Regulations of Karmarts Public Limited Company

Section 1 General Provisions

Clause 1. These regulations shall be referred to as the Regulations of Karmart Public Company Limited.

The abbreviated name in Thai is “บมจ. คาร์มาร์ท”,

and the English name is “KARMARTS PUBLIC COMPANY LIMITED”

Clause 2. The term “Company”, as referred to in these Regulations, means Karmart Public Company Limited.

Clause 3. Any matters not stipulated herein shall be governed and enforced in accordance with the provisions of the Public Limited Companies Act, the Securities and Exchange Act, and other relevant laws and regulations in all respects.

Clause 4. In the event that the Company or any of its subsidiaries enters into a connected transaction or a transaction involving the acquisition or disposition of assets, as defined under the notifications of the Stock Exchange of Thailand applicable to listed companies regarding connected transactions or the acquisition and disposition of assets, as the case may be, the Company shall comply with the rules, conditions, and procedures prescribed in such notifications.

Section 2 Stock Issuance

Clause 5. The Company’s shares are common shares with a par value of 0.06 (zero point zero six) Baht each.

Clause 6. Payment for shares must be made in full in a single transaction. Subscribers or purchasers of shares shall have no right to offset any debts owed to the Company against the payment of such shares.

Clause 7. The Company’s share certificates shall be registered in the name of the shareholder and must bear the signature or printed signature of at least one (1) director.

Clause 8. In the event that a person is appointed as the Company’s share registrar, such person shall be authorized to sign or affix their signature on the share certificates. Where the Company appoints Thailand Securities Depository Co., Ltd. (TSD) as its share registrar, all procedures related to share registration shall be conducted in accordance with the rules and instructions prescribed by the registrar.

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Clause 9. The Company's share registrar shall issue share certificates to shareholders within two (2) months from the date the registrar receives the Company's registration or from the date of full payment for the shares. This applies also to the sale of newly issued shares after the Company's registration.

Clause 10. If any share certificate is materially damaged or defaced, shareholders may request the Company to issue a new certificate upon surrendering the original. In the event a share certificate is lost or destroyed, shareholders must provide evidence of a police report and other appropriate documentation to the Company. In both cases, the Company shall issue a new share certificate within the timeframe prescribed by law, subject to payment of the certificate fee at a rate not exceeding that specified by ministerial regulations.

Clause 11. The Company is prohibited from owning or pledging its own shares, except as follows:

- The Company may purchase shares from shareholders, provided that the Board of Directors approves a repurchase not exceeding ten percent (10%) of the paid-up capital.
- If the Company intends to repurchase more than ten percent (10%) of the paid-up capital, prior approval from the shareholders' meeting is required.
- The repurchase, resale, and cancellation of repurchased shares shall comply strictly with the rules and procedures prescribed in the ministerial regulations.

Clause 12. By resolution of the shareholders' meeting, the Company may issue the following instruments:

12.1 Preferred shares or preferred shares convertible into common shares;

12.2 Debentures or debentures convertible into common shares;

12.3 All types of equity and debt securities in accordance with relevant laws;

12.4 Warrants for subscription of common shares, investment units, or the securities specified in Clauses 12.1, 12.2, and 12.3.

Section 3 Shares Transfer

Clause 13. Company shares may be transferred without restriction, except in the following cases:

13.1 If the transfer of shares causes foreign ownership in the Company to exceed forty-nine percent (49%) of the total issued shares.

13.2 In the event the Company issues new shares on a periodic basis to Thai nationals exercising conversion rights, convertible debentures, subscription rights under warrants, or other securities convertible into shares or granting rights to subscribe for shares, resulting in a reduction of the proportion of shares held by foreigners at that time, foreigners shall not acquire shares from Thai shareholders exceeding the reduced proportion—even if the foreign shareholding has not yet reached forty-nine percent (49%) of the Company's total issued shares. This restriction does not apply to the acquisition of newly issued shares by foreigners arising from the exercise of conversion rights, convertible debentures, subscription rights under warrants, other convertible securities, or subscriptions specifically approved by the Company for issuance and sale abroad or in full to foreigners.

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13.3 The restriction on foreigners' rights to purchase shares from Thai shareholders, as set forth in Clause 13.2 shall not apply in the following cases:

13.3.1 The foreign shareholding ratio has not yet reached forty-nine percent (49%) of the total issued shares prior to the issuance of new shares to Thai nationals exercising conversion rights of convertible debentures or subscription rights, as specified in the securities mentioned in Clause 13.2.

