

KARMARTS PUBLIC COMPANY LIMITED

- Translation -

Indicative Terms of the Offering of up to 584,921 Newly Issued Shares of
Karmarts Public Company Limited (the Company)
to Directors, Managers and/or Employees of the Company
Under the Employee Stock Option Plan
(the “ESOP Scheme”)

1. Reasons and Necessity for the Offering of Newly Issued Shares

The Company’s offering of its new shares under the ESOP Scheme is carried out based on the following objectives:

- To motivate its human resources to work hard with appropriate consideration, an entrepreneurial spirit and a willingness to help forge additional values for the Company in the future.
- To compensate the senior executives’ continued dedication to the Company with an opportunity to share in the ownership of the Company.
- To retain key persons’ long-lasting loyalty to the Company which will be beneficial to the Company’s operations in the future.
- To create a mutually beneficial relationship between shareholders and the Company as the employees’ efficient performance can bring about steady operating results to the Company and good investment returns to shareholders.

2. Details of the Company’s newly issued ordinary shares

Name of securities	:	Ordinary shares of Karmarts Public Company Limited (the Shares).
Nature	:	Newly issued ordinary shares.
Type	:	Registered transferable ordinary shares.
Offering method	:	To offer the Shares (the Offering) by allocating them to Directors, Managers and/or Employees of the Company whose qualifications meet the eligibility criteria under Clause 6 (individually called ESOP Qualified Employee). Each ESOP Qualified Employee has the right to subscribe for the Shares according to the conditions specified in Clause 7.
Term of ESOP Scheme	:	6 month starting from the offering date.
Total number of Ordinary shares to be Offered	:	Up to 584,921 newly issued ordinary shares with the par value Baht 0.60 each which will be offered under a ESOP scheme (Please see section “Offering Period” for further details in respect of the offering of newly issued Ordinary shares).

Offering price per share	:	The Company will offer the Shares price at Baht 2.00 per share
Source of	:	The Company is reference on the exercise price of Baht 2 per share
Offering price	:	from the issuance of warrants KAMART- W as at 8th May 2013 and the exercising right had ended on 7th May 2014
The calculate to market price	:	Baht 11.79 is the weighted average price of shares traded for 15 consecutive days prior to the Board of Directors' Meeting No. 1/2560 held on 27th February 2017 (between 3rd – 24th February 2017 – information from (www.set.or.th)).
Market comparison with Offering price	:	$\frac{(11.79 - 2) \times 100}{2} = 489.50\%$

“Offering Date” means any date which the Board of Directors and/or its designee approves to be fixed as the date for offering the newly ordinary issued shares to the ESOP Qualified Employees.

Offering period	:	<p>The Company will offer the Shares as detailed as follows:</p> <p>The Company will offer the Shares within Three (3) months from the date that the shareholders meeting approves the Offering of the Shares to the ESOP Qualified Employees. However, the aggregate number of the Shares in limited to 584,921 shares of the total number of the Shares under this ESOP Scheme.</p>
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Secondary market for the Shares	:	The Company will proceed to list the Shares on the Stock Exchange of Thailand (SET).
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Dilution effect to shareholders	:	<p>1. Control Dilution</p> <p>In the event that all of up to 574,921 newly issued ordinary shares are fully allotted, shareholding ratio of the existing shareholders shall be diluted by 0.09* percent.</p>
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*Calculated based on the number of the reserved shares divided with the sum of (1) paid-up shares of 659,568,809 shares and (2) the shares accommodated for the exercise of warrants

$$0.09 \% = \frac{574,921}{659,568,809 + 574,921}$$

2. Price Dilution

In the event that all of up to 574,921 newly issued ordinary share are fully allotted, shares price shall be diluted by 0.08 percent, based on the assumption that the market price before the offering of shared is Baht 11.79

per shares which is the weighted average price of shares traded for 15 consecutive days prior to the Board of Directors' Meeting No. 1/2560 held on February 27, 2017 (between February 3 – 24, 2017 – information from www.set.or.th). The calculation details are as follows:

$$\frac{\text{Market Price prior to the offering} - \text{Market Price after the offering} *}{\text{Market Price prior to the offering}}$$

$$0.08 \text{ percent} = \frac{11.79 - 11.78}{11.79}$$

*The Market Price after the offering being calculated from:

$$\frac{(\text{Market Price} \times \text{Amount of pain} - \text{up shares}) + (\text{Exercise price} \times \text{Amount of shares accommodated})}{\text{Amount of pain} - \text{up shares} + \text{Amount of shares accommodated}}$$

$$11.78 = \frac{(11.79 \times 659,568,809) + (2 \times 574,921)}{(659,568,809 + 574,921)}$$

*Control dilution and price dilution not included calculated the remaining shares from the stock dividend at ratio of 3:1(659,568,809 shares dividend by 3 amounted up to 10,000 shares.

