

Board of Directors Charter  
Pruksa Holding Public Company Limited

## Board of Directors Charter

### 1. Objectives

The Board of Directors, being the representative of the shareholders, has important roles in building business values as well as creating investment returns for the shareholders; the Board of Directors, generally, assigns the management to act on its behalf. The main duty of the Board of Directors is twofold as follows:

- 1) To determine the Company and its subsidiaries' business direction policy, and strategy to ensure that the Company and its subsidiaries operates in the direction of a maximum benefit to the shareholders.
- 2) To follow up on the management's operations for check and balance and responsibility to the shareholders for the Company's operating results.

The Board of Directors also has powers and responsibilities as provided by laws, the Company's Articles of Association, and shareholder meeting's resolutions, the details of which are in item 5 on powers and responsibilities.

### 2. Composition and appointment of the Board of Directors

Shareholders shall consider and approve the appointment of the Board of Directors.

The Board of Directors comprises the Chairman of the Board of Directors, Vice Chairman of the Board of Directors, and other directors at a number appropriate to the size of the Company's business and efficient operations, with the total number of directors being at least five persons, and directors who are truly independent from the management and have no business relations or any relationship that may influence the exercise of free judgment, at a number that is not less than one third of the total number of directors and must be at least three persons.

The Board of Directors shall elect one of the directors to serve as the Chairman of the Board of Directors. In case the Board of Directors deems it appropriate, it may also elect among themselves one or several directors to serve as Vice Chairmen of the Board of Directors.

The appointment of directors shall be in line with the Company's Articles of Association and relevant laws, which must be with transparency and clarity, based on education backgrounds and work experiences of the persons, with adequate details for use in decision making by the Board of Directors and the shareholders.

The Chief Executive Officer is appointed as an ex officio director of the Board of Directors

### 3. Qualifications of the Board of Directors

- 1) A director shall be a person with knowledge, ability, integrity, business ethics, and adequate time (knowledge, ability) to perform duties for the Company.
- 2) Having of the qualifications of a company director and possesses no prohibited characteristics under Public Limited Companies Act and relevant laws, including no possession of characteristics indicating inappropriateness for trust in the administration of a business with the public being shareholders as stipulated in Section 89/3 of the Securities and Exchange Act (No.4) B.E. 2551.
- 3) A director may assume directorship in other companies, but such directorship shall not be an obstacle to the performance of duties as a director of the Company and must be in line with the requirements of the Office of Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET).

An independent director shall not serve as an executive, must be independent from the management and shareholders with controlling powers, have no business relations with the Company and its subsidiaries in a way that can restrain the expression of independent views, and have the qualifications specified in the notification of the Capital Supervisory Board as follows:

- 1) Holding not more than 1% of the total voting shares of the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, with the number of shares held by the director's related persons being counted.
- 2) Being a director who is not or has never been an executive director, employee, staff member, salaried advisor, or controlling person of the Company, its subsidiary, associated company, same-level subsidiary, juristic persons with potential of conflict of interest, major shareholder, or controlling person, unless such characteristics have lapsed for at least two years before being appointed.
- 3) Being a director who has no relationship by blood or by legal registration under the status of father, mother, spouse, sibling, and child, including the child's spouse, of other directors, executives, major shareholders, controlling persons, or persons who are being nominated for appointment as directors, executives, or controlling persons of the Company or its subsidiary.
- 4) Being a director who does not have or has never had a business relationship with the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person in a manner that may hinder the exercise of his/her independent judgment, and not being a person who is or has been a significant shareholder, or controlling person of a person with a business relationship with the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, unless such characteristics have lapsed for at least two years before being appointed.

The business relationship in paragraph one includes normal trading transactions for the purpose of business operations, rental or lease of immovable property, transaction related to assets or services or granting or receiving financial assistance by receiving or giving loans, guarantee, using assets as debt collateral, including other similar acts that result in the Company or the party thereof being liable to pay the other at an amount of 3% or more of the net tangible asset or Baht 20 million or more, whichever is smaller. The calculation of such liabilities shall be in accordance with the method of connected transaction calculation specified in the Capital Market Supervisory Board's Notification: Re Criteria on Undertaking Connected Transactions, mutatis mutandis, with the liabilities occurring during the one-year period prior to the date of business relationship with the same person being included.

