Charter of the Board of Directors
Proud Real Estate Public Company Limited
(Revised Version 2020)

Charter of the Board of Directors

1. Purpose

To support the performance of the Board of Directors, which plays an important role in driving the organisation and has duties and responsibilities for overseeing the Company's operations in accordance with its objectives and targets to maximise benefits for shareholders and all stakeholders. The Board of Directors shall perform its duties in compliance with applicable laws, the Company's objectives and Articles of Association, resolutions of the Board of Directors and resolutions of the Shareholders' Meeting, with full knowledge and capability, honesty and integrity, ethical conduct, due care and consistent accountability to shareholders, to ensure the Company's sustainable growth.

2. Composition and Appointment of the the Board of Directors

The Shareholders' Meeting shall consider and approve the appointment of Directors.

The Board of Directors shall consist of the Chairman of the Board of Directors, Vice Chairman of the Board of Directors and other Directors in a number appropriate to the size of the Company's business to ensure operational efficiency. The Board of Directors shall consist of no fewer than 5 and no more than 12 Directors. Independent Directors shall be independent from management and free from any business or other relationships that could affect their independent judgement. Independent Directors shall account for at least one-third of the total number of Directors, but shall not be fewer than 3 Directors.

The Board of Directors shall select one Director as Chairman of the Board of Directors. Where the Board of Directors deems appropriate, one or more Directors may be selected as Vice Chairman of the Board of Directors.

The appointment of Directors shall comply with the Company's Articles of Association and applicable laws. The appointment process shall be transparent and clear. The educational background and professional experience of each candidate shall be considered, and sufficient information shall be provided to support decision-making by the Board of Directors and shareholders.

The Chief Executive Officer shall, by virtue of holding that office, be designated as a Director.

3. Qualifications of the Executive Committee Members

1) Directors shall possess knowledge and capability, demonstrate honesty, integrity and ethical conduct in business, and have sufficient time to devote their knowledge and capability to the performance of their duties for the Company.
2) Directors shall possess the qualifications and have none of the prohibited characteristics prescribed under the law on public limited companies and other applicable laws. They shall also have none of the characteristics indicating a lack of suitability to be entrusted with the management of a publicly held business as prescribed under the law on securities and exchange.

3) Directors may hold directorships in other companies, provided that such directorships do not interfere with the performance of their duties as Directors of the Company and comply with the guidelines prescribed by the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand.

4. Qualifications of Independent Directors

Independent Directors shall not perform executive duties, shall be independent from management and controlling shareholders, and shall have no business relationships with the Company and its subsidiaries that could restrict the expression of independent opinions. They shall also possess the qualifications prescribed by the Notification of the Capital Market Supervisory Board as follows:

1) Hold no more than 1% of the total voting shares of the Company, its subsidiaries, associated companies, major shareholders or controlling persons of the Company. The shareholding of related persons of the Independent Director shall also be taken into account.
2) Not be or have been an executive director, employee, staff member, adviser who receives a regular salary, or controlling person of the Company, its subsidiaries, associated companies, major shareholders or controlling persons of the Company, unless such status ended at least 2 years prior to the appointment.
3) Not be related by blood or legal registration as a father, mother, spouse, sibling or child, or spouse of a child, of another Director, executive, major shareholder, controlling person or person nominated to become a Director, executive or controlling person of the Company or its subsidiaries.
4) Not have or have had a business relationship with the Company, its subsidiaries, associated companies, major shareholders or controlling persons of the Company in a manner that may interfere with the exercise of independent judgement. The Independent Director shall also not be or have been a significant shareholder or controlling person of any entity that has a business relationship with the Company, its subsidiaries, associated companies, major shareholders or controlling persons of the Company, unless such status ended at least 2 years prior to the appointment.
5) Not be or have been an auditor of the Company, its subsidiaries, associated companies, major shareholders or controlling persons of the Company, and not be a significant shareholder, controlling person or partner of an audit firm to which an auditor of the Company, its subsidiaries, associated companies, major shareholders or controlling persons belongs, unless such status ended at least 2 years prior to the appointment.
6) Not be or have been a provider of any professional services, such as legal or financial advisory services, with service fees exceeding Baht 2 million per year from the Company, its subsidiaries, associated companies, major shareholders or controlling persons of the Company, and not be a significant shareholder, controlling person or partner of such professional service provider, unless such status ended at least 2 years prior to the appointment.
7) Not be a Director appointed to represent a Director of the Company, a major shareholder or a shareholder related to a major shareholder.

