

Pruksa Logo

**Corporate Enterprise Risk Management Committee Charter**

**Pruksa Holding Public Company Limited**

## **The Corporate Enterprise Risk Management Committee Charter**

### **1. Purpose**

The purpose of the Corporate Enterprise Risk Management Committee is to support the Company's working, build confidence among stakeholders and for sustainable growth as well as clarity on the composition, office term, authority, responsibility, and meetings of the Corporate Enterprise Risk Management Committee. Therefore, the Board of Directors approved the preparation of a Corporate Risk Management Committee Charter for use as guideline in performing duties for compliance with laws and consistency with Principles of Good Corporate Governance.

### **2. Composition and Qualifications of the Corporate Enterprise Risk Management Committee**

- 1) Being a director of the Company and appointed by the Board of Directors
- 2) Comprising at least three directors, with at least two of them being independent directors
- 3) The Board of Directors shall appoint one of the Corporate Enterprise Risk Management Committee as the Chairman of the Corporate Enterprise Risk Management Committee
- 4) For independence of the performance of duty and expression of opinion, the Chairman of the Corporate Enterprise Risk Management Committee should be an independent director.
- 5) The Chairman of the Corporate Enterprise Risk Management Committee shall appoint the Secretary of the Corporate Enterprise Risk Management Committee.

### **3. Office Term**

The Member of the Corporate Enterprise Risk Management Committee has an office term of three years and shall retire by rotation when the directorship office term is expired. Upon completing an office term, he/she may be re-appointed by the Board of Directors.

Apart from the aforesaid retirement by rotation, the member of the Corporate Enterprise Risk Management Committee shall retire from the office upon:

- 1) Death
- 2) Resignation
- 3) Disqualifications of a company director, or having a prohibited characteristic in accordance with Public Limited Companies Law, or having a characteristic indicating lack of appropriateness in respect of trustworthiness in managing a business whose shares are held by public shareholders as specified in Section 89/3 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008)

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4) Removal by resolution of the Board of Directors' Meeting

In case where the Member of Corporate Risk Management Committee wishes to resign from his/her office, he/she shall submit a resignation letter to the Chairman of the Board of Directors.

In case of a vacancy of the Member of the Corporate Enterprise Risk Management Committee due to a reason other than reaching the time of retirement by rotation, the Board of Directors shall appoint a person who is qualified and not prohibited by law to fill the vacancy to be the Member of the Corporate Enterprise Risk Management Committee in replacement. In case the remaining term of the said Member is less than two months, the Board of Directors may not appoint a member to fill the said vacancy. The term of the director appointed for replacement shall be equal to the remaining term of the Member of the Corporate Enterprise Risk Management Committee being filled in.

**4. Authority**

- 1) To consider and recommend policy, strategy, and guideline on corporate risk management covering types of key risks which are related to the business operation of the Company and its affiliated companies, and appropriate and efficient determination of risk level and key risk indicator
- 2) To consider and report risk management result and comment on the contingent risks, as well as guidelines on determination of Risk Control Measure or Mitigation Plan of the Management to ensure that the risk shall be addressed to be in risk appetite level, and continuous development of efficient risk management process in overview of the Company and its affiliated companies
- 3) To support and carry forward the cooperation on the overall risk management of the Company and its affiliated companies, and continuously review the adequacy of the risk management policy and implementation of the policy.
- 4) To monitor and supervise the implementation of Risk Mitigation Plan, and review the disclosure of the risk information to CG Management and general investors.
- 5) To perform any other duties as assigned by the Board of Directors upon consent of the Corporate Enterprise Risk Management Committee.
- 6) To promote and support the improvement and development of risk management system in all enterprise-wide levels.

**5. Responsibility**

The Corporate Enterprise Risk Management Committee is directly responsible to the Board of Directors under the scope of authority assigned in this Charter and the Board of Directors is responsible for the Company's operations to outsiders.

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## **6. Meeting**

- 1) To hold meeting of the Corporate Enterprise Risk Management Committee at least six times per year.
- 2) In calling a meeting of the Corporate Enterprise Risk Management Committee, the Chairman of the Corporate Enterprise Risk Management Committee or the Secretary of the Corporate Enterprise Risk Management Committee, as assigned person, shall send a written meeting appointment notice to the members of the Corporate Enterprise Risk Management Committee at least seven days in advance of the date of the meeting, except in case of urgency, to maintain the rights and benefits of the Company, a meeting notice may be made by other means and earlier meeting date may be scheduled.
- 3) The Member of Corporate Risk Management Committee who has a stake in any matter shall not be present at the meeting and shall not exercise the voting right on that matter.
- 4) The Corporate Enterprise Risk Management Committee may invite other persons such as Managing Director, Assistant Managing Directors for the lines, and heads of sections to join meetings as appropriate and may consider organizing separate meetings with such other persons in case that there are specific points or points worth considering for discussions.
- 5) The joint meeting of the Corporate Enterprise Risk Management Committee and Audit Committee shall be convened at least once a year to report what required for improvement and correction to be consistent with the policy and strategy determined by the Company, regularly communicate and share information, and coordinate risk and internal control with the Audit Committee.

## **7. Quorum**

- 1) In a meeting of the Corporate Enterprise Risk Management Committee, there shall be at least one half of the number of the Corporate Risk Management Committee members to form a quorum. In case where the Chairman of the Corporate Enterprise Risk Management Committee is not present at a meeting or is not capable of performing the duty, the attending members of the Corporate Enterprise Risk Management Committee shall elect among themselves one member to chair the meeting.
- 2) In a meeting, a resolution shall be passed by a majority of the votes whereas one member of Corporate Risk Management Committee has one vote. In case of a tie vote, the Chairman of the Meeting shall cast one more vote as the casting vote.

## **8. Reporting**

The Chairman of the Corporate Enterprise Risk Management Committee shall regularly prepare the minutes of the Corporate Enterprise Risk Management Committee's Meetings and a summary report of operating results for submission to the Board of Directors and the Audit Committee in every quarter.

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The Corporate Enterprise Risk Management Committee shall prepare the report of operating results of the Committee affixed by the signature of the Chairman of the Corporate Risk Management for disclosure in Annual Report under Principles of Good Corporate Governance.

#### **9. Review of Charter**

The Corporate Enterprise Risk Management Committee shall regularly and annually verify and review the appropriateness of the Charter to ensure that the content in the Charter is consistent with the Company's objective and strategy of risk management. The significant updated Charter shall be approved by the Board of Directors.

#### **10. Performance Appraisal**

The Corporate Enterprise Risk Management Committee shall annually appraise the performance every year, and report the problems and obstacles that cause the operating failure to achieve the objective (if any) for acknowledgement of the Board of Directors once a year.

#### **11. Other Criteria**

For any other cases which are not specified in this Charter, the Corporate Enterprise Risk Management Committee shall exercise its discretion to appropriately apply the practical guideline determined in accordance with standard and guideline on general risk management in each case.

This Charter is effective from January 1, 2019.

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(Dr. Pisit Leeahtam)

Chairman of the Board of Directors

Pruksa Real Estate Public Company Limited

**Note: The English translation of the Corporate Enterprise Risk Management Committee Charter is for the purpose of understanding by foreigners; only the Thai version of the texts is legally binding.**

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