

Internal Control and Related Party Transactions

Internal control and Protection of Internal Information

In 2022, the Board of Directors convened thirteen times at which the Audit Committee attended every time to give opinions about an adequacy and soundness of the internal control system. The Audit Committee summarized and reported internal audit activities to the Board of Directors on February 21, 2023 as indicated in the Report of the Audit Committee to Shareholder and the Board of Directors expressed the same opinions as the Audit Committee in this matter, which can be summarized as follows:

Internal Control System

The Audit Committee has direct responsibilities to supervise the company's internal control system in every aspect, whether on accounting, finance, legal compliance and compliance to relevant rules and regulations. The Audit Committee formulates auditing mechanisms to ensure effective balance of power. There is also the Internal Audit Division to audit performance of all divisions based on a risk-based auditing plan and to offer advice on how to set up a good internal control system.

The Audit Committee has duties to review auditing plans; to control and supervise the Internal Auditing Division's independence; to approve appointment, transfer and termination of the Internal Auditing Division's supervisor and to ensure that the Internal Auditing Division remains independent. The Committee must also make sure that the division can perform its auditing functions and balance the existing power according to the prevailing standards. The division is to directly report its auditing work to the Audit Committee at least once each quarter to ensure that the company's internal control and internal auditing work is conducted in a thorough manner and no damage occurs to the company.

Protection of Internal Information

The company has given priority to focus on using of our internal information and the prevention of our directors and executives from using internal information for their benefits or the so-called abusing self-dealing. This applies specifically to internal information not yet disclosed to the public or information that may affect our corporate strategy, business, trade negotiations and share prices, which, if abused, not only means that our shareholders are taken advantage of, but it can damage shareholders in general. That's why we have set our Executives Ethical Standards as a practice with heavy penalties in case of violations or intended violation of

the 10 practices stated in the Code of Conduct under the topic of "Executives Ethical Standards"

We also allow different levels of staff to get access to different types of internal information based mainly on their responsibilities and duties. Disciplinary actions are stated in our Work Regulations under the topic of "Disciplinary Actions and Penalties". For example, Clause 3.2 Re: Disciplines regarding confidentiality and corporate profits prohibits employees to "seek inappropriate benefit from the company or others relating to the company. Employees are prohibited to conduct personal business or to work for others in an identical or similar business as the company's although the work may be performed outside the company's office hours". With regard to disciplinary actions and punishment, the company will normally appoint the Disciplinary Action Committee to conduct an investigation and to ensure fairness to accused staff. In 2022, there was no wrongdoing activity, so no disciplinary consideration and punishment was done.

Related Party Transactions

The Erawan Group requires an approval from either the Audit Committee or the Board of Directors, as the case may be, when conducting a transaction that may cause a possible conflict of interest. In addition, details of transactions with possible conflict of interest during the past year and their values are disclosed while explanations and reasons for the transactions are clearly stated in the Annual Report. The Erawan Group requires its directors and executives involving in the transaction to disclose the information and/or types of relationship not only of his own, but also of his spouse, closed relatives as well as personal relationship with any bidder for transparency purpose to the Office of the Company Secretary and Good Corporate Governance Division. In addition, director shall abstain from voting and/or not be part of the decision-making process.

Related party transactions are shown in the Notes to Financial Statements and Related Party Transactions table. All transactions were reasonable and were considered normal transactions. They were conducted for the company's ultimate benefit. Related party transactions had already been reviewed by the Audit Committee and/or the Board of Directors on an arm's length basis that they were in compliance with our requirements and rules and regulations of the SEC and the SET and that they were not against the accounting standards Re: Disclosure of information in relation to connected persons or transactions.

Related Party Transactions between businesses with the following relationships were executed.

Person/entity	Description
1. Sushi Ichi (Thailand) Co., Ltd.	
Type of business: Restaurant	Space Rental Agreement with Erawan Hotel Public Company Limited for 110.07 sqm. at rate THB 1,467.70 /sqm. /Month. The agreement ended in March, 2022.
Nature of relationship:	
<ul style="list-style-type: none"> Mr. Gavin Vongkusolkit is Director and Authorized Director of Sushi Ichi (Thailand) Co.,Ltd. Vongkusolkit Group holds 30.68 percent of the Company's shares. 	
2. Tawanna Property Co.Ltd.	
Type of business: Hotel	Consultancy Service Agreement between Tawanna Property Co., Ltd and The Erawan Group Plc. with the total amount of 6.05 million baht
Nature of relationship:	
<ul style="list-style-type: none"> Mrs. Panida Thepkanjana, Director and Authorized Director of Tawanna Property Co., Ltd Wattanavekin Group holds 29.04 percent of the Company's shares. 	
3. Kiatnakin Phatra Bank Plc.	
Type of business: Commercial Bank	The Short - term loan agreement of 500 million baht with an interest rate at MMR (Money Market Rate), for using as the company's working capital. As of 31 st December 2022, there is no draw down to loan.
Nature of relationship: Wattanavekin Group holds 29.04 percent of the Company's shares	

The Audit Committee's opinions

The agreed price was a market price and not lower than the price offered to other tenants or service users based on business standards.

Necessity and Soundness of Related Party Transactions

In case the Erawan Group signs an agreement or conducts a related party transaction with a subsidiary company, affiliate, related company and/or the third party, the Erawan Group will consider the necessity and soundness of such contract based mainly on the company interests.

Approval Measures or Procedures of Related Party Transactions

If the Erawan Group is to execute a contract or if there is any related party transaction between itself and its subsidiary, affiliate, related company, the third party and/or anyone with possible conflicts of interest, the Board of Directors requires the company, for the purpose of its benefits, to comply with the rules stated in the Stock Exchange of Thailand's (SET) Announcement Re: Information disclosure and practices of listed companies in related party transactions. Meanwhile, prices and other conditions shall be as if the transaction is at arm's length where directors or staff having an interest in such transaction must not participate in any approval process.

Policy or Outlook for Future Related Party Transactions

-None-



Grand Hyatt Erawan Bangkok