

CENTRALRETAIL

Scope of Duties and Responsibility of the Representative Directors and Executives
of the Subsidiaries and/or Associates Operating the Core Business

Central Retail Corporation Public Company Limited

(6 December 2019)

Scope of Duties and Responsibility of the Representative Directors and Executives of the
Subsidiaries and/or Associates Operating the Core Business

Central Retail Corporation Public Company Limited (the "Parent Company") sets out the scope of duties and responsibilities of its representatives who hold director or executive positions in subsidiaries and/or associates operating the core business. This aims at establishing a mechanism for the Parent Company to supervise the management and responsible for the operations, as well as set measures for monitoring management of subsidiaries and/or associates operating the core business, Central Subsidiaries, Subsidiary under Central Subsidiary, and Independent Subsidiary Operating the Core Business, as if they were one of the Parent Company's work unit, as well as overseeing compliance of representatives of the Parent Company holding director and executive positions in such companies with the scope of duties and responsibilities of their own under this policy.

"Company Operating the Core Business" refers to a Central Subsidiary, an Independent Subsidiary Operating the Core Business, all Subsidiaries and Associates operating the core business, and subject to the Notification of the Capital Market Supervisory Board No. TorJor. 39/2559 Re: Application for Approval and Granting of Approval for Offering of Newly Issued Shares (as amended), unless stated otherwise in this document.

"Central Subsidiary" refers to a Subsidiary that functions as the governance center of each business group of the Parent Company by supervising and governing the business operations of the Subsidiaries and Associates under it.

"Subsidiary or Associate under Central Subsidiary" refers to a Subsidiary or an Associate which operates the core business under the governance of a Central Subsidiary.

"Independent Subsidiary Operating the Core Business" refers to a Subsidiary operating the core business which is under the direct supervision of the Parent Company.

"Subsidiary under the Direct Supervision of the Company" refers to the Central Subsidiaries and the Independent Subsidiaries Operating the Core Business.

"Subsidiary" and "Associate" refer to a subsidiary and an associate as defined in the Notification of the Securities and Exchange Commission No. KorChor. 17/2551 Re: Determination of Definitions in Notifications relating to Issuance and Offer for Sale of Securities (as amended).

Other term which are not specified in this document shall have the same meaning as those defined under the provisions of the laws on securities and securities exchange as well as other laws applicable to or relevant to the Company's operation.

To the extent not contrary to or in conflict with any laws or rules and regulations of foreign laws imposed to the Company, and to the extent that the Company shall not lose any rights and benefits available

to them under the foreign laws, the representative of the Parent Company who hold director or executive positions in the Company shall have the scope of duties and responsibilities as follows:

1. Operation of the Company Operating the Core Business

The board of directors of the Company Operating the Core Business (excluding Associates) must ensure that a transaction or an undertaking in relation to the following matters are approved at the meeting of the board of directors and/or general meeting of shareholders of the Parent Company before the Company Operating the Core Business may enter into the transaction only in the event that the size of such proposed transaction of the Company Operating the Core Business in comparison to the size of the Parent Company pursuant to the relevant notifications on acquisitions or disposals of assets and/or connected transactions (as the case may be) of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand requires approval at the meeting of the board of directors and/or general meeting of shareholders of the Parent Company:

(a) The entry into any transaction with a related person of the company or the Parent Company, or any transaction concerning an acquisition or a disposal of assets by the company.

(b) The transfer or waiver of any rights or interests, including waiver of any claim against any person who causes damage to the company.

(c) The sale or transfer of the whole or any substantial part of the company's business to any other person.

(d) The purchase or acceptance of the transfer of business of other companies by the company.

(e) The execution, amendment, or termination of a contract concerning the lease of the whole or any substantial part of the business of the company, the assignment to any other person to manage the company's business, or the amalgamation of the company's business with any other person.

(f) The lease or hire-purchase of the whole or any substantial parts of the company's business or assets.

