

Charter of Audit Committee

1. Objectives

The Board of Directors of PROEN Corp Public Company Limited “the **Company**” has deemed it appropriate to prescribe an Audit Committee Charter in order to determine the scope of Audit Committee’s duties and responsibilities, which is an important tool of good corporate governance, to ensure stakeholders that the Company's operations adhere to appropriate code of conduct and to retain the efficient internal control system in order to protect the conflict of interest and to be guidelines for the Audit Committee.

2. Compositions

The Audit Committee is consisted of at least three Independent Directors. Their qualifications, duties and responsibilities need to comply, at the minimum, with the criteria prescribed by the laws on securities and exchange. At least one member of the Committee shall have the knowledge, understanding or experience in accounting, finance and be consistently knowledgeable of events affecting the changes in financial reporting.

3. Qualifications

- 3.1 Have the qualifications as prescribed in the Public Limited Company Act, law on Securities and Exchange, Notification of the Securities and Exchange Commission and SET’s regulations.
- 3.2 Holding shares not more than 0.5 percent of the total number of voting shares of the Company, its parent company, subsidiary companies, associated companies, major shareholders or controlling persons of the Company which shall be inclusive of the shares held by related persons.
- 3.3 Neither being nor having been an executive director, staff, employee, advisor receiving a regular salary from the Company, or controlling person of the Company, its parent company, subsidiary companies, associated companies, same-level subsidiary, major shareholders or controlling persons. In this regard, such prohibited characteristics exclude the case used to be a government officer or advisor of government sector which is majority shareholders or controlling person (if any).
- 3.4 Not be a person related by blood or legal registration, such as father, mother, spouse, sibling and child, including the spouse of child, of an executive, major shareholder, controlling person, or persons to be nominated as an executive or controlling person of the Company or its subsidiary companies.
- 3.5 Neither have nor formerly have had a business relationship with the Company, its parent company, subsidiary companies, associated companies, major shareholders, or controlling persons of the Company, in the manner which may interfere with own independent judgment, as well as neither be nor formerly have been a significant shareholder, or controlling person of any person having a business relationship with the Company, its parent company, subsidiary companies, associated companies, major shareholders, or controlling persons of the Company, unless the foregoing relationship has ended not less than two years prior to the date of appointment. The term ‘business relationship’ aforementioned under paragraph one includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt



of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or his counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or amounting Baht 20 million up or whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The combination of such indebtedness shall include indebtedness taking place during one year prior to the date on which the business relationship with the person commences.

- 3.6 Neither being nor having been an auditor of the Company, its parent company, subsidiary, associated companies, major shareholders or controlling person of the Company and not formerly have been a significant shareholder, controlling person or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, associated companies, major shareholders or controlling person of the Company unless the foregoing relationship has ended not less than two years from the date of appointment.
- 3.7 Neither being nor having been any professional service provider, including legal advisor or financial advisor receiving fees exceeding two million baht per annum from the Company, its parent company, subsidiary companies, associated companies, major shareholders, or controlling persons of the Company, and not be a significant shareholder, controlling person, or partner of such professional service provider unless the foregoing relationship has ended not less than two years from the date of appointment.
- 3.8 Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.
- 3.9 Not operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a principal partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding one percent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or subsidiary.
- 3.10 Not having any other characteristics which cause the inability to express independent opinions regarding the Company's business operation.
- 3.11 Not being a director who is assigned by the Board of Director to make a decision in any of Company's operations, its parent company, subsidiaries, associated companies, same-level subsidiary, major shareholders, or controlling persons of the Company.
- 3.12 Not being a director of its parent company, subsidiary company, and same-level subsidiary which specified in the listed companies.
- 3.13 To be person that able devote time and opinions in an adequate manner to the activities of the Audit Committee.



4. Appointment, Term of Office and Vacate of Office

4.1 Appointment

- 4.1.1 The Board of Directors shall appoint the Independent Directors to be the Chairman of the Audit Committee and Committee.
- 4.1.2 Upon expiration of term or there exists circumstances whereby a member of the Committee is unable to complete his or her term, affecting the number of members less than three person(s). The Board shall appoint a new Audit Committee in replacement within three months commencing from the date the number of members is incomplete to constitute an entire composition for the purpose of continuation of performance of the Committee.
- 4.1.3 The Committee shall appoint an Internal Audit Manager of the Company or any appropriate person to be the Secretary of the Audit Committee.

