

# Audit Committee Charter

## Thantawan Industry Public Company Limited

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1) **Definition**

“Company” means Thantawan Industry Public Company Limited

“The Board of Director” means The Board of Director 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 director 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 exceeded to 0.5 of the total number of shares with voting rights of the Company; its parent company, subsidiary, affiliate, major shareholder or supervisor 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 supervisor of the Company; its parent company, subsidiary, affiliate, same-level subsidiary, major shareholder or supervisor 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, supervisor or person to be nominated as director, executive or supervisor 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 supervisor in manner which may interfere with his/her independent judgement. In addition, neither being nor used to be significant shareholder or supervisor of any person who having a business relationship with the Company; its parent company, subsidiary, affiliate, major shareholder or supervisor 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 supervisor and not being a significant shareholder, supervisor or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholder or supervisor 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 supervisor and not being a significant shareholder, supervisor 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 an Internal Auditor by the Audit Committee’s approval which may be the Internal Auditor of the Company and/or outsources employment as an Internal Audit Department to perform internal auditing 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**” means a person or a partnership that has a relationship with any Independent Directors in any characteristics according to the definition in the announcement of the Securities & Exchange Commission (SEC) of 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 an Independent Director can have management power as a representative of a juristic person.

## 2) Objective

The Board of Director 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 Director for Audit Committee to perform efficiently in accordance with Stock Exchange of Thailand (SET). It also to act as an important mechanism for promoting the responsible for the duties of Board of Director by affording sufficient oversight over the operation of the Company as well as an opinion freely and fairly in order to create confidence and creditable of the Company for stakeholders.

## 3) Composition and Qualifications of the Audit Committee

The members of the Audit Committee as least 3 persons 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 Securities and Exchange Commission (SEC) and the regulations of the Stock Exchange of Thailand (SET).

## 4) Appointment, term 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 Director for an approval for the appointment of Audit Committee.
- 2) Chairman of the Audit Committee may appointed by the Board of Director or the Audit Committee select one member to be Chairman of the Audit Committee.
- 3) Secretary of the Audit Committee is appointed by the Audit Committee.
- 4) In case of the Audit Committee is vacant for any reason other than retirement by rotation, the Board of Director shall appoint a person with qualified as an Audit Committee to maintain a number of Audit Committee 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 Committee 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 Director.

#### **4.2 Term**

The Audit Committee serves for the term of three years and not exceeds to nine years, unless the Board of Director have different opinion, or term completion, 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 reasons. Then, the Board of director shall appoint a person with fully qualification to replace him/her.

#### **4.3 Retirement**

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

#### **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 report and Accounting**

- 1) Review the Company's financial reports to ensure accuracy and reliability, including adequate disclosure, by coordinating with external auditors and executives responsible for preparing financial reports, both quarterly and annually.
- 2) Consider, select, nominate, or terminate an independent person to act as the Company's auditor, including considering the auditor's remuneration in relation to its credibility, adequacy of resources, and the amount of audit work, as well as attending meetings with the auditors without only the management committee attending. This should be done once a year.
- 3) Promote independence and provide opinions on the suitability of auditors, as well as promote the development of financial reporting systems that comply with international accounting standards.

- 4) Prepare the audit committee's report and disclose it in the company's annual report. This report should provide opinions on topics such as:
  - Accuracy, completeness, and reliability of the Company's financial reports.
  - Adequacy of the Company's internal control and risk management systems.
  - Suitability of the auditor.
  - Compliance with securities laws, the Stock Exchange of Thailand Regulations, and laws related to the Company's business.
  - Transactions that may have conflicts of interest and transactions between related parties.
  - Overall opinions or observations received by the Audit Committee in accordance with the Charter.
- 5) Other transactions that general shareholders should be aware of within the scope of duties and responsibilities assigned by the Board of Directors.
- 6) Promote independence and avoid restricting the performance of auditors.

## 5.2 Internal Control and risk management

- 1) Review in order to ensure that the Company has a proper risk management system effectiveness, 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 Director.
- 2) Review evidences in the event that there is any reasonable doubt in the operations that may have a significant effect 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 in order to verify the information technology with accuracy and effectiveness, relate to financial report and internal control.
- 5) Prepare the report of the audit committee by disclosing in the Company's annual report. The annual report must be signed by Chairman of the Audit Committee and have opinions on various matters according to the regulations of the SET.
- 6) Consider the evaluation form for the adequacy of the internal control system. The internal audit department has examined and assessed to ensure that the Company has adequate internal control systems and present to the Board of director for consideration.