13.3.2 The foreign shareholding ratio in the company decreases for reasons other than the issuance of new shares to Thai nationals exercising conversion rights of convertible debentures or subscription rights, as specified in the securities mentioned in Clause 13.2.

Clause 14. A share transfer shall be deemed complete when the transferor has endorsed the back of the share certificate, specifying the name of the transferee, and both the transferor and transferee have signed the certificate and delivered it to the transferee. The transfer is recognized by the Company once the Company's share registrar has received the registration request, and is recognized externally once the share registrar has registered the transfer.

If the share registrar finds the transfer legally valid, the registrar shall register it within fourteen (14) days from receipt of the request. If the transfer is not properly completed, the share registrar shall notify the requester within seven (7) days.

Clause 15. If the transferee wishes to obtain a new share certificate, a written request must be submitted to the Company's share registrar, signed by the transferee and certified by one witness, together with surrender of the original share certificate. The share registrar shall register the transfer within seven (7) days and issue the new share certificate within one (1) month from receipt of the request.

Clause 16. In the event of the death or bankruptcy of a shareholder, resulting in another person acquiring rights to the shares, the Company's share registrar shall, upon receipt of all required legal evidence, register the transfer and issue a new share certificate within one (1) month from receipt of the complete evidence.

Clause 17. The Company may suspend the registration of share transfers during the twenty-one (21) days preceding each shareholders' meeting. Such suspension shall be announced in advance to shareholders at the Company's head office and all branch offices, at least fourteen (14) days prior to the commencement of the suspension period.

Clause 18. Holders of preferred shares convertible into ordinary shares must submit a written request for conversion to the Company's share registrar, together with the return of the relevant share certificate. The conversion into ordinary shares shall take effect from the date of submission of the request. The Company's share registrar shall issue a new share certificate to the applicant within fourteen (14) days from the date of receipt of the request.

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Clause 19. In the event that the Company's shares are registered securities on the Stock Exchange of Thailand (SET), or are traded in the Over-The-Counter (OTC) market and/or the Futures Exchange (FUTURE), the issuance of share certificates and the transfer of shares shall be conducted in accordance with the relevant laws and regulations.

Clause 20. The transfer of securities issued pursuant to Clause 11 shall comply with the laws and regulations governing the issuance of such securities.

Section 4 Board of Directors

Clause 21. The Company shall have a Board of Directors comprising no fewer than five (5) members, with at least half of the total number of directors being residents of the Kingdom of Thailand.

Clause 22. The election of directors shall be conducted at a shareholders' meeting in accordance with the following rules and procedures:

22.1 Each shareholder shall have one (1) vote per share.

22.2 Directors may be elected individually, one at a time, or as a group, or by any other method deemed appropriate by the shareholders' meeting. In every vote, shareholders must cast all their votes in accordance with 22.1 and may not divide their votes among multiple candidates or groups.

22.3 Election results shall be determined by a majority of votes. In the event of a tie, the chairman of the meeting shall have the casting vote.

Clause 23. At every annual general meeting, one-third of the directors shall retire. If the number of directors is not divisible by three, the closest whole number shall retire.

Directors required to retire in the first and second years following the Company's registration shall determine who retires by drawing lots.

Thereafter, the director who has served the longest shall retire. Retiring directors are eligible for re-election.

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Clause 24. In addition to retirement by rotation, a director shall vacate office upon:

24.1 Death;

24.2 Resignation;

24.3 Disqualification or possessing any prohibited characteristics under the Public Limited Companies Act;

24.4 Dismissal by resolution of the shareholders' meeting in accordance with Clause 27; or

24.5 Dismissal by order of the court.

Clause 25. Any director wishing to resign shall submit a written resignation to the Company. The resignation shall take effect from the date the Company receives the resignation letter. A resigning director may also notify the Registrar of their resignation.

Clause 26. Subject to Clause 29, if a director's position becomes vacant for reasons other than retirement by rotation, the Board shall appoint a qualified person, who is not prohibited by law from serving as a director, to fill the vacancy at the next Board meeting, unless the remaining term of the director is less than two months. Any such appointment by the Board must be approved by a vote of not less than three-fourths of the remaining directors. The appointed director shall serve only for the remaining term of the director they replace.

