



PRUKSA

Audit Committee Charter

Pruksa Holding Public Company Limited

Audit Committee Charter

1. Purpose

The primary function of the Audit Committee is to provide support to the Board of Directors in performing the duty of corporate governance in regard to financial report review, internal control and internal audit systems, compliance review as per legal and/or ethical requirements. Therefore, regular business review processes have been established to ensure efficiency and compliance with the rules, policies and methods set by the Board of Directors. In general, the Audit Committee's authority and responsibility cover the following:

- Independent performance of duties in the review of financial reporting processes and internal control systems of the Company and its subsidiaries
- Review and evaluation of the performance of the external auditors and internal audit departments of the Company and its subsidiaries
- Providing opportunities for channels of consultations between the Audit Committee and the external auditor, management, and section heads of the internal audit unit.

The Audit Committee shall comply with the assigned duty and responsibility in accordance with the operating guidelines as given in detail in Item 4 on Scope of Authority and Item 5 on Responsibility in this charter.

2. Composition and qualifications of the Audit Committee

- 2.1) The Audit Committee shall be independent directors and appointed by the Board of Directors or a meeting of the Company's shareholders, comprising at least three directors with one of them being Chairman of the Audit Committee and at least two being Audit Committee members.
- 2.2) Holding not more than one percent of the total voting shares of the Company, its subsidiary, associated company, a juristic person with potential of a conflict of interest, a major shareholder or controlling person of the Company, with the numbers of shares held by the director's related persons being counted.
- 2.3) Being a director who is not or has never been an executive director, employee, staff member, salaried advisor, or controlling person of the Company, its subsidiary, associated company,

same-level subsidiary, a juristic person with potential of a conflict of interest, a major shareholder or controlling person of the Company, unless such characteristics have lapsed for at least two years before being appointed.

- 2.4) Being a director who has no relationship by blood or by legal registration under the status of father, mother, spouse, sibling, and child, including the child's spouse, of other directors, executives, major shareholders, controlling persons, or persons who are being nominated for appointment as directors, executives, or controlling persons of the Company or its subsidiary.
- 2.5) Being a director who does not have or has never had a business relationship with the Company, its subsidiary, associated company, a juristic person with potential of a conflict of interest, a major shareholder or controlling person of the Company, in a manner that may hinder the exercise of his/her independent judgment, and not being a person who is or has been a significant shareholder or controlling person of a person with a business relationship with the Company, its subsidiary, associated company, a juristic person with potential of a conflict of interest, a major shareholder or controlling person of the Company, unless such characteristics have lapsed for at least two years before being appointed.

The business relationship in paragraph one includes normal trading transactions for the purpose of business operations, rental or lease of immovable property, transactions related to assets or services, or granting or receiving financial assistance by receiving or giving loans, guarantee, using assets as debt collateral, including other similar acts that result in the Company or the party thereof being liable to pay the other at an amount of three per cent or more of the net tangible asset or Baht 20 million or more, whichever is smaller. The calculation of such liabilities shall be in accordance with the method of connected transaction calculation specified in the Capital Market Supervisory Board's Notification: Re Criteria on Undertaking Connected Transactions, *mutatis mutandis*, with the liabilities occurring during the one-year period prior to the date of business relationship with the same person being included.

- 2.6) Being a director who is not or has never been an external auditor of the Company, its subsidiary, associated company, a juristic person with potential of a conflict of interest, a major shareholder or controlling person of the Company, and not a significant shareholder, controlling person or partner of an audit firm to which an external auditor of the Company, its subsidiary, associated company, a juristic person with potential of a conflict of interest, a major shareholder or

controlling person of the Company belongs, unless such characteristics have lapsed for at least two years before being appointed.

- 2.7) Being a director who is not or has never been a provider of any professional service including legal advisory service or financial advisory service with the service fee thereof exceeding Baht two million per year from the Company, its subsidiary, associated company, a juristic person with potential of a conflict of interest, a major shareholder or controlling person of the Company, and not a significant shareholder, controlling person or partner of the provider of such professional service, unless such characteristics have lapsed for at least two years before being appointed.
- 2.8) Being a director who is not appointed as representative of a director, major shareholder or shareholder who is related to a major shareholder of the Company.
- 2.9) Not undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary, nor being a significant partner of a partnership or an executive director, employee, staff member, salaried advisor, or shareholder with over one percent of the total voting shares of another company undertaking a business of the same nature and in significant competition with those of the Company or its subsidiary.
- 2.10) Not having any other characteristic that may hinder the exercise of his/her independent judgment about the business operations of the Company and its subsidiary.

