



# TEKA Construction Public Company Limited

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## Audit Committee Charter

August 9, 2019

## Translation

### Audit Committee Charter

#### 1. Objectives

The Board of Directors of TEKA Construction Public Company Limited (“the Company”) has appointed the audit committee to perform a duty to audit the Company's operations, including the quality and reliability of the accounting system and review the effectiveness of internal control, to ensure that the performance is efficient legitimate, comply with the regulations as well as good ethical standards in business administration to proceeds maximum effective. In addition, the audit committee is responsible for reviewing the Company's financial reports together with the auditor to ensure that the company's financial reports' reliable disclosure of the information is complete and correct by relevant standards and requirements. Build confidence and credibility for investors and stakeholders who carefully revised and oversee thoroughly, transparently, and run business per good corporate governance principles. Board of Directors. Therefore, it is appropriate to prescribe the Charter of the audit committee as follows:

#### 2. Composition of Audit Committee

- 2.1 The audit committee consists of the company's directors as independent directors who can use their discretion independently, not less than three people.
- 2.2 At least one member of the audit committee must have sufficient knowledge, understanding, or experience in accounting or finance to review the reliability of the financial statements.
- 2.3 The audit committee appoints a secretary to assist the audit committee's meeting appointments operations, preparing the agenda submission of meeting documents and recording meeting minutes.

#### 3. Qualifications of the Audit Committee

- 3.1 Qualified under Public Limited Companies Act Law, Securities and Exchange Law, and other relevant laws.
- 3.2 Qualified for being an independent director under the rules and conditions prescribed by the Securities and Exchange Commission Capital Market Supervisory Board of The Stock Exchange of Thailand and/or the Securities and Exchange Commission.
- 3.3 The audit committee must not be a director of the company assigned by the Board of Directors to make decisions on the operation of the company, holding company, parent company, subsidiary company, associated company, same level subsidiary, the entity that may cause conflicts, major shareholder, or the person who has the power to control the company.

- 3.4 The audit committee must not be a director of the parent company, its subsidiary or a subsidiary of the same level, only a listed company.
- 3.5 Have sufficient knowledge and experience to perform duties as an audit committee and be able to perform roles, express opinions, or report on the performance of the assigned duties independently without being under the control of the management major shareholder or the person who has the power to control the company including those involved or a close relative of such person and does not have any other characteristics that prevent independent opinions.
- 3.6 Be able to devote sufficient time and opinions to the performance of an audit committee.
- 3.7 Should be trained and strengthened knowledge continuously and regularly in matters related to the operations of the audit committee to keep up with potential changes, and should increase knowledge about the performance of the company continues to increase the effectiveness of the audit committee.

#### **4. Appointment, term of office and resignation**

##### 4.1 Appointment of the Audit Committee

- (1) The Board of Directors or at the shareholders' meeting are the appointer of independent directors of the Company as an audit committee.
- (2) In the case of, the position of the audit committee member is vacant for another reason than the expiration of the terms. The Board of Directors appoints a person who is fully qualified to be an audit committee without delay as a number of audit committee members can reach the specified number and hold a position only for the remaining term of the audit committee member whom they replaced.
- (3) When the reason of an audit committee to be retired and as a result, the number of audit committee members is less than three people. The board of Directors will replace an audit committee to complete it within three months from the date.

##### 4.2 Appointment of the Chairman of the Audit Committee

- (1) The audit committee elects one member to be the Chairman of them.

##### 4.3 Term of Office

- (1) The audit committee's term of office is three years of each, with the term of office following the term of the Company's director.
- (2) The audit committee who retired by a rotation may be re-appointed as an audit committee as the Board of Directors or the shareholders' meeting approved.
- (3) The audit committee member who vacates office at the expiration of the term shall remain in role to continue their duties until the replacement.

##### 4.4 Retirement

- (1) The audit committee member vacates office upon:

- a) Retired from the expiration as the term of the audit committee as specified.
  - b) Retired from being a director of the Company.
  - c) Death
  - d) Resignation
  - e) Disqualifications of the audit committee according to the Charter Law on Public Limited Companies and the Securities and Exchange Law or relevant laws.
  - f) The Board of Directors has resolved to vacate office.
- (2) In the case that the committee resigns before the expiration of the term of office. The audit committee should notify the company one month in advance with reasons as the Board of Directors or the shareholders' meeting will consider appointing the other directors who qualified to replace the resigned audit committee. The company must notify the resignation and send a copy of the resignation letter to the Stock Exchange of Thailand for acknowledgment. As for the audit committee who has resigned, may also explain the reasons for such reasons to the Stock Exchange of Thailand in another way.
- (3) As the audit committee member removed before the expiration term of office, the Company must notify the Company's removal with reasons to the Stock Exchange of Thailand. The audit committee who has been removed has the right to explain the cause to the Stock Exchange of Thailand.
- (4) As of that, an audit committee vacates office for the whole group. The audit committee who retired shall remain in office for further proceedings until the replacement.

