	29.0	78%	18.0	49%	61.0	61%
Partial Applied	8.0	53%	4.0	36%	7.0	19%	10.0	27%	29.0	29%
Not Applied	0.0	0%	0.0	0%	1.0	3%	9.0	24%	10.0	10%
Total	**15.0**	**100%**	**11.0**	**100%**	**37.0**	**100%**	**37.0**	**100%**	**100.0**	**100%**

As shown in the above table, EDL-GEN has achieved the corporate governance implementation in fully applied (FA) 61%, followed by partial applied (PA) 29% and not applied (NA) 10%. The assessment results above could be shown in the bar chart as below:



3. Achievements and Outstanding Issues

3.1. Section 1 Shareholder Rights and the Equal Treatment of Shareholders

EDL-GEN has achieved the implementation in fully applied (FA) 47%, followed by partial applied (PA) 53% and not applied (NA) 0% of total questions in the section, which has the details as follows:

Achievements	Outstanding Issues
- The organization of shareholder meetings: EDL-GEN sent an invitation letter at least 21 days and relevant important documents to shareholders before the shareholder meeting date as well as inform the procedures, methods of voting and voting result in each agenda including provide the right to shareholders in voting 1 share per 1 vote. - EDL-GEN has paid the dividends to shareholders as listed in the shareholders' book within 30 days after the date of having the resolution on dividend payment. - The appointment or cancellation of the audit firm contract and the audit service fee shall be approved by the shareholders' meeting. - The shareholders received comprehensive information regarding the experience and the background of candidates for board of directors' member including about age, academic qualifications and other relevant, such as directorships in other listed/non-listed companies. - The Chief Executive Officer and the external auditor regularly attended shareholders' meetings to answer questions and clarify the related issues.	- EDL-GEN does not set the policy of shareholder's rights who hold individually or collectively at least 5% of the company's total shares has the rights to add an agenda of the shareholder's meeting, and the shareholder who individually or collectively less than 5% of the company's total shares has the right to propose to add agenda of the shareholder's meeting to the company for consideration in the internal regulation. - EDL-GEN does not develop the dividend policy, especially related to the method of dividend payment within 30 days after the resolution of the shareholders' meeting in the Company's internal regulation. - EDL-GEN does not set the policy of shareholder's rights who hold individually or collectively at least 10% of the company's total shares has the rights to the board or company's director to convene the shareholder's meeting in the internal regulation. - EDL-GEN does not prescribe incidents on issuance of newly shares, transaction of the purchase, sale or transfer the assets with value at 50% or higher of company's total assets or other significant matters which shall be approved by the shareholders' meeting in the company's internal regulation.

3.2. Section 2 Management of Relationship with Stakeholders

EDL-GEN has achieved the implementation in fully applied (FA) 64%, followed by partial applied (PA) 27% and not applied (NA) 9% of total questions in the section, which has the details as follows:

Achievements	Outstanding Issues
- The board determined the policy on safeguarding and welfare, training and human development for its employees so that the company's employees can actively contribute to the implementation of the work to achieve the company's goals and involve in the company's corporate governance.	- The board does not formulate and set the policy on protect the rights and interests of its stakeholders. - The board does not formulate and set the policy on relationship with local community where the company is operating.

- EDL-GEN specified a contact channels to receive comments or petitions from its stakeholders on problems, doubts or violations of their rights/contracts on the website or the annual business performance report of the company. - EDL-GEN created a mechanism to provide information, comments or complaints of employees on the behaviors that is not in accordance with the code of ethics, regulations or laws of the board members or senior management of the company. - The board defined the policy on rigorously counter fraud and bribery in its code of ethics. - The board defined the policy on the selection of trade partners, suppliers and contractors.	- The board does not formulate and set the policy regarding the protection of the rights and interests of creditors, especially regarding security and default terms and conditions. - The board does not formulate and set policies for environment and promotion of its sustainable development.

