



## Audit Committee Charter

### 2. Composition and appointment of the audit committee

- 2.1 Consists of a board of directors, not less than 3 independent directors and at least 1 audit committee member who has knowledge, understanding or experience in accounting or finance and has continuous knowledge of the causes of changes in financial statements, which can review the reliability of financial statements.
- 2.2 The board of directors and/or the shareholders' meeting of the company appoints the audit committee by appointing persons who have qualifications according to the criteria specified in the announcement of the Capital Market Supervisory Board.
- 2.3 When the audit committee's term of office has expired or there is a reason that it cannot complete its term, resulting in fewer than 3 members, the board of directors and/or the shareholders' meeting of the company must appoint new audit committee members immediately or within 3 months at the latest. The person who replaces the audit committee member can only serve for the remaining term.
- 2.4 An audit committee member whose term has expired may be reappointed as the board deems appropriate.
- 2.5 The audit committee or the board of directors selects 1 audit committee member to serve as the chairman of the audit committee.
- 2.6 The executive of the internal audit department acts as the secretary of the audit committee to assist and support the operations of the audit committee in scheduling meetings, preparing meeting agendas, submitting meeting documents, recording meeting minutes, and other duties as assigned by the audit committee.

### 3. Qualifications of the Audit Committee

It has the qualifications as specified in the Public Law on Securities and Exchange and the regulations and announcements of the Stock Exchange, with the following general and specific qualifications:

General Qualifications: Audit committee members must have the following qualifications as independent directors:



## Audit Committee Charter

1. Holding shares not exceeding 1 percent of the total number of voting shares of the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company, including shares held by related persons of such independent director.
2. Not being or having been a director who participates in the management of the Company, employee, staff, advisor who receives regular salary or controlling person of the Company, subsidiary company, affiliated company, major shareholder or controlling person of the Company, unless such characteristics have been removed from the position for at least 2 years.
3. Not being a person who is related by blood to another director, executive of the Company, major shareholder, controlling person or a person who will be proposed to be a director, executive or controlling person of the Company or its subsidiary company.
4. Not having or having had a business relationship with the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company in a manner that may obstruct the exercise of independent judgment, including not being or having been a significant shareholder or controlling person of a person who has a business relationship with the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company, unless such characteristics have been removed from the position for at least 2 years.
5. Not being or having been a significant shareholder or controlling person of a business relationship with the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company. Except for the past 2 years after the expiration of such characteristics.
6. Not being or having been an auditor of the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company, and not being a significant shareholder, controlling person or partner of an auditing firm that has auditors of the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company, except for the past 2 years after the expiration of such characteristics.
7. Not being or having been a provider of any professional services, including providing services as a legal advisor or financial advisor who receives a service fee of more than 2 million baht per year from the Company, its parent company, subsidiary company, affiliated company, major shareholder or controlling person of the Company, and not being a



## Audit Committee Charter

significant shareholder, controlling person or partner of such professional service provider, except for the past 2 years after the expiration of such characteristics.

8. Not being a director appointed as a representative of the Company's directors, major shareholders or shareholders who are related to the major shareholders.
9. Not engaging in a business of the same nature and in significant competition with the Company or its subsidiaries, or not being a significant partner in a partnership, or being a director who participates in the management, employee, staff, or consultant who receives a regular salary, or holding more than 1% of the total number of voting shares of another company. which is engaged in a business of the same nature and in significant competition with the business of the Company or its subsidiaries
10. Does not have any other characteristics that prevent him/her from expressing independent opinions regarding the Company's operations, including not being under any circumstances that may compel him/her to express his/her opinions honestly.

Specific Qualifications: Audit committee members must have the following specific qualifications:

1. Not being a director assigned by the board of directors to make decisions on the operations of the company, parent company, subsidiary company, affiliated company, same-level subsidiary company, major shareholder or controlling person of the company.
2. Not being a director of a parent company, subsidiary company or same-level subsidiary company that is a listed company.
3. Having sufficient knowledge and experience to perform duties as an audit committee member.
4. Audit committee members should not be directors of more than 5 other listed companies.
5. Audit committee members should receive continuous and regular training to enhance their knowledge on matters related to the operations of the audit committee in order to keep up with changes and should continuously increase their knowledge on the operations of the company in order to increase the effectiveness of the audit committee.

