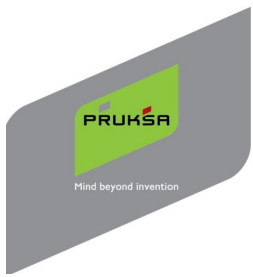




Board of Directors Charter

Pruksa Real Estate 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's business direction, policy, and strategy to ensure that the Company 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 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 72nd 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. Authority

In addition to the main duty in the capacity of the representative of shareholders, the powers and responsibilities of the Board of Directors shall be as provided by laws, the Company's Articles of Association and the shareholder meeting's resolutions, which include the following operations:

- 1) The Board of Directors shall perform with responsibility, caution, and faithfulness and conduct the Company's business according to the laws, Company's objectives, Articles of Association, and resolutions of the shareholders' meeting, except for matters required by law to be approved at shareholders' meetings, entering into connected transactions, and any purchase or sale of material assets pursuant to the regulations of the Stock Exchange of Thailand or those prescribed by other government authorities.
- 2) To oversee the corporate governance with ethic for example making Corporate Governance Policy, Code of Business Conduct for Directors, Management and employees of the Company as well as acknowledge rules and follow up on the implementation.
- 3) To consider approval of the business policies, targets, operation plans, business strategies and annual budgets of the Company.
- 4) To consider appointment of a person who possesses qualifications and does not possess prohibited characteristics under the Public Company Act B.E.2535 (1992) and the laws governing securities and exchange and any relevant rules, regulations and/or notifications to be Director in case there is vacancy due to a cause other than retirement by rotation.
- 5) To consider appointment of Independent Directors by taking into consideration qualifications and prohibited characteristics under the laws governing securities and exchange, notifications of the Capital Market Supervisory Board, including relevant rules, regulations and/or notifications of the Stock Exchange of Thailand or propose to shareholders' meeting for such appointment.
- 6) To consider appointment of Audit Committee members who have qualifications under the laws governing securities and exchange, notifications of the Capital Market Supervisory Board, including rules, regulations and/or notifications of the Stock Exchange of Thailand.
- 7) To consider appointment of Executive Directors from among the directors or the management of the Company or outsiders and prescribe their roles, powers, duties and responsibilities.

- 8) To consider appointment of sub-committee to assist in the operation according to the Board of Director's responsibilities.
- 9) To appoint and change the names of Directors who can have the power to sign to bind the Company.
- 10) The Board of Directors may nominate other person to manage the operations of the Company under the control of the Board or authorize the person to have power for the time period, as the Board deems appropriate. The Board may remove or change the power of the person.
- 11) To consider approval of transactions relating to acquisition or disposition of assets, except where such transactions require approval by a shareholders' meeting. Such approved must be in compliance with the notifications of the Capital Market Supervisory Board, and/or SET's relevant rules, regulations and/or notifications.
- 12) To consider approval of connected transactions, except where such transactions require approval from a shareholders' meeting. Such approval must be in compliance with the Capital Market Supervisory Board and/or SET's relevant rules, regulations and/or notifications.
- 13) To consider approval for interim dividend payment when it considers that the Company has sufficient profits to do so and to report such payment to the following shareholders' meeting.

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 January 21, 2014 onward.

(Dr. Pisit Leeahtam)

Chairman of the Board of Directors

Pruksa Real Estate 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.