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Invitation to the 2022 Annual General Meeting of Shareholders

The Erawan Group Public Company Limited

Tuesday 26<sup>th</sup> April 2022, at 14.00 hours

by Electronic Method (E-Meeting) only

The registration will be started at 13.00 hours

Download: 56-1 One Report 2021 and Meeting Information



<https://www.set.or.th/set/tsd/meetingdocument.do?symbol=ERW&date=220426>

The registration Username and Password cannot log-in more than one device.

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(Translation)

ERW022/GCG004/2022

March 25, 2022

Subject: Invitation to the 2022 Annual General Meeting of Shareholders

To: Shareholders

The Board of Directors' Meeting of The Erawan Group Public Company Limited ("ERW") was held on Tuesday, February 22, 2022 has resolved to convene the 2022 Annual General Meeting of Shareholders (AGM) by Electronic Method (E-Meeting) on Tuesday, April 26, 2022 at 14.00 hours to consider the agendas as follows:

**Agenda 1: To acknowledge the 2021 AGM minutes.**

The Company Secretary prepared the minutes of the 2021 AGM held on Tuesday, April 27, 2021 and published on the Company's website: [www.theerawan.com](http://www.theerawan.com) on Monday, May 10, 2021, within 14 days of the meeting and no opposition for such minutes.

The Board of Directors considered and concluded that the minutes was correctly recorded and reflected the resolutions of the Shareholders' meeting. Therefore, the Board propose this Shareholders' meeting acknowledge the Minutes of the 2021 AGM. The copy of the minutes has been sent to the shareholders together with the notice of this meeting as per the Enclosure No.1.

**Board of Directors' Opinion:** The Shareholders should acknowledge the Minutes of the 2021 AGM.

**Agenda 2: To acknowledge the Company's operating results for the year 2021.**

The Company prepared the financial and non-financial operating result report for the year ended December 31, 2021 which was shown the Company's performance in 2021. The Board of Directors has considered the report and concluded that it was accurate and adequate, propose this Shareholders' Meeting acknowledge the results of Company's operating in 2021 and the Report of the Board's Responsibility in the Financial Statements. The Details are as show in Part 1 "Management Discussion and Analysis" and Part 3 "Financial Statement" of 56-1 One Report 2021 which can be downloaded from QR Code in the invitation letter (Enclosure No. 2).

**Board of Directors' Opinion:** The Shareholders should acknowledge the Company's operating results for the year 2021.

**Agenda 3: To consider and approve the Audited Financial Statements for the year ended December 31, 2021 including the auditor's report.**

The Company prepared the Financial Statements for the year ended December 31, 2021, which was audited and certified by the auditor of the Company. The Board and the Audit Committee considered it was correct, complete and adequate in accordance with the general accounting principles, and therefore wish to propose it to this Shareholders' Meeting for approval. The details are as shown in Part 3 "Financial Statement" of 56-1 One Report 2021 (Enclosure No. 2). The summary of the Company's financial status and performance are as follows:

(Unit: million THB)

Items	Company Only	Consolidated
Total Assets	17,536.5	22,450.2
Total Liabilities	10,245.9	16,427.5
Total Shareholders' Equity	7,290.6	6,022.7
Total Revenues	653.3	1,641.3
Net Profit & (Loss)	(1,725.4)	(2,155.4)
Net Profit & (Loss) (Attributable to owners of company)	(1,725.4)	(2,050.2)
Earnings (Loss) per share (THB)	(0.4736)	(0.5628)

**Board of Directors' Opinion:** The Shareholders should approve the Audited Financial Statements for the year ended December 31, 2021 including the auditor's report which were certified by the Audit Committee and endorsed by the Board of Directors.