After having been appointed as independent director with the characteristics under items 2.2 – 2.10, the independent director may be assigned by the Board of Directors to make decision on operations of the Company, its subsidiary, associated company, same-level subsidiary, a juristic person with potential of a conflict of interest, a major shareholder or controlling person of the Company, with the decision being in the form of collective decision.

- 2.11) Not being a director who is assigned by the Board of Directors to make decision on business operations of the Company, its subsidiary, associated company, same-level subsidiary, a juristic person with potential of a conflict of interest, a major shareholder or controlling person of the Company.
- 2.12) Not being a director of the Company's subsidiary or same-level subsidiary, applicable to only the case of a listed company.

2.13) The Audit Committee shall have adequate knowledge and experience to perform a duty as Audit Committee member, with at least one Audit Committee member having adequate knowledge and experience to perform a duty in the review of financial statement reliability.

2.14) The Audit Committee shall also have other qualifications as specified by the Office of the Securities and Exchange Commission.

3. Office term

An Audit Committee member has an office term of three years, expiring with the directorship's term, and upon completing an office term, the member of the Audit Committee may be re-appointed by the Board of Directors.

In addition to completing an office term as mentioned above, an Audit Committee member may vacate office upon

- 1) Death
- 2) Resignation
- 3) Lack of the qualifications of a company director or having a prohibited characteristic as specified by laws on public limited companies or having a characteristic indicating a lack of appropriateness in respect of trustworthiness in managing a business whose shares are held by public shareholders as specified in Section 89/3 of the Securities and Exchange Act (4th revision) B.E. 2551.
- 4) Removal by a meeting resolution of the Board of Directors.

In case an Audit Committee member wishes to resign, he/she has to submit a resignation letter to the Chairman of the Board of Directors.

In case of a vacancy in the Audit Committee due to a reason other than completing an office term, the Board of Directors shall appoint a person who is qualified and not prohibited by law to fill the vacancy. In case the remaining term of the vacancy is less than two months, the Board of Directors may choose not to appoint a person to fill the vacancy. The term of the director appointed to fill the vacancy shall be equal to the remaining term of the Audit Committee member being replaced.

4. Scope of Authority

- 4.1) To review the Audit Committee Charter at least once a year and consider making revisions as deemed necessary and appropriate
- 4.2) To review the financial reports of the Company and its subsidiary to ensure correctness and reliability, as well as adequate information disclosure, by coordinating with the external auditor and the executive in charge of preparing financial reports, both quarterly and annually
- 4.3) To consider and offer opinions on changes to important accounting principles or accounting practices proposed by the Company's management
- 4.4) To review the internal control system and internal audit system of the Company and its subsidiary to ensure appropriateness and efficiency, and may propose a review or audit of any transaction deemed necessary and important, with a recommendation to the Board of Directors for improvement/revision to the internal control system as deemed important and necessary, by conducting a joint review with the external auditor and the manager of the internal work system audit section, and holding a meeting with the executive in charge of internal audit, without the presence of the management, at least once a year.
- 4.5) To consider the independence of the internal audit unit and offer opinions on the appointment, transfer, and termination of the head of the internal audit unit or any other unit responsible for internal audit, as well as the scrutiny and approval of annual budgets, man-powers, and resources necessary for the internal audit department's operations, including the consideration and approval of a significant revision to the internal audit plan.
- 4.6) To review the report of internal audit results proposed to the management, as well as the management's opinions on the audit issues given and reported.
- 4.7) To be able to meet with executives, contact employees, and access relevant information without restrictions.
- 4.8) To conduct reviews with relevant units (such as legal department) to ensure the Company complying with laws on securities and exchange, requirements of the Stock Exchange of Thailand and other laws related to the Company's businesses, as well as reviews to ensure its subsidiary complying with the criteria set in the control policy and supervisory mechanism for businesses in which the Company invests.
- 4.9) To consider selecting, proposing the appointment, and proposing the remuneration of persons with independence for the duty of the Company's external auditor, as well as participating in a

joint meeting with the external auditor, without the presence of the management, at least once a year, to learn of the results of quarterly and yearly financial audits and to hold consultations on problems and obstacles that may arise in the conduct of duty by the external auditor.

