

## **Sabina Public Company Limited**

### **Charter of Audit Committee**

The charter is made in order to operate with efficiency, effectiveness and in accordance with the relevant law and regulation and to allow all members regardless of position in Sabina Public Company Limited including its subsidiaries to acknowledge and act in accordance with the related objective, scope, power, roles and responsibility of Audit Committee

#### **1. Objectives**

The audit committee is the sub-committee of the Board of Directors who are appointed in order to assist the Board of Directors for operation and to ensure that the company has good corporate governance system. The audit committee is formed in order to enhance the efficiency of operation and create value of the company in term of:

- a. To have Confidence, trust and transparency in published financial reporting
- b. To Increase in responsibility for the operation of the Board of Directors. The Board of Directors have to be self responsible for
  - i. The financial reports
  - ii. The appropriate accounting policy
  - iii. The financial management
  - iv. Internal Control and Internal Audit
  - v. Relevant rules and regulations
  - vi. Risk Management and Control
  - vii. Nomination and Assessment of certified auditor
- c. To allow the Board of Directors to consider other matters profoundly other than the financial reports and internal control system as well as to increase the managerial efficiency in other aspects
- d. To strengthen roles and authorities of Independent Directors
- e. To create understanding among Directors on scope of audit

In discharging duties, the Audit Committee has to retain good relationship with Broad of Directors, Management, auditors both external and internal. In order to assure the operating efficiency, each Audit Committee member has to develop and maintain expertise and knowledge on audit field, understand duty and responsibility and understand the Company's business and damages.

## **2. Composition**

- a. The Company's Board of Directors appoints Audit Committee by selecting from Independent Directors. Audit Committee consists of at least 3 members
- b. At least 1 Audit Committee has knowledge and experience in accounting
- c. The Board of Directors appoints one of Audit Committee member to be Chairman of Audit Committee
- d. Head of internal audit is appointed as the secretary of Audit Committee in order to support the Audit Committee's operation regarding to arrangement of meeting schedule, agenda, submission of meeting document and preparation of minutes of meeting

## **3. Qualification**

- a. The Audit Committee must be Independent Directors
- b. Not be a director that is appointed from the Board of Directors to be able to make any decision regarding to the operation of the Company, its subsidiary, associated company, subsidiary in the same level, major shareholders and of the controlling person
- c. Not be a committee of the Company, its subsidiary, associated company and subsidiary in the same level that are listed companies
- d. Holding not more than 1% of total voting shares of the Company, its subsidiary, associated company, major shareholders and of the controlling person including shareholder of the directors' related persons
- e. Having sufficient knowledge and experiences to perform the duties as being the Audit Committee. At least one member of the Audit Committee should have sufficient knowledge and experience for the assessment of accuracy of the financial reports.
- f. Neither be nor have been a director who involves in management, employees, advisor who gets salary or a person who controls the Company, its subsidiary, associated company, subsidiary in the same level, major shareholders and of the controlling person unless the aforementioned status has ended for not less than 2 years before the appointment
- g. Neither be nor have been a person who has blood or legal registered relationships such as father, mother, spouse, sibling and child including the spouse of child of an executive, major shareholder, controlling person or a person nominated to be an executive or controlling person of the Company or its subsidiary

- h. Neither be nor having any business relationship with the Company, the parent company, its subsidiary, associated company, subsidiary in the same level, major shareholders or controlling person of the Company in the manner which affects the independent decision making. Also, neither be nor have being the major shareholder or a controlling person who has the business relationship with the Company, the parent company, its subsidiary, associated company, major shareholder or controlling person of the Company unless the aforementioned relationship has ended for not less than 2 years before the appointment
- i. Neither be nor have been an authorized auditor of with the Company, the parent company, its subsidiary, associated company. Neither be nor have being the major shareholder or a controlling person or managing partner of audit company at which the auditor works for the Company, the parent company, its subsidiary, associated company, subsidiary in the same level, major shareholders or controlling person unless the aforementioned status has ended for not less than 2 years before the appointment
- j. Neither be nor have been any professional service provider including legal advisor or financial advisor who receives service fee of more than THB 2 million per year from the Company, the parent company, its subsidiary, associated company, subsidiary in the same level, major shareholders or controlling person of the Company. Neither be nor have being the major shareholder or a controlling person or managing partner of such professional service provider unless the aforementioned status has ended for not less than 2 years before the appointment
- k. Not be a director appointed to be a representative of the committee of the Company's major shareholders or shareholder who is related to the major shareholder
- l. Not doing in any business that is similar to the Company's business and significantly complete with the business of the Company or its subsidiary. Not be a significant partner in managing partner o a committee who involves in management, employee, advisor receiving a regular salary or holding shares exceeding 1% of total number of voting shares of other company that operates the same business and significantly competes with the business of the Company and its subsidiary
- m. Having no any other characteristics which may prevent from independent decision making of the Company's operation

