



# **Sammakorn Public Company Limited**

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## **Audit Committee Charter**

**Revision 2024**

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## **Audit Committee Charter**

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### **1. Objective**

To perform the duty of supporting the work performance of the Board of Directors for good corporate governance particularly in the aspects of financial report verification process, internal control system, internal audit process, and verification of compliance with the related rules, laws, requirements, and code of ethics to ensure the Company's appropriate management system, and transparent and reliable disclosure of information.

### **2. Composition and Qualifications of the Audit Committee**

2.1 The Audit Committee is appointed by the Board of Directors or the Shareholders' Meeting of the Company.

2.2 The Audit Committee must consist of not less than 3 members who must be the directors and independent directors.

2.3 The Audit Committee comprises a Chairman of the Audit Committee and at least 2 Audit Committee members. However, the Audit Committee shall select an Audit Committee member to be the Chairman of the Audit Committee.

2.4 At least an Audit Committee member must have adequate knowledge and experience to perform the duty of verifying the reliability of a financial report.

2.5 Hold the shares not more than 1 percent of the total number of voting shares of the Company, including the holding company, subsidiaries, associated companies, major shareholders, or regulators of the Company. However, the shareholding of the related parties of those independent directors should also be counted.

2.6 Not being or ever been a director who participates in administration, staff, employee, consultant who earns regular salary or regulator of the Company, including the holding company, subsidiaries, associated companies, major shareholders, or regulators of the Company, unless he/she is free from possession of the said characteristics for not less than 2 years.

2.7 Not being a person by blood relations or by lawful registration of another director, the Company's executive, major shareholder, regulator, or person who is proposed to be the director, executive, or regulator of the Company or the Company.

2.8 Not having or ever had a business relationship with the Company, including the holding company, subsidiaries, associated companies, major shareholders, or regulators of the Company in a manner that may obstruct the use of his/her independent judgement, as well as not being or ever been the significant shareholder or regulator of the person who has the relationship with the Company, including the holding company, subsidiaries, associated companies, major shareholders, or regulators of the Company, unless he/she is free from the possession of the said characteristics for not less than 2 years.

2.9 Not being a director who is appointed to be the representative of the director, major shareholder, or shareholder who is a related party of the Company's major shareholder.

2.10 Not being a director who is entrusted by the Board of Directors to make decisions on the entity operations of the Company, the holding company, subsidiaries, associated companies, subsidiaries in the same order, major shareholders, or regulators of the Company.

2.11 Not being a director of the holding company, subsidiaries, or subsidiaries in the same order particularly being the listed companies.

2.12 Not operate the entity with the condition which is the same and significantly competitive with the entities of the Company or subsidiaries, or not being the significant partner in the partnership; or being a director who participates in administration, employee, staff, consultant who earns a regular salary or holds shares exceeding 1 percent of the total number of voting shares of other companies which operate the entities with the condition which is the same as and significantly competitive with the entities of the Company or subsidiaries.

2.13 Not being or ever been an auditor of the Company, including the holding company, subsidiaries, associated companies, major shareholders, or regulators of the Company; and not being a significant shareholder, regulator, or partner of the audit firm that has the auditor of the Company, including the holding company, subsidiaries, associated companies, major shareholders or regulators of the Company, unless he/she is free from possession of the said characteristics for not less than 2 years.

2.14 Not being or ever been a provider of any professional service, including legal consulting or financial consulting service, who obtains service fee of more than 2 million Baht per year from the Company, including the holding company, subsidiaries, associated companies major shareholders, or regulators of the Company; and not being a significant shareholder, regulator or partner of that professional service provider of the Company, unless he/she is free from possession of the said characteristics for not less than 2 years.

2.15 Able to independently function and comment or report performance based on the duty entrusted by the Board of Directors not under the control of the executives or major shareholders of the Company, including related parties or close relatives of the said persons.

2.16 The Audit Committee must possess the qualifications according to the rules of the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.

2.17 Able to appoint a Secretary of the Audit Committee. However, the said Secretary can be appointed from the Company's staff who may be the Company Secretary or the Chief Finance Officer, to perform the Secretary of the Audit Committee.

### **3. Scope of Authority and Responsibilities of the Audit Committee**

3.1 Verify the Company and the subsidiaries to ensure the proper and adequate disclosure and financial reporting according to the Thai Accounting Standards determined by laws by coordinating with the external auditor and the executive in charge of preparing both quarterly and yearly financial reports. The Audit Committee may suggest the auditor verify or audit any transactions deemed to be significant and necessary matters during auditing the accounts of the Company and the subsidiaries.

3.2 Verify the issues relating to accounting and financial reports with materiality, including the complex or abnormal transactions and the transactions that must be used to make the decisions.

3.3 Jointly plan and verify the Company and the subsidiaries have the adequate, appropriate, and efficient internal control system and internal audit system, and appropriately and effectively comply with the securities law, including notifications, regulations, and/or rules of the Office of the SEC, and the Stock Exchange, and laws relating to the Company's businesses and the good corporate governance and business ethics policies.

