

# Audit Committee Charter

Thantawan Industry Public Company Limited

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**1) Definitions**

“The Company”	means Thantawan Industry Public Company Limited.
“The Board”	means the Board of Directors of Thantawan Industry Public Company Limited.
“Audit Committee”	means the Audit Committee of Thantawan Industry Public Company Limited.
“Nomination Committee”	means the Nomination and Remuneration Committee of the Company.
“Independent Director”	means a director who is independent of major shareholders or groups of major shareholders and the Company’s management. They must have sufficient access to financial and business information to express opinions freely to protect the interests of minority shareholders. They are responsible for certifying their independence upon appointment and disclosing such information in the Annual Report, in full compliance with the qualifications prescribed by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), as follows:

**Qualifications of an Independent Director:**

- 1) Shareholding: Holds no more than 0.5% of the total voting shares of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling persons, including shares held by related persons of such Independent Director.
- 2) Management Participation: Is not and has not been an executive director, employee, staff member, salaried advisor, or controlling person of the Company, its parent company, subsidiaries, associates, same-level subsidiaries, major shareholders, or controlling persons, unless having vacated such roles for at least 2 years.
- 3) Blood Relationship: Is not a person related by blood or legal registration as a father, mother, spouse, sibling, child, or spouse of a child of other directors, executives, major shareholders, controlling persons, or persons nominated as directors, executives, or controlling persons of the Company or its subsidiaries.
- 4) Business Relationship: Does not have and has never had a business relationship with the Company, its parent company, subsidiaries, associates, major shareholders, or controlling persons in a manner that may impede independent judgment. This includes not being a significant shareholder or controlling person of

any entity having a business relationship with the Company, unless having vacated such status for at least 2 years.

- 5) Auditor Status: Is not and has never been an auditor of the Company, its parent company, subsidiaries, associates, major shareholders, or controlling persons, and is not a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, unless having vacated such status for at least 2 years.
- 6) Professional Service Provider: Is not and has never been a provider of any professional services, including legal or financial advisory services, receiving fees exceeding 2 million Baht per year from the Company, its parent company, subsidiaries, associates, major shareholders, or controlling persons. This includes not being a significant shareholder, controlling person, or partner of such service provider, unless having vacated such status for at least 2 years.
- 7) Nominated Representative: Is not a director appointed as a representative of the Company's directors, major shareholders, or shareholders related to major shareholders.
- 8) Non-Competition: Does not engage in any business of the same nature and in significant competition with the business of the Company or its subsidiaries. They shall not be a significant partner in a partnership, an executive director, employee, staff member, salaried advisor, or hold more than 1% of the total voting shares of another company engaging in a similar and competitive business.
- 9) No Impediments: Does not possess any other characteristics that hinder the ability to provide independent opinions regarding the Company's operations.

"Internal Audit Unit" means a unit established by the Company and/or an outsourced service provider appointed to perform internal audit functions. Its role is to provide independent and objective assurance and consulting services designed to add value and improve the Company's operations. It helps the Company accomplish its goals and objectives by bringing a systematic and disciplined approach to evaluate and improve the efficiency and effectiveness of risk management, internal control, and governance processes. This unit submits the annual audit plan and audit reports for the review and approval of the Audit Committee.

"Related Persons of Independent Directors" means individuals or partnerships having a relationship with any person in a manner prescribed by the Notification of the Securities and Exchange Commission, as follows:

- 1) Spouse of such person;

- 2) Minor children of such person;
- 3) Ordinary partnerships in which such person or the person(s) under (1) or (2) are partners;
- 4) Limited partnerships in which such person or the person(s) under (1) or (2) are unlimited liability partners, or limited liability partners holding more than 30% of the total shares of such limited partnership;
- 5) Limited companies or public limited companies in which such person, the person(s) under (1) or (2), or the partnerships under (3) or (4), collectively hold more than 30% of the total paid-up shares of such company;
- 6) Limited companies or public limited companies in which such person, the person(s) under (1) or (2), the partnerships under (3) or (4), or the companies under (5), collectively hold more than 30% of the total paid-up shares of such company; and
- 7) Juridical persons in which such person has management authority as a legal representative.