- 7) Review the innovation risks by regularly reviewing acceptable risks (Risk Appetite) together with the Management in order to ensure that the risks are at a reasonable level and not a hindrance to the development of innovation.
- 8) Evaluate and improve the effectiveness of risk management, control and governance processes with systematically and orderly in order to provide confidence in Environment, Social, Governance Reporting (ESG).

### 5.3 Internal Audit

- 1) Review the Company to ensure that the internal audit system is suitable and efficient, including controlling the internal audit department to comply with the internal audit standard.
- 2) Consider the independence of the internal audit function, it is essential to ensure access to necessary information for internal audit activities and to provide independent opinions and recommendations regarding budgetary matters, staffing levels of the internal audit unit, as well as approvals for appointment, transfer, or termination of the head of the internal audit function. Furthermore, in cases where external audit services are utilized, the Audit Committee should provide approval for the appointment or termination of such services, along with evaluating their performance and determining compensation.
- 3) Consider procuring of external consultants or professional experts for providing advices or opinions as the Audit Committee deems appropriate.
- 4) Consider an approval for the charter of internal audit and review it annually 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 Anti-Corruption measures

- 1) Review and evaluate the internal control system, financial and accounting reporting system, internal audit system, and other processes related to anti-corruption policy to ensure that the Company complies with the law, the Company's rules and regulations, and has appropriate separation of duties and responsibilities. Review internal controls on anti-corruption measures with personnel performing such tasks before reporting to the Board of Directors. This includes

receiving whistleblowing reports on corrupt actions, verifying the facts, and proposing proceedings to punish or solve such problems.

- 2) Identify high-risk matters that may lead to corruption and define preventive measures clearly.
- 3) Supervise whistleblowing procedures for employees and stakeholders who have suspicions or witness suspected violations or non-compliance with the law. Ensure that whistleblowers have an independent investigation process and appropriate monitoring procedures. Review and summarize corruption audit results to establish preventive measures within the organization.

#### **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 (SET) and policies, rules, requirements and the other laws, relating to the business of the Company.
- 2) Consider related-transactions or transactions, which may cause a conflict of interests, to compliance with the laws and the requirements of the Stock of Exchange of Thailand (SET). To ensure that such transactions are reasonable and the utmost benefit of the Company.

#### **5.6 Other duties**

- 1) The 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 Director, 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 Chairman of the Audit Committee and disclose in the annual report of the Company, in accordance with the SET's guidance.
- 3) 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, propose to the Board of Director considers for an approval.
- 5) Review the accuracy of the self-assessment form and reference documents on the measures against corruption of businesses under the Thai Private Sector Collective Action Coalition Against Corruption.
- 6) Take a charge of relevant duties as the Board of Director has been assigning thought the consideration of the Audit Committee.



**6) Meetings**

- 1) The Audit Committee meeting should arrange at least four times a year. Members of the management, the Executives or relevant employees of the Company or the Auditor may be invited to participate in the meetings to provide an opinion or send documents and information as deemed relevant or necessary.
- 2) For all meeting of the Audit Committees, the quorum will be at least two-thirds of all the Audit Committee members at that time.
- 3) The 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. Secretary of the Audit Committee does not have the right to vote, in the case of a tie. Chairman of the Audit Committee will 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 (SET) and signed by Chairman of the Audit Committee.
- 2) The Audit Committee reports the outcome of their operations to the Board of Director.
- 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 Director 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 abnormality or deficiency of the internal control systems or violation of the SEC's laws, requirement of the Stock Exchange of Thailand (SET) or other laws pertaining to the business of the Company. In the case where the Board of Director 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 (SEC) or the Stock Exchange of Thailand (SET).

**8) Performance Evaluation**

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

9) Remuneration

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

10) Hierarchy of Authority

In the case of external organizations contracted to perform internal audit functions, the selection process, termination of contracts, and approval of service fees must receive approval from the Audit Committee of the Company.

**Remark: Latest Charter Review**

This charter has been reviewed and approved by the Company's Board of Directors for further amendments during the Board meeting No. 3/023 on April 24, 2023. It is effective from April 25, 2023, onwards.