#### 4. Term of office

1. Audit Committee members have a term of office of 3 years.
2. When the term of office has expired, the Audit Committee members may be reappointed for another term as resolved by the Board of Directors, but will not be automatically renewed.
3. The Audit Committee members may be appointed to serve no more than 5 consecutive terms, effective from the appointment of the Company's directors at the 2017 Annual



## Audit Committee Charter

General Meeting of Shareholders onwards, without retroactive effect. (This is a best practice because serving as an Audit Committee member in a company for a long period of time may cause some duties to be neglected due to familiarity with the company. In many countries, it is prohibited for Audit Committee members to serve in a company for more than a specified period, such as 9 years in the UK and Hong Kong.)

### 5. Resignation from office

- 1 An audit committee member may immediately resign from his/her position when:
  - Completed the term of office of the Audit Committee as specified
  - Died
  - Resigned
  - No longer a director of the company
  - Was removed
  - Was sentenced to imprisonment by a final judgment or a lawful order to imprisonment, except for an offense committed through negligence or a minor offense
  - Was incompetent or quasi-incompetent
  - Was bankrupt
- 2 In case the audit committee member intends to resign before the end of his/her term, the audit committee member should notify the company at least 1 month in advance, stating the reasons, so that the board of directors and/or the shareholders' meeting can consider appointing another director who is fully qualified to replace the person who resigned. The company must notify the Stock Exchange of Thailand of the resignation and send a copy of the resignation letter.
- 3 In case the audit committee member is removed before the end of his/her term, the company must notify the Stock Exchange of Thailand of the removal and the reasons. The removed audit committee member has the right to explain the reasons to the Stock Exchange of Thailand.

### 6. Duties and responsibilities of the audit committee

6.1 The duties of the Audit Committee are as assigned by the Company's Board of Directors and shareholders as follows:

1. Review the Company's financial reporting to ensure accuracy and adequacy.
2. Review the Company's internal control system and internal audit system to ensure that they are appropriate and effective, and consider the independence of the internal audit unit, as well as approve the consideration of appointment, transfer, termination of the head of the internal audit unit or any other unit responsible for internal audit.



## Audit Committee Charter

3. Review the Company's compliance with the Securities and Exchange Act, the Stock Exchange's regulations, policies, rules, regulations, and other laws related to the Company.
  4. Consider, select, and propose the appointment of an independent person to act as the Company's auditor, and propose the auditor's remuneration, including attending a meeting with the auditor without the management at least once a year.
  5. Consider related transactions or transactions that may have conflicts of interest to ensure that they comply with the laws and regulations of the Stock Exchange, to ensure that such transactions are reasonable and in the best interests of the Company.
  6. Prepare the Audit Committee's report to be disclosed in the Company's annual report, which shall be signed by the Chairman of the Audit Committee, and such report shall consist of the following information:
    - Opinion on the accuracy, completeness and reliability of the Company's financial reports
    - Opinion on the adequacy of the Company's internal control system
    - Opinion on compliance with the Securities and Exchange Act, the Stock Exchange's regulations or related laws
    - Opinion on the suitability of the auditor
    - Opinion on items that may cause conflicts of interest
    - Number of Audit Committee meetings and attendance of each director
    - Overall opinions or observations received by the Audit Committee from performing its duties in accordance with the Charter
    - Any other reports that shareholders and general investors should be aware of, within the scope of duties and responsibilities assigned by the Board of Directors
  7. Perform any other duties as assigned by the Company's Board of Directors with the approval of the Audit Committee. In the event of any change in the duties of the Audit Committee, the Company shall notify the resolution to change the duties and prepare a list and scope of work of the Audit Committee as determined by the Stock Exchange.
- 6.2 The Audit Committee is responsible to the Board of Directors as assigned, while the Board of Directors is responsible for the Company's operations to shareholders and other stakeholders.