4.2 Term of Office

Each Audit Committee's term is one years or be equivalent to the Company director's term (depending on which comes first). Regarding the expired term of office, he or she can be elected for a new position as the Board of Directors seems appropriate.

4.3 Vacate of Office

- 4.3.1 Term of Audit Committee vacate of office when
 - a) Retired by rotation
 - b) Removed from being the Company's directors
 - c) Resignation
 - d) Death
 - e) The Board has resolved to remove him/her from the position
- 4.3.2 In case that any Committee member wishes to resign before the expiration of his term of service, that person needs to submit the letter of resignation to the Chairman of the Audit Committee one month in advance together with reason. Then the Chairman shall submit such letter to the Board of Director in order that they may consider appointing another person who is fully qualified to replace the resigning member.
- 4.3.3 In case that any committee member resigns or is removed before the expiration of the term, the Company shall immediately report to the Stock Exchange of Thailand.
- 4.3.4 In case all Audit Committee's members retire from the position, they shall remain in office until a new Audit Committee is on duties.

5. Duties and Responsibilities

- 5.1 Review the Company and its subsidiary financial reporting process to ensure that it is accurate and adequate.
- 5.2 Review to ensure that the Company and its subsidiary have appropriate and efficient internal control and internal audit systems. Also consider the independence of internal audit unit, approve an appointment, transfer, or termination of the head of internal audit unit, or any other units in charge of an internal audit.



- 5.3 Review to ensure that the Company has the management and compliance risk management policy as specified.
- 5.4 Review to ensure the company is compliance with SEC's laws, SET's regulations, and other related business laws.
- 5.5 Consider, select, and nominate independent persons to act as auditor, suggest the remuneration, and attend non-management meeting with the audit or at least once a year.
- 5.6 Consider the related party transactions or the transactions that may cause conflicts of interests, in accordance with the laws and SET's regulations. This is to ensure such transactions are reasonable and for the highest benefit of the Company.
- 5.7 Prepare an Audit Committee's report and disclose it in the Company's annual report. The report must be signed by the Chairman of Audit Committee and consist of at least following information:
 - (a) Opinion on the accuracy, completeness, and reliability of the Company's financial reports
 - (b) Opinion on the adequacy of the Company's internal control system
 - (c) Opinion on the compliance with SEC's laws, SET's regulations, or any other related business laws
 - (d) Opinion on the suitability of the Auditor
 - (e) Opinion on transactions which may cause conflicts of interests
 - (f) Number of the Audit Committee meetings, and attendance of such meetings by each Audit Committee member
 - (g) Opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the Charter
 - (h) Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors
- 5.8 Have authority to seek independent opinion from any other professional counsel when it is deemed necessary at the expense of the Company
- 5.9 To perform any other act as assigned by the Company's board of directors, with the approval of the Audit Committee.
- 5.10 In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Audit Committee shall report it to the Board of Directors for rectification within the period of time that the Audit Committee thinks fit which the types of transaction or actions that need to report as follows:
 - (a) Transaction which causes a conflict of interest
 - (b) Any fraud, irregularity, or material defect in an internal control system
 - (c) Infringement of the law on Securities and Exchange, the Exchange's regulations, or any law relating to the Company's business If the Audit Committee reports to the Board of Directors on suspicious actions and discusses with the Board and executives on the rectification of such issue, when it is due time, as agree by all involved. If the Audit Committee finds that the Board or executives fail to make corrective actions without a justifiable reason, any member of the Audit Committee may report such



transaction or action directly to the Securities and Exchange Commission or the Stock Exchange of Thailand.