## 2) Objectives

The Board of Directors has established this Audit Committee Charter to define the committee's composition, duties, responsibilities, and operational guidelines as assigned by the Board. The primary purpose is to ensure that the Audit Committee performs its duties efficiently in accordance with the requirements of the Stock Exchange of Thailand (SET).

The Audit Committee serves as a vital mechanism in supporting the Board's oversight of the Company's operations. By providing independent and objective opinions, the Committee ensures adequate supervision and fosters confidence and credibility among all stakeholders.

## 3) Composition and Qualifications of the Audit Committee

The Audit Committee shall consist of at least three (3) directors from the Board of Directors, all of whom must be Independent Directors. Their qualifications, duties, and responsibilities must strictly comply with the criteria prescribed under the Securities and Exchange Act, as well as any other duties assigned by the Board or required by law. Notably, at least one (1) member of the Audit Committee must possess sufficient knowledge and experience to review the reliability of the Company's financial statements.

#### 4) Appointment, Term of Office, and Vacation of Office

##### 4.1 Appointment of the Audit Committee

- 1) The Board of Directors shall approve the appointment of the Audit Committee members based on the recommendations of the Nomination and Remuneration Committee.
- 2) The Chairman of the Audit Committee may be appointed by the Board of Directors, or the Audit Committee may elect one of its members to serve in this position.
- 3) The Secretary to the Audit Committee shall be appointed by the Audit Committee.
- 4) In the event of a vacancy for reasons other than the expiration of the term, the Board shall appoint a qualified individual, as proposed by the Nomination Committee, to maintain the required committee composition in accordance with the SET listing requirements. Such appointment must be made within three (3) months at the latest. The substitute member shall hold office only for the remaining term of the director they replace.
- 5) Audit Committee members whose terms have expired may be eligible for re-appointment by the Board of Directors.

##### 4.2 Term of Office

The term of office for Audit Committee members is three (3) years per term, with a cumulative tenure not exceeding nine (9) years, unless the Board of Directors determines otherwise. The term shall end upon the expiration of the term, resignation, removal, or cessation of status as a Company director. In the event of a vacancy for reasons other than term expiration, the Board shall appoint a qualified person to fill the vacancy to ensure the committee's composition remains as specified by the Board.

##### 4.3 Vacation of Office A member of the Audit Committee shall vacate office upon:

- 1) Death;
- 2) Expiration of the term of office;
- 3) Resignation or removal from the position of Company director;
- 4) Resignation. In the case of resignation before the end of the term, the member should notify the Chairman of the Board one (1) month in advance with reasons provided. The Company must inform and submit a copy of the resignation letter to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC);
- 5) Disqualification or possession of prohibited characteristics under the Public Limited Companies Act;

- 6) Removal by a resolution of the Board of Directors.

#### 5) Scope of Duties and Responsibilities

The Audit Committee is directly accountable to the Board of Directors for its assigned duties. However, the Board of Directors remains responsible for the Company's overall operations toward external parties. The Committee's primary role is to support Corporate Governance, specifically regarding financial reporting, internal control systems, audit processes, anti-fraud and corruption measures, and compliance with relevant laws and regulations. The detailed scope of duties is as follows:

##### 5.1 Internal Control and Risk Management

- 1) To review and ensure that the Company possesses appropriate, efficient, effective, and transparent internal control and risk management systems. This includes recommending the review or audit of any necessary and significant transactions, and providing suggestions for improving these systems to the Board of Directors.
- 2) To review evidence in cases of suspicion regarding operations that may have a material impact on the Company's financial position and performance, conflicts of interest, or violations of laws and regulations.
- 3) To review internal processes related to Whistleblowing and complaint handling.
- 4) To review the accuracy and effectiveness of Information Technology (IT) relating to financial reporting and internal control.
- 5) To consider the Internal Control Adequacy Assessment Form, as audited and evaluated by the Internal Audit Unit, to ensure the Company maintains an adequate internal control system before submission to the Board of Directors.
- 6) To evaluate and enhance the effectiveness of control and governance processes in a systematic and disciplined manner. This is to provide assurance regarding Environmental, Social, and Governance (ESG) reporting

