

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. Winid Silamongkol, who is knowledgeable and duly experienced in auditing financial statements, serves as the Chairman of Audit and Corporate Governance Committee. Mrs. Jotika Savanananda and Ms. Parnsiree Amatayakul act as members of the Audit and Corporate Governance Committee. In 2022, Mr. Paitoon Taveebhol and Mr. Karun Kittisataporn resigned from the Audit and Corporate Governance Committee, effective from September 1, 2022. The current number of directors in the Audit and Corporate Governance Committee remains in compliance with the SEC's criterion for listed companies' committee composition, which requires at least three members.

In 2022 there were a total of eight meetings of the Audit and Corporate Governance Committee, where the committee attended all meetings and consulted with the management, the internal and the external auditors on related matters, as well as obtained data from the management on related items in the agendas, completely according to the duties and responsibilities as specified in the Charter of the Audit and Corporate Governance Committee. The committee could freely provide opinions and suggestions as appropriate. The Audit and Corporate Governance Committee reported the operating performance to the meeting of the Board of Directors in six meetings, with important details of the operating performance and opinions on various matters as follows:

Accuracy, Completeness, and Credibility of Financial Reports

The committee reviewed quarterly and annual financial statements, as well as important accounting policies in compliance with financial reporting standards, in line with important audit issues specified in the reports of external auditors. The committee also considered the scopes, audit methods, and issues in consultation with the management and the external auditors. Two non-executive meetings were arranged with the external auditors to discuss on the matter of independence in the execution of duties. In 2022, the auditors found no significant matters of concerns.

The Audit and Corporate Governance Committee had opinions that the Company's financial reports were prepared under the financial report standards specified by the Federation of Accounting Professions, with accurate, complete, and reliable, including the sensible and reasonable use of accounting policies.

Adequacy of Internal Control System, Internal Audit, and Risk Management

The Audit and Corporate Governance Committee reviewed audit reports of the Internal Audit Office and the external auditors on the assessment of internal control system to ensure that Central Pattana had a comprehensive risk management which covered all dimensions, including the plans and guidelines of risk management which affected the Company's operating performance. In 2022, there was a review of important organizational risks and strategic risk categorization which divided into operational risks of shopping centers, offices, residential projects and hotels, as well as business risks, long-term competitive advantages, investment diversification, and climate change.

The Audit and Corporate Governance Committee supported the role of Internal Audit Office in helping Central Pattana create a good internal control system other than working assurance. In 2022, the Internal Audit Office performed consulting projects in main departments and set up public relations media on Check & Balance for the personnel to understand and recognize the importance of adherence to internal control system, with regular reports on complaint management to the Audit and Corporate Governance Committee.

The Audit and Corporate Governance Committee had opinions that Central Pattana's internal control system was adequate and appropriate, with risk management in compliance with the COSO Framework of internal control.

The Audit and Corporate Governance Committee reviewed and approved the annual strategic and internal audit plans according to the risk-based criteria and data from the executives. The integrated audit (IT and non-IT) was applied to cover all aspects of risks and controls. The Audit and Corporate Governance Committee always held meetings with the executives of Internal Audit Office, without the management team. Also, the Internal Audit Office was encouraged for personnel development to increase their competence in information technology, in line with the implementation of applied technology to increase efficiency in the internal audit.

Moreover, the Audit and Corporate Governance Committee evaluated the quality of annual internal audit with the result of "good" and it is viewed that the Internal Audit Office has undertaken its duties in accordance with international standards.

Good Corporate Governance

The Audit and Corporate Governance Committee performed their duties and responsibilities in compliance with the Corporate Governance Code (CG Code). In 2022, there was a review on the Corporate Governance practices among the listed Thai companies with recommendations on sustainable business operations according to DJSI. It also has focused on environmental activities to achieve Net Zero Plan within 2050 and social activities for income generation and distribution to communities.

Compliance with Securities and Exchange Laws, the Stock Exchange of Thailand's Requirements, and Applicable Laws

The Audit and Corporate Governance Committee reviewed the compliance with securities and exchange laws, requirements of the Stock Exchange of Thailand ("SET"), and applicable laws related to the Company's business, and regularly monitored the improvement and remedial approaches of the management, while overseeing the revision of the Code of Conduct and the Corporate Governance Policy, including ethics and policies, in line with the new and international standards. The management was assigned to review Central Pattana's performance to ensure its compliance with the CG Code. The Audit and Corporate Governance Committee had opinions that Central Pattana has complied with securities and exchange laws, requirements of the SET, and applicable laws related to the Company's business, including Personal Data Protection Act B.E. 2562 (2019).

Related Party Transactions or Transactions with Potential Conflicts of Interest

The Audit and Corporate Governance Committee focuses on the importance of related party transactions and items that may involve conflicts of interest under all laws and regulations of SET. Also, it emphasizes that all of the involved parties must comply with the stipulated policies. Meanwhile, the auditors must monitor and verify all of those transactions annually.

In 2022, Central Pattana had no significant related transactions to be disclosed under all laws and regulations of SET.

Suitability of Auditors, Review, Selection, and Nomination of Auditor

The Audit and Corporate Governance Committee reviewed the independence and operating performance of 2022. The overall performance was at the level of "good" with adequate independence. The Audit and Corporate Governance Committee held two meetings with auditors without the management for comments from auditors on the audit performance and problems in working with the management.

For the appointment and nomination of auditors in 2023, the Audit and Corporate Governance Committee considered the operating performance, cope, and amount of work compared with the proposed audit fees for the year 2023. It is approved to present to the Board of Directors for nomination of KPMG Phoomchai Audit Ltd. ("primary auditor") as the auditor to provide opinions on the consolidated financial statements of Central Pattana and its subsidiaries for the year 2023 and approve the audit fees of up to Baht 10,300,000 for the year 2023, in line with the fees of up to Baht 539,600 for the secondary auditor of subsidiaries which established and registered in other countries.

Overall Opinions and Notes on The Performance According to the Charter of Audit and Corporate Governance Committee

The Audit and Corporate Governance Committee evaluated and summarized its overall performance for 2022 on January 17, 2023. The performance evaluation form was divided into three parts: Part 1 the overall performance, Part 2 the specific performance, and Part 3 the performance on good corporate governance.

The Audit and Corporate Governance Committee had its overall opinions that it has performed duties and responsibility according to the Charter of Audit and Corporate Governance Committee approved by the Board of Directors with sufficiency, completeness, competence, cautions, and independence for all stakeholders' equitable interests, while emphasizing the sustainable development of Central Pattana according to good corporate governance principles.

Mr. Winid Silamongkol

Chairman of the Audit and Corporate Governance Committee