Clause 27. The shareholders' meeting may pass a resolution to remove any director prior to the expiration of their term by a vote of not less than three-fourths of the shareholders present and entitled to vote, representing at least one-half of the total shares held by those present and entitled to vote.

Clause 28. In the event the entire Board vacates office, the outgoing directors shall continue to act as necessary to conduct the Company's business until a new Board assumes office, unless otherwise ordered by the court. In cases under Clause 24.5, the outgoing Board must convene a shareholders' meeting to elect a new Board within one (1) month from the date of vacancy, giving shareholders at least fourteen (14) days' prior notice of the meeting.

Clause 29. If the number of directors falls below the quorum, the remaining directors may act on behalf of the Board solely for the purpose of convening a shareholders' meeting to elect directors to fill all vacant positions. This meeting must be held within one (1) month from the date the number of directors falls below the quorum. Any director appointed to fill a vacancy under this provision shall serve only for the remainder of the term of the director they replace.

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Clause 30. A board member may, but is not required to, be a shareholder of the Company.

Clause 31. The Board of Directors shall elect one director as Chairman. Where deemed appropriate, the Board may also appoint one or more Vice-Chairmen. The Vice-Chairman(s) shall have duties assigned by the Chairman in accordance with the Company's regulations.

Clause 32. A quorum for a Board meeting shall consist of no fewer than half of the total number of directors. If the Chairman is absent or unable to perform their duties, the Vice-Chairman shall preside. If no Vice-Chairman is available or able to act, the directors present shall elect one director to chair the meeting. Decisions shall be made by a majority vote, with each director entitled to one vote, except that directors with a conflict of interest in any matter shall not vote on that matter. In the event of a tie, the Chairman shall cast an additional deciding vote.

Clause 33. The Chairman or an authorized representative shall send written notice of a Board meeting to each director at least seven (7) days in advance, except in urgent cases necessary to protect the Company's rights or interests, where alternative notification methods may be used and the meeting may be scheduled earlier.

Clause 34. Directors must perform their duties in accordance with applicable laws, the Company's objectives, its Articles of Association, and resolutions of the shareholders' meetings. The Board may delegate specific duties to one or more directors or to any other person to act on its behalf.

Clause 35. Directors are prohibited from conducting business that competes with the Company, becoming a partner in a general partnership with unlimited liability, a partner in a limited partnership, or a director of a private or other company that competes with the Company, whether for personal gain or for the benefit of others, unless disclosed to shareholders prior to their appointment.

Clause 36. Directors must promptly notify the Company of any interest in contracts with the Company, or of any acquisition or disposal of shares or debentures in the Company or its subsidiaries.

Clause 37. Any transaction in which a director purchases or sells Company assets, or conducts business with the Company on their own behalf or on behalf of another, shall not be binding on the Company unless prior approval has been obtained from the Board.

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Clause 38. The Company shall not lend money to its directors, employees, or staff, except in accordance with regulations on employee welfare as announced, or as permitted under commercial banking law, the Life Insurance Act, or other applicable laws.

Lending money to the following persons shall be regarded as lending money to directors, employees, or staff members under the first paragraph:

(a) The spouse or minor child of a director, officer, or employee;

(b) A partnership in which a director, officer, employee, or any person described in (a) is a partner;

(c) A limited partnership in which a director, officer, employee, or any person described in (a) is a partner with unlimited liability;

(d) Any other company or private company in which a director, employee, staff member, or any person referred to in (a) collectively holds more than one-half of the total shares.

For the purposes of this clause, “lending” shall also include providing guarantees, purchasing or discounting bills, and furnishing collateral for borrowed funds.

Clause 39. The Company shall maintain a register of directors, minutes of board meetings, and minutes of shareholders’ meetings at its head office.

Clause 40. The Board of Directors shall meet at least once every three months, at the head office, a branch office, or a nearby province.

Clause 41. The authority of the directors to bind the Company in legal transactions requires the signatures of two directors acting jointly, together with the Company’s seal.

Clause 42. The Board of Directors shall have the authority to determine and amend the names of directors authorized to sign and bind the Company in legal matters.