(g) Borrowing, lending, granting of credit, provision of a guarantee, entry into any transaction that will cause the company to incur additional financial burden, or giving of any other kinds of financial aid to any other person which is not in the ordinary course of business of the company. In this regard, lending to directors of the company is prohibited, except for lending under employee loan program.

(h) The dissolution of the company.

(i) Any other transaction which is not in the ordinary course of business of the company and may materially affect the company.

(j) The capital increase by issuing new shares and share allocation of the company, including any reduction of the registered or paid-up capital of the company which is not proportionate to the shareholding of the existing shareholders, or any action that will result in the dilution of more than ten (10)

percent of the Parent Company's direct and/or indirect shareholding and/or voting rights (as the case may be) in the general meetings of shareholders of the company at any level.

(k) The capital increase or reduction of the company which is not proportionate to the shareholding of the existing shareholders, or any action that will result in the dilution of the Parent Company's direct and/or indirect voting rights in the general meetings of shareholders of the company at any level to the extent that the Parent Company loses control over such company.

2. Operation of the Subsidiary under the Direct Supervision of the Company and the Associate Operating the Core Business

In addition to the duties stated in item 1., the board of directors of the Subsidiary under the Direct Supervision of the Company has the following duties:

2.1 The board of directors of the Subsidiary under the Direct Supervision of the Company and the Associate operating the core business must ensure that a transaction or an undertaking in relation to the following matters is approved at the meeting of the board of directors of the Parent Company before the Subsidiary under the Direct Supervision of the Company and the Associate operating the core business may enter the transaction:

(a) The nomination or appointment of a director or an executive of the Subsidiary under the Direct Supervision of the Company or an Associate operating the core business, which must be at least proportionate to the Parent Company's shareholding in the Subsidiary under the Direct Supervision of the Company or an Associate operating the core business. The directors and executives nominated or appointed by the Parent Company shall have discretion in casting votes at the meetings of the board of directors of the relevant Subsidiary under the Direct Supervision of the Company or the relevant Associate operating the core business in relation to the general management and normal business operation of such Subsidiary under the Direct Supervision of the Company or Associate operating the core business as the directors and executives deem appropriate in the best interests of the Parent Company, the Subsidiary under the Direct Supervision of the Company and the Associate operating the core business, unless as specified otherwise in this document.

However, the directors or executives of the Subsidiary under the Direct Supervision of the Company nominated or appointed by the Parent Company as stated in the preceding paragraph must be those who are listed in the database of directors and executives of securities issuing companies (White List), and they must have the qualifications, roles, duties and responsibilities and lack all untrustworthy characteristics as prescribed in the notifications of the Office of the Securities and Exchange Commission on the determination of untrustworthy characteristics of directors and executives of a company.

(b) The consideration and approval of distribution of annual dividends and interim dividends (if any) of any Subsidiary under the Direct Supervision of the Company, except when the dividends paid by the Subsidiary under the Direct Supervision of the Company for the whole year are not less than the amount as specified in its annual budget or such payment of dividends is in accordance with the dividend

payment policy of the respective Subsidiary under the Direct Supervision of the Company that has already been approved by the board of directors of the Parent Company.

(c) The amendment of the Articles of Association of any Subsidiary under the Direct Supervision of the Company, except the amendment of significant matters as specified in item 2.2 which requires approval from the general meeting of shareholders of the Parent Company.

(d) The consideration and approval of the annual budget of any Subsidiary under the Direct Supervision of the Company, except for the cases set out in the Delegation of Authority of such Subsidiary under the Direct Supervision of the Company which has already been approved by the board of directors of the Parent Company.