8) Not a business of the same nature as and in significant competition with the business of the Company or its subsidiaries, and not be a significant partner in a partnership, an executive director, employee, staff member or adviser who receives a regular salary, or hold more than 1% of the total voting shares of another company that operates a business of the same nature as and in significant competition with the business of the Company or its subsidiaries subsidiaries.
9) Have no other characteristics that prevent the expression of independent opinions on the Company's operations.

Independent Directors who meet the qualifications under items 1)–9) may be assigned by the Board of Directors to make decisions on the operations of the Company, its subsidiaries, associated companies, same-level subsidiaries, major shareholders or controlling persons of the Company through collective decision-making (Collective Decision).

Where a person appointed by the Company as an Independent Director has or previously had a business relationship or provided professional services exceeding the thresholds prescribed under item 4) or item 6), the Board of Directors may grant an exemption if it considers that the appointment of such person will not affect the performance of duties or the expression of independent opinions, and the Company has disclosed the following information in the notice of the Shareholders' Meeting under the agenda item concerning the appointment of such Independent Director:

a) The nature of the business relationship or professional services that causes such person not to meet the prescribed qualifications;
b) The reasons and necessity for retaining or appointing such person as an Independent Director; and
c) The opinion of the Board of Directors on the proposed appointment of such person as an Independent Director.

5. Term of Office and Remuneration

Directors shall hold office for a term of 3 years. Upon completion of their term, they may be considered for re-election as Directors of the Company.

At every Annual General Meeting of Shareholders, one-third of the Directors then in office shall retire. If the number of Directors cannot be divided exactly into three, the number nearest to one-third shall retire.

The Directors who shall retire during the first and second years following the registration of the Company shall be determined by drawing lots. In subsequent years, the Directors who have remained in office for the longest period shall retire.

In addition to retirement by rotation, a Director shall vacate office upon:

1) Death;
2) Resignation;
3) Disqualification or possession of prohibited characteristics under the law on public limited companies and/or the law on securities and exchange;

4) A resolution of the Shareholders' Meeting to remove the Director before the end of the term by a vote of not less than three-fourths of the number of shareholders who attend the meeting and are entitled to vote, and who collectively hold not less than one-half of the shares held by the shareholders who attend the meeting and are entitled to vote; or
5) A court order.

A Director who wishes to resign shall submit a resignation letter to the Chairman of the Board of Directors.

Where a directorship becomes vacant for any reason other than retirement by rotation, the Board of Directors shall appoint at its next meeting a qualified person who has none of the prohibited characteristics prescribed by law to replace the Director, unless the remaining term of the vacating Director is less than 2 months, in which case the Board of Directors may choose not to appoint a replacement Director. A replacement Director shall hold office only for the remaining term of the Director whom they replace.

Remuneration

The Board of Directors shall assign the Nomination and Remuneration Committee to consider and determine Directors' remuneration based on the Company's operating performance and business size and comparisons with other companies in the same industry. The proposed remuneration shall be submitted to the Board of Directors for consideration before submission to the Shareholders' Meeting for consideration and approval.

5. Authorities, Duties and Responsibilities

In addition to their principal duties as representatives of shareholders as stated above, the authorities, duties and responsibilities of the Board of Directors shall be in accordance with applicable laws, the Company's Articles of Association and resolutions of the Shareholders' Meeting, and shall cover the following:

1) Perform duties with responsibility, due care, honesty and integrity, and in compliance with applicable laws, the Company's objectives and Articles of Association, and resolutions of the Shareholders' Meeting, except for matters that require prior approval from the Shareholders' Meeting, such as matters for which shareholder approval is required by law, connected transactions, and the acquisition or disposal of significant assets in accordance with the rules of the Stock Exchange of Thailand or requirements prescribed by other government agencies.
2) Consider and approve the Company's business policies, targets, operating plans, business strategies and annual budget.
3) Consider and determine the organisational structure and management structure.
4) Consider and approve the appointment of persons who possess the qualifications and have none of the prohibited characteristics prescribed under the law on public limited companies and the law on securities and exchange, as well as applicable notifications, rules and/or regulations related to the qualifications for a Director of the Company, where a directorship becomes vacant for any reason other than retirement by rotation.