### 7. Audit Committee Meeting

#### 7.1 Meeting agenda



## Audit Committee Charter

The Secretary of the Audit Committee prepares invitation letters to Audit Committee meetings. Each meeting must have a clear date, time, place, and agenda. The meeting documents must be sent to the Audit Committee at least 7 business days before the meeting, except in urgent cases, to allow time to consider various matters or request additional information for consideration. The meetings are to consider the following matters:

1. Consideration of financial statements and related financial reports, accounting principles and practices in accordance with accounting standards, accounting, business existence, changes in significant accounting policies, including management's reasons for determining the company's policies before presenting them to the board of directors for dissemination to shareholders and general investors.
2. Consideration with the auditor of problems or limitations arising from the audit of financial statements in order to consider solutions and improvements.
3. Consideration of the adequacy and appropriateness of the internal control, internal audit, and risk management by,
  - Review the annual internal audit plan, coordination procedures of various related audit plans, and evaluate the results of the audit together with internal auditors and external auditors.
  - Consider together with internal auditors and external auditors to plan a review of methods and controls for electronic data processing, and inquire about specific security projects to reduce the chances of all forms of fraud or misuse of computers by company employees or external parties.
  - Consider together with internal auditors the problems or limitations that arise during the audit, and review the performance of internal auditors to make them more efficient and effective.
  - Consider the adequacy of the risk management system by discussing with the company's risk committee and management.
  - Review the company's related transactions that may cause conflicts of interest.
  - Consider compliance with the Securities and Exchange Act, the Stock Exchange of Thailand's regulations, and laws related to the company's business, business ethics, and ethics.
  - Perform any other operations as assigned by the board of directors.

### 7.2 Number of meetings

1. The Audit Committee must meet at least four times a year.



## Audit Committee Charter

2. The Chairman of the Audit Committee may call for additional special meetings of the Audit Committee if requested by the Audit Committee, internal auditors, auditors or the Chairman of the Board of Directors to consider issues that require joint discussion.
3. The Audit Committee must hold a meeting only with the Company's auditors, without the presence of management, at least once a year.

### 7.3 Meeting participants

1. At a meeting of the Audit Committee, at least two-thirds of the total number of members of the Audit Committee must be present to constitute a quorum, with the Chairman of the Audit Committee presiding over the meeting.
2. The Audit Committee may invite the Company's executives, the Company's auditors, and/or external lawyers to participate in the audit meeting on related matters.
3. The Secretary of the Audit Committee should attend every meeting, prepare and present information for the Audit Committee to consider, unless the Audit Committee wishes to consider only the members of the Audit Committee.

### 7.4 Voting

1. The meeting resolution shall be based on the majority vote of the Audit Committee and the voting, whereby one committee member shall have one vote. In the event of an equal number of votes, the chairman of the meeting shall cast one additional vote as the deciding vote.
2. Any Audit Committee member who has a conflict of interest in the agenda under consideration shall abstain from voting on that matter.

### 7.5 Meeting Report

1. The secretary of the audit committee is responsible for recording the minutes of the meeting in order to submit the minutes for the audit committee to consider and to present to the board of directors, which will be presented by the chairman of the audit committee or the assigned audit committee member or the secretary of the audit committee.
2. The secretary of the audit committee should follow up on the progress of the various actions according to the minutes of the audit committee meeting, including problems and obstacles in the implementation according to the opinions or observations of the audit committee, in order to report to the audit committee at the next meeting.

## 8. Report of the Audit Committee

The Audit Committee has the duty and responsibility to report on the activities of the Audit Committee or any other duties assigned by the Board of Directors. The Audit Committee's report will be important to the Company's directors, shareholders and general investors because it will express



## Audit Committee Charter

independent and straightforward opinions to the Board of Directors and assure the Board of Directors that the management has managed the business with care and takes into account the interests of all shareholders equally.

### 8.1 Reporting to the Board of Directors

1. Report on regular activities so that the Board of Directors is aware of the activities of the Audit Committee.
  - Audit Committee meeting minutes, which clearly state the Audit Committee's opinions on various matters.
  - Reports on opinions on financial statements, internal audits and internal audit processes.
  - Any other reports that the Board of Directors deems appropriate.
2. Report findings that may have a significant impact on the Company's financial position and performance so that the Board of Directors can find solutions within the time that the Audit Committee deems appropriate.
  - Conflict of Interest
  - Suspicion or assumption of fraud, irregularity or material defect in the internal control system
  - Suspicion of possible violation of the Securities and Exchange Act, the Stock Exchange's regulations or other relevant laws
  - Any other report that the Board of Directors deems appropriate to be aware of

### 8.2 Reporting to government agencies

1. If the auditor finds suspicious behavior regarding corruption or violation of the law related to the performance of duties of the directors and executives under Section 89/25 of the Securities Act and has informed the Audit Committee of the facts about such behavior to conduct an investigation, and the Audit Committee must report the results of such investigation to the SEC and the auditor within 30 days from the date of being notified by the auditor.
2. If the Audit Committee has reported to the Board of Directors about anything that has a significant impact on the financial position and operating results, and has discussed with the Board of Directors and executives that they must take action to make corrections, when the jointly specified time has elapsed, if the Audit Committee finds that there has been a neglect of such corrections without reasonable cause, any of the





## Audit Committee Charter

Audit Committee members may report such findings to the Securities and Exchange Commission or the Stock Exchange of Thailand.

