

Audit Committee Charter

Objectives

According to the Notification of the Stock Exchange of Thailand (SET) Re: Maintaining the Status of Listed Companies in the SET dated 22 January, 2544 (Bor.Jor./Ror 01-07), stated that a listed company is required to establish a good corporate governance system by having an Audit Committee to correctly govern the operation of a listed company according to standards and guidelines.

Moreover, The SEC ACT B.E.2535 was revised by the SEC ACT (No.4) B.E.2551 and the Notification of the SET on the Qualification and Scope of the Audit Committee B.E.2551 (Bor.Jor./Ror 01-04) was issued by the SET on 9 June B.E.2551. Thus, the Audit Committee charter was revised. This charter was approved in the Board of Directors meeting No.3 / 2554 on August 5, 2554.

Composition

- The committee is comprised of at least three independent directors, who are not executive directors or major shareholders.

Qualification

- Audit Committee members must have the qualifications as required by the Stock Exchange of Thailand.
- At least one member should have knowledge or experience in accounting or in financial matters.
- Members should have the appropriate competence and can devote sufficient time to fulfill their duties as the Audit Committee.

Appointment

- Members of Audit Committee
 - Are appointed by the board of directors or by the resolution of the shareholders' meeting.
 - When a member serves to his full term or if any member cannot serve to his full term and the number of committee members falls below three, a new member must be appointed based on the regulation of the Stock Exchange of Thailand (Bor. Jor./ Ror 01-07 dated 22 January, 2544 section 3(2)).
- The Chairman of the Audit Committee

The board of directors or the Audit Committee elects the Chairman from among its members.
- The Secretary of the Audit Committee

The internal audit manager serves as the secretary of the Audit Committee to help arranging the meetings, preparing the meeting agendas, preparing and delivering the meeting documents, recording the minutes of the meeting, and doing other works as assigned by the Audit Committee.

The secretary has no voting rights in the meeting of the Audit Committee.

Term of the Appointment

- The Audit Committee term of appointment will be as stated in the company Article #15 "At every annual general ordinary meeting, one-third (1/3) of the directors shall retire from office. If the number is not a multiple of three, the number of directors closest to one-third (1/3) shall retire from office.
- The directors retiring from their office in the first and second year after company registration shall be made by drawing lots. For subsequent years, the directors who have held office the longest shall retire. The directors retired under this Clause are eligible for re-election."

Retirement

- Retirement is by ceasing to be a director which may be the expiration of the term of the appointment, the resignation or the termination of services.
- In case a member of an Audit Committee wishes to resign during the term of the appointment, this member must inform the company at least one month in advance with the reasons thereof and the company should notify the SET about the vacation from the office with the reasons thereof without delay.
- In case a member of the Audit Committee is dismissed during the term of the appointment, the company should notify the SET about the dismissal with the reasons thereof. Simultaneously, the dismissed member of the Audit Committee may inform the SET about the dismissal and the reasons thereof.

Duties of Audit Committee

The duties of the Audit Committee as recommended by the SET are as follows:

- 1) To review the company's financial reporting to ensure that it is accurate and the disclosure is adequate;
- 2) To review that the company employs appropriate and efficient internal control system and internal audit. To determine the independence of the internal audit unit as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or any other unit in charge of the internal audit;
- 3) To review that the company complies to the law on securities and exchange, the regulations of the SET and other laws related to the company business;
- 4) To consider the capability and the independence of an external auditor and propose to be appointed as the Company's auditor including the audit fee, as well as to attend a non-management meeting with the auditor at least once a year.
- 5) To review the Connected Transactions or the transactions that may lead to conflicts of interests, that they are complied with the SEC laws and regulations, and to ensure that they are reasonable and yield the highest benefit to the company;

6) To report the governance activities of the Audit Committee in the company annual report, which must be signed by the chairman of the Audit Committee.

The report has to consist of **at least** the following information:

- (a) An opinion on the accuracy, completeness and reliability of the company financial reports,
 - (b) An opinion on the adequacy of the company internal control system,
 - (c) An opinion on the compliance with related laws i.e. the Securities and Exchange Act, the SET regulations, or the laws relating to the business of the company.
 - (d) An opinion on the suitability of the external auditor,
 - (e) An opinion on the connected transactions or the transactions that may lead to conflicts of interest,
 - (f) The number of Audit Committee meetings, and the attendance of such meetings by each committee member,
 - (g) An overall opinion or comment of the Audit Committee in performing its duties as specified in the audit committee charter.
 - (h) Other transactions the Audit Committee opines that should be known to the shareholders and general investors, under the scope of duties and responsibilities assigned by the company board of directors.
- 7) To do any other matters assigned by the board of directors of which the Audit Committee agrees.

Responsibilities of Audit Committee

- The Audit Committee is responsible to the board of directors to perform the duties according to the Audit Committee Charter and other works as assigned by the board of directors, while the whole board of directors is responsible for all activities of the company to outsider
- The Audit Committee is responsible to comply with the SEC Act (No.4) B.E.2551 Section 89/25 which states “if the auditor discovers any suspicious circumstance that the director, manager or any person responsible for the operation of such

juristic person commits an offence under the second paragraph of Section 281/2, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313, the auditor shall inform the facts of such circumstance to the audit committee of such juristic person in order to continue an investigation without delay and the Audit Committee must report the preliminary result of such investigation to the SEC and the external auditor within 30 days after being reported by the auditor.

If the Audit Committee does not do as stated above, the auditor should report to the SEC.

Authority of the Audit Committee

- The Audit Committee has the authority to conduct an investigation into any matters within its scope of duties and responsibilities. The Audit Committee may invite the director, the executive, the external auditor or the company lawyer to the meeting in order to discuss the matters.
- The Audit Committee can consult with the external consultants or the legal counsel as necessary or appropriate at the expense of the company.

Meetings

- Frequency of Meetings
 - The Audit Committee should meet at least four times a year.
 - The chairman of the Audit Committee may call a special meeting if any member, the internal auditor, the external auditor, or the chairman of the board requests in order to consider any matters that require their discussion.
- Attendance of Meetings and the Quorum
 - Members should attend every meeting
 - At least half of the members must attend the meeting in order to be a forum.

- Minutes
 - The secretary of the Audit Committee or the assigned person prepares the minutes and presents to the Audit Committee for approval.

Reporting

- Reporting to the Board of Directors.

The Audit Committee should report to the board of directors regarding its performance at least once a year.

- Reporting to the Regulatory Entities.

According to the Notification of SET (Bor. Jor./ Ror 01-04) 2008—Re: Qualification and Scope of Work of the Audit Committee section 8 stated “In perform its duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company’s financial condition and operating results, the Audit Committee shall report it to the board of directors for rectification within the period of time that the Audit Committee thinks fit:

- (1) A transaction which causes a conflict of interest.
- (2) Any fraud, irregularity, or material defect in an internal control system.
- (3) An infringement of the law on securities and exchange, the regulations of the Stock Exchange of Thailand or any law relating to the company’s business.

If the board of directors or management fails to make a rectification within the period of time under the first paragraph, any Audit Committee member may report the transaction or the act under the first paragraph to the SEC or the SET.”