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AAI – 009 – 2022

**Audit Committee Charter**  
**(Revised edition B.E. 2565)**

**1. Objective**

In a bid to have the Audit Committee of the Company efficiently perform duties as assigned by the Board of Directors in accordance with a good corporate governance principles to assist the Board of Directors in overseeing operations and management to ensure that the Company maintains standards of an accurate, transparent, and reliable financial reporting system for the maximum benefit to investors and all parties involved according to the Policy of Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (“SET”), the Board of Directors deems it appropriate to establish the Audit Committee Charter with the scope of composition and qualifications, tenure, authority, duties, responsibilities, and the Audit Committee’s meeting, as follows:

**2. Composition of the Audit Committee**

2.1. The Audit Committee consists of directors who are not involved in routine management and appointed by the Board of Directors’ meeting at least three members. All of them must be independent directors of the Company.

2.2. The Audit Committee must maintain at least one director with knowledge or experience in accounting and finance to review the reliability of financial statements and continuously develop accounting or finance knowledge to assess the impact on the reliability of financial statements.

2.3. The Audit Committee or the Board of Directors shall appoint one of the Audit Committee to be the chairman of Audit Committee.

2.4. The Audit Committee must consider the appointment of a head of the Company’s Internal Audit Unit to act as the secretary of the Audit Committee and support the operations of the Audit Committee, such as meeting appointments, preparing of meeting agenda, submitting documents for meeting, recording minutes of meeting, and other tasks as assigned by the Audit Committee.

**3. Qualifications of Audit Committee**

The Company’s Audit Committee must have qualifications without any prohibited characteristics as follows:

3.1. Having qualifications with no prohibited characteristics as prescribed by relevant laws, especially the laws of public company limited as well as securities and stock exchange.

3.2. Holding a post of director and an independent director of the Company.

3.3. Holding not more than 1% of the total shares with all the rights to vote in the Company, parent company, subsidiaries, associated companies, major shareholder, or authorized controller of the company, including the shareholding of that related independent director.

3.4. Not being or used to be a director involved in the management, employees, staff, consultants with a regular salary or an authorized controller of the Company, parent company, subsidiaries, associated companies, same-level subsidiaries, major shareholders, or authorized controller of the Company, unless being terminated from such involvement for not less than 2 years before the date of submission of an application to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (“SEC Office”) for an audit committee appointment, or after the date of an audit committee appointment with submission of an application to the SEC Office. However, this shall not include an audit committee member who used to be a government official or a consultant of the government sector, with a major shareholding or authorized control of the Company.

3.5. Not being a person with blood relationship or by legal registration in the form of father, mother, spouse, siblings, and children, including the spouses of children of other directors, executives, major shareholders, authorized controller, or an individual to be nominated as a director, executive, or authorized controller of the Company or subsidiaries.

3.6. Not having or used to have a business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or authorized controller of the Company which may affect to the exercise of one's independent judgment, including not being or used to be a significant shareholder or an authorized controller having a business relationship with the Company, parent company, subsidiaries, associated companies, major shareholders, or an authorized controller of the Company, unless being terminated from the above mentioned relationships for not less than 2 years before the date of submission of an application to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand ("SEC Office") for an audit committee appointment, or after the date of an audit committee appointment with submission of an application to the SEC Office. This also includes doing normal commercial transactions for business of leasing or leasing immovable properties, items relating to assets or services, or giving or receiving financial assistance by receiving or lending, guaranteeing, or placing assets as collateral for liabilities, as well as other similar manners, which may cause the Company or the counterpart shall be responsible for debt obligations to be paid to other parties at least 3% of the Company's net tangible assets or 20 million baht or more. However, the calculation of such indebtedness must be in accordance with the calculation method for the value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions. The consideration of such debt obligations must comprise debt obligations incurred during 1 year before the date of business relationship with the same person.

3.7. Not being or used to be an auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, or authorized controller of the Company, as well as not being a significant shareholder, authorized controller, or partner of an audit office where the auditor of the Company, parent company, subsidiaries, associated companies, major shareholders, or authorized controller is affiliated, unless being terminated from the abovementioned characteristics for not less than 2 years before the date of submission of an application to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand ("SEC Office") for an audit committee appointment, or after the date of an audit committee appointment with submission of an application to the SEC Office.