##### 5.2 Internal Audit

- 1) To review and ensure that the Company maintains an appropriate and effective internal audit system, and to oversee that the Internal Audit Unit operates in accordance with international internal auditing standards.

- 2) To ensure the independence of the Internal Audit Unit in accessing necessary information and expressing opinions freely; to provide recommendations on the unit's budget and staffing; and to approve the appointment, transfer, or dismissal of the Head of Internal Audit (or any other unit responsible for internal audit) as proposed by Management.
- 3) To consider the procurement of external consultants or professional experts to provide advice, consultation, or opinions as deemed appropriate by the Audit Committee.
- 4) To consider, select, nominate, or terminate independent individuals or juridical persons to serve as the internal auditors for the Company and its subsidiaries, including determining their remuneration based on credibility, resource adequacy, and audit workload.
- 5) To approve the Internal Audit Charter and conduct an annual review, proposing any necessary amendments to the Board of Directors for approval.
- 6) To approve and evaluate the Annual Internal Audit Plan to ensure it aligns with the Company's risk profile and risk levels.
- 7) To review reports and collaborate with internal auditors regarding audit findings and the assessment of the internal control system's effectiveness.

### 5.3 Financial Reporting and External Audit

- 1) To review the Company's financial reports to ensure accuracy, reliability, and adequate disclosure by coordinating with the external auditor and management responsible for preparing quarterly and annual financial statements.
- 2) To consider, select, nominate, or terminate independent individuals or juridical persons to serve as the external auditor, and to propose their remuneration based on credibility, resource adequacy, and audit workload. This includes holding at least one (1) meeting annually with the external auditor without the presence of Management.
- 3) To promote the independence and provide opinions on the suitability of the external auditor, as well as to encourage the development of financial reporting systems to be on par with International Financial Reporting Standards (IFRS).
- 4) To provide opinions on any other matters within the scope of duties assigned by the Board that should be disclosed to shareholders, while ensuring the external auditor's independence and lack of operational constraints.
- 5) To promote independence and without limitation in the performance of auditors.

### 5.4 Corporate Governance

- 1) To oversee and ensure that the Corporate Governance Policy and Anti-Corruption Policy are appropriate for the Company and align with the laws, rules, and regulations of governing bodies, including the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC), as well as international governance standards, for the Board of Directors' approval.
- 2) To mandate the development of a Corporate Governance Manual based on the Corporate Governance and Anti-Corruption Policies to serve as a standardized and correct operational guideline.
- 3) To supervise, monitor, and provide guidance to Directors and Executives in performing their duties in accordance with the Corporate Governance and Anti-Corruption Policies. This ensures practical and continuous implementation and promotes best practices under the Code of Business Conduct for Directors, Executives, and employees.
- 4) To regularly review and update the Corporate Governance and Anti-Corruption Policies at least once (1) a year to ensure alignment with international practices, laws, regulations, and the Company's business context.
- 5) To review and evaluate internal controls, financial and accounting reporting systems, internal audit systems, and other processes related to Anti-Corruption. This ensures compliance with laws and internal regulations, proper segregation of duties, and effective anti-corruption measures. The Committee shall review these controls with relevant personnel before reporting to the Board, and handle whistleblowing reports regarding corruption for further investigation and corrective action.
- 6) To identify and assess high-risk areas susceptible to corruption and establish clear preventive measures.
- 7) To oversee an effective Whistleblowing process for employees and stakeholders to report suspicions of legal violations, breaches of regulations, the Code of Conduct, or Corporate Governance policies. The Committee must provide assurance that the investigation process is independent, followed by appropriate monitoring and a summary of corruption audit results to define future organizational preventive measures.
- 8) To recommend requirements and guidelines regarding Business Ethics and the Code of Conduct for the Company's Directors, Executives, and employees.

