



## Audit Committee Charter Thai Steel Cable Public Company Limited

### Objectives

The Audit Committee is a committee of the Company appointed to dutifully alleviate work burden of the Board of Directors so as to oversee and ensure effectiveness and transparency in the Company's operation, and ensure credibility in the disclosure of financial information and establishment of an internal control system as well as compliance with applicable laws and regulations and various codes of conducts in order to foster good corporate governance. To conform to such policy, the Board of Directors thereby prescribes the Audit Committee Charter as follows.

### Composition of the Audit Committee

The Audit Committee of the Company is appointed by a board meeting. The Audit Committee is composed of at least three independent Directors, whereby at least one member has adequate knowledge and experience pertaining to review of the credibility of financial statements. The Audit Committee selects one member as chairman of the Audit Committee and appoints one suitable employee as secretary to the Audit Committee so as to support various works of the Audit Committee, including setting up meeting appointment, preparing a meeting agenda, sending out meeting documents and recording minutes of meeting.

### Qualifications of the Audit Committee

1. Hold no more than 0.5% of the total number of voting shares of the Company, a major shareholder, a person with controlling interest in the Company, or a juristic person that may have a conflict of interest. In this regard, shareholding of any person associated with such audit committee member must also be counted.
2. Must not be or have never been a Directors involving in the running of business, a temporary worker, an employee, a consultant earning a regular salary, or a person with controlling interest in the Company, a major shareholder, or a juristic person that may have a conflict of interest, unless such individual has been relieved of such status for at least two years.
3. Must not be a person that has biological ties or a relationship through statutory registration as father, mother, spouse, sibling, and offspring as well as spouse of an offspring of an executive, a major shareholder, a person with controlling interest or a person nominated for an executive position or a person that has a controlling interest in the Company.
4. Have no business ties with the Company, a major shareholder, a person with controlling interest in the Company or a juristic person that may have a conflict of interest which may interfere with independent judgment. Also not a major shareholder, a Directors or an executive of a person who has business relationship with the Company.
5. Not an auditor of the Company, a major shareholder, a person with controlling interest in the Company, or a juristic person that may have a conflict of interest. And not a major shareholder, a Directors, or an executive of an accounting firm to which an auditor of the Company, a major shareholder, a person with controlling interest in the Company, or a juristic person that may have a conflict of interest is affiliated.
6. Not a service provider of any professional service, including provision of legal or financial advice, that receives an annual service fee over two million baht from the Company, a major shareholder, a person with controlling interest in the Company, or a juristic person that may have a conflict of interest.
7. Not a Directors appointed as a proxy of a Directors, a major shareholder, or a shareholder associated with a major shareholder.

8. Have no other characteristics which may hinder expression of independent opinions about the Company's operation.

#### Term of office and vacation of office

1. The office term of each committee member shall be three years.
2. An audit committee member shall vacate the office under the following circumstances:
  - 2.1 Dismissal from position of Directors
  - 2.2 Disqualification as prescribed by the Office of Securities and Exchange Commission (SEC)
  - 2.3 Resignation
  - 2.4 Dismissal by the Board of Directors
3. In the event that the member is vacated upon the end of term or not able to stay until the end of term, the Board of Directors shall appoint new member within 3 months since the member leaves. The substituted member can only be in the office within the remaining term of the member he replaced.
4. In the event that the member is vacated from position of Directors and being re-elected, such member will hold same position in this Committee.

#### Duties and responsibilities of the Audit Committee

The Audit Committee shall perform the duties designated by the Board of Directors as follows:

1. Financial reporting and accounting audit
  - 1.1 Conduct review to ensure that the Company maintains accurate and adequate financial reporting.
  - 1.2 Review the selection of significant accounting policies that apply properly and practice consistently while using careful judgment and reasonable estimation included the adequate disclosures.
  - 1.3 Provide a channel for reporting information or tips-off concerning inappropriate reporting in financial statements or other issues by executives and employees, whereby an independent investigative process and follow-ups shall be undertaken where appropriate.
  - 1.4 Review, select and propose appointment of an independent person who will perform the duties as an auditor of the Company, and propose remuneration of such person, who is required to attend auditors' meeting without presence of management executives at least once a year.
  - 1.5 Review with the Management regarding the preparation of the Management's Discussion and Analysis (MD&A) to be disclose in Annual Report.
2. Internal control and audit
  - 2.1 Conduct review to ensure that the Company has suitable and efficient of internal control, internal audit and enterprise risk management systems.
  - 2.2 Scrutinize the independence of the internal audit unit and endorse appointment, transfer or termination of employment, and remuneration of the head of internal audit unit or other units which are responsible for internal audit. Such included the arrangement so that the person has adequate and suitable educational background, experiences and trainings to fill the role.
  - 2.3 Review and approve the Internal Audit Charter.
  - 2.4 Review and approve annual internal audit plan, and review audit findings of internal auditors.
  - 2.5 Review the whistle blowing process so that the whistleblower can confident that the investigation is done independently. The whistleblower can report directly to the Chairman of the Audit Committee to assure of the proper proceeding.

