

(Translation)

No.ERW010/GCG003/2017

February 21, 2017

Re: Annual dividend payment, 2017 Annual General Meeting of Shareholders and Director

To: President,  
The Stock Exchange of Thailand

Enclosure: Form to Report on Names of Members and Scope of Work of The Audit Committee (F24-1)

ERW Board of Directors' meeting no.1/2017 held on Tuesday February 21, 2017 has resolved as follows:

1. Mr. Vitoon Vongkusolkrit director, 75 years old and his term was complete this year will retire from his directorship effective from April 26, 2017 in compliance with the terms regarding qualifications of the Company's directors.
2. To appoint Mr.Dej Bulsuk, Independent Director and Member of the Audit Committee as a Chairman of the Audit committee in replacement of resigning director Mr. Sansern Wongcha-um. The appointment shall be effective from March 1, 2017 onwards.
3. To appoint Mr. Ekasith Jotikasthira, Independent Director as a Member of the Audit Committee. The appointment shall be effective from March 1, 2017 onwards.
4. ERW will hold the 2017 Annual General Meeting of Shareholder ("AGM") on Tuesday April 25, 2017 at 14.00 hours at Grand Ballroom, JW Marriott Hotel Bangkok, 4 Sukhumvit Road, Sukhumvit Soi 2, Kwaeng Klongtoey, Khet Klongtoey, Bangkok 10110.
5. ERW will entitle rightful shareholders who may both attend the 2017 AGM and receive the 2016 annual dividend on Tuesday March 7, 2017 ("Record Date"). ERW will aggregate rightful shareholders list under Section 225, Securities and Stock Exchange Act. B.E.2535 (Amended B.E.2559) from the closed share registration book on Wednesday March 8, 2017. The dividend will be payable on Wednesday May 24, 2017.
6. ERW has set 9 agendas for 2017 AGM as follows;

**Agenda 1:** To acknowledge the 2016 AGM minutes

Board of Directors' Opinion: The shareholders should acknowledge the minutes of the 2016 AGM held on Tuesday April 26, 2016 which was posted on the Company's website since Tuesday May 10, 2016. There has been no opposition to such minutes.

**Agenda 2:** To acknowledge the company's 2016 operating results

Board of Directors' Opinion: The Shareholders should acknowledge the company's 2016 operating results.

**Agenda 3:** To consider and approve the Company's Audited Statements of Financial Position, Statement of Comprehensive Income and Consolidated Financial Statements for the year ended December 31, 2016.

Board of Directors' Opinion: It is considered appropriate to approve the Audited Statements of Financial Position, Statements of Comprehensive Income and Consolidated Financial Statements for the year ended December 31, 2016, which were audited and certified by the auditor of the company.

**Agenda 4:** To consider and approve the net profit allocation and annual dividend payment

4.1 To consider and approve the company's net profit as legal reserve

Board of Directors' Opinion: It is considered appropriate to approve an allocation of five (5) percent of the company's 2016 net profit as legal reserve, which amounted to Baht 29.05 million. By Separate Financial Statement, the company recorded a net profit of Baht 580.92 million for the fiscal year 2016. According to Section 116 of the Public Companies Act B.E.2535 requires that a public company shall allocate not less than 5 percent of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorized capital. The legal reserve is not available for dividend distribution. And Clause 54 of the ERW's Articles of Association states that the company shall allocate no less than five (5) percent of its annual net profit less accumulated losses brought forward (if any) to a reserve fund until the reserve fund amounts to no less than ten (10) percent of the registered capital.

4.2 To consider and approve the 2016 dividend payment.

Board of Directors' Opinion: It is considered appropriate to approve the 2016 dividend payment of Baht 0.06 per share with amount totaled to Baht 149.89 million (40.85% of net profit) which is higher than previous year and the Company's dividend policy. The Company's policy to pay 40 percent of its net profit as reported in the Consolidated Financial Statements following deductions of all kinds of reserve as specified by law and the Company as dividend. By Consolidated Financial Statement, the Company reported consolidated net profit of Baht 366.89 million for the fiscal year 2016 ERW will entitle rightful shareholders who may receive the dividend on Tuesday March 7, 2017 (Record Date). ERW will aggregate rightful shareholders list under Section 225, Securities and Stock Exchange Act.B.E.2535 (Amended B.E.2559) from the closed share registration book on Wednesday March 8, 2017. The dividend will be payable on Wednesday May 24, 2017. The right to receive the aforesaid dividend is uncertain as it has not yet been approved by the 2017 AGM.

**Agenda 5:** To consider and appoint directors

Board of Directors' Opinion: It is considered appropriate to re-appoint four directors to be the directors for another term, namely,

- |    |                          |                      |
|----|--------------------------|----------------------|
| 1. | Mr. Ekasith Jotikasthira | Independent Director |
| 2. | Mrs. Panida Thepkanjana  | Director             |
| 3. | Mrs. Kamonwan Wipulakorn | Director             |
| 4. | Mr. Petch Krainukul      | Director             |

The Nominating and Corporate Governance Committee has considered that the four directors have competence and experiences proven useful to the Company's operation. The term of office will be three-year term starting from April 26, 2017 to the 2020 AGM. Directors with interest in this agenda did not vote.