#### 5.5 Compliance with Laws and Regulations

- 1) To review and ensure the Company's compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand (SET), and all internal policies, rules, regulations, and other laws relevant to the Company's business.

- 2) To consider Connected Transactions or transactions that may involve Conflicts of Interest, ensuring they comply with the law and SET regulations. This is to guarantee that such transactions are accurate, reasonable, and in the best interest of the Company.

#### 5.6 Other Duties

- 1) To seek independent opinions from professional advisors when deemed necessary at the Company's expense, subject to the Board of Directors' approval and in accordance with the Company's procurement regulations.
- 2) The Chairman or a member of the Audit Committee must attend the Shareholders' Meeting to provide clarifications regarding the Audit Committee's activities or the appointment of the external auditor.
- 3) To regularly review and update the Audit Committee Charter and present it to the Board of Directors for approval.
- 4) To verify the accuracy of the Self-Assessment Form and supporting documents regarding anti-corruption measures under the Thai Private Sector Collective Action Against Corruption (CAC) initiative.
- 5) To perform any other tasks assigned by the Board of Directors with the Audit Committee's consent.

#### 6) Meetings

- 1) To hold at least four (4) Audit Committee meetings per year. The Committee may invite Management, relevant executives, employees, or the external auditor to attend, provide opinions, or submit necessary documents.
- 2) A quorum for an Audit Committee meeting requires at least two-thirds (2/3) of the total members currently in office.
- 3) Any member with a vested interest in a particular matter is prohibited from participating in the deliberation of that matter. Each member has one (1) vote, and resolutions are passed by a majority vote. The Secretary to the Audit Committee has no voting rights. In the event of a tie, the Chairman of the Audit Committee shall have a casting vote.
- 4) To hold at least one (1) meeting annually with the Company's external auditor without the presence of Management.

## 7) Audit Committee Reporting

- 1) The Audit Committee shall disclose its report in the Company's Annual Report in accordance with the regulations of the Stock Exchange of Thailand (SET). The report must be signed by the Chairman of the Audit Committee and include opinions on the following matters:
  - Accuracy, completeness, and reliability of the Company's financial reports.
  - Adequacy of the Company's internal control and risk management systems.
  - Compliance with Corporate Governance principles.
  - Anti-corruption measures and progress.
  - Suitability and performance of the external auditor.
  - Compliance with the Securities and Exchange Act, SET regulations, or laws relevant to the Company's business.
  - Transactions that may involve conflicts of interest or related party transactions.
  - Overall opinions or observations from the performance of duties according to the Charter.
- 2) The Audit Committee shall regularly report its activities and findings to the Board of Directors.
- 3) In performing its duties, if the Audit Committee finds or suspects any transactions or actions that may have a material impact on the Company's financial position or performance, it must report such findings to the Board of Directors for rectification within a reasonable timeframe. These include:  
Conflicts of interest; Fraud, irregularities, or significant deficiencies in the internal control system; Violations of the Securities and Exchange Act, SET regulations, or relevant business laws. If the Board of Directors or Management fails to make rectifications within the specified period, any member of the Audit Committee may report such findings to the Securities and Exchange Commission (SEC) or the Stock Exchange of Thailand (SET), with a copy provided to the Board.

## 8) Performance Evaluation

The Audit Committee shall conduct an annual self-evaluation and report any obstacles that prevent the Committee from achieving its objectives to the Board of Directors at least once (1) a year.

## 9) Remuneration

The remuneration of the Audit Committee shall be determined by the resolution of the Shareholders' Meeting.

**Note:** : Charter Review This Charter was reviewed, amended, and approved by the Board of Directors at Meeting No. 1/2025 on February 13, 2025, and shall remain in effect from February 13, 2025, onwards.