

Corporate Governance in 2018

The Board of Directors realizes the importance of having good corporate governance in order to add value to the Company which, in turn, will contribute to the long-term interests of the Company's shareholders, its other stakeholders, and to society as a whole. The Company has continued its strict compliance with the Good Corporate Governance Principles of the Listed Companies introduced by the SET in 2012. In 2018, the Board of Directors set up two sub-committees, namely, the Corporate Governance Committee and the Risk Management Committee, both of which will be instrumental in assisting the Board in setting up appropriate policies and always ensuring that the Company's management and operations are carried out as efficiently as possible in compliance with good corporate governance principles.

As a result, during 2018, the Company's Board of Directors resolved to undertake a review of the Company's CG Policy so as to ensure that the CG Policy is consistent with and accurately reflects the new Corporate Governance Code 2017. While the Company believes that it is already practicing the majority of the guidelines set forth in the new Corporate Governance Code 2017, the Board was of the view that undertaking a review of the Company's CG Policy, and making changes where it was deemed appropriate, would enhance the good corporate governance of the Company and, as a consequence, benefit the shareholders and all other stakeholders of the Company.

For 2018, the details of the Company's compliance with the new Corporate Governance Code 2017 may be summarized as follows:

Section 1 Rights of Shareholders

1. Right Protection of the shareholders

The Company encourages and gives importance on the rights of the shareholders beyond the legal rights and also encourages the shareholders to exercise their basic rights, including the right to trade or transfer shares, the right to receive dividends, right to receive adequate information from the Company, the right to attend and to vote in the shareholders' meeting to ensure that the shareholders have participated in the making of significant issues affecting the Company.

2. Shareholders' Meeting

The Company has a policy to encourage every group of its shareholders, including its institutional shareholders, to attend and vote in its shareholders' meeting. To ensure that this is possible, the Company will always ensure that the venue of its shareholders' meeting is easily accessible by road and by public transport and that the shareholders' meeting will never be convened on a public holiday, on a weekend, or otherwise outside normal office hours. The 2018 Annual General Meeting of Shareholders took place on 26 April, 2018 at the Miracle Grand Convention Hotel located near the Company's head office at No. 99, Khampang Phet 6 Road, Laksi, Donmuang, Bangkok 10210 at 10.00 a.m.

Before each AGM and EGM, the details stipulated in the Notice of the Meeting, including the meeting date, time, venue and agenda, including an explanation and rationale for each agenda item, as well as the opinion of the Board together with the various attachments, such as details

of the directors who shall be retired by rotation and be re-elected, Independent Directors' detail as a Proxy, the Company's Articles of Association in relation to the shareholders' meeting, the list of papers to show identification of the shareholders who have the right to attend the meeting and the proxy form B and form C which states 3 Independent Directors for proxy granting alternatives as well as the map of the venue were all posted on the Company's website in both Thai and English versions separately in advance so that the shareholders have sufficient information and time to study each agenda item before making decision in person or by proxy at the shareholders' meeting. In addition, the shareholders are able to ask questions in advance via e-mail directly to the Company's IR unit at IR@grouplease.co.th, already disclosed on the Company's website. Once the questions are received, the IR officer shall coordinate to have them answered by the authorized person or his representative.

3. Procedures on the shareholders' meeting date

Before the commencement of [each] [the 2018] shareholder's meeting, there was an announcement on the quorum, the procedure and method of vote casting, vote counting and vote reporting. A computer was used to facilitate the registration and vote counting during the shareholders' meeting so that the meeting could be carried out efficiently. In addition, the shareholders were encouraged to use the proxy form which can specify their voting choice and there were 3 Independent Directors offered as the shareholders' proxy granting alternative. Duty stamps were also provided without cost for the proxy granting and those shareholders who arrived late for the meeting were still afforded the right to participate in the meeting. On the agenda item relating to the re-election and appointment of new directors, the voting was done individually and voting cards were used for all agenda items and were kept for future reference, especially those disapproved and abstained voting for transparency and future auditing. A representative from the Company's independent auditor was assigned to be the witness in vote counting before the meeting began and was introduced to the Meeting and recorded in the minutes of the meeting.