**Agenda 4: To consider and approve the omission of dividend payment for the fiscal year 2021.**

Since the consolidated financial statement for year 2021 indicated the net loss 2,050.2 million baht, the Board of Directors therefore propose this Shareholders' Meeting consider the omission of dividend payment for the fiscal year 2021 same as previous year that the company has the net loss 1,715.3 million baht. However, the Company's payment policy to distribute dividend in the rate of 40% of net profit on Consolidated Financial Statement after deductions of all categories of reserves as specified by law and the Company.

**Board of Directors' Opinion:** The Shareholders should approve the omission of dividend payment for the fiscal year 2021.

**Agenda 5: To consider and appoint the directors in replacement of those who complete their terms by rotation.**

In compliance with the Clause No. 19 of the Company's Articles of Association, at each Annual General Meeting of Shareholders, not less than one-third of the Directors shall retire. If the number of directors is not a multiple of three, the number of directors shall be the closest to one-third. The director who vacates his office may be re-elected. In the 2022 AGM, 3 directors will complete their terms according to the mentioned clause namely:

- |                            |                      |
|----------------------------|----------------------|
| 1. Mr. Chanin Vongkusolkit | Director             |
| 2. Mr. Banyong Pongpanich  | Independent Director |
| 3. Mr. Gavin Vongkusolkit  | Director             |

The Board of Directors has considered the prudent and attentive opinion of the Nominating and Corporate Governance Committee, by which Mr. Gavin Vongkusolkit, who has special interest on this agenda abstained from the consideration of qualification for self-appointment, and agreed that three directors have competence and experiences proven useful to the Company's operation, they have never been punished by an expulsion or removal from the organizations on the ground of corrupt practices in official duties, or imprisoned for an offence against property committed dishonestly, or undertaken any business of the same nature as and competing with that of the company, whether on his own account or on account of a third person. The Company, therefore, proposed the

Shareholders' meeting to consider and approve the reappointment of all three directors to act as the directors for another term. The term of office will be three-year term starting from April 27, 2022 to the 2025 AGM.

The company's policy didn't allow the minor shareholder to nominate the candidate for the election of director to the Nominating and Corporate Governance Committee, then the committee has selected the candidates by following the Director's Selection Criteria and Guidelines of the company. The details are as shown in Enclosure No. 3 "Information to Appoint Directors" and the 56-1 One Report 2021 (Enclosure No.2) under the following sections: Part 2 "Corporate Governance Structure" and "Qualification of Directors of the Company" that is more intense than the minimum requirements of SEC.

**Board of Directors' Opinion:** The Shareholders should approve the reappointment of all three directors to act as the directors for another term. The term of office will be three-year term starting from April 27, 2022 to the 2025 AGM. Directors who have conflict of interest will be abstained from this agenda.

**Agenda 6: To consider and approve the directors' remuneration for the year 2022.**

The Nominating and Corporate Governance Committee reviewed the remunerations of the Company's directors and members of the sub-committees on the basis of the director's roles and responsibility which was shown in 56-1 One Report 2021 (Enclosure No. 2) under the following sections: Part 2 "Roles and Responsibilities of the Board of Directors and the Committee" and the significantly impact from the COVID-19 pandemic to the company business. As such, the Nominating and Corporate Governance Committee recommended the Board to endorse the 2022 director's remunerations' rate are the same of previous year. Total annual remunerations of THB 4,400,000. Details are as follows:

<u>The Remunerations of the Company's directors</u>	<u>2022</u>	<u>2021</u>
<b><u>Retainer Fee</u></b>		
- Chairman	THB 27,000/month	THB 27,000/month
- Director	THB 18,000/month	THB 18,000/month
<b><u>The Attendance fee</u></b>		
1) Audit Committee		
- Chairman	THB 23,400/meeting	THB 23,400/meeting
- Member	THB 18,000/meeting	THB 18,000/meeting
2) The Strategic and Investment Committee		
- Chairman	THB 19,500/meeting	THB 19,500/meeting
- Member	THB 15,000/meeting	THB 15,000/meeting
- Executive Director	-0-	-0-
3) The Nominating and Corporate Governance Committee		
- Chairman	THB 15,600/meeting	THB 15,600/meeting
- Member	THB 12,000/meeting	THB 12,000/meeting

