

Corporate governance operations

Corporate Governance and Ethics



Regulatory Structure

The Company's board of director consists of 8 directors of which 6 directors have no management role (including 5 independent directors), 2 directors with management role and the chairman of the board is an independent director who is not involved in the Company management nor has any authority to encumber the Company. There is a clear cut division of job responsibility. The Board of Directors has an important role in supervising the organization so that it operates transparently and fairly under good corporate governance principles, pay attention to social responsibility and the environment. There are sub-committees as follows: Audit sub-committee; Nomination and Compensation sub-committee; Corporate Governance sub-committee; Risk management sub-committee. All sub-committees are responsible for supervising various aspects stated in each sub-committee's code of conducts. The managing director is responsible for managing the business in line with the policy and guidelines specified by the Company's board of directors which maximize the benefits of the institution and stakeholders.

The assessment of the board performance is specified under the Company's Corporate Governance policy that consists of self-assessment of the entire board of directors, self-assessment of sub-committees (entire committee). The Nomination and Compensation sub-committee shall consider compensation to propose to the Company's board for consideration before submitting to the annual shareholder meeting for final approval.

The Company's board ensured that all stakeholders equally receive the correct and complete information. The Company provided opportunity to minor shareholders to nominate director(s) and to propose meeting agenda in advance the first time during 16 November– 30 December 2021 to promote the exercising of minor shareholders' rights. The chairman of the board, chairman of Audit sub-committee and chairman of all sub-committees and all the Company's directors participated in the 2022 annual shareholder meeting. In this connection, the Company was awarded 100 points in the 2022 Annual General Meeting quality assessment (AGM Checklist) by the Thai Investor Association (TIA). This reflected the Company's transparency in adopting good corporate governance practice and building trust for the shareholders and investors alike.

On the corporate governance survey, the Company received "Excellent" rating with respect to its sustainable short and long term targets.

From the survey on business governance of listed company for the year 2022 organized by Thailand Institute of Directors (IOD) with the support of the SET, the Company received the rating "Excellent" on the corporate governance assessment. (Excellent CG scoring)

Lease IT was selected by the Stock Exchange of Thailand as one of 170 listed companies on the list of Thailand Sustainability Investment 2022 as a result of its commitment to improving environmental, social, and governance performance (ESG).

Risk Management



The Company is aware of the importance of business risk management by considering internal and external factors such as changing economic, social and environmental conditions. The Company has in place acceptable risk management system including protecting or alleviating potential impact. The Company adopted the international standards of risk management principles (Committee of Sponsoring Organizations of the Treadway Commission: COSO) under the supervision of the Risk Management Committee which consist of independent directors who ensure efficient risk management process to minimize adverse impact to the business and still be able to compete whilst fulfilling the stakeholders' expectation. The Company analyzes the risks in all aspects that could prevent achieving the organizational targets including specifying approach to risk management as outlined in the annual report under the heading "Risk Factors".

The organization structure of Risk Management Committee consists of 4 independent directors tasked and The Risk Management Working Group have to specify risk management policy and propose to the Company's board of directors for their endorsement. Their other duties include outlining strategy and risk management plan that conforms to the company's business strategy, risk supervision and risk monitoring.

The Risk Management Working Group consists of a management representative from department with the managing director acting as the leader to guide the teams to operate in line with the risk management policy to ensure efficiency and acceptable risk as stated in the risk management guidelines and to instill risk management as corporate culture, to come under the supervision of the company's board of directors after being vetted by the Risk Management Committee.

Economic operation

Brand Awareness



Due to the Company's brand is not widespread and well-cognized by the target customer groups as well as it should be, the Company has long term plan to conduct public relation activities to promote its brand of financial products via the following channels.

- Conduct public relation activities via traditional media i.e. printed media, magazines and leaflet.
- Conduct public relation activities via event marketing i.e. Money Expo, MAI Forum
- Conduct public relation activities via social media i.e. Facebook Fanpage, Youtube, Line OA (Line Official Account)
- Promote through EDM or Electronic Direct Mail.
- Public relations through mailing. Directly to the target customers, which are SMEs that are partners with the government, state enterprises and large private companies.

Long term goals for year 2019-2023: Achieve the number of 'Like' page of up to 10,000.

In 2022, the company had achieved 6,891 'Liked'. This represents 69% of the goal.

Guidelines for public relations of financial products of the company The company operates with transparency. The information is accurate, complete, and not advertised exaggeratedly.

In 2022, the Company granted loans to a customer which operates solar energy business, environmental consultant totaling 78 million baht.

Given that the Company is involved in the financing business, it was able to assist promoters to alternatively have access to funds other than via commercial bank loans in order to tackle the issue of informal debt faced by SMEs. The total loans granted in 2022 were 4,109 million baht. In the context of informal loans in the system, the company assisted SMEs to shave off borrowing cost of between 1.5%-3.0% by extending loans in the total amount of between 61-123 million baht.

Development of Technology and Innovation



Financial technology keeps changing forcing the Company to make adjustments to the organization for smooth operations. The Company has made improvements to the information technology system to be modern with greater working efficiency.

In 2022, has continued to improve its core business application from the previous year. To be more modern and efficient in work. And has provided and developed a tool to store documents in the form of an electronic file for easy storage and search. The Company has set measures for information security and has clearly defined the right to access each type of information. And has brought a Robot to help in the following areas AR-reconcile, Get Customer from website, Use Line Notification to send information to sales department.

Innovation

The Company has brought the Robot to help in doing various operations as follows: AR-reconcile reduces the reconcile time of employees 90-92%, Get Customer from website in this section, and the Company has begun testing the E-Factoring system to improve the factoring credit services and also to encourage SMEs entrepreneurs to access funding sources more easily and quickly.

And in the situation of COVID-19, the Company has arranged to work from home, alternating with working at the office. Virtual Private Network (VPN) has been used for work from home for the safety of employees and their families. It also allows the business to continue to run. And the Zoom Meeting system has been used in meetings instead of joining the meeting together.

Environment

Climate Change



The Company realizes the importance of natural resources which is being depleted with time. The global weather condition is in the state of crisis. Every party concerned must jointly cooperate to alleviate the potential negative impact through various activities. The Company announced its intention to join the project “Talad Toon Thammapibarn” on the occasion of the King’s royal coronation rite to practice ‘Sufficiency Economy’ philosophy by managing the business with responsibility, always conscious of social and the environment benefit that will lead to sustainable benefit to the company, concerned parties, the society and population at large. This is also in line with the global community’s Sustainable Development Goal. The company’s stated mission is the reduction of greenhouse gas by separating wastage exclusively for recycling under the following goals.

In 2019, the goal is to reduce greenhouse gas by 1-5% and within 2022 the goal is reduction by 5-20%. In 2022 the result is able to reduce greenhouse gas release of 0.96 tCo2e or up to 2.21% of released greenhouse gas.



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