

Internal Control and Related Party Transactions

In 2021, the Board of Directors convened twelve 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 22, 2022 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 finance, accounting, 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 performances 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.



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