

## Audit Committee Charter

Thantawan Industry Public Company Limited

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**Audit Committee Charter**  
**Thantawan Industry Public Company Limited**

**1) Definition**

- “Company” means Thantawan Industry Public Company Limited
- “The Board of Directors” means The Board of Directors of Thantawan Industry Public Company Limited
- “Audit Committee” means the Audit Committee of Thantawan Industry Public Company Limited
- “Nomination, Remuneration and Corporate Governance Committee” means Nomination, Remuneration and Corporate Governance Committee of Thantawan Industry Public Company Limited
- “Independent Director” means Independent of Director to have no ‘material relationship’ with major shareholders or a group of shareholders and management of the company. Capable to get through the financial information and company business including the other business adequately. To comment freely on protecting the interests of the minority shareholders and attend the Board of directors’s meeting regularly. Also to arrange a duty report to certify their appointment and disclose in the Annual report of the Company, with fully qualified as adhere to the Stock Exchange of Thailand (SET) and the Commission Securities and Exchange Commission (SEC) as follows:

**Independent Director qualification**

- 1) Holding share is not exceeding to 0.5 of the total number of shares with voting rights of the company; its parent company, subsidiary, affiliate, major shareholder or controlling person including shares held by related persons of such independent director.
- 2) Neither being nor used to be an executive director, employee, staff, advisor who receives salary or controlling person of the company; its parent company, subsidiary, affiliate, same-level subsidiary, major holder or controlling person. Unless the foregoing status has ended not less than two years.
- 3) Not being a person related by blood or legal registration as father, mother, spouse, sibling and child including spouse of child to other director, executive, major shareholder, controlling person or person to be nominated as director, executive or controlling person of the company or its subsidiary.
- 4) Neither having nor used to have a business relationship with the company; its parent company, subsidiary, affiliate, major shareholder or controlling person in manner which may interfere with his/her independent judgement. In addition, neither being nor used to be significant shareholder or controlling person of any person who having a business relationship with the company; its parent company, subsidiary, affiliate, major shareholder or controlling person. Unless the foregoing status has ended not less than two years.
- 5) Neither being nor used to be an auditor of the company, its parent company, subsidiary, affiliate, major shareholder, or controlling person and not being a significant shareholder, controlling person or partner of

an audit firm which employs auditors of the company, its parent company, subsidiary, affiliate, major shareholder or controlling person, unless the foregoing relationship has ended not less than two years.

- 6) Neither being nor used to be a provider of any professional services including those as legal advisor or financial advisor who receives service fees exceeding two million bath per year from the company, subsidiary, affiliate, major shareholder or controlling person and not being a significant shareholder, controlling person or partner of the provider of professional services, Unless the foregoing relationship has ended not less than two years.
- 7) Not being a director appointed as representative of directors of the company, major shareholder or shareholder who is related to major shareholder.
- 8) Not undertaking any business in the same nature and in competition to the business of company or subsidiary or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives salary or holding shares exceeding one percent of the total number of shares with voting rights of the other companies, in which undertakes business in the same nature of shares with voting rights of the other companies that undertakes business in the same nature and in competition to the business of the company or its subsidiary.

“**Internal Audit Department**” means Internal Auditor by the Audit Committee’s approval which may be the Internal Auditor of the company and/or outsources employment as Internal Audit Department. To perform internal audit by providing assurance and advice in a fair and independent manner in order to add value and improve the company's performance and achieve the defined goal and objectives by evaluating and improving the efficiency and effectiveness of the risk management process Internal control and systematic supervision, which presents the annual internal audit plan and the inspection report which has been approved by the audit committee.

“**Related person with Independent Director**” mean Person or Partnership that has a relationship with any Independent Director in any characteristics according to the definition in the announcement of the Securities & Exchange Commission, Thailand

- 1) Spouse
- 2) Minor (Underage children)
- 3) Ordinary partnership which according person as 1) or 2) being a partner.
- 4) Limited partnership which according person as 1) or 2) being a partner with unlimited liability or being a partner with limited liability with a combined share more than thirty percent of the total shares of the limited partnership.
- 5) Company Limited or Public Company Limited which according person as 1) or 2) partnership according to 3) or 4) holding shares more than thirty percent of the total amount shares of that Company.

- 6) Company Limited or Public Company Limited which according person as 1) or 2) partnership according to 3) or 4) or Company according to 5) holding shares more than thirty percent of the total amount shares of that Company.
- 7) Juristic person which Independent Director can have management power as a representative of a juristic person.

## 2) Objective

The Board of Directors has deemed its appropriate to set an Audit Committee Charter in order to compile details relating to composition, duties, responsibilities and practical guidelines as assigned by the Board of Directors for Audit Committee. To perform efficiently in accordance with Stock Exchange of Thailand (SET). Also to act as an important mechanism promoting the responsible for the duties of Board of Directors by affording sufficient oversight over the operation of the company as well as an opining freely and fairly in order to create confidence and credibility of the company in stakeholders.