2.2 The board of directors of the Subsidiary under the Direct Supervision of the Company must seek prior approval from the general meeting of shareholders of the Parent Company for any amendment of the Articles of Association of the Subsidiary under the Direct Supervision of the Company that may have a material impact on the financial conditions or operating results of such Subsidiary under the Direct Supervision of the Company, including, but not limited to, any amendment of the Articles of Association of the Subsidiary under the Direct Supervision of the Company which may have a negative impact on the Parent Company's rights to nominate or appoint a director or an executive of the Subsidiary under the Direct Supervision of the Company proportionate to the Parent Company's shareholding in the Subsidiary under the Direct Supervision of the Company, the voting rights of the director(s) nominated by the Parent Company at the meetings of the board of directors of the Subsidiary under the Direct Supervision of the Company, the voting rights of the Parent Company at the general meetings of shareholders of the Subsidiary under the Direct Supervision of the Company, and/or the dividend distributions of the Subsidiary under the Direct Supervision of the Company.

3. Operation of the Subsidiary or the Associate under Central Subsidiary

In addition to the duties stated in item 1., the board of directors of the Subsidiary or the Associate under Central Subsidiary has the following duties:

3.1 the board of directors of the Subsidiary or the Associate under Central Subsidiary must ensure that a transaction or an undertaking in relation to the following matters are approved at the meeting of the board of directors of the Central Subsidiary before the Subsidiary or the Associate under Central Subsidiary may enter the transaction:

(a) The nomination or appointment of a director or an executive of the Subsidiary or the Associate under Central Subsidiary, which must be at least proportionate to the Central Subsidiary's shareholding in the Subsidiary or the Associate under Central Subsidiary. The directors and executives nominated or appointed by the Central Subsidiary shall have discretion in casting votes at the meetings of the board of directors of the relevant the Subsidiary or the Associate in relation to the general management and normal business operation of such Subsidiary or Associate as the directors and executives deem appropriate

in the best interests of the Parent Company, the Central Subsidiary and the Subsidiary or the Associate under Central Subsidiary, unless as specified otherwise in this document.

However, the nominated or appointed directors or executives of the Subsidiary under Central Subsidiary as stated in the preceding paragraph must be knowledgeable, honest, and ethical; must not be bankrupt, incompetent or quasi-incompetent; have never been imprisoned on the final judgment of a court for an offence related to property committed with dishonest intent; have never been dismissed or discharged from the government service, organization or agency for malfeasance; and there are no other reasons to doubt such persons' performance as directors and executives.

(b) The consideration and approval of distribution of annual dividends and interim dividends (if any) of any Subsidiary under Central Subsidiary, except when the dividends paid by the Subsidiary under Central Subsidiary for the whole year are not less than the amount as specified in its annual budget or such payment of dividends is in accordance with the dividend payment policy of the respective Subsidiary under Central Subsidiary that has already been approved by the board of directors of the Central Subsidiary.

(c) The amendment of the Articles of Association of any Subsidiary under Central Subsidiary

(d) The consideration and approval of the annual budget of any Subsidiary under Central Subsidiary, except for the cases set out in the Delegation of Authority of such Subsidiary under Central Subsidiary which has already been approved by the board of directors of the Central Subsidiary.

Moreover, the representatives of Parent Company who are directors and executives in the subsidiaries and/or associates under Central Subsidiary, are approved by the board of directors of a central subsidiary who are directors and executives in the subsidiaries and/or Associates operating the core business shall have the following duties:

- (a) To disclose information fully and duly on financial position and operational results, connected transactions of the subsidiary, transactions on acquisition or disposal of assets and/or material transactions of the subsidiary to the Parent Company within a reasonable time as required by the Parent Company;
- (b) To disclose and report on information on their interests and persons related to the directors of company in respect of the relationships and transactions with the company or the Parent Company in such manner which may give rise to conflict of interest, and avoid any transactions which may give rise to conflict of interest, provided that such matters must be reported to the Parent Company's board of directors within such time as required by the Parent Company in support of its consideration, decision, or approval by primarily considering the overall interests of the company and the Parent Company.

