

Announcement
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Supply Chain Management Policy
Central Pattana Public Company Limited

The Supply Chain Management (SCM) Policy serves as an operating guideline for CPN executives and staff by valuing business conduct with business partners in a transparent, straightforward, and fair manner in parallel with sustainable business conduct with due regard for the economy, society, and the environment as well as safety and occupational health. The desire is to promote socially responsible supply chain management jointly created by business partners and suppliers directly and indirectly related to CPN that, in the long term, fosters confidence among stakeholders and business sustainability for CPN and its business partners. The SCM scope breaks down into 1) development and construction (incorporating purchase of raw materials, a system of hardware and contractor hiring for the design and construction of shopping complexes) and 2) property and organizational management operation (incorporating purchase of tools and materials and service contractor hiring for shopping complexes).

This policy forms part of the Corporate Governance Policy (under Section 3, Regard for Roles of Stakeholders, Subsection on Fair Treatment of Business Partners with Due Regard for Mutual Benefits). Below are operating principles.

1. Define SCM strategies to ensure management actions filled with transparency, fairness, auditability, responsibility, and legitimacy under applicable laws, regulations, and requirements in countries where CPN operates and in line with international standards, while aligning with business strategies for mutual optimal and sustainable benefits.
2. Define a process for screening business partners before assuming tasks under each project/task under the following criteria:
 - Company credibility and financial management competence
 - Technical aspects and technological innovation
 - Management and due regard for impacts on safety and the environment, occupational health, and job quality.
3. Define standards and regulations concerning corporate governance, the environment, and human rights principles in hiring contracts and the CPN Code of Conduct for Suppliers.
4. Require mechanisms for business partner job performance assessment, with random assessment by responsible agencies and registration of manufacturers/contractors under the hiring and purchasing policy. Review manufacturers' and contractors' status under the system for subsequent years.
5. Hire and prepare hiring contracts in a transparent and fair manner for both parties in line with the hiring and purchasing policy together with the invitation-to-bid process.
6. Require mechanisms for business partners' risk assessment and contract value assessment and spend analysis to ward off potential damage to CPN's business and reputation.
7. Cooperate in developing genuine "partnership" for suppliers and business partners by growing their capability through listening and feedback-sharing.

8. Disclose and convey the SCM policy and its practical measures to the public, tenants, business partners, related parties, directors, executives, employees, subsidiaries, associates, controlled companies, business agents, and their business partners, among others.
9. Clearly inform business partners about whistleblowing channels for any unfair treatment by CPN officers.

Announcement on May 1, 2016

- Signature -

Mr. Preecha Ekkunagul

President & CEO

Central Pattana Public Company Limited