## 5. Scope of Duties and Responsibilities of the Audit Committee

The audit committee has a scope of duties to support corporate governance, especially in the financial reporting, internal control, audit process, and compliance with the Company's laws. The details of the scope of duties are as follows:

### 5.1 Financial Report

- (1) Revised for the company and subsidiaries to have accurate and sufficient financial reports to ensure that financial reports reflect the accurate, reliable, and adequate financial position as a result of operations as well as being reliable by generally accepted accounting standards. By coordinating with external auditors and responsible executives to prepare both financial reports quarterly and annually.

### 5.2 Internal Control

- (1) To revise the company to obtain an internal control system (Internal Control) that is suitable and effective.

- (2) To consider the results and recommendations of auditors and internal auditors regarding the internal control system. And to propose the management division improve as suggested and include following up on the implementation of the recommendations.

### 5.3 Internal Audit

- (1) To revise the company for independent internal audit division and the system have to be appropriate and effective.
- (2) To review activities, a structure of the internal audit unit and approve the charter of an internal audit division.
- (3) To consider the independence of the internal audit unit also to approve the appointment, transfer, and dismissal of the head of the internal audit unit or any other agency responsible for internal audits or to approve the consideration of hiring an internal auditor from outside, along with the determination or adjust the remuneration to ensure that the agency acts independently.
- (4) To consider and review the internal audit plan with the internal auditors, especially in the internal control system-related and financial reporting.
- (5) To consider giving opinions and observations on the budget and ability of an internal audit unit to propose to the management division for approval.

### 5.4 Audit

- (1) Considering, selecting, and proposing an appointment of an independent person to act as the Company's auditor and propose the auditor's remuneration also attending a meeting with the auditor without the management meeting at least once a year.
- (2) To recommend the auditor to review or check any item which is necessary and important during the audit of the company's accounts.
- (3) To revise the auditor's report prepared for proposing to the management to improve and follow up on the implementation of the recommendations.
- (4) Consider the adequacy and efficiency of coordination between the auditors and internal auditors.
- (5) Notified by the auditor and carried out the audit without delay. In case the auditor finds suspicious circumstances that the director, manager, or person responsible for the operation of the company has offensive 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 (and as amended) and the audit committee shall report the results of the preliminary audit to The Security and Exchange Commission and the auditor within thirty days from the date of the notification received from the auditor.

5.5 Connected Transaction and Items that may have Conflicts of Interest

- (1) Consider connected transactions or transactions which may cause conflicts of interest to ensure that the process is by law and regulations of The Stock Exchange of Thailand to ensure that transactions are reasonable and beneficial to the company.
- (2) Consider the disclosure of the Company's information. In the event of connected or related transactions or items that may cause conflicts of interest to be accurate and complete.

5.6 Compliance with Relevant Laws and Regulations

- (1) Opinions on compliance with the law on Securities and Exchange, regulations and notifications of the SET, and the relevant laws enforced by the Company and/or their businesses.

5.7 Good Corporate Governance

- (1) To revise the company to comply with the principles of good corporate governance along with a necessary for the development of good corporate governance guidelines and recommendations.

5.8 Risk Management

- (1) Review to ensure that the company has an appropriate and effective risk management system.

5.9 Reporting on the Performance of the Audit Committee

- (1) The Chairman of the audit committee shall report the meeting's results to the next Board of Directors meeting for acknowledgment every time.
- (2) The audit committee must report its performance to the Board of Directors' meeting for acknowledgment and consideration at least once a quarter.
- (3) Prepare a report on the result of the corporate governance of the audit committee, which will be disclosed in the company's annual report. The aforementioned report must be signed by the Chairman of the audit committee and contains the following information as follows:
  - a) Opinions on the accuracy, completeness, and reliability of the Company's financial report.
  - b) Opinions on the sufficiency of the Company's internal control system.
  - c) Opinions on compliance with the law on Securities and Exchange, regulations and notifications of the SET, and the relevant laws enforced by the Company and/or their businesses.
  - d) Opinion on the suitability of the auditor.
  - e) Opinion on the possible transactions that may have conflict of Interest.
  - f) Number of audit committee Meetings and the attendance of each audit committee.
  - g) Opinions or overall observations the audit committee receives after conducting their duties according to the Charter.
  - h) Other transactions that the shareholders and general investors should be informed under the scope of authorities, duties, and responsibilities assigned by the Board of Directors.