3.4 Ensure the independence of the internal audit unit from the Management. Structure the company in a manner that allows the internal audit unit to directly report to the Audit Committee, guaranteeing independent operation. Additionally, approve the processes for appointing, removing, demoting, promoting, and assessing the performance of the Manager of the Internal Audit Office, as well as decisions related to their appointment and termination.

3.5 Evaluate the performance of the company appointed by the Company as the Head of Internal Audit. The Audit Committee is responsible for reviewing this assessment and then presenting it to the Board of Directors for consideration. Additionally, the Managing Director should provide input to support this evaluation process.

3.6 Verify the Company and the subsidiaries to ensure the appropriate compliance good securities and exchange law, including notifications, regulations, and/or rules of the Office of the SEC and the Stock Exchange, and laws relating to the Company's businesses, including the good corporate governance and business ethics policies.

3.7 Consider and verify the internal audit results and suggestions of the auditor, as well as monitor to ensure that the Executive takes adequate and efficient action on the said suggestions within a reasonable time.

3.8 Consider reviewing the update and revision of the Audit Committee Charter at least once a year to be up-to-date and suitable for the Company's situation and propose the Board of Directors for approval.

3.9 Verify the effectiveness of the information technology system relating to internal control, financial reporting, and risk management, and suggest an update.

3.10 Govern the work performance of the Internal Audit Office or the company which is appointed by the Company to perform the work of the Head of Internal Audit to comply with the determined policies, as well as consider giving approval on the Charter of the internal audit work, independence, including the scope and audit work plan of the Internal Audit Office, and verify internal audit work plan of the Company under the generally accepted procedures and standards.

3.11 Verify the Company and the subsidiaries have the appropriate, efficient, and adequate risk management system or process for governing the policies and duties relating to risk management of the Company and the group of affiliated businesses to mitigate the Company's business impacts.

3.12 Encourage compliance with the anti-corruption policy.

3.13 Consider selecting, propose the appointment of an independent person to perform the duty of the Company's auditor, propose the remuneration and assessment of the operating efficiency of the auditor, and attend the Meeting with the auditor without the meeting attendance of the Management at least once a year.

3.14 Consider the related party transactions or the transactions that may have a conflict of interest of the listed companies according to laws and requirements of the Stock Exchange to ensure that the said transactions are reasonable and maximally beneficial to the Company.

3.15 Report whatever is deemed by the shareholders and general investors that should be informed under the scope of duties and responsibilities entrusted by the Board of Directors.

3.16 Prepare the Audit Committee's report by disclosing it in the Annual Report of the Company. The said report must be signed by the Chairman of the Audit Committee and in line with the rules determined by the Stock Exchange.

3.17 Must verify the consistency of the information in the financial report of the listed company with any other information relating to the Company's financial position and performance which are communicated with the investors or related parties, such as the information of Management Discussion & Analysis, Annual Report.

3.18 Regularly report to the Board of Directors so that the Board of Directors is informed of the activities of the Audit Committee.

3.19 When the Audit Committee is informed in the case where the auditor detects the doubtful circumstance that the Managing Director or the person in charge of the Company's operations commits the offence under Section 281/2 paragraph two, Section 305, 306, 308, 309, 310, 311, 312, or 313 (Section 89/25 of the Securities and Exchange Act B.E. 2535 (1992), the Audit Committee shall take action to audit the said matter, analyze impacts and problem issues, and also establish a measure for immediate suppression of the doubtful circumstance. Additionally, the Audit Committee shall report the said audit result to the Office of the SEC and the auditor for acknowledgement within 30 days from the notification date of the auditor.

3.20 If the Audit Committee detects or is in doubt that there are transactions or acts possibly affecting the Company's financial position and performance, i.e. transaction that causes conflict of interest, corruption, or availability of significant abnormality or fault in internal control system and breach of the securities and exchange law, requirements of the Stock Exchange or laws relating to the Company's businesses, it shall report the Board of Directors to take improvement and corrective action within the period deemed appropriate by the Audit Committee or report the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand in the case where the Board of Directors or the executives fail to take improvement and corrective action within the specified period.

3.21 Perform any other works as entrusted by the Board of Directors with the approval of the Audit Committee. However, the Executive has the duty to report or propose the related information and documents to the Audit Committee to support the work performance of the Audit Committee to achieve the entrusted duties.

3.22 Monitor the proper and appropriate use of fundraising funds according to the disclosed objective.

3.23 The Audit Committee may seek independent opinions from any other professional consultants when deemed necessary at the Company's expense by the approval of the Board of Directors. However, the employment shall be executed according to the rules and requirements of the Company.

3.24 Report whatever deemed that the shareholders and general investors should be informed under the scope of duties and responsibilities entrusted by the Board of Directors.

3.25 Take any other actions under the scope of authority and responsibilities determined in the Charter or as entrusted by the Board of Directors.

#### **4. Term of Office**

4.1 The term of office of each Audit Committee member shall be in line with his/her term of the director's office for 3 years per term.