Apart from having the Notice of the Meeting prepared in both Thai and English, the shareholders' meeting itself was also conducted in both languages so that both Thais and foreign shareholders were able to equally understand. Moreover, during the meeting, the Chairman provided the opportunity and sufficient time for the shareholders to express their opinions or ask questions concerning each of the agenda items and the Company's businesses fully before the vote casting. In addition, after all of the proposed agenda items had been completed, the shareholders were given a further opportunity to ask additional or follow-up questions. The shareholders' meeting would close only when there were no further questions from the shareholders..

4. Writing and releasing of the minutes of shareholders' meeting

Minutes of the shareholders' meeting shall always include the list of present and absent directors (if any). For 2018 AGM, there was 1 non-executive director absent so that the proportion for director's attendance was recorded at 90.9 percent. Moreover, the

minutes also included the explanation of voting method and vote counting as well as the important questions and answers together with the name of the person who asked and answered the questions in every agenda. The voting result will show the number of shares approved, disapproved and abstained votes and such results was disclosed on the SET's disclosure system within the next meeting date and the minutes of the meeting was disclosed on the Company's website on 10 May, 2018 or within 14 days from the meeting date.

Section 2 Equitable treatment of shareholders

The Board of Directors of the Company treats all shareholders fairly and equally, whether they be major or minor shareholders, corporate or individual shareholders, and irrespective of their nationality. In order to ensure the fair and equitable treatment of all of its shareholders, the Company follows the following guidelines:

1. Release of information before shareholders' meeting

For the Annual General Meeting of Shareholders 2018, the Board resolution on notice of shareholders' meeting together with the agenda and opinions of the Board both in Thai and English versions were disclosed to the SET and the notice of the meeting and other attachments were also posted on the Company's website on 26 March, 2018, or 30 days in advance of the meeting date and the invitation to the Meeting including the annual report was delivered to the shareholders on 12 April, 2018, or 14 days in advance of the meeting date. The Company used voting sheets for every agenda item and the vote counting method is based on 1 share per 1 vote for all shareholders. The meeting was informed of the voting method and the vote counting method together with the amount of shares / votes required from the shareholders to approve each agenda item was also announced before voting in each agenda item.

2. Protection of minor shareholders

Minor shareholders were provided with the opportunity of proposing agenda items and/or nominating qualified persons to be the Company's Director to be considered in the AGM FY2018 in accordance with the announcement on the SET Portal in which the procedures of making such proposals were disclosed on the Company's website and the period of proposal was during 1 October – 31 December, 2017. However, there were no agenda items or any director nomination proposed by the minor shareholders to be considered in AGM2018. In the re-election of Directors who retired by rotation, and the appointment of new directors, the shareholders had the right to vote for each person individually.

The Company did not include additional agenda items nor did it switch the sequence of the shareholders' meeting agenda in the AGM2018 from the sequence specified in the Notice of the Meeting.

3. Protection against abuse of inside information

The Company has prescribed guidelines regarding its confidentiality policy and its policy relating to the abuse of inside information in its official written Business Code of Ethics, [a copy of which is published on the Company's website.] The Company takes these matters extremely seriously and confirms that all directors and employees are expected strictly comply with the Company's Business Code of Ethics. Any director or employee who breaches the Company's Business Code of Ethics shall be subject to disciplinary action according to the Company's internal disciplinary procedures.

4. Conflict of interest by directors

The Company's Directors and executives (under SEC's definition) have an obligation to disclose their own and their related persons' interests which might have any conflict with the Company's interests since their first appointment according to Section 89/14 of the Securities & Exchange Act B.E 2535 and update the information whenever there is any change so that such related transactions shall be decided on the Company's highest benefit as a whole. Those who have significant conflict of interest which might limit their ability to make independent and impartial decisions shall not be entitled to participate in the decision making in respect of the matter for which the conflict has arisen.

Moreover, all directors and executives who have the obligation to report their Company shareholdings must also submit a report of any changes to such Company shareholdings to the SEC to comply to Section 59 of the Securities & Exchange Act B.E. 2535 according to the rules and method specified by the SEC. Such changes shall be acknowledged in the next Board of Directors' Meeting and the Company shareholdings of the directors and executives during the year shall be disclosed in the Company's annual report.