3. Method for Offering of the Shares

The Company will offer up to 584,921 Shares to the Directors, Managers and/or Employees under the ESOP Scheme. The Board of Directors and/or its designee has the power to determine the offering date, (pursuant to the criteria specified in the section "Offering Price per Share"), the subscription date and the number of the Shares to be offered to each ESOP Qualified Employee, including all other related rules, conditions and details.

Except as otherwise specified in clauses 4 and 5 hereof, the number of the Shares that the Board of Directors and/or its designee will offer to each ESOP Qualified Employee is limited to 5 percent of the total number of the Shares offered under this ESOP Scheme. The Shares that Board of Directors and/or its designee will offer to each ESOP Qualified Employee under clauses 4 and 5 hereof must not exceed the limit specifically stated in those clauses.

4. List of directors eligible for the Offering and number of the Shares to be offered

Name	Job position	Number of the Shares to be offered in the offering (shares)	Percentage of the number of the Shares to be offered against the total number of the Shares under the ESOP Scheme
1. Mr. Wiwat Theekhakhirikul	Chairman of the board	Up to 35,562	Up to 6.19 percent
2. Mr. Kraiwit Satayapiwat	Director	Up to 23,708	Up to 4.12 percent
3. Mr. Wongwiwat Theekhakhirikul	Director	Up to 23,708	Up to 4.12 percent
4. Lt.Gen.Kobboon Vichit	Director	Up to 35,562	Up to 6.19 percent
5. Puttithorn Jirayus, PhD	Director	Up to 23,708	Up to 4.12 percent
6. Mr. Parit Teekakirikul	Director	Up to 23,708	Up to 4.12 percent
7. Mr. Prasit Dheeraratbongkot	Director	Up to 23,708	Up to 4.12 percent
8. Mr. Seah Sin Loo	Director	Up to 23,708	Up to 4.12 percent

5. Details of senior executives (including any senior executives who are also directors) eligible for an offering of the total number of the Shares in this Offering

1. List of directors

Name	Job position	Number of the Shares to be offered in the offering (shares)	Percentage of the number of the Shares to be offered against the total number of the Shares under the ESOP Scheme
1. Mr. Wiwat Theekhakhirikul	Managing Director	Up to 23,708	Up to 4.12 percent
2. Mr. Kraiwit Satayapiwat	Deputy Managing Director	Up to 23,708	Up to 4.12 percent
3. Mr. Wongwiwat Theekhakhirikul	Assistant Managing Director	Up to 23,708	Up to 4.12 percent

2. List of senior executives

Name	Job position	Number of the Shares to be offered in the offering (shares)	Percentage of the number of the Shares to be offered against the total number of the Shares under the ESOP Scheme
1. Mrs. Tussanee Auncharoen	Deputy Managing Director	Up to 23,708	Up to 4.12 percent
2. Ms. Suwannee Tharacheevin	Assistant Managing Director – Accounting	Up to 23,708	Up to 4.12 percent
3. Ms. Chonthida Theekhakhirikul	Assistant Managing Director – Marketing	Up to 23,708	Up to 4.12 percent
4. Mrs. Aunruen Arunvisavakul	Assistant Managing Director – Warehousing and Distribution	Up to 23,708	Up to 4.12 percent
5. Mr. Pongwiwat Theekhakhirikul	Product Development Senior Director	Up to 23,708	Up to 4.12 percent
6. Mr. Satjapong Yongskulrote	Business Development Director – Information Technology	Up to 17,781	Up to 3.09 percent
7. Mrs. Somsri Viriya	Accounting Director	Up to 17,781	Up to 3.09 percent
8. Ms. Nattanan Muansing	Sales Operation Director – Modern Trade (Acting)	Up to 17,781	Up to 3.09 percent

3. List of Directors Managers and/or Employees offered for the allotment of new ordinary shares more than five (5) percent for Directors, Managers and/or Employees of the Company (ESOP Scheme)

Name	Job position	Sum of Number of the Shares to be offered in the offering (shares)	Sum of Percentage of the number of the Shares to be offered against the total number of the Shares under the ESOP Scheme
1. Mr. Wiwat Theekhakhirikul	Chairman of the board , Managing Director	Up to 59,270	Up to 10.31 percent
2. Mr. Kraiwit Satayapiwat	Director, Deputy Managing Director	Up to 47,416	Up to 8.24 percent
3. Mr. Wongwiwat Theekhakhirikul	Director, Assistant Managing Director	Up to 47,416	Up to 8.24 percent
4. Lt.Gen.Kobboon Vichit	Director	Up to 35,562	Up to 6.19 percent

Opinion of the Board of Directors.

1. Mr. Wiwat Theekhakhirikul

The Board of Directors considered that Mr. Wiwat is a key executive of the Company who has successfully played a vital role in directing and managing the Company during the time of financial crisis. He has been very well recognized in the business with an extensive experience, vision of future business and great capability in business administration. He has always dedicated his time to work hard for the Company. Therefore, found it appropriate to offer the Shares to Mr. Wiwat in consideration of his long-lasting dedication and in order to retain his loyalty to the Company for the best benefit of the Company.

