

CENTRALPATTANA

Report of the Audit and Corporate Governance Committee

Dear Shareholders,

The Audit and Corporate Governance Committee comprises three expert independent directors, all qualified according to Central Pattana's criteria. Mr. Paitoon Taveebhol, who is knowledgeable and duly experienced in reviewing financial statements, with Mr. Karun Kittisataporn and Mrs. Jotika Savanananda are serving as members.

In 2021 Mr. Weerawat Chutichatphong resigned from the Audit and Corporate Governance Committee, effective from May 14, 2021. The current number continues to meet SEC's criterion for listed companies' committee composition, which requires at least three members.

This year there were a total of 11 meetings, where the Committee consulted the management, the internal auditor, and the external auditor on related matters and obtained data from other management team members on agenda items related to all its charter duties. The Committee freely provided candid views and recommendations. It reported its performance to the Board of Directors in eight meetings, with the following highlights of performance and views.

Accuracy, completeness and credibility of financial reports

The Committee has reviewed quarterly financial statements, annual financial statements, important accounting policies, compliance with financial reporting standards, as well as key audit issues specified on the reporting page of the external auditor. The Committee also considered the scope, audit method, and issues found in consultation with management and the external auditor. Two non-executive meetings were arranged with the external auditor to discuss the matter of independence in the execution of duty.

The Committee's view was that the Company's financial reports, prepared under the accounting policy designed by the Federation of Accounting Professions, were accurate, complete, and reliable with a sensible choice of accounting policies.

Adequacy of internal control system, internal audit, risk management and corporate governance

The Audit and Corporate Governance Committee reviewed the audit report of Internal Audit and the report of the external auditor on internal control system assessment. The efforts aimed to ensure that Central Pattana had managed and assessed risks comprehensively. In 2021 key risks were re-categorized to strategic and financial risks, operational risks (covering security), and compliance risks. Apart from these risks, Central Pattana focused on the impacts of the COVID-19 pandemic.

The committee valued its role as an advisor to Internal Audit. In 2021 Internal Audit established a consulting project for key departments and formulated a continual action plan. It educated employees on internal control and the Three Lines of Defense concept to help them understand the importance of complying with the internal control system. Complaint-handling results were regularly reported to the committee.

It was the Committee's view that Central Pattana's internal control system was adequate and appropriate under the COSO Framework and the CG Code.

The Committee also reviewed and endorsed the annual internal audit plan, prepared under a risk-based approach. Such audit was of the integrated audit type (IT and non-IT) to embrace all aspects of risks and controls. The Committee held meetings with Internal Audit executives without any management present. It has also motivated Internal Audit to provide personnel development by building information technology competence, developing the audit system, and especially improving data analysis for more efficient internal auditing.

Finally, the Audit and Corporate Governance Committee also evaluated the quality of the annual internal audit and found it "good". It is of the view that Internal Audit has undertaken its duties on a par with international standards.

Corporate Governance

The Audit and Corporate Governance Committee has performed its duties to align with the CG Code. In 2021 it audited CG practices against the corporate governance code of listed Thai companies. It also abided by the human rights policy and provided recommendations on sustainable business practices in line with DJSI. Finally, it implemented social and community-related activities, such as waste reduction, income generation for the community, and allocation of in-mall space for vaccination centers.

Compliance with securities and exchange laws, SET's requirements, and applicable laws

Reviewing compliance with securities and exchange laws, the requirements of the Stock Exchange of Thailand ("SET"), and applicable laws, the Committee regularly monitored remedial approaches of the management, while overseeing revision of the Code of Conduct and the Corporate Governance Policy in line with new and international standards and Personal Data Protection Act B.E. 2562 (PDPA). It assigned the management to review Central Pattana's performance to ensure compliance with the CG Code. Finally, the Committee regarded Central Pattana's practices as being in compliance with all the above laws and requirements.

Related party transactions or transactions with potential conflicts of interest

The Audit and Corporate Governance Committee especially values of related party transactions as well as those transactions that may involve conflicts of interest under all laws and regulations of SET. The Committee has stressed that all

involved parties comply with the stipulated policies and assigned External Auditor to monitor and verify of all these transactions annually.

In 2021, Central Pattana has no significant related transaction which needs to be disclosed under all laws and regulations of SET.

Suitability, review, selection, and nomination of the external auditor

The Audit and Corporate Governance Committee assessed the independence of the external auditor and reviewed their performance of 2021. The overall performance was commendable, and the external auditor has been duly independent in its audit activities. Additionally, the Committee held two meetings with the external auditor in the absence of the management to seek its opinions on audit activities and coordination issues with related members of the management.

Committee has considered the performance outcomes, work scope, and work volumes compared with the proposed audit fees for 2022 and agreed to nominate KPMG Phoomchai Audit Ltd. (“primary external auditor”) to provide its views on the consolidated financial statements of Central Pattana and its subsidiaries for 2022 and approved its 2022 audit fee of up to Baht 8,790,000 together with a fee of up to Baht 516,000 for the secondary auditor(s) of Central Pattana’s selected subsidiaries registered in other countries.

Overall views and remarks on conformance to the Audit and Corporate Governance Committee Charter

The Audit and Corporate Governance Committee engaged in self-assessment of its overall performance for 2021 on January 12, 2022. This assessment was in three parts: first, the overall activities during the year; second, the specific activities; and third, roles in corporate governance.

The Audit and Corporate Governance Committee’s overall view is that it has performed the duties and responsibility stated in its Board-approved charter sufficiently and thoroughly with due competence, care, prudence, independence for all stakeholders’ equitable interests, and emphasizes the Company’s sustainable development in line with good corporate governance principles.

Mr. Paitoon Taveebhol

Chairman of the Audit and Corporate Governance Committee