

**Audit and Corporate Governance Committee Charter**  
**Christiani and Nielsen (Thai) Public Company Limited**

## Table of content

	<b>Page</b>
1. Objectives	1
2. Composition and Terms of Appointment	1
3. Qualifications	1
4. Duties and Responsibilities	2
5. Meetings	4
6. Reporting	5
7. Evaluation	5

# Audit Committee and Corporate Governance Committee Charter

The Audit Committee Charter was approved by the Board of Directors and announced to be put into use on February 26, 2015. The latest version was updated on February 28, 2025.

By the approval of the Board of Directors the Audit Committee (AC) was established to be an independent agent. The main duty of the AC is to support and act on behalf of the Board of Directors with regard to the following matters:

- Reviewing financial information offered to shareholders and stakeholders
- Reviewing the internal control system that the management and the Board of Directors have established
- Reviewing internal audit process
- Communicating with company's auditors.

## 1. Objectives

The Audit Committee (AC) is an independent agent with objectives as follows:

- Helping lighten the loads of the board
- Increasing management flexibility
- Providing honest feedback to financial reports and internal controls
- Acting as a facilitator to management and auditors when there is a need to discuss risk assessment and action plans to achieve transparency, accuracy, reliability, and compliance of financial reports.
- Raising management effectiveness
- Enhancing value-added to the company

## 2. Composition and terms of appointment

1. The Board of Directors and / or shareholders appoint at least three persons whose qualifications meet standard stipulated in SET announcement.
2. At least one member of the Committee shall be independent from the internal management and possess the knowledge and understanding or experience in accounting or finance.
3. The Board will appoint one member of the committee to be the chairperson.
4. The Audit Committee will serve three year for each term.

The Audit Committee may be vacating from Office for the following reasons.

- Expiration of the prescribed term of service
- Termination of directorship
- Resignation
- Disease
- Removal by the resolution of the Board
- Being sentenced to imprisonment according to the final judgment or a lawful order, except for an offense committed with negligence or petty offenses.
- Being incompetent or quasi-incompetent.
- Insolvency

Upon expiration of term or there exists circumstances whereby a member of the Committee is unable to complete his or her term of appointment, the Board shall deem it necessary to consider appointing a new member of the Committee in replacement promptly or at the latest within 3 months commencing from the date the number of members is incomplete to constitute an entire composition for the purpose of continuation of performance of the Committee. **If there exists circumstances whereby a member of the Committee is unable to complete his or her term of appointment, the company must declare the reasons of leaving to SET right away.**

5. The head of company's internal audit department will be a secretary of the Audit Committee. He or she shall help the Audit Committee arrange meetings, prepare agenda, and submit minutes or necessary documents.

### 3. Qualifications

**The Committee member must possess full qualifications according to the criteria as follows:**

1. Holding shares not more than 0.5 per cent of voting right of the company, affiliated company, associated company or related company, which shall be inclusive of the shares held by related persons.
2. Being a director who does not take part in the management of the company, affiliated company, associated company, related company or majority shareholder of the company. That includes not being an employee, staff member, or consultant who receives regular salary from the company, affiliated company, associate company or related company.
3. Being a director who has no direct or indirect benefit or interest in finance and management of the company, affiliated company, associated company or major shareholder of the company. That includes benefits in the said nature during the period of two years before his appointment as a member of the Audit Committee.
4. Being a director who is not a related person or close relative of any management member or major shareholder of the company. **(Related persons mean to include persons who have relationship with or are related to the company to the extent that they cannot perform their duties independently or in a flexible manner such as supplier, customer, creditor, debtor or person who has business relation that is material etc..)**
5. Not being or having been an auditor or any other professional service provider such as legal consultant or financial advisor of the company, affiliated company, associated company, major shareholder, a person who has control over permit applicant, significant shareholder, controller, partner of auditor, or partner of professional service providers, unless they have been discharged from holding such positions for at least two years.
6. Being a director whom is not appointed as a representative to safeguard interests of the company's directors, major shareholders or shareholders who are related to the company's major shareholders.
7. Not owning similar business or being competitor of the company or affiliated company. Not holding shares value that exceeds one percent of the total voting rights of other business entities in the same industry.
8. Being capable of performing duties, giving opinions or reporting the results of performance of work according to the duties delegated by the board of directors free and clear of the control of the management or the major shareholders of the company including related persons or close relatives of the said persons.
9. Not being in a position that prevents oneself from giving independent opinion.
10. Being capable of safeguarding fairly benefits of each shareholder. Being able to prevent conflict of interest between the company, management, major shareholder, or other companies that management and major shareholder engage in business with.
11. Devoting sufficient time to successfully execute Audit Committee's tasks.
12. Receiving continuous training and updating knowledge in regards with Audit Committee's tasks. As changes abound, the Audit Committee shall continuously seek to update oneself for the benefits of Audit Committee's effectiveness.