Section 3 Role of Stakeholders

The Company gives importance to and respects the rights of all of its stakeholders, including its shareholders, its customers, its employees, its suppliers, its creditors, its competitors, as well as the environment, the community, and society as a whole. The Board of Directors and management, therefore, have set up the following operational guidelines for the benefit of its stakeholders:

Guideline towards the Stakeholders

The Company also ensures that it complies with good corporate governance and business ethics in all of its dealings with its stakeholders, both internal stakeholders such as directors, management, employees and other staff, and external stakeholders such as shareholders, customers, creditors,

suppliers, competitors, as well as environment, the community, and society as a whole, all of which were prescribed in the Company's Business of Code of Ethics and which may be summarized as follows:

Shareholders:

The Company understands that its shareholders are the owners of its business and, as such, that the Company has a duty to contribute to the long-term interest of its shareholders by ensuring that its business is carried out with prudence, with an unwavering commitment to excellence, and as efficiently as possible. As such, the Company requires its directors, executives and employees to perform their respective duties with integrity, to make decisions professionally and with caution, to ensure that both major and minor shareholders are treated equally for the best interest of all shareholders, to report the Company's status, financial statements, financial and accounting information and other matters carefully, fully, and in a timely manner, and to prevent the use of the Company's confidential information for personal interest or otherwise in conflict with the interests of the Company.

Employees:

The Company realizes that employees are its most valuable assets and a significant component of the Company's success. Therefore, good culture and working atmosphere are enhanced. Environment around the work area shall always be taken care of in terms of safety. Recruitment, promotion, compensation, and transfer of employees will always be strictly based on labor law and will be considered equitably and fairly. Various kind of training courses are frequently provided to the employees to develop their knowledge and skills on a continuous basis, including courses on English proficiency, computer program, tax, accounting and finance matters, leadership skills as well as courses on the enhancement of operational knowledge, etc. in order to enhance their potential on their career path and finally for the benefit of the Company as a whole, as well as the Company's shareholders.

In 2018, the Company conducted a total of 48 internal training courses and 59 external training courses which were attended by an aggregate total 1,199 persons or an average of 8.7 hours per person.

Employees were also provided proper health and recreation welfare such as group life and health insurance, annual physical check-up, provident fund, allowances on wedding, maternity and funeral expense allowance, scholarship for employee's children who achieved excellent academic results, motorcycle insurance for the staff who use motorcycle on their job and motorcycle hire-purchase to employees at low interest rates. In addition, the Company arranged recreation activities to enhance good relationship among the employees and also concern about their health by encouraging them to do more exercise such as Weight Loss within 12 weeks Contest to win the prize from the Company. Many work-out activities after work such as aerobics, yoga, etc. were initiated for the employees to participate including the establishment of football club.

Customers:

The Company aims to build satisfaction and confidence to its customers to ensure the best quality services under appropriate safety and technology and continue to raise its service standards. Information regarding the services offered will be disclosed completely, correctly, in a timely manner and without any distortion to the customers. The Company focuses on operating its business with reasonable cost while maintaining an efficient, fast, and high quality of service thus fulfilling the Company's business philosophy: First, Fast and Forward. Customers' confidential information shall always be kept confidential and such information shall not be used for the Company or other related person's benefit and never solicit or offer any illegal benefits to customers.

Suppliers: Suppliers will be selected on a fair and equitable basis. The Company shall deal with its suppliers in strict compliance with the commercial terms of the arms-length legal agreements executed with them. . The Company does not do business with suppliers who are suspected of corruption or of soliciting bribes. Under no circumstances will the Company accept, solicit or offer any bribes to its suppliers.

Creditors: The Company strictly complies with the terms and conditions made with its creditors, including the punctual repayment of its debts and other conditions specified in the agreement.

Competitors: The Company supports and encourages fair competition with other firms doing the same business. Competition is done under the framework set by the industry or regulators. The Company does not act to take advantage of its competitors by using improper or unethical methods

Community, Society & Environment The Company has the policy in operating the business with responsibility towards community, society and environment in terms of safety, quality of life and natural resources conservation. We promote the efficient utility of energy and resources, offer assistance to the community by making donations and encouraging employees to arrange and participate in various social responsibility activities or environmental conservation in order to instill consciousness of social responsibility to the employees.