3. Legal and bylaw compliance

- 3.1 Conduct review to ensure that the Company complies with the securities and exchange law, the Stock Exchange of Thailand's provisions, and applicable laws to the Company's businesses.
- 3.2 Review connected transactions or transactions which may pose conflict of interest to ensure compliance with statutory requirements and the provisions of the Stock Exchange of Thailand, thus ensuring that such transactions are reasonable and undertaken in the best interest of the Company.
- 3.3 Manage the prevention of fraud and corruption via the whistle blowing by allowing the notice to go directly to the chairman of Audit Committee to take action.

4. Compliance with code of ethics and code of conducts of executives and employees

- 4.1 Conduct review to ensure that the code of business ethics and code of conducts of executives and employees as well as conflict of interest policy are made in writing, and that every executive and employee is informed.
- 4.2 Encourage compliance with the code of ethics, code of conducts and conflict of interest policy.

5. Reporting

- 5.1 The Audit Committee must report the performance result to the Board of Directors and prepare audit committee report disclosed in the Company's annual report. Such report must be signed by the chairman of the Audit Committee and at least contain the following information:
- Opinions on accuracy, completeness and credibility of the Company's financial statements;
  - Opinions on adequacy of the Company's internal control system;
  - Opinions on compliance with the securities and exchange law, the Stock Exchange of Thailand's provisions or applicable laws to the Company's businesses;
  - Opinions on appropriateness of auditors;
  - Opinions on transactions which may pose conflict of interest;
  - A number of meetings
  - An attendance of each audit committee member
  - Result of duties as per Charter
  - Overall opinions or observations received by Audit Committee regarding the Audit Committee's compliance with the Charter;
  - Other items which the Audit Committee deems that shareholders and investors should be informed within the scope of duties and responsibilities designated by the Board of Directors.
- 5.2 While performing duties, if the Audit Committee finds or suspects that there are the following transactions or actions which may significantly affect financial standing and operating performance of the Company, the Audit Committee shall submit a report to the Board of Directors so as to take corrective actions within a time period which the Audit Committee deems appropriate.
- Transaction that poses conflict of interest.
  - Fraud, irregularities or significant shortcoming in the internal control system.
  - Violation of the securities and exchange law, the provisions of the Stock Exchange of Thailand or applicable laws to the Company's businesses.

If the Board of Directors or the management does not take corrective actions within a time period stated in the first paragraph, any audit committee member may report to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand that there were such transactions or actions described in the first paragraph.

6. Other duties

Other tasks assigned by the Board of Directors under the consent of the Audit Committee.

**Performance evaluation**

The Audit Committee must evaluate their performance and submit the result of their annual evaluation to the Board of Directors then publish in the annual report of the Company.

**Authority of the Audit Committee**

The Audit Committee shall have powers to pursue various matters within the scope of responsibilities set out under the heading “duties and responsibilities” as follows:

1. Have power to invite a management executive or an employee to attend a meeting so as to give explanation or opinions or submit requested documents as deemed necessary.
2. Review and endorse appointment, removal, transfer or termination of employment, and conduct review of senior executives’ merits by the internal control department.
3. Recruit outside consultants or experts in different fields to give advice, consultation or opinions as deemed appropriate by the Audit Committee.
4. Attend meetings with auditors to discuss pertinent issues, in which the management may not be present.

**Meetings and Voting**

1. The Audit Committee shall meet at least once every quarter, and an extraordinary meeting may be arranged as deemed appropriate, whereby meeting agenda must be determined, committee members must be notified in advance and relevant information must be provided sufficiently.

2. At audit committee meeting, presence of no less than one-half of the total number of audit committee members constitutes a quorum.

3. The chairman of the Audit Committee shall preside as meeting chair. In case the chairman is not present or unable to perform such duties, attending members shall choose one member as meeting chair.

4. Decisions of such meeting shall be taken by a majority of votes. One member holds one vote. If the voting is tie, the Chairman will cast the deciding vote.

5. The Audit Committee may invite concerned parties to attend a meeting to present information relevant to the meeting.

**Charter review**

The Audit Committee shall review the charter at least once a year or when necessary to update all information and propose for an approval from the Board of Directors.



บริษัท ไทยสตีลเคเบิล จำกัด (มหาชน)  
**Thai Steel Cable Public Company Limited**

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This Charter shall be effective on September 19, 2018.

*Sunsum Jurangkool*

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(Mr. Sunsum Jurangkool)  
Chairman of the Board

This Charter was approved by the Board of Directors  
at the Board Meeting No. 6/2018 held on September 18, 2018