#### **4. Office Term**

- a. The Audit Committee shall hold for a term of 2 years
- b. In case of the completion of the office term or any circumstances that don't allow the Audit Committee to continue the term of office resulting in the decrease in the number of committees to be lower than 3 members. The Board of Directors must

immediately appoint a new member or within 3 months from the date when the number of committees is lower than 3 members in order to continue to operate the duty of the Audit Committee

## **5. Termination**

- a. The Audit Committee will retire from the office upon the following conditions such as the end of office term, resignation, dismissal
- b. In case the Audit Committee wishes to resign from office prior to rotation, the Audit Committee must notify the Board of Director of the reason at least 1 month in advance so that the Board of Director nominates or appoints the other committee who is qualified to replace the person who wishes to resign. The company must inform the resignation including submitting the copied resignation letter to SET. Also, the Audit Committee must notify the reasons to SET.
- c. In case the Audit Committee is dismissed before the term is end, the company must inform the dismissal including a reason to SET. The Audit Committee who gets dismissal has the right to notify the reason to SET.

## **6. Roles and Responsibilities**

### **a. Roles**

- i. To review the Company's financial reports to be accurate and adequate disclosed by coordinating with the independent auditor and management who is responsible for the issuance of the annual and quarter financial reports. The Audit Committee may recommend the independent auditors to review any particular items or transactions if deemed necessary and important
- ii. To review the Company's internal control system and internal audit system to be appropriate and efficient and to evaluate the independency of internal audit unit as well as to endorse the appointment, rotation and dismissal of the head of the internal audit unit and/or the other unit that is responsible for internal audit
- iii. To review the Company's operation to comply with law governing Securities and Exchange, Regulations of the Stock Exchange of Thailand and law relating to the Company's business
- iv. To review the operational plan, policy, target and objectives of the Company including law, rule and regulation

- v. To consider, select and nominate an independent person to be the Company's auditor as well as to propose the remuneration of the said person by considering the reliability, resource, quality of work load as well as experience of the said person who is appointed to be responsible for auditing of the company to the Board of Directors including joining the meeting with the certified auditor without the presence of management at least once a year
- vi. To review related transaction or other transactions that may have the conflict of interest to ensure that they comply with law and regulation of SET and to ensure that the said transaction is responsible and carried out the optimal benefit to the Company.
- vii. To review the information disclosure of the Company regarding to the related transaction and other transactions that may have the conflict of interest to be completed and accurate
- viii. To prepare a report of the Audit Committee that is disclosed in the annual report of the company. The said report should be signed by the Chairman of the Audit Committee and consists of the following information
  - Comment on the accuracy, completeness and reliability of the Company's financial reports
  - Comment on the adequacy of the internal control system of the Company
  - Comment on compliance with laws relating to securities and exchange, regulations of the Stock Exchange of Thailand (SET) or laws related to the Company's business
  - Comment on the appropriateness of the auditor
  - Comment on the transactions that may lead to conflict of interest
  - The number of the Audit Committee's meeting and attendance record of each Audit Committee member
  - Opinions or overall observation that the Audit Committee receives from the performance of duties according to the Charter
  - Other reports which should be acknowledge by shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors
- ix. The Audit Committee shall have the cooperation regarding to required information, resource, and the operation of management. The Audit Committee may invite management team or any related team to provide more information

- x. The Audit Committee has the power to select or hire a specialist or an independent professional advisor if necessary at the Company's expense
- xi. To comment on the charter, the scope of auditing, auditing plant, budget and resources of internal control audit
- xii. To review that the Company shall have the process of anti-corruption in accordance with the policy of other regulators efficiently starting by creation of awareness, risk assessment, creation of preventive work system, audit as well as self-assessment regarding to the standard of anti-corruption assessed by the internal control unit in order to ensure that the Company has the systems for anti-corruption as reported in the self-assessment of Thai Institute of Directors (IOD)
- xiii. To perform other tasks assigned by the Board of Directors as the scope of duty of the Audit Committee

#### **b. Responsibilities**

The Audit Committee is responsible to the Board of Director for the duties assigned by the Board of Director, but the responsibility of the Company's activities to all outside person is taken by the Board of Director.

