

Internal Control, Insider Information and Related Party Transactions

Internal Control

The Erawan Group Public Company Limited is committed to conducting its business in accordance with ESG principles (Environmental, Social, and Governance). We prioritize a robust and effective internal control system to ensure transparent, efficient, and effective management. This system supports the achievement of key strategic and operational objectives while adhering to all relevant laws, regulations, and guidelines. We ensure the accuracy and reliability of our financial reports and other critical reports. All executives and employees are expected to conduct business and perform their duties with a strong focus on good corporate governance and social responsibility. Our risk management framework is effective, and we maintain a balanced internal audit mechanism that aligns with internationally recognized standards while considering the interests of all stakeholders.

At the Board of Directors' Meeting held on 24 February 2025, the Board evaluated the adequacy of the internal control system using the evaluation form provided by the Securities and Exchange Commission. This evaluation was prepared by management and reviewed by the Audit Committee. The overall evaluation results demonstrate that the Company maintains a sufficient, effective, and efficient internal control system, along with a risk management process that meets international standards and encompasses both the organizational and activity levels. This provides assurance that the Company can achieve its established objectives. The following summarizes the key aspects of the internal control system based on the COSO Framework of Internal Control (The Committee of Sponsoring Organizations of The Treadway Commission), which outlines five key components for achieving internal control objectives:

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

For more details, please see "Attachment no. 10 Internal Control Sufficiency Evaluation".

Insider Information

The Company placed significant importance on the proper handling of insider information. We are committed to prevent instances of directors and executives using insider information for personal gain or to benefit others, a practice known as Abusive Self-Dealing. This is particularly crucial regarding information that has not yet been publicly disclosed or that impacts on the organization's strategic plans, business operations, commercial negotiations, and stock price. The misuse of insider information creates an unfair advantage and can harm shareholders. The Company has communicated and emphasized the importance of this issue to all executives and employees through the Code of Conduct on Executives' Ethical Standards and Best Practices for Employees. (For more details, please see "Code of Conduct")

Based on the review and monitoring of operations related to the prevention of insider information usage in 2024, no instances of unfair actions or exploitation of investors through the misuse of insider information by the company's directors and executives were identified. Furthermore, no disciplinary violations related to confidentiality, the company's interests, or corruption were observed among executives and employees. Consequently, no disciplinary actions were deemed necessary.



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Related Party Transactions

The Company requires prior approval from either the Audit Committee or the Board of Directors, as applicable, for any transaction that may present a potential conflict of interest. Furthermore, detailed information regarding transactions with potential conflicts of interest during the past year, including their values, explanations, and justifications, must be clearly disclosed. The Company mandates that directors and executives involved in such transactions disclose information and/or the nature of relationships not only for themselves but also for their spouses, close relatives, and any personal relationships with any bidder to the Office of the Company Secretary and Corporate Governance Division, ensuring transparency. Additionally, they are required to abstain from voting and/or participating in the decision-making process related to such transactions.

The Board of Directors has established clear measures and procedures for approving related party transactions, which must be strictly adhered to. When the company enters into any contract or transaction with subsidiaries, affiliates, external parties, or individuals with potential conflicts of interest, the Board mandates strict compliance with the Securities and Exchange Commission of Thailand's regulations on related party

transactions. All such transactions must be conducted on an arm's-length basis, comparable to those offered to third parties. Furthermore, directors or employees with a vested interest in the transaction are prohibited from participating in the approval process. The company's decision to enter into such agreements must be based on a thorough evaluation of their necessity and appropriateness, with the primary objective of safeguarding the company's best interests. There is no current policy or intention of engaging in any future related party transactions.

Related party transactions are detailed in the Notes to Financial Statements and the Related Party Transactions table. All transactions were deemed reasonable and considered normal business operations. They were conducted with the ultimate benefit of the company in mind. Related party transactions were reviewed by the Audit Committee and/or the Board of Directors on an arm's-length basis. These reviews confirmed compliance with our internal requirements, the regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and the accounting standards regarding the Disclosure of information related to connected persons or transactions.



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