5) Consider the appointment of Independent Directors based on their qualifications and prohibited characteristics in accordance with the law on securities and exchange, notifications of the Capital Market Supervisory Board, and applicable notifications, rules and/or regulations of the Stock Exchange of Thailand, or propose the appointment of Independent Directors of the Company to the Shareholders' Meeting for consideration.
6) Consider the appointment of members of the Audit Committee who possess the qualifications prescribed under the law on securities and exchange, notifications of the Capital Market Supervisory Board, and applicable notifications, rules and/or regulations of the Stock Exchange of Thailand.
7) Consider the appointment of the Executive Committee from among the Directors of the Company, determine the scope of authorities, duties and responsibilities of the Executive Committee, and consider the appointment of subcommittees to support the performance of duties in accordance with the responsibilities of the Board of Directors.
8) Consider the appointment of the Nomination and Remuneration Committee from among the Directors of the Company and determine the scope of authorities, duties and responsibilities of the Nomination and Remuneration Committee.
9) Consider, determine and amend the authorised signatory Directors who are authorised to bind the Company.
10) Appoint any person to conduct the Company's business under the supervision of the Board of Directors, or delegate authority to such person to the extent and/or for the period that the Board of Directors deems appropriate. The Board of Directors may revoke, cancel, change or amend such authority.
11) Consider and approve transactions for the acquisition or disposal of assets, except where such transactions require approval from the Shareholders' Meeting. Such consideration and approval shall comply with notifications of the Capital Market Supervisory Board and/or applicable notifications, rules and/or regulations of the Stock Exchange of Thailand.
12) Consider and approve connected transactions, except where such transactions require approval from the Shareholders' Meeting. Such consideration and approval shall comply with notifications of the Capital Market Supervisory Board and/or applicable notifications, rules and/or regulations of the Stock Exchange of Thailand.
13) Consider and approve interim dividend payments to shareholders where the Company has sufficient profit to do so, and report such interim dividend payments to the next Shareholders' Meeting for acknowledgement.
14) Consider conflicts of interest with due care, based on clear guidelines and in the best interests of the Company and shareholders. Persons with an interest in the matter shall not participate in the decision-making process.
15) Oversee subsidiaries by considering the suitability of persons to be appointed as directors of subsidiaries to supervise their management in accordance with the Company's policies and ensure that transactions are conducted correctly in compliance with applicable laws, the requirements under the law on securities and exchange, and notifications of the Stock Exchange of Thailand.

6. Meetings

1) The Board of Directors shall hold scheduled meetings at least 4 times per year. Meeting dates shall be determined in advance for the entire year, and extraordinary meetings may be held as necessary.
2) The Company Secretary shall send the notice of meeting, agenda and supporting documents to Directors at least 7 days in advance to allow sufficient time for Directors to review the information before the meeting.
3) The Chairman of the Board of Directors shall preside over the meeting and shall allocate sufficient time to each agenda item so that Directors can discuss and express independent opinions on important matters, with due consideration for the interests of shareholders and stakeholders on an equitable basis.
4) At a Board of Directors meeting, any Director who has a material interest in a matter under consideration shall leave the meeting during consideration of that matter.
5) Resolutions shall be passed by a majority vote. Where a Director disagrees with a resolution, the dissenting opinion shall be recorded in the minutes of the meeting.
6) For the consideration of any matter, Directors shall have the right to request or inspect relevant documents and may request relevant members of management to attend the meeting to provide further details.
7) The Company Secretary shall record and prepare the minutes of the meeting within 14 days, maintain the minutes and supporting documents, support and monitor the performance of the Board of Directors to ensure compliance with applicable laws, regulations and resolutions of the Shareholders' Meeting, and coordinate with relevant parties.

7. Quorum

At a Board of Directors meeting, at least one-half of the total number of Directors shall be present to constitute a quorum. If the Chairman of the Board of Directors is not present or is unable to perform the duties of chairman of the meeting, the Vice Chairman of the Board of Directors, if present, shall preside over the meeting. If there is no Vice Chairman, or if the Vice Chairman is not present or is unable to perform the duties, the Directors present shall elect one Director as chairman of the meeting. Decisions of the meeting shall be made by a majority vote.

Each Director shall have one vote, except that a Director who has an interest in any matter shall not be entitled to vote on that matter. In the event of a tie, the chairman of the meeting shall have a casting vote.

8. Performance Evaluation

To comply with good corporate governance principles, the Board of Directors shall conduct a performance evaluation at least once a year. The evaluation shall consist of individual Director evaluations and an evaluation of the Board as a whole. The evaluations shall refer to the assessment form of the Thai Institute of Directors Association (IOD) and the assessment form of the Stock Exchange of Thailand. The evaluation results shall be used as a framework for the review of the performance of duties, problems and obstacles, as well as recommendations for further improvement and development of operations.

This Charter was approved by the Board of Directors at Board of Directors 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

Proud Real Estate Public Company Limited