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Charter of the Audit Committee

Proud Real Estate Public Company Limited

2020 Revised Edition

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1. Purpose

The Audit Committee is a subcommittee of the Board of Directors. It supports the Board of Directors in performing its oversight duties relating to the review of financial reports presented to shareholders and other relevant parties, and the monitoring of the internal control and internal audit systems relating to the operations of the Company and its subsidiaries. The Committee also oversees the Company's operations to ensure that the Company's financial reporting is accurate and sufficient and that the Company has appropriate and effective internal control and internal audit systems. This is to build confidence that all business units perform their duties efficiently, comply with applicable laws, and adhere to all regulations relating to the Company's operations.

2. Composition and Appointment of the Audit Committee

2.1 The Audit Committee shall comprise at least three directors of the Company, all of whom shall be independent directors whose qualifications, duties, and responsibilities shall at least comply with the criteria prescribed by the securities and exchange laws. They shall possess sufficient knowledge and experience to perform their duties as members of the Audit Committee. At least one member shall possess sufficient knowledge and experience to review the reliability of the financial statements.

2.2 The Audit Committee shall be appointed by the Board of Directors or the shareholders' meeting.

2.3 The Board of Directors shall appoint one member of the Audit Committee to act as Chairperson of the Audit Committee.

2.4 The Head of Internal Audit shall act as Secretary to the Audit Committee by virtue of office. If the position of Head of Internal Audit is vacant, the Audit Committee shall appoint another person with appropriate qualifications to act as Secretary.

3. Qualifications of the Audit Committee Members

3.1 Members of the Audit Committee shall be appointed by the Board of Directors or the shareholders' meeting.

3.2 Members of the Audit Committee shall be independent directors in accordance with the criteria prescribed in the notification of the Capital Market Supervisory Board.

3.3 Members of the Audit Committee shall not be directors authorised by the Board of Directors to make decisions on the operations of the Company, its parent company, subsidiaries, associated companies, fellow subsidiaries, major shareholders, or controlling persons of the Company.

3.4 Members of the Audit Committee shall not be directors of the parent company, subsidiaries, or fellow subsidiaries that are listed companies.

3.5 Members of the Audit Committee shall possess sufficient knowledge and experience to perform their duties. At least one member shall have sufficient knowledge and experience to review the reliability of the financial statements.

4. Term of Office and Remuneration

4.1 Members of the Audit Committee shall hold office for a term of not more than three years, commencing from the date of appointment or corresponding to their term of office as directors of the Company. Upon expiry of the term, they may be reappointed by the Board of Directors.

4.2 In addition to vacating office upon expiry of the term referred to above, a member of the Audit Committee shall vacate office upon:

1) death;
2) resignation;
3) ceasing to be a director of the Company;
4) lacking the qualifications required to perform the duties of a member of the Audit Committee;
5) lacking the qualifications required to be a director of the Company, or possessing any prohibited characteristics prescribed by the Public Limited Companies Act and/or the securities and exchange laws, or possessing any characteristics that demonstrate a lack of suitability to be entrusted with the management of a company with public shareholders, as prescribed by the Securities and Exchange Commission; or
6) removal from office by a resolution of the Board of Directors or the shareholders' meeting.

4.3 A member of the Audit Committee who wishes to resign before the expiry of the term shall submit a letter of resignation to the Chairperson of the Board of Directors at least one month in advance, stating the reasons for the resignation, to enable the Board of Directors to consider the appointment of another person who possesses all qualifications prescribed in this Charter to replace the resigning member.

4.4 Where a position on the Audit Committee becomes vacant for any reason other than expiry of the term of office, the Board of Directors shall appoint a person who possesses the required qualifications and does not possess any prohibited characteristics prescribed by law as a replacement member within three months. This is to ensure that the Audit Committee continues to comprise the required number of members in accordance with the regulations of the Stock Exchange of Thailand governing the maintenance of listed company status. However, where the remaining term of office is less than two months, the Board of Directors may decide not to appoint a replacement member. The replacement member shall hold office only for the remainder of the term of the member whom they replace.

4.5 The Nomination and Remuneration Committee shall consider and determine the remuneration of the Audit Committee based on the duties and responsibilities of its members. The proposed remuneration shall be submitted to the Board of Directors for consideration before it is presented to the shareholders' meeting for consideration and approval.

5. Authority and Duties

5.1 Review the Company's financial reporting to ensure that it is accurate and adequately disclosed.

5.2 Review the Company's internal control system and internal audit system to ensure that they are appropriate and effective.

5.3 Review the independence of the Internal Audit Unit. The Audit Committee shall also approve the appointment, transfer, dismissal, or termination of the Head of Internal Audit or any other person responsible for internal audit.

5.4 Review the Company's compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, and laws relating to the Company's business.