6. Meetings

- 6.1. The Audit Committee shall have a meeting at least once a quarter with external auditors, internal auditors, management department and executives that responsibility about accounting and financing in order to audit the financial statements on a quarterly basis and report to the Board of Directors. The Audit Committee may invite the Board, executives or employees both parent company and subsidiary to participate the meeting, discuss, clarify or answer the matter.
- 6.2. The Chairman of the Audit Committee may convene a special meeting of the Audit Committee if there is a request from the committee member, internal auditor, external auditor or Chairman of the Board of Directors in order to consider the issues which must be jointly discussed.
- 6.3. In calling an Audit Committee meeting, its Chairman or Secretary, by the order of the Chairman, shall send an invitation letter to all Audit Committee members not less than seven days ahead of the meeting date. The exception is when the meeting is an emergency one, where the invitation can be made through other methods or the meeting date can be set earlier than that or the Chairman may create the meeting through electronic media, if such a meeting is held through electronic media, the Company is able to send a notice summoning the meeting through electronic mail.
- 6.4. The quorum of the Audit committee's meetings shall consist of no less than half of the Audit Committee members. In case reviewing the quarterly or annual financial statements shall have the members with knowledge and experience of financial statement reviewing attend the meeting. In case the meeting conducted through electronic media, at least half of total number of Audit Committee shall be in the same meeting and all of Audit Committee attending the meeting shall be in the Kingdom. The meeting shall be conducted through a meeting control system that has an information security process with sound recording or both audio and video, as the case may be, of all attendees throughout the duration of the meeting including traffic data generated from such recording, and a meeting control system must have fundamental elements in accordance with Notification of the Ministry of Information and Communication Technology Re: Standards for Electronic Conferencing Security B.E. 2557, including that there will be additional amendments.
- 6.5. In case the Chairman of the Audit Committee cannot attend the meeting and no one, the committee members present at the meeting shall elect one of them to preside as the Chairman over the meeting.
- 6.6. Each Committee has one vote by the final decision of the meeting is done by a majority vote. In case of tie vote, Chairman of the meeting vote for one more vote to arbitrate.
- 6.7. A member of the Audit Committee who has any interest in any matter to be considered shall be prohibited from sharing his/her opinion and voting on such matter.
- 6.8. The Secretary of the Audit Committee has no voting right.



- 6.9 The Secretary of the Audit Committee shall take the minutes of meeting, which shall be approved by the Audit Committee and the Chairman of Audit Committee shall report in the meeting of Board of Directors in order to inform about the Audit Committee's activities.

7. Reporting

7.1 Reporting to the Board of Directors

- 7.1.1 Report on regular activities so that the Board of Directors is kept informed of activities of the Audit Committee.
- Minutes of meetings of the Audit Committee which clearly specify opinions of the Audit Committee on various matters
 - Summary report of activities during the year
 - Report concerning comments on financial report, internal audit and internal auditing process
 - Any other report which should be disclosed to the Board of Directors
- 7.1.2 The Audit Committee shall report to the Board its findings or suspicion of the following transactions or acts, so that they can be rectified within the timeframes:
- Corruption, irregularities or significant flaws in the internal control system
 - Transactions with conflicts of interests
 - Violation of laws or any regulation of the Stock Exchange of Thailand and other related laws

7.2 Reporting to the Authorities

If the Audit Committee has reported about anything which has material impact on the financial condition and results of operation to the Board of Directors and has discussed with the Board of Directors and the management that any rectification is necessary, upon completion of the period of time mutually fixed if the Audit Committee finds that such rectification has been unreasonably ignored, any member of the Audit Committee may report such finding to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

7.3 Reporting of Listed Company to the Stock Exchange of Thailand

- 7.3.1 Appointment of the Audit Committee
- Report the resolution of the Board of Directors on the appointment of the Audit Committee and submit the names of the members and the scope of work of the Audit Committee as required by the Stock Exchange of Thailand.
 - Submit the certificate and biography of the Audit Committee members along with the report on the resolution of the Board of Directors on the appointment of the Audit Committee to the Stock Exchange of Thailand within three days from the date the Board of Directors passes the resolution to appoint members of the Audit Committee.



- 7.3.2 Change of member of the Audit Committee
- a) Report the resolution of the Board of Directors on the change of member to the Stock Exchange of Thailand in accordance with the Stock Exchange of Thailand's regulations.
 - b) Submit the certificate and biography of the newly appointed member along with the report on the resolution of the Board of Directors on the appointment of the Audit Committee.
- 7.3.3 In case the scope of work and responsibilities of an audit committee has been changed, the resolution of the Board of Directors on the change in the scope of work and responsibilities of the Audit Committee shall be reported to the Stock Exchange of Thailand in accordance with the Stock Exchange of Thailand's regulations within three days from the date the Board of Directors passes the resolution on such change.

8. Performance Assessment

The performance evaluation of the Audit Committee shall be conducted every year. The Audit Committee shall evaluate the performance of the Audit Committee as a whole and report the results of the annual evaluation to the Board of Directors, as well as conduct the performance evaluation of the Audit Committee by related person at least once a year in order to improve its performance and maximize its effectiveness for the benefit of the Company and its shareholders.

9. Effective Date

This Charter of Audit Committee has been approved by the Board of Directors at the Board of Directors Meeting No. 5/2019 on 14 August 2019. It will be effective from 15 August 2019 onwards.

Dr. Sathit Putthachaiyong
Chairman