In 2018, the Company participated with our business partners in social responsibility activities, including supporting Children’s Day in Nakhonratchasima Province, donating field player equipment, educational toys, furniture, and food and clothing to schools, temples and public organizations that support the underprivileged. The Company’s employees also participated in a blood donation initiative of the Red Cross Society which was undertaken at the Company’s head office.

Policy on anti-corruption and prohibition of bribery for commercial benefit of the Company

The Company’s Board of Directors passed a resolution to establish an Anti-corruption Policy in January 2016. Formerly, the Company had stipulated corruption as a prohibited action in the Employees’ regulations and also included such matter in the Company’s Code of Business Ethics. However, the Board of Directors has enhanced such regulations for clearer and more updated provisions and this Anti-corruption policy shall be inserted as a part in the Company’s Code of Business Ethics. The Anti-corruption Policy states that:

"Directors, executives and employees of the Company and subsidiaries are prohibited to participate in any corruption, bribes either to or from the government or private officers in any form whether directly or indirectly in return for wrongful benefits for oneself, family, friend and acquaintances or to get business for the Company or for commercial advantage. They must also comply with the Company’s Business Code of Ethics and other laws in Thailand in relation to anti-corruption."

Process on Risk Evaluation from corruption and guideline on governance and risk monitoring

- 1) Internal Audit Department is responsible for the risk evaluation from corruption actions by setting up yearly audit plan which covers various audited items that may incur the risk from corruption done by employees to the Company during the performing of duty or done with the outsiders such as customers, suppliers or government officers and report the results to the Audit Committee for further action in compliance to the Company's rule or related laws as the case may be. The auditing should be done regularly in each department and the risk criteria and Company's rules should be reviewed regularly to always ensure the effectiveness to control the risk to be within the acceptable level and to ensure the implementation of such policy.
- 2) When there is any corruption cases found, an investigation committee will be established to investigate the case and if found guilty, the person shall be penalized or put under disciplinary action according to the Company's rule.
- 3) In order to be fair to the accused of corruption in case of disagreement to the accusation, such person can file a complaint by following the complaint filing procedure specified in the Company's rule.
- 4) Anti-corruption Policy has been set as a course in the employees' training course and the orientation of new employees. It was posted on the intranet of the Company in both Thai and English versions in order to declare the Company's intention of doing business without corruption.

Channel provided for any stakeholders to contact or complain directly to the Board of Directors (Whistle Blowing) about matters of concern

Stakeholders who observed any suspicious act of corruption or bribery or a suspected violation of the law, the Business Code of Ethics or the good corporate governance policy of the Company or any malpractice which may adversely affect the Company's image by directors, management and employees may report in writing specifying their name, contact address or number or any other contact channel, stating the details of matter of concern and submitting the evidence to the Company via registered post addressed below:

Chairman of Board of Directors
Group Lease Pcl.
P.O Box 149, Bang Sue,
Bangkok 10800

This PO Box was specially opened exclusively for the purpose of complaints on corruption or bribery reporting and the Internal Audit Department Manager is the responsible person. After receiving the complaints, Investigation Committee shall be set up to investigate the matter. The accused person is given the right to defend himself before final result and penalties can be summarized and report to Audit Committee and the Board of Directors for acknowledgement.

In addition, in order to protect the rights of the whistleblower or those who reveal the information, the Company shall take appropriate care to conceal the identity and address or other information that can lead to the identity of the whistleblower. The employee who discloses matters of

concern in good faith will not be penalized or put under disciplinary action or demotion, suspension or layoff or any other actions that may have an adverse effect on such employee. Employees who make false accusations will be dealt with very seriously in accordance with the Company's internal disciplinary policy.

For other complaints such as problem on service rendered or other violation of rights or the complaints other than corruption cases can be done via e-mail address: glpcl@grouplease.co.th or by telephone number: 0 2580 7555 contact Customer Service or access through the Company's website at: www.grouplease.co.th /Investor Relations. All the complaints shall be forwarded to the related Management who shall promptly investigate the matter and take the best action to solve the problem and make improvement.

Section 4 Disclosure and Transparency

The Company has a policy to disclose important information both financial and non-financial regarding the Company's business and operating result which is clear, accurate, sufficient and timely to all concerns in order to strictly comply to the rules set by the SET and SEC to be transparent. The Company's information which was disclosed through the SET's electronic system (SET Portal) is also posted on the Company's website under "Investor Relations" section to enhance the equality of information to public.