3.3. Section 3 Disclosure and Transparency

EDL-GEN has achieved the implementation in fully applied (FA) 78%, followed by partial applied (PA) 3% and not applied (NA) 19% of total questions in the section, which has the details as follows:

Achievements	Outstanding Issues
- EDL-GEN disclosed information on the nature, value and list of related individuals and legal entities as well as the relationship of related persons to related party transactions in the company's financial statements. - EDL-GEN disclosed information on the company's vision, objectives, strategy plans for the business operation. - EDL-GEN disclosed information on the group of companies or companies in its group, risk factors, dividend policy, financial information, non-financial information, background and training of the board members, the number of times the board's meeting and board committees' meeting in the company's annual business performance report. - EDL-GEN disclosed information on the list of direct and indirect shareholders who hold 5% or more shares.	- EDL-GEN does not disclose the policy on related party transactions as considering procedures and related parties transactions approval (RPTs) and dividend policy in annual business performance report. - EDL-GEN does not report and disclose information on the purchase and sale of shares of board members and the senior managements, chief internal auditor, chief accounting officer and chief financial officer within 72 hours. - EDL-GEN does not disclose the criteria used for the nomination, election and appointment of the new board. - EDL-GEN does not disclose the internal regulations regarding the remuneration and of the board, the senior managements and its employees to the public through the company's website. - EDL-GEN does not disclose the policy on the remuneration and total value of the board members and the senior managements each

- EDL-GEN disclosed information on direct and indirect shareholdings of board members and the senior managements. - EDL-GEN disclosed information on changes or important events that occurred within the year in the company's annual business performance report. - EDL-GEN disclosed information on the annual financial statements, annual business performance reports, shareholders' meeting resolutions and minutes of shareholders' meeting on the company's website regularly. - EDL-GEN disclosed information about an officer in charge of relation with shareholders and investors (investor relations) on the company's website. - EDL-GEN disclosed the annual business performance report and annual financial statements that have been audited by external auditors within 120 days from the end of the accounting year. - EDL-GEN disclosed the financial statements for quarter 1 and quarter 3 within 45 days from the end of quarter 1 and quarter 3. - EDL-GEN disclosed financial statements for the first 6 months of the year that have been reviewed by external auditors within 60 days from the end of the 2nd quarter. - EDL-GEN disclosed the resolution of the shareholders' meeting within 24 hours after completion of the shareholders' meeting. - EDL-GEN has rotated audit firm every 5 years. - EDL-GEN disclosed the auditor's remuneration from auditing the financial statements each year in the annual business performance report. - Persons in charge of reporting and disclosure information have been appointed and have undergone training for such work	year in the company's annual business performance report. - EDL-GEN does not disclose the remuneration of board members each year in the company's annual business performance report. - EDL-GEN does not disclose the other service fees that are non-financial audition of the external audit firm.

3.4. Section 4 Roles and Responsibilities of the Board

EDL-GEN has achieved the implementation in fully applied (FA) 49%, followed by partial applied (PA) 27% and not applied (NA) 10% of total questions in the section, which has the details as follows:

Achievements	Outstanding Issues
- EDL-GEN has at least one non-executive board member with experience relevant to the company's business, in addition, include at least one female board member. - The appointment or dismissal of the board members have been approved by the shareholders' meeting. - The board of directors includes a total of 12 members. - Independent members can serve for a maximum cumulative term of eight years. - Each board member received significant documents related to the meeting of the board or the board committees at least 7 business days before the meeting. - The board has held meetings at least 4 times a year and each board member has attended at least 3/4 of all board meetings. - The board has created a statement on the corporate mission, vision and culture to be communicated to all staff of the company for their understanding on the company's strategic direction. - The board has appointed an audit committee, a risk management committee, nomination committee, remuneration committee and other committees. - The audit committee has non-executive members and ½ of them are independent members. - The chairman of the audit committee is an independent member with knowledge and experience in accounting. - The board has approved the board meeting plan that covers the date, time and agenda of the board meeting. - The board has convened at least 4 times per year.	- EDL-GEN does not set the board structure requirements shall include of 1 non-executive member and 1 female member in the board as well as requirements of being board members in the relevant internal legislation. - The board is without female members. - The Board does not have independent members, at least 1/3 of all members of the Board. - EDL-GEN internal role does not define the expiration of that term, independent members can continue to be eligible for selection and hold positions as other board members that is not independent member. - The board chairman is not an independent member, and the board does not designate a lead director among the independent director if the board chairman is not independent. - The chairman of the risk management committee, the nomination committee and the remuneration committee are not independent members. - EDL-GEN does not formulate and approve the internal regulations regarding the board committees as well as disseminate the said regulations to the public on the company's website. - EDL-GEN does not disclosed the employee succession plan for the positions of board members, the senior managements and key employees of the company. - The risk management committee does not approve and supervised the processes and policies in the identification and management of risks. - The board does not set a quorum of the board meeting at least 2/3 of the total number of members in the internal regulation. - The board does not conduct an annual self-assessment and assessments for its individual members and board committees.

- The board committees have fully convened their meetings in alignment with corporate governance principles.	- EDL-GEN does not disclose the criteria and conditions for evaluating the performance of board chairman, board members and board committee in the annual business performance report.

4. Suggestions for Improvement

4.1. Suggestions to be stipulated in the Internal Regulations

In order to enhance the corporate governance function, EDL-GEN should correct the following issues:

- Should set the rights who hold individually and collectively of at least 5% of the company's total shares have the right to add an agenda of the shareholder's meeting, and shareholders who held individually and collectively less than 5% of the company's total shares have the right to propose adding agenda of the shareholder's meeting to the company for consideration in the internal regulation;
- Should set the policy of shareholder's rights who hold individually or collectively at least 10% of the company's total shares has the rights to the board or company's director to convene the shareholder's meeting in the internal regulation;
- The board should formulate and approve the policies to protect the rights and interests of its stakeholders;
- The board should formulate and approve the policies on local community relations where the company is operating;
- The board should formulate and approve the policies to protect rights and interest of creditors especially regarding security and default terms and conditions;
- Should prescribe in the internal regulation regarding newly shares issuance, any investment, purchasing or selling assets with the value at 50% or higher of the company's total assets shall be approved by the shareholder's meeting;
- The board should formulate and approve the policy on environmental protection and promotion of sustainable development;
- The board should set the requirements, criteria of being board member, board personnel structure should have the independent member, non-executive member and female member, rights, duties, responsibilities, term of working or termination of being board member, procedure and working methods, policies on remuneration of board members and other matters as the corporate governance principles in the internal chapter.

4.2. Suggestions for Further Implementation

In order to enhance the corporate governance implementation, EDL-GEN should be more attentive:

- Should disclose the policy on related party transactions (RPTs), dividend policy and policy on the remuneration of its board member and senior management on both individual and aggregated basis in the annual business performance report;

- Should report or disclose on the purchase and sale of company shares of the board members or senior managements, chief internal auditor, chief accounting officer and chief financial officer within 72 hours.
- Should disclose other service fees that are non-financial audition of external audit firm (If any or not);
- The board should have independent members at least of 1/3 of total board members;
- The board should have at least of 1 female member;
- The board chairman should be an independent member, the board should designate a lead director among the independent director if the board chairman is not independent;
- The chairman of the risk management committee, the nomination committee and the remuneration committee should be an independent member;
- The board should approve the regulations of the nomination committee, remuneration committee and other committees as well as publish the regulations to the public on the company's website;
- The board should conduct an annual self-assessment and assessments for its individual members and board committees;
- The board should disclose the process of evaluating the performance of the board chairman, board members and board committees in the annual business performance report;
- Should formulate and disclose the internal regulation on the remuneration of the board members, senior managements and its employees to public via the company's website;
- Should disclose an employee succession plan for the position of board member, senior managements, and important employees of the company.

Chief Executive Officer of LSX