4.2 The Audit Committee members may be appointed by the Board of Directors to resume the office as deemed appropriate by the Board of Directors.

4.3 Other than retirement upon expiration of office term as scheduled, the Audit Committee members retire upon:

- resignation;
- death;
- disqualification of being the Audit Committee member according to this Charter or the rules and requirements determined by the Stock Exchange of Thailand and the regulatory agencies;
- retirement from being the Company's director;
- resolution of the Board of Directors for retirement.

In the case where the office of the Audit Committee member is vacant due to another reason other than it is time for rotation in office, the Board of Directors shall appoint a completely qualified person without prohibited characteristics according to law to join as the replacing Audit Committee member to ensure the complete number of the Audit Committee members as determined by the Board of Directors.

The Board of Directors shall appoint a new Audit Committee member immediately or within three months from the date the committee's membership becomes incomplete, ensuring the continuous operation of the Audit Committee. Any new member appointed will serve only for the remainder of the term of the Audit Committee member they replace. However, if the remaining term of the outgoing member is less than two months, the Board of Directors may choose not to appoint a replacement.

4.4 Any Audit Committee member who will resign from the office shall submit a Resignation Form to the Chairman of the Audit Committee, and report to the Chairman of the Board of Directors. Advance notice of the resignation of the Audit Committee members should be given for not less than 1 month to ensure that the Board of Directors considers appointing another director who is completely qualified to replace the resigning person. However, the Company must also inform the resignation and deliver a copy of the resignation letter to the Stock Exchange for acknowledgement. The resigning Audit Committee member may clarify the said cause to the Stock Exchange for acknowledgement on the other hand.

4.5 In the case where the Audit Committee member is demoted before the expiration of the office term, the Company must inform the removal together with cause to the Stock Exchange for acknowledgement. The said demoted Audit Committee member is also entitled to clarify the said cause to the Stock Exchange for acknowledgement.

4.6 In the case where the Audit Committee members retire for the entire Committee, the retiring Audit Committee shall be first on duty in the office to continue the operation until the new set of the Audit Committee will assume the duty.

4.7 In the case where the Audit Committee member resigns or the Committee resolves for early retirement by rotation, the Company must inform the reason for resignation or retirement to the Stock Exchange of Thailand and the Office of Securities and Exchange for acknowledgement within 3 days from the retirement date of that member.

## **5. Quorum and Meeting**

5.1 The Audit Committee must hold the Meeting at least six times per year and has the power to call for an additional Meeting as deemed appropriate and necessary. The Meeting must consist of not less than half of the Audit Committee members attending the Meeting to meet a quorum. Additionally, the date and time are scheduled in advance year-round to ensure that the Audit Committee can allocate meeting attendance time for every Meeting.

5.2 The Chairman of the Audit Committee members is the Chairman of the Meeting. In the case where the Chairman of the Audit Committee is absent from the Meeting or is engaged in an essential task, the Audit Committee members who attend the Meeting shall select an Audit Committee member to be the Chairman of the Meeting.

5.3 The resolution of the Audit Committee members can be performed by adhering to a majority vote. However, the Audit Committee members with any interests in the consideration matters shall not be involved in the expression of opinion and resolution of those matters. If a tie exists, the Chairman of the Meeting shall cast an additional vote as casting vote.

5.4 The Invitation to the Meeting shall be delivered not less than 7 days before the meeting in advance. Unless in the case of necessity or urgency, the meeting appointment can be informed by other means, or the meeting date can be scheduled early. The Chairman of the Audit Committee, or the Secretary acting on their behalf, is responsible for organizing the meeting and recording the minutes. The Company may deliver the meeting invitation and related documents either directly or through electronic media, accommodating both in-person and electronic meetings.

5.5 The Audit Committee's Committee is held at the locality which is the head office or at another locality as deemed appropriate by the Committee or the Chairman of the Audit Committee shall determine to hold the electronic meeting. The electronic meeting shall be held according to the rules and procedures determined by law.



5.6 The Joint Meeting of the Audit Committee and the Enterprise Risk Management Committee shall be held at least once a year for data sharing and coordinating risks and internal control.

5.7 The Audit Committee can invite other persons to attend the Meeting as appropriate and may consider separately holding a meeting if joining with other persons if deemed that there is an issue or a point of consideration that should be particularly discussed.

## **6. Reporting and Self-Assessment of Duty Performance**

The Audit Committee assesses the Audit Committee's performance on the whole and each member assesses his/her performance yearly referring to the Assessment Form of the Thai Institute of Directors (IOD) and the Assessment Form of the Stock Exchange of Thailand to ensure that the work performance of the Nomination and Remuneration Committee is efficient and achieves the requirements. Additionally, the report of the Audit Committee is prepared for disclosure in Form 56-1 One Report / Annual Report and signed by the Chairman of the Nomination and Remuneration Committee.

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Remark: This Audit Committee Charter is effective from 20 February 2024 onwards by the approval of the Board of Directors in Meeting No. 1/2024 on 20 February 2024.