Besides disclosing the mandatory information through SET Portal system, the Company also discloses other important information through form 56-1 and annual report including its website in Thai and English versions. Such information shall be updated regularly so that investors and other stakeholders are able to use them in making investment decision accurately and equitably. Those who are interested may visit the Company's website anytime at www.grouplease.co.th. In addition, towards the end of 2018, the Company had created new URL: www.grouplease.international in order to facilitate fast and easy access to enter our global network directly.

The Board of Directors had set up Investor Relations Department and the Chief Executive Officer or his designated shall be assigned to be the Company's speaker who has the duty to communicate with the investors, shareholders, analyst including the related governor and the analyst meeting has been arranged regularly in order that the Company's important information shall be disclosed efficiently. In the year 2018, the Company arranged 4 Analyst Meetings in March, May, August and November, 2018 or once a quarter after the financial statement has been disclosed.

Disclosure Policy of the Company reads as follows:

- The Chief Executive Officer or the Chief Investor Relations Officer or the executive who is assigned the duty of Chief Investor Relations Officer is authorized to consider and determine the contents of the important information to be disclosed. He can do the disclosure by himself or empower others to do the disclosure for him.
- The information to be disclosed should be correct, transparent, equally and timely as regulated by the SET or other related regulators.
- The Company shall disclose inside information and other information needed to be disclosed according to the SET's rule through the SET's electronic system (SET Portal) before or simultaneously with the disclosure on the Company's website for transparency and equality of the receiving of information.
- The PR news of the Company shall be disclosed on the Company's website.

Section 5 Responsibilities of the Board

1. Roles and responsibilities of the Board

- Review and approve key business issues The Board of Directors involved in determining the Company's vision, mission and planning of strategy, objective, policy, and budget. It also advises and controls the implementation of the plan according to the policy. There will be presentation of performance to be presented in the Board of Directors Meeting every month.
- Corporate Governance Policy The Board of Directors set and approved a written corporate governance policy for the Company starting from the year 2007 and regularly updated to be more appropriate and in line with the corporate governance principle and guideline and there has been a report on corporate governance practice in compliance to such policy annually disclosed on the Company's annual report and posted on the Company's website.
- Business Ethics The Board of Directors set up the guidelines for Directors, management and the employees according to the Business Code of Ethics or Statement of Business Conduct. Such guidelines are put in writing, and are informed to directors, management, and employees by including in the orientation of new employees and posted on the Company's intranet system as well as communicated to public by posting on the Company's website. Furthermore the operation guidelines were also set up in writing as the Company's rule so that the employees can follow as operational guidelines to work with honesty and good discipline and such rule also states penalties in violation of the regulations.
- Conflict of Interests The Board of Directors proposed the preventive action for conflict of interest carefully and honestly, reasonably and independently under good business ethics significantly for the benefit of the Company. The preventive actions are set as follows :
 - 1) Important transactions between the Company and related persons have to be considered and approved by the Board of Directors and in presence of Audit Committee and in compliance with the SET's rules and regulations and the Securities and Exchange Act. Directors who have conflict of interest in such transaction cannot vote. Additionally, the minimum quorum while making resolution in the Board Meeting should not be less than two-third of the total number of the Board of Directors.
 - 2) Related party transactions should be disclosed to the shareholders together with the opinion from the Audit Committee or independent financial advisor whether such transactions are appropriate in terms of price and justification of the transaction (as regulated).
 - 3) Directors and management are prohibited to use the Company's information for own benefit both directly and indirectly.
 - 4) The Company's Board of Directors' Meeting No. 8/2008 held on August 21st, 2008 had approved in principle that the management is able to approve the related transactions which have the same commercial terms as those an

ordinary person would agree with any unrelated party under similar circumstances, on the basis of commercial negotiation and without any dependent interest resulted from the status of the director, executive or related person as prescribed in the Securities and Exchange Act No. 4, BE. 2551. However, the related transactions which worth more than 1 million baht will be reported in the Board of Directors' Meeting for acknowledgement.