## 3) Composition and Qualifications of the Audit Committee

The members of the Audit Committee as least 3 person and must be directors of the Company who are qualified as independent directors pursuant to the definition announced by to the Company and in accordance with the stipulations of the Capital Market Commission and the regulations of the Stock Exchange.

## 4) Appointment, termination and retirement of The Audit Committee

### 4.1 Appointment of the Audit Committee

- 1) Nomination, Remuneration and Corporate Governance Committee consider to nomination and selection of directors with appropriate qualifications for being an Audit Committee then propose to the Board of Directors approve the appointment of Audit Committee.
- 2) The Chairman of the Audit Committee May appointed by the Board of Directors or the Audit Committee elect one member to be the Chairman of the Audit Committee.
- 3) The secretary of the audit committee is appointed by the audit committee
- 4) In case of the Audit Committee is vacant for a reson other than retirement by rotation, the Board of Directors shall appoint a person with qualified as an Audit Committee. To maintain a number of Audit Committees as defined in accordance with criteria, maintain the status of Listed companies of the Stock Exchange of Thailand (SET) at least three months. The Audit Committe in replacement will serve only the remaining term of the Audit Committee of whom he/she replaces.
- 5) The Audit Committee who retired by rotation may be appointed by the Board of Directors.

#### 4.2 Terms of Office

The Audit Committee serves for the term of three years and not exceeding to 9 years, unless the Board of Directors have different opinion, or ending their terms with the case of directors expiry from the office or resignation or removal.

In case of the Audit Committee would like to resign, prior to completion of the term. He/She should inform the company in advance with the reason. Then, The Board of directors shall appoint another one with fully qualification to replace him/her.

#### 4.3 Retirement

- 1) Death;
- 2) Complete the term of office;
- 3) Disqualification;
- 4) Resign, in case any Audit Committees, who wishes to resign before the term is expired, has a duty to notify the company in advance, including specifying reasons. The Board of Directors Has appointed other qualified persons to replace the resigned Audit Committee.
- 5) He/She is no longer qualified for the office of the Audit Committee as specified in this Charter;
- 6) The Board of Directors passes a resolution removing him/her from office

#### 5) Scope of Duties

The Audit Committee contributes to the Governance of the business, particularly where financial reporting procedures, internal control systems, audit procedures and compliance with the laws are concerned as the following scope of duties:

##### 5.1 Financial Reports and Audit

- 1) Review financial statements of the Company in order to ensure that they are correctly and credibly as well as disclose information sufficiently. The Company co-ordinates with the external auditors and the executive's responsible for financial reporting both quarterly and annual.
- 2) Consider, select and nominate an independent person as Auditor for the Company as well as suggest remuneration for the auditor with regard to reliability, resource adequacy and quantity of auditing including attending the meetings with the Auditors without any management at least 1 time per year.
- 3) Promote the independence of the Auditors and opine to the suitability of the Auditors including the enhancement of financial reporting system development with equal to the International Financial Reporting standards.

## 5.2 Internal Control

- 1) Review to ensure that the Company has a proper Internal control system and risk management system efficiently and transparently, including suggesting to review or examine any necessary and important items as well as to provide suggestions to improve the internal control systems, risk Management systems and report the result of review to the Board of Directors.
- 2) Review evidences in the event that there is any reasonable doubt in the operations that may have a significant affect to the financial status and the operating results of the Company or the conflicts of interest or illegal act and malpractice related to regulations which may have an impact on the operations of the Company.
- 3) Review an internal process of Whistle-Blowing and complaints.
- 4) Review to verify the Information technology with accuracy and effectiveness, relate to financial reporting and Internal control.
- 5) Review the Company to conduct a management process of anti-corruption in accordance with the guidelines of the various compliance units effectively by starting with promoting and creating the awareness, risk assessment, establishing preventive systems, audit, and reviewing a self-assessment related to anti-corruption measures, according to the assessment of internal audit that was checked and reviewed to ensure that the Company has the anti-corruption policy systems as reported in the self-assessment of the Thai Institute of Directors Association (IOD)

## 5.3 Internal Audit

- 1) Review the Company to ensure that the internal audit system is suitable and efficient, including controlling the internal audit unit to comply with the internal audit standard.
- 2) Consider the independent status of the internal audit unit in accessing into the efficient information for an internal auditing work, including make a suggestion in the matter of the Company's budget, plaining and division of internal audit unit as well as to approve an appointment, shift or termination of the chief of internal audit unit or the internal audit as the management proposed.
- 3) Consider the independent status of the internal audit unit in accessing into the efficient information for an internal auditing work, including make a suggestion in the matter of the Company's budget, plaining and division of internal audit unit as well as to approve an appointment, shift or termination of the chief of internal audit unit or the internal audit as the management proposed.
- 4) Consider approving the charter of internal audit unit and review it on annual basis by proposing to the Board of Directors to consider amending (if any).