The directors of the Subsidiaries and/or Associates Operating the Core Business of the Parent Company shall not be involved in the approval of any matters in which they are interested or have any conflict of interest, whether directly and/or indirectly. And shall supervise the director and executives of Subsidiaries and/or Associates under their supervision which are Central Subsidiaries not to be involved in the approval of any matters in which they are interested or have any conflict of interest, whether directly and/or indirectly.

Furthermore, the following actions, which may allow the directors, executives, or related persons of the company to derive any financial benefits other than those normally available to them or which may cause the company or the Parent Company to sustain damage, shall be presumed to be such actions with material conflict of interest of the company:

- (1) Execution of any transaction between the company and its directors, executives, or related persons in violation of the rules on connected transactions;
 - (2) Use of any information of the Parent Company or the company known to them, except where such information has been disclosed to the public;
 - (3) Use of any assets or business opportunity of the company or the Parent Company in such manner in violation of the rules or general practice as prescribed in the notification of the Capital Market Supervisory Board;
- (c) To report on plan for business operations, business expansion for large-scale investment projects of the subsidiaries as approved by the Parent Company, and joint investment with other business operators, to the Parent Company via monthly report on the operational results, and provide explanation and/or documents in support of the consideration upon request by the Parent Company;
- (d) To provide explanation and/or information or documents relating to the operations of the company to the Parent Company upon request as appropriate, and provide explanation and/or relevant information or documents to the Parent Company should any material issues be found;
- (e) To be responsible for the subsidiaries to implement the internal control system, risk management system and anti-corruption policy as appropriate, efficient and sufficiently prudent to make sure that all activities of the subsidiaries strictly follow the Parent Company's policies, this document, the laws and rules on corporate

governance of listed companies, including the applicable notifications, regulations and rules of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand, and to ensure that the subsidiaries have clear work flows to demonstrate that the subsidiaries' systems are sufficient to regularly and reliably disclose information on material transactions under the applicable rules, with channels available for the directors and executives of the Parent Company to access such information of the subsidiaries so as to efficiently monitor their operational results, financial position, transactions between the subsidiaries and their directors and executives, and material transactions of the subsidiaries. In addition, there shall be mechanisms for work system audit in the subsidiaries, whereby the Parent Company's internal auditors and independent directors shall be entitled to directly access such information, and the results of such work system audit shall be reported to the Parent Company's directors and executives to make sure that the subsidiaries regularly follow the specified work systems;

- (f) The directors, executives, staff, employees or those authorized by the company, who are representatives of the Parent Company and hold positions in the company, including their spouse and underage offspring, shall be prohibited from using inside information of the Parent Company and/or the company, which has been obtained from the performance of duties or by other means, which has or may have material impact on the Parent Company and/or the company, for personal gain or gain of others, whether directly and/or indirectly, and whether with or without any compensation;
- (g) The directors, executives or related persons of the subsidiary, who are representatives of the Parent Company and hold positions in the subsidiary may execute any transaction with the subsidiary only after such transaction has been approved by the board of directors of the subsidiary, the Parent Company's board of directors, the subsidiary's shareholders' meeting and/or the Parent Company's shareholders' meeting (as the case may be) depending on the calculated size of the transaction (the calculation of transaction size under the rules on acquisition or disposal of assets and/or connected transactions of the Capital Market Supervisory Board and the Board of Governors of the SET shall apply, *mutatis mutandis*), except for such transactions with the same commercial terms as those an ordinary person would agree with any unrelated counterparty under similar circumstances, on the

basis of commercial negotiation and without any influence from their status as directors, executives or related persons (as the case may be), provided further that such commercial terms have been approved by the Parent Company's board of directors or in compliance with the principle previously approved by the Parent Company's board of directors.

Scope of duties and responsibilities of the representatives who are directors or executive positions in subsidiaries and/or associates operating the core business does not disqualification the Board of Directors' right to require the conduct or reporting of a matter directly to the Parent Company's board of directors and it is effective from 6 December 2019 onwards.

-Signed-

(Dr. Prasam Trairatvorakul)

Chairman

Central Retail Corporation Public Company Limited