	<u>2022</u>	<u>2021</u>
4) The Management Development and Compensation Committee		
- Chairman	THB 15,600/meeting	THB 15,600/meeting
- Member	THB 12,000/meeting	THB 12,000/meeting

**Board of Directors' Opinion:** The Shareholders should approve the directors' remuneration for the year 2022 for not more than THB 4,400,000 and without any other benefits. The mentioned remuneration rate shall remain effective until resolved otherwise by the Shareholders' meeting. The proposal is appropriately recommended by the Nominating and Corporate Governance Committee and has been endorsed by the Board of Directors.

**Agenda 7: To consider and appoint the auditors and approve the audit fee for the year 2022.**

The Board of Directors and the Audit Committee considered selecting KPMG Phoomchai Audit Limited ("KPMG") as the Company's auditor caused its satisfactory auditing results and internationally well-recognized reputation. In complying with the Performance Standard, independence, the code of conduct and integrity, the Board of Directors propose that the Shareholders' meeting appoint the following auditors from KPMG to be the Company auditors for the fiscal year ended 2022 namely:

1. Ms. Chanarat Chanwa, Certified Public Accountant (Thailand) No.9052, who will certify the Company's Financial Statement for the second year and/or
2. Ms. Vilaivan Pholprasert, Certified Public Accountant (Thailand) No.8420 and/or
3. Ms. Vipavan Pattavanvivek, Certified Public Accountant (Thailand) No. 4795

In the event that the above auditors are unable to perform the duty, KPMG may provide a substitute auditor from KPMG to perform the duty. It is also proposed that the 2022 audit fee of the Company amounted to THB 2,461,600 (excluding transportation out of Bangkok and relevant miscellaneous expenses) which is less than the previous year (THB 2,597,600) by THB 136,000 or at 5.2%.

KPMG has no non-audit transaction with the Company and the proposed auditors have no relation and/or no conflict of interest to the Company, its subsidiaries, management, major shareholders or any persons in related to the aforementioned parties. Therefore, all proposed auditors are independent to audit and express their opinions for the Financial Statement of the Company.

KPMG has also been considered as the auditor of the Company's subsidiaries for the year 2022 with the audit fee amounted to THB 2,448,000 in Thailand and not over than THB 2,740,000 in overseas. The proposal is appropriately recommended by the Audit Committee and has been endorsed by the Board of Directors.

**Board of Directors' Opinion:** The Shareholders should approve the appointment of the auditors named above from KPMG as the Company's auditors for the year 2022 and the audit fee amounted to THB 2,461,600 (excluding transportation out of Bangkok and relevant miscellaneous expenses).

**Agenda 8: Others (If any)**

This agenda is provided for shareholders to ask questions and/or for directors to clarify any queries (if any). No matters will be proposed for consideration and approval. Therefore, no voting will be made.

**Board of Directors' Opinion:** The Shareholders are free to ask any questions and give their opinions on the issues that aside from the meeting's agenda.

The shareholders who will attend the AGM, please follow "Guidelines for attending the AGM through Electronic Method (E-Meeting) and the Appointment of Proxy" as per Enclosure No. 5.

The Company would recommend the shareholder to appoint the Company's Independent Directors, of those persons appear in the Enclosure No. 5 on the topic of "Information of the Company's Independent Directors who represent to be a proxy in the 2022 AGM" and using Proxy forms B (Enclosure No. 6) to attend the meeting and voting on your behalf.

The Company provided the information, fact and reason of each meeting's agenda for your consideration and approval. The 56-1 One Report 2021 was made in the form QR Code, which has been sent to the shareholders together with the notice.

Respectfully yours,



(Mr. Chanin Vongkusolkrit)

Chairman of the Board of Directors

The Erawan Group Public Company Limited