- 5) Being a director who is not or has never been an external auditor of the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, and not a significant shareholder, controlling person, or partner of an audit firm to which an external auditor of the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person belongs, except in case such characteristics have lapsed for at least two years before being appointed.
- 6) Being a director who is not or has never been a provider of any professional service including legal advisory service or financial advisory service with the service fee thereof exceeding Baht 2 million per year from the Company, its subsidiary, associated company, juristic persons with potential of conflict of interest, major shareholder, or controlling person, and not a significant shareholder, controlling person, or partner of the provider of such professional service, except in case such characteristics have lapsed for at least two years before being appointed.
- 7) Being a director who is not appointed as representative of a director, major shareholder or shareholder with a relationship to a major shareholder of the Company.
- 8) Not undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary, nor being a significant partner of a partnership or an executive director, employee, staff member, salaried advisor, or shareholder with over 1% of the total voting shares of another company undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary.
- 9) Not having any other characteristic that may hinder the exercise of his/her independent judgment about the Company's business operations.

After having been appointed as independent director with characteristics under items 1) – 9), the independent director may be assigned by the Board of Directors to make decision on operations of the Company, its subsidiary, associated company, same-level subsidiary, juristic persons with potential of conflict of interest, major shareholder, or controlling person, in the form of collective decision.

#### 4. Office term

A director's term in office is three years and, upon the expiry of the term in office, the director may be re-elected to resume directorship.

At every annual general meeting of shareholders, one third of the total number of the directors for the time being shall retire from office. If the number of directors is not a multiple of three, then, the number of directors nearest to one third shall retire from office.

The directors who shall retire from office in the first and second years after the registration of the Company shall be selected by drawing lots. In subsequent years, the director who has held office longest shall retire.

Apart from retirement from office upon the expiry of his/her term in office, a director shall vacate office upon:

- 1) Death
- 2) Resignation
- 3) Completion of the 72<sup>nd</sup> anniversary of age, with the directorship ending on the end date of the Company's accounting period.
- 4) Lack of the qualifications of a company director or possession of prohibited characteristics under Public Limited Companies Act or possession of characteristics indicating inappropriateness for trust in the administration of a business with the public being shareholders as stipulated in Section 89/3 of the Securities and Exchange Act (No.4) B.E. 2551.
- 5) Removal by a resolution of a shareholder meeting (by a vote of not less than three fourths of the number of shareholders who attend the meeting and have the right to vote and who have shares totaling not less than half of the number of shares held by the shareholders attending the meeting and having the right to vote).
- 6) Removal by a court order.

Any director wishing to resign from office shall submit his/her resignation letter to the Chairman of the Board of Directors.

In case of a vacancy in the Board of Directors for a reason other than retirement by rotation, the Board of Directors shall elect a person who has the qualifications and possesses no prohibited characteristics under law to be the substitute at the next meeting of the Board of Directors. In case the remaining term in office of the said director is less than two months, the Board of Directors may not elect a person to the vacancy. The substitute director shall hold office only for the remaining term in office of the director who he/she replaces.

#### **5. Scope of authority, duties and responsibilities**

In addition to the principal role of representing the shareholders as mentioned above, the Board of Directors' authority, duties and responsibilities are also as prescribed by laws, the Articles of Association and resolutions of Shareholders' Meetings, which include the following:

- 1) Performing duties with responsibility, due care and integrity, in compliance with laws, the Company's objects and the Articles of Association, as well as resolutions passed by Shareholders' Meetings, except matters requiring prior approval from a Shareholders' Meeting (e.g. matters required by law to be approved by a shareholders' meeting, connected transactions, significant asset acquisition and disposal as required by the Stock Exchange of Thailand or other government agencies); ensuring that the Company and its subsidiaries comply with laws relevant to their businesses, including those pertaining to bribery prohibition and corruption encouraging.
- 2) Ensuring that the business is operated ethically; e.g. by developing a Corporate Governance Policy for the Company and its subsidiaries, a Code of Business Ethics for Directors, Executives and Employees of the Company and its subsidiaries, Anti-corruption Policy and Guidelines, and disclosure for acknowledgement, compliance and monitoring Including periodical reviews to keep up with the changing situation.
- 3) Considering approving the business policies as well as the vision, mission, goals, business plans, business strategies, and the annual budgets of the Company and its subsidiaries, including monitoring and supervising Management's administration to ensure effective execution of the specified policies, plans and budgets.
- 4) Regularly keeping track of the operations of the Company and its subsidiaries and associate companies to ensure that they are in accordance with the respective entities' business plans and remain within budget.
- 5) Seeing to it that the Financial Statements of the Company and its subsidiaries as at the end of the accounting period are accurately prepared, show truthfully, completely and accurately the financial positions and operating results of the past period by generally accepted accounting standards, and are audited by Certified Public Accountants before being submitted to the Shareholders' Meeting for consideration and approval.

- 6) Seeing to it that the Company's Annual Report is prepared and assuming responsibility for preparation and disclosure of the Company's Financial Statements to reflect the Company's financial position and operating results of the past period as well as presenting them to the Shareholders' Meeting for consideration and approval.
- 7) Considering approving appointment of individuals who are qualified and do not have characteristics prohibited by the Public Company Limited Act B.E. 2535 and laws related to securities and the Stock Exchange of Thailand, as well as notifications, requirements and/or relevant regulations, as Directors of the Company when there are vacancies due to reasons other than retirement by rotation.
- 8) Appointing or changing Independent Directors based on qualifications and prohibited characteristics under laws related to securities and the Stock Exchange of Thailand, notifications of the Capital Market Supervisory Board, as well as notifications, requirements and/or relevant regulations of the Stock Exchange of Thailand, or making nominations for appointment by a Shareholders' Meeting
- 9) Appointing or changing the Audit Committee with qualifications as prescribed by laws related to securities and the Stock Exchange of the Thailand, notifications of the Capital Market Supervisory Board, as well as notifications and/or relevant regulations of the Stock Exchange of Thailand.
- 10) Appointing or changing the Executive Committee by electing individuals from the Board of Directors or Management or outsiders, as well as specifying the scope of authority, duties and responsibilities of the Executive Committee.
- 11) Appointing and changing Board Committees tasked with assisting the Board of Directors in executing its duties.
- 12) Assigning and changing authorized signatory directors for the Companies and its subsidiaries.
- 13) Appointing and/or approving the appointment of senior executives of the Company and its subsidiaries as well as determining the scope of authority and responsibility of the Group's Chief Executive Officer.
- 14) Making nominations to the Shareholders' Meeting for appointment of Directors and appointing directors of subsidiaries in proportion to the Company's shareholding in the subsidiaries, as well as determining remuneration for the directors.
- 15) Assigning any other person(s) to conduct Company businesses under supervision of the Board of Directors, or authoring the person(s) for a certain period as deemed appropriate by the Board of Directors. The authorization may be revoked, cancelled, changed or revised; however, such delegation of authority must not effectively result in delegating or sub-delegating power which enables the Executive Committee, the Group Chief Executive Officer and Sub-Committee to

approve transactions with the Company or the subsidiaries which may potentially involve vested interest or a conflict of interest, except in cases where approvals are granted in accordance with policies or criteria which have already been laid down by Shareholders Meetings or the Board of Directors.