- Internal control System The Board of Directors realizes the importance of internal controls in every procedure to get the most efficient operations and to have sufficient internal control appropriated for each operation procedure of each system. As a result, Internal Audit Department was set up and report directly to the Audit Committee. The Company sets up duties and scope of authority to access inside database system of the staff and management in different levels by using employee's code as the password to access the system so that different staff shall have different scope of authority to access the Company's database differently. In addition, the Company also segregated the duties of the operator and evaluator clearly. For financial control, the Company sets control procedure system for verifying financial report. Those reports are presented to the related management monthly. The Company also arranges the management meeting to consider the accuracy of the reports every month. Moreover, accounts receivable management report is done monthly for risk management control. Accounts receivable will be grouped according to historical payment and each group will be taken care of by related officer.
- Risk Management Policy It is the policy that every division is to perform in compliance with the regulations and relevant laws. Operating policy, operating regulations and command of authorization are in writing and revised to cover the on-going operation. The Risk Management Committee together with the management of each department shall assess the risk from the business and report to the Audit Committee for acknowledgement which shall facilitate in the internal audit planning. In addition, the result of the risk assessment of the business in term of the impact to the Company and the resolution to manage such risk shall also be acknowledged.
- Governance on Company's subsidiary In order to take care of the Company's investment in subsidiary company to the best interest, the Board of Directors has assigned appropriate personnel to become director in the subsidiary in order to control the operations of the subsidiary to be in line with the Company's policy and to ensure that various transactions are carried out in compliance with the rules and laws of each country. The operating result of the Company's subsidiaries was regularly reported in the Board of Directors' meeting.

2. Check and Balance of directors

The Board of Directors determined the proportion of its member between executive and non-executive directors appropriately to be able to balance the authority of the Board of directors so that no single group can make decision on their own. As of 31 December, 2018, the Company's Board of Directors consisted of 13 members divided into 3 Executive Directors, 5 non-

executive directors and 5 Independent Directors who are also the Audit Committee or equal to 38% of the total members of the Board of Directors.

3. The Aggregation and Segregation of Role

At present, Chairman of the Board of Directors of the Company is an Independent Director and is a different person from the Chief Executive Officer. In addition, both roles are clearly separated in order to balance between management and good corporate governance.

4. Board of Directors' Meeting

At present, the Company's Board of Directors meeting is arranged once a month. The Audit Committee meeting is set to be held once a quarter. In December of each year the Board will be proposed to determine the next year's Board of Directors and Audit Committee as well as AGM meeting schedule in advance. However, if there is any urgent agenda that the Chairman or other directors need to bring in for the Board's attention, additional meetings can be arranged as necessary. In 2018, the Board of Directors' meeting was held altogether 17 meetings of which 12 meetings were monthly meetings and the rest 5 meetings were extra ones and the average percentage of each member for Board Meeting attendance was about 91%. The Company Secretary will send notice to the Board meeting and the Board papers to all directors at least 7 days in advance which was considered sufficient for the directors to study before coming to the meeting. Should any directors need more supporting information or reports, he can always ask from the related executives. In each monthly meeting, the agenda on operating result of the Company and its subsidiaries both in Thailand and overseas is set as regular agenda, and the Meeting is also updated on the market outlook, competition situation and other significant issues regularly each month. For each meeting, Chairman has allocated sufficient time for the meeting and all directors always pay high attention and give sufficient time to every proposed agenda as appropriate.

Moreover, the Board of Directors has the policy to let the Audit Committee which comprises of non-executive directors arrange a meeting with the external auditor of the Company without any presence of management team at least once a year in order to discuss various problems concerning management issues independently and the result will be reported in the Board of Directors' meeting. As for the year 2018, the Audit Committee had meeting with the external auditor twice without presence of management.

5. Board of Directors' Reporting

Board of Directors is responsible for the report on the Company's consolidated financial statement as well as the financial information disclosed on the Company's annual report. Such financial statement was prepared in accordance with the generally accepted accounting standard in Thailand with appropriate accounting policy consistently implemented so that the reports are accurate and reflect the important and sufficient information in the notes to financial statement.

Audit Committee was assigned to be responsible for the quality of the financial reporting and the internal control. Audit Committee's report is shown in the Company's annual report. The Board of Directors has the opinion that the Company's financial statement as of 31 December, 2018 was accurate, complete, and reliable.