- 4.10) To consider connected transactions or transactions with potential of a conflict of interest for compliance with laws and the requirements of the Stock Exchange of Thailand and consider the transactions of acquisition or disposal of the Company and its subsidiary for compliance with laws and the requirements of the Stock Exchange of Thailand, as well as the control policy and supervisory mechanism for the businesses in which the Company invests, to ensure that the transactions are reasonable and of a maximum benefit to the Company and its subsidiary.
- 4.11) To prepare the Audit Committee's report for disclosure in the Company' annual report; the report must be signed by the Chairman of the Audit Committee and contain at least the following information.
 - 4.11.1) Opinions on the correctness, completeness, and reliability of the financial reports of the Company and its subsidiary
 - 4.11.2) Opinions on the adequacy of the internal control systems of the Company and its subsidiary
 - 4.11.3) Opinions on compliance with laws on securities and exchange, requirements of the Stock Exchange of Thailand or laws related to the businesses of the Company and its subsidiary
 - 4.11.4) Opinions on the suitability of the external auditor
 - 4.11.5) Opinions on transactions with potential of a conflict of interest
 - 4.11.6) Numbers of the Audit Committee's meetings and the meeting attendance of each Audit Committee member
 - 4.11.7) The Audit Committee's overall opinions or observations obtained from the performance of duties in accordance with the charter
 - 4.11.8) Other matters that the shareholders and general investors should be informed of, within the scope of duty and responsibility assigned by the Board of Directors
- 4.12) To carry out other activities under the scope of authority and responsibility given in the charter or as assigned by the Board of Directors at the approval of the Audit Committee.

- 4.13) To report other matters that the shareholders and general investors should be informed of, within the scope of duty and responsibility assigned by the Board of Directors
- 4.14) To report to the Board of Directors on a regular basis for Board of Directors to acknowledge the Audit Committee's activities
- 4.15) In performing duties, in case of doubt of the existence of a conflict of interest or fraud or irregularity or material error in the internal control system or a breach of laws on securities and exchange, the requirements of the Stock Exchange of Thailand or related laws that may have a significant impact on the financial position and operating results of the Company and its subsidiary, the Audit Committee shall report it to the Board of Directors for improvement/correction in a timely manner as deemed appropriate by the Audit Committee.
- 4.16) To review the Company's Anti-corruption procedures to ensure the effective compliance with the guidelines of the governance body.

5. Responsibility

The Audit Committee is directly accountable to the Board of Directors in accordance with the scope of authority given in this charter and the Board of Directors is responsible for the Company's operations to outsiders.

6. Meetings

- 6.1 The Audit Committee shall call at least six meetings per year.
- 6.2 In calling a meeting of the Audit Committee, the Chairman of the Audit Committee or the Secretary of the Audit Committee as assigned shall send a written meeting notice to Audit Committee members at least seven days in advance of the date of the meeting, except in case of urgency, for the benefits of the Company, a meeting notice may be made otherwise, with an earlier date.
- 6.3 The Audit Committee member who has a stake in any matter shall not be present at the meeting and shall not exercise the voting right on that matter.
- 6.4 The Audit Committee may invite other persons, such as chief executive officer, chief operating officer, managing director, deputy managing director, assistant managing director for department, head of division, head of internal auditor and external auditor, to participate in

meetings as appropriate, and may consider organizing separate meetings with such other persons in case there should be specific issues or considerations for discussion.

7. Quorum

- 7.1 In a meeting of the Audit Committee, there shall be at least one half of the number of the Audit Committee members to form a quorum. In case the Chairman of the Audit Committee is not present at a meeting or is not capable of performing the duty, the attending members of the Audit Committee shall elect among themselves one member to chair the meeting.
- 7.2 In a meeting, a resolution shall be passed by a majority of the votes with one member of Audit Committee having one vote. In case of a tie vote, the chairman of the meeting shall cast one more vote as the casting vote.

8. Reporting

The Chairman of the Audit Committee shall prepare the minutes of the Audit Committee's meetings and a summary report of the Audit Committee's operating results for submission to the Board of Directors.

This charter is effective from January 26, 2018 onward.

(Dr. Pisit Leeahtam)

Chairman of the Board of Directors

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