2. Mr. Kraiwit Satayapiwat

The Board of Directors considered that Mr. Kraiwit is one of the executives who jointly assisted Mr. Kraiwit in managing the Company during the time of financial crisis. He also has been very well recognised in the manufacturing industry given his extensive experience and has always dedicated his time to work hard for the Company. In consideration of his dedication and in order to retain his loyalty to the Company, the Board of Director, found it appropriate to offer the Shares to Kraiwit

3. Mr. Wongwiwat Theekhakhirikul

The Board of Directors considered that Mr. Wongwiwat is also one of the executives who jointly assisted Mr. Wongwiwat in managing the Company during the time of financial crisis. He is a professional executive with great capability in business administration and corporate strategies. He has fully dedicated his time to work diligently for the uttermost benefit of the Company. Therefore, it is appropriate to offer the Shares to Mr. Wongwiwat in consideration of his dedication and in order to retain her loyalty to the Company for the uttermost benefit of the Company.

4. Lt.Gen.Kobboon Vichit

The Board of Directors considered that Lt.Gen.Kobboon is and executive officer with an extensive knowledge. He is expected to apply his experience and expertise to work for the Company. Therefore, the Board of Directors, found it appropriate to offer the Shares to her as an incentive to motivate his to direct the Company to achieve prosperity and success by meeting its goals in the future.

Note : The table shows the maximum number of Shares to which each ESOP Qualified Employee is entitled. The actual number of Shares to be offered to different ESOP Qualified Employees in each year may vary depending on the duration of their services, job position, scope of duties and responsibilities. However, the total number of Shares to be allocated to each ESOP Qualified Employee must not exceed the limit specified in the table.

Financial gains to be obtained by each ESOP Qualified Employee, calculated from a margin between the offering price and the market price.

6. Eligibility criteria for the Offering

- (1) An ESOP Qualified Director, Manager and/or Employee must be an employee of the Company.
- (2) The number of the Shares to be offered to different ESOP Qualified Employees in each year may vary depending on the duration of their services and/or job position and/or scope of their duties and responsibilities during the relevant period, including their past dedications and contributions to the Company. The Company and/or its designee has the discretion to nominate the suitable employees, establish the eligibility criteria and determine the number of the Shares to be offered to each ESOP Qualified Employee under this ESOP Scheme.

7. Conditions for subscription for the Shares under the ESOP Scheme

- 7.1 The Board of Directors and/or its designee is authorized to specify the date for the subscription of the Shares to be offered to the ESOP Qualified Employees at each offering. Numerous subscription dates may be fixed for each offering. Moreover, the Board of Directors and/or its designee has the discretion to limit the number of the Shares to be subscribed on each subscription date and take any action necessary and appropriate for determining all other details and conditions for subscribing for the Shares under this ESOP Scheme.
- 7.2 Unless otherwise specified in Clause 7.3, an ESOP Qualified Employee who will subscribe for the Shares on the specified subscription date must be an employee of the Company as at the relevant subscription date.
- 7.3 If an ESOP Qualified Employee ceases to be an employee of the Company due to death before or on the relevant subscription date, or retirement pursuant to the Company's regulations, that employee still has the right to subscribe for a portion of the Shares to which he/she is entitled on the unchanged conditions at only one time on the relevant subscription date. If the ESOP Qualified Employee dies, his/her legal heir is able to assume the right to subscribe for the Shares.
- 7.4 Each ESOP Qualified Employee must subscribe for the Shares based on his/her rights and pay the subscription price on the subscription date or any date as may be extended by the Board of Directors and/or its designee.

8. Agreement between the Company and the ESOP Qualified Employees

At each offering that an ESOP Qualified Employee exercises the subscription right and is allotted the Shares under the ESOP Scheme, he/she is prohibited from disposing of the Shares under that offering for one year from the date on which he/she becomes the legal owner of the Shares.

9. Application for official authorization to offer the Shares

The Company will proceed to offer the Shares to its employees. The Shares are subject to the regulations, conditions and standards prescribed in the Notification of the Securities and Exchange Commission No. Thor Jor. 32/2008 Re: Offering of newly issued securities to directors of employees dated 15th December 2008.

10. Right of shareholders to oppose the Offering

The Offering of the Shares under the ESOP Scheme requires approval from shareholders with three quarters (3/4) or more of the total votes cast by the shareholders present and eligible to vote at the meeting and there must be no shareholder(s), having an aggregate shareholding of more than 10 percent of the votes of the shareholders attending the meeting, vote against.

For an offering of more than 5 percent of the total number of the Shares under the ESOP Scheme to any senior executives (including any senior executives who are also directors) of the Company, a resolution of shareholders' meeting to approve such offering for each of those employees is needed. Each of those employees must individually obtain approval of not less than three-quarters (3/4) of the total votes of all the shareholders attending a meeting and having the right to vote and there shall be no shareholder(s), having an aggregate shareholding of more than 5 percent of the total votes of the shareholders attending a meeting, vote against.