#### **4. Duties and Responsibilities**

##### **4.1 Duties and responsibilities of the Audit Committee are listed below.**

1. Ensure common understanding and alignment between auditors, board of directors, and internal audit department.
2. Review the company's financial reporting process to ensure accuracy and adequate disclosure.
3. Ensure availability of internal control, internal audit, risk management, or other departments related to anti-corruption policies. Ensure proper implementation to achieve the highest level of efficiency. Ensure independence of internal audit department. Review and approve the hiring, termination, and transfer internal audit department head or any other departments responsible for internal auditing.
4. Ensure legal and SET compliance of company's business.
5. Review guidelines for good corporate governance of the company by benchmarking them with international best practices. Then offer recommendations to the Board of Directors.
6. Support and promote cooperation in sustainability operations throughout the organization.
7. Select and nominate an independent external auditor of the company including recommendation of remuneration. Attend a meeting with external auditor without the presence of management at least once a year.
8. Ensure credibility and independency of the internal auditor and the external auditor.
9. Assess contributing risk level and seek proper risk mitigation process from the management, risk management department manager, internal audit department manager, and external auditor.
10. Consult or consider the scope of auditing plan presented by the internal auditor and the external auditor to ensure mutual support in relation to financial auditing.
11. Conduct an ad hoc meeting with internal audit department head, external auditor, and the management to address arising issues.
12. The Audit Committee is authorized to launch an investigation on related matters and inspect anyone involved. In addition, the Audit Committee is authorized to employ experts to assist with the investigation as the audit committee sees fit.
13. Review connected transaction that may lead to conflict of interest so as to ensure legal and SET compliance. Each transaction must be reasonable and achieve the utmost benefit of the company. The Audit Committee shall ensure the accuracy and completeness disclosure of information.
14. Ensure availability of whistleblowing procedures whenever there is any concern from staff members or stakeholders. If they have witnessed suspicious activities such as unlawful or unethical activities that violates corporate governance policy, there must be procedures they can pursue to obtain transparent investigation and proper follow-up.
15. Support the implementation of anti-corruption prevention and suppression measures.
16. Perform any other act as delegated by the Board of Directors and approved by the Audit Committee.
17. After reviewing the primary investigation, the Audit Committee shall inform the external auditor of the investigation result within 30 days from the day the complaint was received. The complaints could be the suspicious activities of the directors, managers, or juristic persons that may possibly violate the laws in accordance with section 89/25 of SET Act. (No.4) B.E. 2551.
18. Review and revise charter of the audit committee once a year to ensure time-relevance and suitability that are appropriate with the organization.
19. Prepare a report of the audit committee and corporate governance. Follow SET regulations when preparing the information in the report. Have the chairperson of the Audit Committee sign and publish it in the company's annual report.

If there is any change in duties of the audit committee, the company shall notify SET electronically within 3 days from the day the change has taken place. The company must inform SET about the resolution to change duties. The company must also list the scope of work that has been changed. Follow the report regulation set by SET.

#### **4.2 Duties and Responsibilities**

The Committee is responsible for the duties and responsibilities assigned by the Board whereas the responsibilities for all types of activities to third parties falls under the responsibility of the Board as a whole.

### **5. Meetings**

#### **5.1 Meeting Agenda**

The secretary of the Audit Committee is responsible for preparing a meeting invitation. Each invitation must clearly specify date, time, venue, and agenda. The secretary shall then submit accompanying documents to the Audit Committee and meeting attendees. The time of submission must be in advance with a reasonable amount of time for the attendees to review the matters or request for additional documents. The Audit Committee and meeting attendees shall review the following matters as assigned.