3.8. Not being or used to provide professional services of any kinds, including legal advisory or financial advisor services with the service fees of more than 2 million baht per year from the Company, parent company, subsidiaries, associated companies, major shareholders, or authorized controller of the Company, as well as not being a significant shareholder, authorized controller, or a partner of such professional service providers, unless being terminated from the above mentioned matters for not less than 2 years before the date of submission of an application to the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand ("SEC Office") for an audit committee appointment, or after the date of an audit committee appointment with submission of an application to the SEC Office.

3.9. Not being a director appointed to represent the director of a major shareholder company or a shareholder with relation to a major shareholder.

3.10. Not operating a business with the same condition and a significant competition to the Company's business or subsidiaries, as well as not being a significant partner in the partnership or being a director who takes part in the management, employees, staff, consultants with a regular salary or holding more than 1 percent of the total number of shares with voting rights of other companies which operate businesses with the same condition and a significant competition to the Company's business or subsidiaries.

3.11. Not being a director assigned by the Board of Directors to decide on business operations of the Company, parent company, subsidiaries, associated companies, same-level subsidiaries, major shareholder, or authorized controller of the Company.

3.12. Not being a director of a parent company, subsidiaries, or same-level subsidiaries, only in the listed companies.

3.13. No other characteristics that prevent from expressing independent opinions on the Company's operations.

#### **4. Appointment and tenure of the Audit Committee**

4.1. Appointment of the Audit Committee shall be made by the resolution of the Board of Directors' meeting, with sufficient details for the benefit of the Board of Directors' decision-making.

4.2. The Audit Committee maintains the term of office according to the remaining term as a director of the Company. An audit committee member who shall be terminated upon the expiration of the term may be reappointed.

4.3. In addition to the termination of the position according to the above tenure, the tenure of an audit committee member shall be terminated upon the following:

- 1) Death
- 2) Resignation
- 3) Not being qualified as the Company's director under relevant laws, especially the laws on public company limited as well as the Securities law and stock exchange.
- 4) Not being qualified to be an auditor as specified in this charter.
- 5) The Board of Directors' resolution to terminate from the post of an audit committee member.

4.4. If the position of an audit committee member is vacant due to reasons other than retirement by rotation, the Board of Directors shall appoint an individual with full qualifications to be an audit committee member, so the number of audit committee members is at least in accordance with the rules set by SET. The replaced person by the Audit Committee can hold office only for the remaining term as a director in the Company.

4.5. The audit committee member wishing to resign before the end of their term must submit a resignation letter to the chairman of the Board of Directors at least 30 days in advance.

## **5. The Audit Committee's meeting**

5.1. The Audit Committee holds regular meetings at least four times a year according to the financial reporting period.

5.2. To call for a meeting of the Audit Committee, the chairman of the Audit Committee or a person is assigned to send the meeting invitation letters as well as the meeting agenda and documents to the meeting to the Audit Committee at least 7 days in advance of the meeting date, so the Audit Committee shall have time to review in advance before attending the meeting. In case of urgent necessity to preserve the rights or benefits of the Company, the meeting can be notified by other methods or specify an earlier meeting date.

5.3. The chairman of the Audit Committee may call a special meeting of the Audit Committee if requested by the Audit Committee, internal auditor, auditor, or the chairman of Board of Directors to consider the issue that needs to be discussed together.

5.4. The Audit Committee shall have a specific meeting with the Company's auditors without the management at least once a year, in addition to the regular meeting, or a meeting with auditors without the management as part of an agenda in a regular meeting of the Audit Committee, which may include other agenda items.

5.5. At the Audit Committee's meeting, there must be at least half of the total number of audit committee members to form a quorum. The chairman of the Audit Committee shall preside over the meeting. (If the chairman of the Audit Committee is not at the meeting or unable to perform duties, the audit committee members present at the meeting must select one audit committee member to preside over the meeting.)

5.6. The decision of the meeting shall be made by a majority vote of the Audit Committee in the meeting. One audit committee member has one vote. If a member of the Audit Committee has a stake in the matter under consideration, such member must not participate in giving opinions and has no rights to vote on that matter. If it appears that there are equal votes. The chairman of the meeting shall have one more vote as a casting vote. The secretary of the Audit Committee has no rights to vote.

5.7. The Audit Committee may invite directors or executives of the Company or auditors to attend the meeting on some related matters, such as evaluating the sufficiency of internal control system, or audit plans, in order that the Audit Committee can obtain sufficient information for consideration and opinions on such matters.

5.8. The Audit Committee shall have a meeting with the Company's lawyers or outside lawyers if it is necessary and appropriate to discuss legal issues which may have a significant impact on financial statements or operations of the Company.