Clause 43. Under the Articles of Association and the Public Limited Companies Act, the Board of Directors has authority to act within the scope of the Company’s objectives, including the following powers:

(a) To act as plaintiff, file complaints, conduct legal proceedings, compromise, or submit disputes to arbitration on behalf of the Company;

(b) To purchase, procure, receive, lease, rent, hire-purchase, give on hire-purchase, hold, possess, improve, use, and otherwise manage any assets, including any benefits derived from such assets;

(c) To sell, transfer, mortgage, pledge, exchange, or otherwise dispose of assets;

(d) To borrow money, provide guarantees, issue, transfer, accept avals, and endorse bills or other negotiable instruments;

(e) To request the temporary release of directors, employees, or staff facing criminal prosecution related to the performance of their duties for the Company;

(f) To hold shares, manage other companies or private companies, and engage in joint business ventures with other companies or private companies;

(g) To undertake any other actions that an ordinary person may lawfully perform, provided they fall within the objectives of the Company, unless such actions are permissible only for natural persons.

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Clause 44. Any payment of money or other assets to directors shall require the board's proposal for consideration by the shareholders' meeting, which may set a fixed amount or establish criteria. Such determination may be made on a case-by-case basis or may remain in effect until amended.

Clause 45. The provisions of Clause 44 shall not affect the rights of employees or staff of the Company who are elected as directors with respect to remuneration and benefits received in their capacity as employees or staff.

Section 5 Executive Committee

Clause 46. The Board of Directors may appoint a number of directors, as deemed appropriate, to form an executive committee. This committee shall have the authority to supervise and manage the operations of the Company as delegated by the board. Among the appointed members, one shall be designated as the chairman of the executive committee.

The executive committee members are entitled to remuneration and benefits as determined by the board, provided that such compensation does not affect their rights to receive remuneration or other benefits as directors.

The executive committee may hold meetings or act as deemed necessary. The provisions in Clause 32 (quorum and voting) and Clause 34 (duties and delegation) shall apply to the executive committee, mutatis mutandis (with necessary adjustments).

Section 6 Shareholders' Meeting

Clause 47. The Board of Directors shall convene an Annual General Meeting of Shareholders within four (4) months from the end of the Company's accounting period. Any other shareholders' meeting shall be called an Extraordinary Meeting.

The Board of Directors may convene an Extraordinary Shareholders' Meeting at any time as deemed appropriate. Alternatively, shareholders holding in aggregate no less than one-fifth of the total issued shares, or no fewer than twenty-five (25) shareholders holding in aggregate no less than one-tenth of the total issued shares, may jointly submit a written request to the Board to convene an Extraordinary Meeting. The reason for requesting the meeting must be clearly stated in such written request.

In such cases, the Board of Directors must convene the Shareholders' Meeting within one (1) month from the date of receipt of the shareholders' request.

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Clause 48. When convening a Shareholders' Meeting, the Board of Directors shall prepare a written notice specifying the venue, date, time, agenda, and matters to be submitted to the meeting, including whether each matter is proposed for acknowledgement, approval, or consideration, as appropriate. The notice shall also include the Board's opinion on each matter. The notice must be sent to shareholders and the Registrar at least seven (7) days prior to the meeting, and published in a newspaper for three (3) consecutive days, at least three (3) days before the meeting.

Clause 49. At the Shareholders' Meeting, there must be no fewer than 25 shareholders or shareholders' proxies (if any) present, or not less than half of the total number of shareholders, whichever is lower. Additionally, the shares represented must total not less than one-third of the total number of shares issued to form a quorum.

If, at any Shareholders' Meeting, one hour has passed since the scheduled time and the number of shareholders present does not constitute a quorum as specified, the meeting shall be adjourned. If a new meeting is convened by the Board of Directors, a notice of the meeting must be sent to shareholders at least seven (7) days before the meeting date. For this subsequent meeting, a quorum is not required.

Clause 50. Resolutions of the Shareholders' Meeting shall consist of the following:

50.1 Decisions or resolutions of the Shareholders' Meeting shall be made by voting, and regardless of the voting method, one share shall always count as one vote.

50.2 In normal circumstances, the majority of votes held by shareholders present at the meeting shall prevail. In case of a tie, the chairman of the meeting shall cast an additional deciding vote.

50.3 In the following cases, resolutions shall require the affirmative vote of not less than three-fourths of the total votes of shareholders present and entitled to vote:

a) The sale or transfer of all or a substantial part of the Company's business to others.

b) The purchase or acquisition of the business of another company or private company to become part of the Company.

c) The making, amendment, or termination of contracts related to the lease of all or a substantial part of the Company's business, the assignment of business management to others, or the merger of the Company's business with others with the purpose of sharing profits and losses.