1. Review financial statements and related financial reports.
2. Consideration of adequacy and appropriateness of the internal control, the internal audit, and risk management of the company.
3. Consider and approve company's annual audit plan.
4. Jointly review with the management and the external auditor on a quarterly and annual basis.
5. Monitor connected transactions or any transactions that may lead to conflicts of interest. This is to ensure that all transactions are reasonable in the best interest of the company.
6. Consideration of issues or limitations that arose during the audit with the internal auditors. Review internal auditor's performances.
7. Jointly review with the external auditor about issues or limitations arising from the audit of financial statement.
8. *Consideration jointly with the internal auditor and the external auditor to ensure that the plan for reviewing the procedures and the control of electronic data processing are in place, and investigation of specific security program to prevent fraud or misuse of computers by company's employees or third parties.*

#### **5.2 Frequency of meetings**

The Audit Committee holds a meeting when seen as appropriate and there shall be at least 4 times a year and has power to call for extra meeting when needed. The Audit Committee may invite the management or related person to attend the meeting.

#### **5.3 Meeting Attendees**

The Audit Committee should invite internal auditor and external auditor to present auditing results. The committee may invite the management or related person to attend the meeting when seen as necessary.

If the chairperson of the Audit Committee is absent or unable to perform his or her duties, the present audit committee members shall appoint 1 audit committee member to the chair the meeting.

#### **5.4 Minutes of Meeting**

The secretary of the Audit Committee shall prepare meeting minutes. The minutes shall then be submitted to the Audit Committee members for review before handing them over to the Board of Directors. This is to ensure that the Board of Directors are well-informed and updated of the auditing activities. The minutes shall also be submitted to the internal auditor and external auditor to verify the data. The internal auditor and external auditor should raise any issues that the Audit Committee should be paying special attention to at this point.

## 6. Reporting

### 6.1 Reporting to the Board of Directors

The audit committee shall submit report to the Board of Directors every quarter. The following information must be included.

- (A) An opinion(s) about an accuracy, completion and reliability of the company's financial report.
- (B) An opinion(s) about the adequacy of the company's internal control systems.
- (C) An opinion(s) about the company's risk management.
- (D) Any suspicion or a presumption of corruption, abnormality or significant errors of company's internal control.
- (E) A suspicion of a breach in SEC and SET rules and regulations, and other regulations and laws related to the company's business.
- (F) ***Conflict of interest transaction.***
- (G) Any other matters that the Board of Directors should be informed of.

### 6.2 Reporting to shareholders

The Audit Committee shall prepare a report and submit it to the shareholders. The report shall be disclosed in the company's annual report which must be signed by the chairperson of the Audit Committee and must consist of the information as follows (at least).

- (A) An opinion(s) about an accuracy, completion and reliability of the company's financial report.
- (B) An opinion(s) about the adequacy of the company's internal control systems.
- (C) An opinion(s) about legal compliance, SEC and SET rules and regulations, and other regulations and laws related to the company's business.
- (D) An opinion(s) about an appropriateness of the auditors.
- (E) An opinion(s) about potential conflict of interest transaction and connected transaction.
- (F) A total number of the Committee's meetings and each member's meeting participation.
- (G) An overall opinion(s) or an observation(s) obtained by the Committee from the operation as required in this charter.
- (H) Other essential information or transactions as deemed to be acknowledged by shareholders and investors under the scope and responsibilities assigned to them by the Board of Directors.

### ***6.3 Reporting to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.***

*If the Audit Committee has reported about anything which has material impact on the financial condition and results of operation to the Board of Directors and has discussed with the Board of Directors and the management that any rectification is necessary, upon completion of the period of time mutually fixed if the Audit Committee finds that such rectification has been unreasonably ignored, any member of the Audit Committee may report such finding to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.*

## 7. Evaluation of the Audit Committee

To ensure that the performance of work of the Audit Committee is efficient and meets the objectives, a formal evaluation process of the Audit Committee should be in place. The self-evaluation may be made by the Audit Committee. Other appropriate and proper method of evaluation could also be implemented. The evaluation results will be used for improving the performance of work to achieve higher efficiency and meet the objectives intended for.