5.5 Consider, select, and nominate an independent person for appointment as the Company's auditor and propose the remuneration of the auditor. The Audit Committee shall also meet with the auditor without the presence of the management at least once a year.

5.6 Consider connected transactions and transactions that may give rise to conflicts of interest to ensure that they comply with applicable laws and the regulations of the Stock Exchange of Thailand and that they are reasonable and in the best interests of the Company.

5.7 Prepare the Audit Committee Report for disclosure in the Company's Annual Report. The report shall be signed by the Chairperson of the Audit Committee and shall contain at least the following information:

5.7.1 an opinion on the accuracy, completeness, and reliability of the Company's financial reporting;

5.7.2 an opinion on the adequacy of the Company's internal control system;

5.7.3 an opinion on the Company's compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, and laws relating to the Company's business;

5.7.4 an opinion on the suitability of the auditor;

5.7.5 an opinion on transactions that may give rise to conflicts of interest;

5.7.6 the number of Audit Committee meetings and the attendance record of each member;

5.7.7 an opinion or observations obtained from the performance of duties under this Charter; and

5.7.8 any other information that shareholders and investors should be informed of within the scope of the authority and duties assigned by the Board of Directors.

5.8 In performing its duties, if the Audit Committee discovers or has reason to suspect that any of the following transactions or actions may materially affect the Company's financial position or operating results, the Audit Committee shall report the matter to the Board of Directors so that corrective action can be taken within the period that the Audit Committee considers appropriate:

(a) transactions that give rise to conflicts of interest;

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(b) fraud, irregularities, or significant deficiencies in the internal control system;

(c) non-compliance with the securities and exchange laws, the regulations of the Stock Exchange of Thailand, or laws relating to the Company's business. If the Board of Directors or the management fails to take corrective action within the specified period, any member of the Audit Committee may report the transaction or action to the Securities and Exchange Commission or the Stock Exchange of Thailand.

5.9 Support and monitor the Company to ensure that it maintains an effective risk management system.

5.10 Review and amend the Charter of the Audit Committee and submit any proposed amendments to the Board of Directors for consideration and approval.

5.11 Propose and review the Company's corporate governance policy on an annual basis and provide recommendations to the Board of Directors for consideration.

5.12 Provide recommendations on corporate governance practices to the Board of Directors for consideration.

5.13 Oversee the Company's compliance with applicable laws and the Company's regulations.

5.14 Perform any other duties assigned by the Board of Directors, subject to the approval of the Audit Committee and in accordance with the Company's Articles of Association and applicable laws.

6. Meetings

6.1 The Audit Committee shall hold at least four meetings each year and may hold additional meetings as circumstances require to ensure that the Committee fulfils its objectives.

6.2 In convening a meeting of the Audit Committee, the Chairperson of the Audit Committee or the Secretary to the Audit Committee shall send a notice of meeting and the meeting agenda to each Audit Committee member at least seven days before the meeting date. In urgent cases where it is necessary to protect the interests of the Company, notice may be given by other means and the meeting date may be fixed earlier.

6.3 If the Chairperson of the Audit Committee is absent from a meeting or is unable to perform their duties, the members present shall elect one member to act as Chairperson of the meeting.

6.4 Each member of the Audit Committee shall have one vote.

6.5 A member of the Audit Committee who has an interest in any matter under consideration shall leave the meeting during consideration of that matter and shall not be entitled to vote on it.

6.6 Resolutions shall be passed by a majority vote. In the event of an equality of votes, the Chairperson of the meeting shall have a casting vote.

6.7 The Audit Committee may invite other persons, such as the Chief Executive Officer, deputy chief executive officers, department directors, assistant department directors, managers, the Head of Internal Audit, and/or the auditor, to attend meetings as appropriate.

7. Quorum

A quorum shall consist of not less than one-half of the total number of members of the Audit Committee.

8. Reporting

The Secretary to the Audit Committee shall record and prepare the minutes of each meeting within 14 days. The Secretary shall also retain the minutes and supporting meeting documents. The Chairperson of the Audit Committee shall report a summary of the meeting results to the Board of Directors.

The Audit Committee shall report significant matters to the Board of Directors, government authorities, shareholders, and investors to build confidence that the management conducts the Company's business with due care and gives fair consideration to the interests of all shareholders.

9. Performance Evaluation

The Audit Committee shall conduct a performance evaluation at least once a year. The evaluation shall comprise both individual self-assessments and a committee evaluation based on the evaluation form prescribed by the Stock Exchange of Thailand. The Audit Committee shall report the evaluation results, together with any issues and obstacles that may prevent it from achieving its objectives, to the Board of Directors on an annual basis.

This Charter was approved by the Board of Directors at its Meeting No. 1/2563 held on 26 February 2020 and shall take effect from 26 February 2020 onwards.

(Mr. Anuwat Maytheewibulwut)

Chairman of the Board of Directors

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