- 5) Approve and evaluate the annual internal auditing plan in order to ensure that the plan is in line with a type or level of the Company's risk.
- 6) Review and consider a result report together with internal auditor on the performance of internal control system assessment.

#### **5.4 Compliance with Relevant Laws and Regulations**

- 1) Supervise the internal control, financial management and the other process related to the anti-corruption measure to ensure that processes are determined properly and be complied efficiently.
- 2) Supervise to conduct the whistle-blowing process in even that a employee or stakeholders has any rational doubt or has seen any reasonable suspicious activity which is a non-observance or breach the law, rules, regulation, code of conduct or corporate governance policy to ensure whistleblowers that the Company has the independent investigation and the proper monitoring process, including the reviewing process and the corruption concluding process for determining the internal measure standard.

#### **5.5 Compliance with Relevant Laws and Regulations**

- 1) Review the Company to compliance with securities laws and regulations of the Stock Exchange of Thailand and policies, rules, requirements and the other laws, relating to the business of the Company.
- 2) Consider Related Transactions or transactions which may Conflict of Interests to compliance with the laws and the requirements of the Stock of Exchange of Thailand. To ensure that such transactions are reasonable and the utmost benefit of the Company.

#### **5.6 Other Duties**

- 1) Audit committee is able to seek for the independent opinion from a professional consultant as they deem necessary according to the Company's expenses though the consideration of the Board of Directors, in even that to assign those consultants, it shall be as the Company's regulation.
- 2) Arrange a report of the Audit Committee, signed by the Chairman of the Audit Committee and disclose in the annual report of the Company, in accordance with the SET's guidance.
- 3) The Chairman or Audit Committee shall attend the AGM for the clarification work of Audit Committee or the appointment of the Auditor.
- 4) Review and amend the Audit committee charter, and propose to the Board of Directors for approval.
- 5) Take a charge of relevant duties as the Board of Directors has been assigning thought the consideration of the Audit Committee.



**6) Meetings**

- 1) The Audit Committee should meet at least four times a year. Members of the management, Executives or relevant employees of the company or the auditor may be invited to participate in the meetings. To opine or send documents and information as deemed relevant or necessary.
- 2) For all meeting of the Audit Committees, the quorum will be at the presence at least two-thirds of all Audit Committee members in the position at that time.
- 3) Audit Committee with connected transaction in any matter being reviewed must be excluded from that session. Resolution is passed by means of majority votes where one Audit Committee Member has one vote. The secretary of the Audit Committee does not have the right to vote, in the case of a tie. The Chairman of the Audit Committee is to cast an additional deciding vote.
- 4) The Audit Committee arranges the meeting for at least one meeting in a year with the Auditor of the company, without participation of the management.

**7) Reporting**

- 1) The Audit Committee arranges the report and publish to the annual report of the company, indicate the items required by the Stock Exchange of Thailand and signed by the Chairman of the Audit Committee.
- 2) The Audit Committee reports the outcome of their operations to the Board of Directors.
- 3) In the case where the Audit Committee has detected a questionable transaction or action with potentially significant impact on the financial status and the performance of the company. They are to report to the Board of Directors in order that the company may rectify within the time frame as deemed its appropriate by the Audit Committee. This includes, for instance; transactions with conflict of interests, dishonest transactions or significant abnormally or deficiency of the internal control systems or violation of the laws on securities and exchange, requirement of the Stock Exchange of Thailand or other laws pertaining to the business of the company. In the case where the Board of Directors or the management fails to rectify within a reasonable period of time, an Audit Committee Member may report it to the Office of Securities and Exchange Commission or the Stock Exchange of Thailand.

**8) Performance Evaluation**

The Audit Committee shall evaluate their performances and report to the Board of Directors one time per year.

**9) Remuneration**

The Audit Committee shall be paid a remuneration, the amount of which shall be approved at the general meeting of shareholders.

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**Note :**

1. The Charter considered by the Audit Committees' Meeting No. 7/2017 on December 22, 2017.
2. The Charter approved by the Board of Directors' Meeting No. 2/2018 on February 13, 2018.
3. The Charter revised for according to Anti Corruption Principle by the Audit Committees' meeting No. 4/2018 on June 6, 2018.
4. The Charter approved by the Board of Directors' Meeting No. 7/2018 on August 14, 2018.
5. The Charter considered by the Audit Committees' Meeting No. 6/2018 on November 13, 2018.
6. The Charter approved by the Board of Directors' Meeting No. 12/2018 on December 18, 2018.