### 8.3 Reporting to Shareholders and General Investors

Report on activities performed during the year in accordance with the duties and responsibilities assigned by the Board of Directors, which report is signed by the Chairman of the Audit Committee and disclosed in the Company's annual report in accordance with the criteria set by the Stock Exchange of Thailand.

### 9. Performance evaluation

To ensure that the Audit Committee's work is effective and achieves its assigned objectives, the Audit Committee must arrange for a process to evaluate the performance of the Audit Committee by evaluating the Audit Committee members individually and/or as a group using the self-assessment method or other appropriate methods, and report the evaluation results to the Board of Directors, which may provide additional comments to improve the efficiency of the Audit Committee's work and achieve its specified objectives.

This Charter shall come into force on 1 January 2017.

Signed.....

(Mr. Phisit Dechakaisaya)

Chairman of the Audit Committee

Signed.....

(Mrs. Srivara Issara)

Chairman of the Board

Charn Issara Development Public Company Limited



## Audit Committee Charter

Attachment

### Reference to the preparation of the Audit Committee Charter

1. Public Company Act B.E. 2535 Section 68
2. Qualifications of the Company's Independent Directors According to the Principles of Corporate Governance and Business Ethics Manual
3. Audit Committee Manual of the Stock Exchange of Thailand 2010
4. Announcement of the Capital Market Supervisory Board No. Tor Chor. 28/2551 on the Request for Permission and Permission to Offer New Shares, Section 16 (2) Qualifications of Independent Directors / Additional Qualifications of Audit Committee According to Section 16 (3) (B)
5. Securities and Exchange Act Section 89/25



## Audit Committee Charter

Attachment

### Attachment 1

In order for the Audit Committee Charter of Chan Issara Development Public Company Limited to cover the contents in accordance with the circular letter No. SEC.Nor.(W) 23/2566 dated September 12, 2566 on rehearsal of understanding of the roles and duties of the Audit Committee to enhance good corporate governance and sustainability for listed companies, emphasizing measures to prevent problems that arise and to enhance rules and regulations, including measures to promote the performance of duties of listed companies and all relevant sectors, additional appendix 1 has been prepared, with the following important contents:

#### Definition

Initial suspicious circumstances mean events or actions that are unusual or suspicious that may constitute an offense under the Securities and Exchange Act B.E. 2535 or other relevant laws, in which the auditor has a duty to notify the audit committee of the securities company or the company to proceed with the investigation without delay.

#### Types of suspicious circumstances

1. Suspicious circumstances related to the commission of an offence under Section 281/2, paragraph two, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act B.E. 2535, such as:
  - The managing director or a person responsible for the operation of the securities company or the company has abused his or her power.
  - The managing director or a person responsible for the operation of the securities company or the company has a conflict of interest.
  - The managing director or a person responsible for the operation of the securities company or the company has committed an act that violates the law or ethics.



## Audit Committee Charter

2. Suspicious circumstances regarding other wrongdoings apart from Section 281/2, paragraph two, Section 305, Section 306, Section 308, Section 309, Section 310, Section 311, Section 312 or Section 313 of the Securities and Exchange Act B.E. 2535, such as:

- Found fraud in securities trading
- Found disclosure of false information or false information
- Found concealment of information that is important to investors' investment decisions

### Criteria and procedures for action when initially aware of suspicious circumstances

1. The auditor has a duty to notify the initial suspicious circumstances to the audit committee of the securities company or the company as soon as possible. The details of the suspicious circumstances must be specified completely and clearly so that the audit committee can proceed with the investigation.
2. The audit committee considers that if the criteria for the initial suspicious circumstances are met, the audit committee will notify the SEC and arrange for the investigation and report the results periodically to the SEC.
3. If no investigation is found, the auditor has a duty to notify the SEC.