- 16) Determining the organizational and management structures.
- 17) Appointing a Company Secretary and determining the scope of his authority, duties and responsibilities.
- 18) Selecting and endorsing the nomination of auditors for the Company and its subsidiaries, as well as determining their appropriate remuneration as proposed by the Audit Committee before making a proposal for approval by the Annual General Meeting of Shareholders.
- 19) Making arrangements for the Company and its subsidiaries to have a proper and efficient accounting system, reliable financial reporting, adequate and appropriate internal control and internal audit systems and follow-ups of the internal control system in accordance with acceptable standards, as well as a document storage system to allow for subsequent data verification.
- 20) Approving organization-wide risk management policies and ensuring that there is a risk management process in place in order to appropriately mitigate impacts on the businesses of the Company and its subsidiaries.
- 21) Approving asset acquisition or disposal transactions of the Company and its subsidiaries, except where such transactions require approval by a Shareholders' Meeting. Such approvals shall be in compliance with notifications of the Capital Market Supervisory Board or relevant notifications, requirements and/or regulations of the Stock Exchange of Thailand.
- 22) Approving connected transactions of the Company and its subsidiaries, except where such transactions require approval by a Shareholders' Meeting. Such approvals shall be in compliance with notifications of the Capital Market Supervisory Board or relevant notifications, requirements and/or regulations of the Stock Exchange of Thailand; with supervision and control to prevent conflicts of interest among the stakeholders of the Company and its subsidiaries.
- 23) Approving payment of interim dividends to the shareholders when the Company is deemed to have generated considerable profit, rendering it appropriate to make such payouts, and reporting the undertaking to the following Shareholders' Meeting.



- 24) Making arrangements for appropriate information to stakeholders, persons with conflicts of interest and related parties in an accurate, complete, appropriate and timely manner.
- 25) Securing professional advice from external bodies, if necessary, to make informed divisions.
- 26) Supervising subsidiaries as if they were business units of the Company and ensuring that they strictly abide by their Articles of Association.
- 27) Determining the policy framework of information technology management and information technology system security measures in compliance with the standards acceptable in the industry, with follow-ups, reviews and improvements in line with information technology risk
- 28) Promoting the creation and use of innovations and technologies as appropriate to ensure efficient business operations and use of resources for joint benefits of the business of the Company, customers, trading partners, related persons, society and the environment.

## 6. Meetings

- 1) The Board of Directors shall hold meetings at least six times per year, with the meeting dates being fixed in advance annually and additional meetings held as necessary.
- 2) The Chairman of the Board of Directors and the Chairman of the Executive Board shall determine and approve agenda items.
- 3) The Company Secretary shall serve meeting notices with agenda items and supporting documents to the directors at least seven days prior to the meeting date to allow time for the directors to study before the meeting.
- 4) The Chairman of the Board of Directors shall serve as the Chair of the meeting, with a duty to allocate adequate time in each agenda item for the directors to freely discuss important matters, taking into consideration the fair benefits of the shareholders and related parties.
- 5) At a meeting of the Board of Directors, a director with significant interests in a matter under consideration shall leave the meeting while the matter is being considered.
- 6) A meeting resolution shall be passed by majority vote and if there is an objection from a director to the resolution, the objection shall be recorded in the minutes of the meeting.
- 7) Non-executive directors shall hold a meeting at least once a year to discuss issues of interest relating to management, without the presence of the management.
- 8) In considering a matter, the directors have the right to see or check related documents and ask relevant executives to attend the meeting to provide additional information in detail.
- 9) The Company Secretary shall take and prepare the minutes of a meeting within 14 days of the meeting, keep the minutes and supporting documents, and provide support to ensure that the

Board of Directors can perform duties in compliance with laws, the Company's Articles of Association, shareholder meeting's resolutions, including coordination with related parties.

## 7. Quorum

At a meeting of the Board of Directors, at least one half of the total number of directors shall be present to form a quorum. In case the Chairman of the Board of Directors is not present at the meeting or is not able to perform the duty and if there is a Vice Chairman of the Board of Directors, the Vice Chairman of the Board of Directors present at the meeting shall chair the meeting. If there is no Vice Chairman of the Board of Directors or there is a Vice Chairman of the Board of Directors, but he/she is not present at the meeting or is not able to perform the duty, the directors present at the meeting shall elect one of the directors to chair the meeting. Decisions at the meeting shall be made by majority vote.

Each director is entitled to one vote, but a director with a vested interest in a matter is not entitled to vote on that matter. In case of a tie vote, the Chair shall have a casting vote.

This charter is effective from September 21, 2018 onward.

(Dr. Pisit Leeahtam)

Chairman of the Board of Directors  
Pruksa Holding Public Company Limited

Note: The English translation of the Board of Directors Charter is for the purpose of understanding by foreigners; only the Thai version of the texts is legally binding.