Clause 51. The business that the Annual General Meeting shall, at minimum, conduct is as follows:

(1) Acknowledge the Board of Directors' report on the Company's activities over the past year.

(2) Approve the balance sheet and profit and loss statement.

(3) Approve the allocation of profits.

(4) Elect directors to replace those retiring by rotation.

(5) Appoint the auditor and determine the audit fee for the Company.

(6) Consider other matters.

Clause 52. The Company must submit a list of shareholders as of the date of the Annual General Meeting, specifying names, nationalities, addresses, number of shares, and share certificate numbers, to the Registrar within one (1) month from the conclusion of the meeting.

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Section 7 Accounting, Finance and Auditing

Clause 53. The fiscal year of the Company begins on January 1 and ends on December 31 of each year.

Clause 54. The Company must maintain and preserve accounting records, and conduct audits in accordance with applicable laws. The Company must also prepare a balance sheet and a profit and loss statement at least once during each 12-month fiscal year.

Clause 55. The Board of Directors must prepare a balance sheet and a profit and loss statement as of the end of the Company's fiscal year and present them to the shareholders at the Annual General Meeting for approval. The Board must ensure that the auditor has completed the audit before presenting these statements to the shareholders.

Clause 56. The Board of Directors must send the following documents to the shareholders along with the notice of the Annual General Meeting:

(1) A copy of the audited balance sheet and profit and loss statement, together with the auditor's report.

(2) The Board of Directors' annual report.

Clause 57. It is prohibited to distribute dividends from sources other than profits if the Company still has accumulated losses.

Dividends shall be distributed according to the number of shares, equally per share.

If the Company has not sold all shares as registered, or if the Company has increased its registered capital, dividend payments may be made in full or in part in the form of share dividends, issuing new ordinary shares to shareholders, subject to approval at the shareholders' meeting.

Dividend distribution shall be carried out within 1 (one) month from the date of the shareholders' meeting or the resolution of the Board, as the case may be. Written notice shall be given to shareholders, and the declaration of dividend payment shall also be advertised in a newspaper.

Clause 58. The Company must allocate at least 5 (five) percent of the annual net profit to reserves, after deducting any accumulated losses carried forward (if any), until the reserve reaches at least 10 (ten) percent of the registered capital.

Clause 59. An auditor must not be a director, employee, staff, or hold any position in the Company.

Clause 60. An auditor has the authority to examine the accounts, documents, and any other evidence relating to the income, expenses, assets, and liabilities of the Company during its business hours. The auditor may question directors, employees, staff, any position holders in the Company, and the Company's representatives, and may request clarification or submission of documents and evidence related to the Company's operations.

Clause 61. An auditor is required to attend every shareholders' meeting where the Company's financial statements, profit and loss, and accounting issues are considered, to explain the audit to the shareholders. The Company must provide the auditor with the reports and documents that shareholders are entitled to receive at that shareholders' meeting.

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Section 8 Capital Increase

Clause 62. The Company may increase its capital beyond the currently registered amount by issuing additional new shares, which may be undertaken as follows:

62.1 All shares have been issued and fully paid, or, in cases where not all shares have been sold, the remaining shares must be issued to accommodate convertible shares or warrants to purchase shares, as specified in Clause 12.

62.2 The shareholders' meeting passes a resolution with a vote of no less than three-quarters of the total votes of shareholders present and entitled to vote.

62.3 The resolution to increase capital shall be registered with the Registrar to reflect the change in the registered capital within 14 (fourteen) days from the date the resolution was passed.

Clause 63. The additional shares under Clause 62 may be offered for sale in whole or in part. They shall first be offered to shareholders in proportion to their existing holdings. Alternatively, the shares may be offered to the public or other individuals, in whole or in part, in accordance with the resolution of the shareholders' meeting.

Once the shareholders' meeting has allocated the additional capital as described above, it may authorize the Company's Board of Directors to determine the share price, the number of shares to be issued at each offering, the date of issuance, and all aspects of subscription rights proportions.

Section 9 Additional Clause

Clause 64. Concerning the seal of Karmart Public Company Limited, the Company shall use the corporate seal as follows:

If any clause of these regulations requires amendment or modification, the shareholders' meeting may consider and approve such amendment or modification in accordance with the law.

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