### **7. Meeting**

#### **a. Agenda**

The secretary of the Audit Committee prepares the invitation letter of the Audit Committee's meeting. For each meeting, the date, time, place and agenda are clearly stated, and the document of the meeting is submitted to the Audit Committee and the attendance in advance with the appropriate time in other to allow them to have time for review and request for the additional information. The scope is defined as the duties and responsibilities of the Audit Committee as follow:

- i. To review the financial statement and the relevant financial reports, the accounting principle and practice, the practice of accounting standard practice, the operation of business, the change of the important accounting policy as well as the management team's reason regarding to the determination of accounting policy before submission to the Board of Director in order to disclose o the shareholders and investors
- ii. To consider the adequacy and appropriateness of the internal control and internal audit of the company in order to provide the suggestion to the internal audit unit and the Board of Directors

- iii. To consider and review the annual audit plan of the Company, the related coordination procedure of audit plan, and the assessment on the audit results in association with internal auditors and external auditors to ensure that the said audit plan contributes to finding various frauds or defects of the internal control system.
- iv. To discuss with the internal auditors on issues and restrictions arising during the audit and the review of the internal auditors' performance
- v. To discuss with the auditors on issues or restrictions arising during the financial statement audit
- vi. To discuss with the internal auditors and certified auditors on the plan for review of procedure and control of the electronic information processing, the inquiry on the specific security in order to prevent and reduce frauds or misuse of computer by the Company's employees or third parties
- vii. To review the transactions that may lead to conflicts of interest such as the related transactions of the Company
- viii. To consider on the self-assessment on duties and responsibilities performed as assigned
- ix. To consider on the compliance with law governing Securities and Exchange or regulations of SET or the law relating to the Company's business, business ethics, ethics

**b. The number of meeting**

The Audit Committee shall hold at least 4 meetings a year depending on situation and necessity in order to ensure that the operation of the Audit Committee is achieved the objectives.

**c. Attendance**

The Audit Committee should invite external and internal auditors to make presentation and may invite other persons who are not Audit Committee Member such as Management joining the meeting as deemed necessary and appropriate

**d. Voting**

The quorum consists of the Audit Committee that is not less than ½ of the number of total Audit Committee Member. The resolution of the Audit Committee is determined by the majority voting of the Audit Committee joining the meeting

#### **e. Minute of Meeting**

The secretary of the Audit Committee is responsible for taking a minute of meeting. The said minute must be submitted to the Audit Committee and the Board of Director that joined the meeting including submitting to the certified auditors with the purpose of confirmation on the matters of discussion and disclosure of key issues that the Audit Committee has emphasized on

### **8. Report of Audit Committee**

The Audit Committee is responsible for the issuance of report of the Audit Committee or other duty assigned by the Company's Board of Directors. The said report of the Audit Committee is important to the Board of Directors, shareholders and investors because the said report shows independent and straight-forward comments of the Audit Committee and assures that the Company's Board of Directors to be confident in management team managing with due care and caution of the interest of shareholders equally

#### **a. Report to the Board of Committee**

##### **i. Report of the regular activities so that the Board of Committee acknowledge of the activities of the Audit Committee**

- Minutes of the Audit Committee's meeting with comments of the Audit Committee on various issues
- The summary report of activities held during the year
- Reports relating to the comment on the financial reports, internal control and internal control system
- Other reports that the Board of Directors is supposed to know

##### **ii. Immediate reports so that the Board of Committee can take remedial actions**

- List of transactions with conflict of interest
- Suspect or inference to fraud or irregularity or abnormality or deficiency in internal control system
- Suspect of violation of law relating to Securities and Exchange or regulations issued by the Stock Exchange of Thailand or laws relevant to the Company
- Other reports that the Board of Directors is supposed to know



**b. Report to the government agencies**

In case the Audit Committee submits the report to the Board of Directors regarding to significant impact on financial position and operation result and has the discussion with the Board of Directors and Management on remedial actions with the agreed due date.

In case the Audit Committee finds that no action is taken in the agreed due date without good reason, the Audit Committee or any of the Audit Committee Members may report the said finding to SEC and SET

**8.3 Report to shareholders and investors**

The report regarding to the activities carried out during the year in accordance with the duties and responsibilities assigned by the Board of Directors is signed by the Chairman of Audit Committee and disclosed in the annual report of the Company

**9. Evaluation of the Audit Committee**

In order to ensure efficiency and achievement of objectives of the Audit Committee, the Audit Committee may determine the official evaluation process of the Audit Committee’s performance by interviewing persons related to operation of the Audit Committee or by answering questionnaire of the Audit Committee Member in regard with the efficiency and achievement of objectives of the Audit Committee’s duties and responsibilities. Also, the Audit Committee should know the evaluation result and impact on operation from the auditor, head of internal audit unit, accounting manager and the Board of Directors in order to make improvement thereon for higher efficiency and achievement of objectives.

This Charter was approved by the Board of Directors’ resolution passed in the meeting no 6/2017 held on December 15<sup>th</sup>, 2017



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(Mr. Viroj Thanalongkorn)  
Chairman of the Company