5.9. The secretary of the Audit Committee shall always attend the meeting to prepare and present information to the Audit Committee for consideration, unless there is a meeting on matters that the Audit Committee deems sensitive and must be considered only with the Audit Committee.

5.10. The minutes of the Audit Committee meeting shall be prepared every time by the secretary of the Audit Committee, who acts as a meeting reporter.

5.11. The secretary of the Audit Committee shall follow the progress of various actions according to the minutes of the Audit Committee meeting, including problems and obstacles in the implementation according to the opinions or the observations of the Audit Committee for a report to the Audit Committee in the next meeting.

## **6. Authority and responsibilities**

6.1. Review that the Company has accurate and adequate financial reports in accordance with the standards of financial reports by coordinating with external auditors and executives responsible for financial reports. The Audit Committee may suggest that the auditors review any items as important and necessary during the audit of the Company's accounts and subsidiaries.

6.2. Consider and approve the submission of the Company's quarterly financial statements to the Stock Exchange of Thailand.

6.3. Review the Company's internal control system and internal audit system as appropriate and effective.

6.4. Consider the independence of the internal audit unit, as well as approve the appointment, transfer, and dismissal of head of the Internal Audit Unit or any other agencies responsible for internal audits, including external internal control system auditors hired by the Company.

6.5. Review and comment on the internal audit plans and the performance of the Internal Audit Unit, as well as approve the internal audit plan and assign tasks to the internal audit staffs to support the audit committee.

6.6. Ensure that the Company complies with securities and stock exchange laws, requirements of the Stock Exchange of Thailand, and laws related to the Company's business.

6.7. Select, and propose to appoint an independent person to act as the Company's auditor and offer compensation for such persons, including attending a meeting with the auditors without the management at least once a year.

6.8. Review the connected transactions or items that may have conflicts of interest, acquisition or disposition of the Company's assets and its subsidiaries to be accurate and complete according to the laws and relevant regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to ensure that such transactions are reasonable and become the best interests of the Company.

6.9. Report the Audit Committee's performance in the Company's annual report, which shall contain information on criteria and regulations of the Stock Exchange of Thailand and be signed by the chairman of the Audit Committee.

6.10. Review and approve the charter of the Internal Audit Unit as appropriate once a year, including the scope of internal audits with external auditors of the internal control system hired by the Company (if any).

6.11. Monitor the risk management system to ensure that it is concise, appropriate, and effective for a control system, as well as sufficient for any risks of fraud.

6.12. To work within the scope of authority, the Audit Committee has a power to invite the management, executives, or related employees of the Company to give their opinions, attend meetings, or submit documents as they deem necessary.

6.13. Report the results of the Audit Committee's performance to the Board of Directors at least on a quarterly basis.

6.14. Report any suspected transactions or actions which may have significant impacts on the financial status and the Company's performance to the Board of Directors for improvements when the Audit Committee deems appropriate.

- 1) Items that may have conflicts of interest
- 2) Doubts or suspects that there may be a corruption or a fraud with a significant defect in the Company's internal control system

- 3) Doubts or suspects that there may be a violation of the laws on securities and stock exchange, terms of the Stock Exchange of Thailand, or laws related to the Company's business

If the Board of Directors or the management fails to make improvements in time, the Audit Committee may report those actions to the SEC Office or the Stock Exchange of Thailand.

- 6.15. Review and update the Audit Committee Charter at least once a year and present it to the Board of Directors for approval.  
6.16. Perform any other tasks as assigned by the Board of Directors with approval from the Audit Committee.

To perform the above duties, the Audit Committee is directly responsible to the Board of Directors and the Board of Directors remains responsible for the Company's operations to outsiders.

The Board of Directors has the power to amend and change the definition and qualifications of independent directors and the Charter of the Audit Committee in accordance with the responsibilities of the Audit Committee under the regulations of the Office of the Securities and Exchange Commission and Stock Exchange (SET), Capital Market Supervisory Board, and/or other relevant legal provisions.

#### **7. Performance Assessment**

There will be a yearly self-assessment on the performance of the Credit Committee to consider and review performance, problems, and obstacles in the past year, while reporting the results of assessment to the Board of Directors every year.

This charter was considered and approved in the Board of Directors Meeting No. 6/2022, dated 10 November 2022, which shall come into effect from 10 November 2022 onwards.

**- Mr. Vichai Assarasakorn -**

(Mr. Vichai Assarasakorn)

Chairman of the Board

Asian Alliance International Public Company Limited