And it is considered appropriate to appoint 2 directors to replace the vacant director's position, namely

1. Mrs. Arada Lattapanit as a director
2. Dr. Kulpatra Sirodom as an Independent director

The Nominating and Corporate Governance Committee has considered that the 2 persons have competence et and experiences proven useful to the Company's operation. The term of office will be three-year term starting from April 26, 2017 to the 2020 AGM.

The Company will have 13 directors as follows;

- |                                  |  |
|----------------------------------|--|
| 1. Mr. Prakit Pradipasen         | Chairman of the Board and Independent Director           |
| 2. Mr. Dej Bulsuk                | Independent Director and Chairman of the Audit Committee |
| 3. Assoc. Prof. Manop Bongsadadt | Independent Director and Member of Audit Committee       |
| 4. Mr. Ekasith Jotikasthira      | Independent Director and Member of Audit Committee       |
| 5. Dr. Kulpatra Sirodom          | Independent Director                                     |
| 6. Mr. Banyong Pongpanich        | Director   |
| 7. Mrs. Panida Thepkanjana       | Director   |
| 8. Mr. Chanin Vongkusolkit       | Director   |
| 9. Mr. Supol Wattanavekin        | Director   |
| 10. Mr. Gavin Vongkusolkit       | Director   |
| 11. Mrs. Arada Lattapanit        | Director   |
| 12. Mrs. Kamonwan Wipulakorn     | Director and President                                   |
| 13. Mr. Petch Krainukul          | Director and Senior Executive Vice President             |

**Agenda 6:** To consider and approve the directors' remuneration for the year 2017/2016

Board of Directors' Opinion: It is considered appropriate to approve the directors' remuneration for the year 2017 of not more than Baht 7,185,500.00 and the payment of the 2016 remuneration fee (Bonus) of Baht 3,325,000.00 The proposal is appropriately recommended by The Nominating and Corporate Governance Committee and has been endorsed by the Board of Directors. Details are as follows:

<u>Board of Directors, Retainer Fees</u>	<u>2017</u>	<u>2016</u>
1) Retainer Fee		
- Chairman	Baht 45,000/month	Baht 32,500/month
- 12 Directors each	Baht 30,000/month	Baht 25,000/month
2) Other remuneration (bonus), for directors in 2016/2015		
	<u>2016</u>	<u>2015</u>
- Chairman	Baht 325,000.00	Baht 325,000.00
- 12 Directors each	Baht 250,000.00	Baht 250,000.00
<u>Remunerations of members of the committee (Only attending directors shall be paid)</u>		
	<u>2017</u>	<u>2016</u>
1) Audit Committee		
- Chairman	Baht 32,500/meeting	Baht 32,500/meeting
- 2 Members each	Baht 25,000/meeting	Baht 25,000/meeting
2) The Strategic and Investment Committee		
- Chairman	Baht 26,000/meeting	Baht 26,000/meeting
- 4 Members each	Baht 18,750/meeting	Baht 18,750/meeting
- 2 Executive Director Members	-0-	-0-
- Advisory to the Committee	Baht 18,750/meeting	Baht 18,750/meeting

- 3) The Nominating and Corporate Governance Committee
- |                  |                     |                     |
|------------------|---------------------|---------------------|
| - Chairman       | Baht 19,500/meeting | Baht 19,500/meeting |
| - 3 Members each | Baht 14,000/meeting | Baht 14,000/meeting |
- 4) The Management Development and Compensation Committee
- |                  |                     |                     |
|------------------|---------------------|---------------------|
| - Chairman       | Baht 19,500/meeting | Baht 19,500/meeting |
| - 2 Members each | Baht 14,000/meeting | Baht 14,000/meeting |

**Agenda 7:** To acknowledge the 2016 Audit Committee's report

Board of Directors' Opinion: The shareholders should acknowledge the 2016 Audit Committee's report.

**Agenda 8:** To consider and appoint the auditors and approve the auditing fee for the year 2017

Board of Directors' Opinion: It is considered appropriate to approve the appointment of the following KPMG auditors as the Company's auditor for the accounting year as ended December 31, 2017.

1. Ms. Vilaivan Pholprasert, Certificate Public Accountant (Thailand) No.8420, who has certify the Company's Financial Statement and/or
2. Ms. Vipavan Pattavanvivek, Certificate Public Accountant (Thailand) No. 4795 and/or
3. Ms. Patamavan Vadhanakul, Certificate Public Accountant (Thailand) No.9832

and the audit fee of the Company of year 2017 totaling Baht 2,687,000.00 (excluding transportation out of Bangkok and relevant miscellaneous expenses) is the same as the previous year.

