Document	Investment and Operational Governance of Subsidiaries Policy
Document No.	PROUD/LC/POLICY022
Effective Date	1 January 2021

Investment and Operational Governance of Subsidiaries Policy

Proud Real Estate Public Company Limited and its subsidiaries (the "Company") recognise the importance of the governance of investments in and the operations of its subsidiaries as a key mechanism for ensuring efficient management. The Company has therefore established this Policy to provide a framework for the governance and oversight of its subsidiaries, ensuring that their operations are carried out in accordance with the Company's policies and strategic direction, as well as in compliance with the Public Limited Companies Act, the Securities and Exchange Act, notifications and regulations of the Securities and Exchange Commission, the Capital Market Supervisory Board, the Stock Exchange of Thailand, and other applicable laws and regulations.

Purpose

This Investment and Operational Governance of Subsidiaries Policy has been established to define direct and indirect measures and mechanisms that enable the Company to govern and manage the operations of its subsidiaries effectively. The Board of Directors is responsible for overseeing the management and operations of the subsidiaries and ensuring alignment with the Company's objectives, business growth direction, and strategic plans. The Policy also ensures compliance with the Public Limited Companies Act, the Civil and Commercial Code, the Securities and Exchange Act, other relevant laws, and the relevant notifications, regulations, and rules of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand.

Definitions

"Subsidiary" means a company with any of the following characteristics:

(a) A company over which the Company has control.

(b) A company over which the company referred to in (a) has control.

(c) A company that is successively controlled by the company referred to in (b), commencing with a company under the control of the company referred to in (b).

Guidelines for Investment and Operational Governance of Subsidiaries

1. Investment in Subsidiaries and Associated Companies

The Company has a policy to invest in subsidiaries or associated companies that support its business and in companies whose operations align with the Company's goals, vision, and strategic growth plans. Such investments are expected to improve the Company's operating results or increase its profits. The Company may also invest in businesses that benefit its operations in order to enhance its competitiveness and support its goal of becoming a leading operator in its core business. Subsidiaries and/or associated companies may consider additional investments in other businesses that have growth potential, offer opportunities for business expansion, or benefit the Group's businesses and provide favourable investment returns. The Company shall establish governance mechanisms that enable it to manage, control, and assume responsibility for the operations of its subsidiaries as if they were units of the Company. The Company shall also establish measures to monitor their management and ensure that each subsidiary has an appropriate and sufficiently robust internal control system to safeguard the Company's investment interests in accordance with the established criteria. The Company believes that such investments will generate overall benefits, expand its revenue sources, and enhance its profitability. The investment proportion shall be appropriate to the potential risks and the Company's financial position, and each proposed investment shall be properly analysed before an investment decision is made. Such investment decisions shall be considered and approved by the Board of Directors or the shareholders' meeting, as applicable, and shall comply with the relevant notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand. The Company shall also appoint qualified and experienced representatives to serve on the board of each subsidiary or associated company, at least in proportion to the Company's shareholding, to establish key policies and govern the operations of those subsidiaries and associated companies.

2. Operations of Subsidiaries

The Company has established the following requirements for investment in and operational governance of its subsidiaries:

(1) The Company shall appoint its representatives to serve as directors of each subsidiary and/or associated company in proportion to its shareholding in each company. These representatives shall oversee the operations of the subsidiary and/or associated company to ensure compliance with applicable laws, the Company's Good Corporate Governance Policy, and other Company policies. The appointment of the Company's representatives as directors of each subsidiary and/or associated company shall be considered and approved by the Board of Directors, taking into account the suitability of each company.

(2) Where any transaction or action by a subsidiary constitutes or falls within an acquisition or disposal of assets under the applicable notifications on the acquisition or disposal of assets, or a connected transaction under the applicable notifications on connected transactions, and requires the Company to obtain approval from its Board of Directors and/or shareholders' meeting or from a relevant authority under applicable law before

entering into the transaction, the subsidiary may enter into or carry out the transaction only after approval has been duly obtained from the Company's Board of Directors, shareholders' meeting, and/or relevant authority, as applicable.

In addition, where a proposed transaction or an event involving a subsidiary requires the Company to disclose information to the Stock Exchange of Thailand under the applicable requirements, the Company's representative serving as a director of that subsidiary shall notify the Company's management if the subsidiary plans to enter into such transaction or if such event occurs.

(3) The directors and executives of each subsidiary shall have duties and responsibilities as prescribed by applicable laws. These duties include submitting annual reports and operating results to the Company, with the relevant notifications of the Capital Market Supervisory Board and the Board of Governors of the Stock Exchange of Thailand applying mutatis mutandis. They shall also disclose and report to the Company's Board of Directors information on their own interests and those of their related persons, as well as any relationships or transactions with the Company and/or its subsidiaries that may give rise to conflicts of interest. They shall avoid entering into transactions that may give rise to conflicts of interest.

(4) The Company shall establish plans and take the necessary actions to ensure that its subsidiaries and/or associated companies disclose information on their operating results and financial position. The Company shall monitor them to ensure that they have adequate and appropriate information disclosure and internal control systems for their business operations. The Company shall also closely monitor the performance and operations of such subsidiaries and present its analyses, comments, or recommendations to the Company's Board of Directors and the boards of the relevant subsidiaries or associated companies. This information shall support the consideration of policies or improvements to promote the continuous development and growth of the subsidiaries' businesses.

Policy Review

The Company assigns the Company Secretary and Legal Department to review compliance with this Policy strictly and regularly to ensure that the Company's operations meet the prescribed standards. The review results shall be reported to the Audit Committee for appropriate consideration and follow-up and to the Board of Directors to keep it informed of the status of compliance with this Policy at all levels.

Issued on 1 January 2021

(Mr. Pumipat Sinacharoen)

Chief Executive Officer

Proud Real Estate Public Company Limited