(4) When performing the audit committee's duties, if any of the following items or actions are discovered or suspected to have a significant impact on the company's financial position and performance, the audit committee shall immediately report to the Board of Directors to make improvements.

- a) Conflict of interest transactions
- b) Corruption, abnormality, or significant fault within the internal control
- c) Violation of the law on Securities and Exchange, regulations and notifications of the SET, and the relevant laws enforced by the Company and/or their businesses

In case the Board of Directors or the management fails to make improvements within the period as appropriate. Any member of the audit committee may report the mentioned transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.

#### 5.10 Other Responsibilities and Duties

- (1) Examine and investigate related persons under the authority of the audit committee and has the power to hire or bring specialists to assist in the auditing and investigation.
- (2) As performing the duties of the audit committee. The audit committee can communicate with external auditors, internal auditors, and the management division of the company and subsidiaries directly.
- (3) Review the charter annually to determine whether there is a need to modify the responsibilities of the audit committee is set and offer to consider changes if necessary.
- (4) Perform other duties assigned by the board.
- (5) Have duties as an additional announcement by the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

## 6. **Audit Committee Meeting**

### 6.1 Number of Meetings

- (1) The audit committee must meet at least once a quarter to consider the financial statements, internal audit report, items that may cause conflicts of interest, and other matters to prepare the audit committee meeting. The audit committee secretary may prepare a schedule for the audit committee meetings to ensure those crucial agendas are submitted to the audit committee for consideration.

### 6.2 Meeting Request

- (1) When summoning the Board of Directors, the Chairman of the Board or an entrusted person shall send the meeting invitation letter to the committee members at least seven days prior to the date of the meeting. The Company may summon the meeting by other methods and set a

meeting date earlier than that, in the case of an urgent need to preserve the rights and benefits of the Company.

- (2) The Chairman of the audit committee may arrange a special meeting for the audit committee, in case it was requested from the audit committee, internal auditor, auditor, or chairman of the board of directors. In considering issues that are important or need to be discussed together.

### 6.3 Meeting and Attendees

- (1) Must be at a minimum of half of the total number of audit committee to constitute a quorum in the meeting of audit committee.
- (2) In case the Chairman of audit committee is absent or unavailable, the participating directors shall select one of the directors to serve as the chairperson.
- (3) The Chairman of the audit committee should encourage all audit committee members to discuss and exchange ideas together widely.
- (4) An audit committee should have a specific meeting with the Company's auditors without the management attending at least once a year, which may be a special meeting apart from a regular meeting or arrange a meeting with the auditor without the management joining as part of the regular meeting of the audit committee which has other agenda. For the convenience of the audit committee may set this agenda as the first of the meeting in that meeting and be available to hold meetings on other agenda items when the agenda is finished which may require the management to participate.
- (5) The audit committee may invite the Company's executives or the auditor to attend the meeting on related matters such as evaluating the sufficiency of the internal control system, audit plan, etc. for the audit committee to receive sufficient information for consideration and opinion on such matters.
- (6) The audit committee may invite experts or external lawyers to attend the meeting as necessary and appropriate to discuss legal issues that have or may have a significant impact on the financial statements or the operation of the company significantly.
- (7) The secretary of the audit committee should attend every meeting because they have to prepare and present information to the audit committee for consideration unless there is a meeting on matters that the audit committee deems sensitive and wishes to be considered jointly only for those who are audit committees.

### 6.4 Voting

- (1) For the vote in the meeting, the Board of Directors shall accept the majority vote and each director has one vote. The interested directors of the agenda shall not attend such meeting nor vote for the agenda. In case of the equal votes, the chairperson shall make the final vote.
- (2) The director that is interested of the agenda shall not vote for the agenda.



6.5 Record the Minutes of the Meeting.

- (1) The secretary of the audit committee or an assigned person shall record the minutes of the meeting and send them to the audit committee within seven days for consideration from the date of each audit committee meeting to be reviewed and approved at the next meeting.
- (2) The secretary of the audit committee should monitor the progress of various operations according to the minutes of the audit committee meeting with problems and obstacles the opinions or observations of the audit committee to report to the audit committee meeting in the next meeting.

**7. Remuneration**

The Nomination and Remuneration Committee is responsible for determining the remuneration of the audit committee and proposing to the board of directors for permission to request approval from the annual general meeting of shareholders.

**8. Audit Committee Evaluation**

Audit committee may use their assessment methods (Self-Assessment) by evaluating the overall results as an individual group and individual then report the results of the assessment annually to the board of directors.

This Audit Committee Charter was approved by the resolution of board of director meeting No. 4/2019. on August 9, 2019, this will come into effect from August 9, 2019 onwards.

Signature

(Mr. Vithool Jearkjirm)

Chairman of the Board

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