KPMG has no non-audit transaction with the Company and the auditors named above do not have relation with nor interest in the Company, its subsidiaries, management, major Shareholders of other related persons. 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 2017 with the audit fee in total of Baht 2,530,000.00 in Thailand and not over than Baht 1,900,000 in overseas. The proposal is appropriately recommended by Audit Committee and has been endorsed by the Board of Directors.

**Agenda 9:** Others (If any)

Board of Directors' Opinion: The shareholders are free to ask any questions and the Board will answer their queries.

The Company has allowed shareholders to propose agendas of the 2017 AGM in advance prior to the meeting date. Clear rules and regulations in doing so have been posted in the company's website; [www.TheErawan.com](http://www.TheErawan.com), from January 10, 2017 to February 10, 2017, shareholders have not proposed agendas for the 2017 AGM in advance.

ERW will disclose the 2017 AGM itinerary and the agenda online at [www.TheErawan.com](http://www.TheErawan.com) prior to the meeting. For inquiries, please do not hesitate to contact us at +66 (0) 2257-4588

Sincerely yours,

Ms. Kanokwan Thongsivarugs

Company Secretary

The Erawan Group Public Company Limited

**Form to Report on Names of Members and Scope of Work of the Audit Committee**

The Board of Directors meeting/shareholders meeting of .....The Erawan Group Public Company Limited.....  
No. ...1/2017..... held on 21 February 2017.....resolved the meeting's resolutions in the following manners:

Appointment of the audit committee/Renewal for the term of audit committee:

Chairman of the audit committee                       Member of the audit committee

As follows:

(1) ....Mr. Dej Bulsuk.....Chairman of the audit committee.....

(2) ....Mr. Ekasith Jotikasthira.....Member of the audit committee.....

(3) .....

(4) .....

, the appointment/renewal of which shall take an effect as of .....1 March 2017.....

Determination/Change in the scope of duties and responsibilities of the audit committee with the following details:

.....  
.....  
.....  
.....

, the determination/change of which shall take an effect as of .....(date).....

The audit committee is consisted of:

1. Chairman of the audit committee ....Mr. Dej Bulsuk.....remaining term in office .....1 year 1 month....

2. Member of the audit committee ....Assoc. Prof. Manop Bongsadadt.....remaining term in office ...1 year 1 month

3. Member of the audit committee ....Mr. Ekasith Jotikasthira.....remaining term in office.....2 months.....

4. Member of the audit committee .....remaining term in office ..... year(s)

Secretary of the audit committee .....Ms. Suwimon Rojkangsadan.....

Enclosed hereto is .....2.... copies of the certificate and biography of the audit committee. The audit committee number(s) .....1 and 3..... has/have adequate expertise and experience to review creditability of the financial reports.

The audit committee of the company has the scope of duties and responsibilities to the Board of Director on the following matters:

1. To review an annual financial statement already audited by auditors and to ensure that it meets the generally-accepted accounting principles; to consider and screen financial information together with the auditors before releasing it to the third party.
2. To consider and select, propose for appointment, removal and determine auditors fees and met four times a year with the auditors.
3. To review material problems and obstacles the auditor may come across while performing his duty and to settle differences between the auditor and the management.
4. To review the appropriateness and effectiveness of the internal control system and internal audit systems are in place according to international standards.
5. To set up a defensive work system for business units in the company to increase operation efficiency and effectiveness.
6. To review an annual internal audit plan proposed by the Internal Audit Office. To provide opinion on the consideration of performance, appointment, removal, and remuneration of the Company's internal auditor.
7. To promote and support the development of a financial reporting system that meets the international standards.
8. To control company's compliance with the laws on Securities and Exchange and other legislations relating to its business.
9. To determine fraud prevention measures and review results of a corruption inspection report.
10. To review the accuracy and effectiveness of information technology relating to the internal control system; to offer advice for roles and regular updates.
11. To consider the Company's information disclosure in case of connected transactions or transactions which may involve conflict of interest to ensure that all are correct, sound and carried out in a normal course of business.
12. To prepare the Audit Committee's report to be signed by Chairman of the Committee and disclosed it in the Company's annual report.
13. To act otherwise as required by the laws or entrusted by the Board of Directors; when performing along its scopes of work, the Audit Committee shall be empowered to order the President, Senior Executives, Heads of Department or related staff to provide their opinions, participate in meeting or submit documents deemed necessary or relevant.

The company hereby certifies that

1. The qualifications of the aforementioned members meet all the requirements of the Stock Exchange of Thailand; and
2. The scope of duties and responsibilities of the audit committee as stated above meet all the requirements of the Stock Exchange of Thailand

Signed.....Director

( Mrs. Kamonwan Wipulakorn )

Signed.....Director

( Mr. Petch Krainukul )