



## **Audit Committee Charter**

**CK Power Public Company Limited**

## Table of Contents

	<b>Page</b>
Objectives	1
Composition	1
Qualifications	1-3
Appointment, terms of office, and vacation of office	3-4
Meetings	5-6
Scope of duties and responsibilities	6-8
Authority	8
Reporting of the Audit Committee	8
Performance Evaluation of the Audit Committee	9-10



CK Power Public Company Limited  
Subject: Audit Committee Charter

Page 1/10

Revision 01

Effective Date

28 August 2018

## **Audit Committee Charter**

### **1. Objectives**

This charter has been established to prescribe the scope of authorities of the Audit Committee of CK Power Public Company Limited, which serves as a vital mechanism in maintaining corporate governance and assuring stakeholders that the Company has an effective internal auditing and control system in place to prevent conflicts of interest. The Board of Directors has resolved to formulate the Audit Committee Charter to provide guidance for the Audit Committee and ensure that the Audit Committee and the Executives of the Company understand the scope of duties of the Audit Committee.

### **2. Composition**

The Audit Committee shall comprise at least three independent directors of the Company. All committee members shall be independent directors.

### **3. Qualifications**

#### **3.1. General qualifications**

3.1.1 Not owning more than 0.5% of the total number of shares with the voting rights issued by the Company, its parent company, subsidiaries, associated companies, major shareholders or controlling persons, including shares held by their related persons.

3.1.2 Neither is nor has ever been a director with management authority, employee, staff member, advisor who receives a salary or is a controlling person of the Company, its parent company, subsidiaries, associated companies, major shareholders or controlling persons unless the foregoing status has ended not less than two years prior to the date of becoming a member of the Audit Committee.

3.1.3 Neither has nor has ever had a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholders or controlling persons, in a manner that may interfere with their independent judgment; and neither is nor has ever been a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company, subsidiaries, associated companies, major shareholders or controlling persons, unless the foregoing relationship has ended not less than two years prior to the date of becoming a member of the Audit



CK Power Public Company Limited  
Subject: Audit Committee Charter

Page 2/10

Revision 01

Effective Date

28 August 2018

Committee; and does not have any benefit nor interest, both direct and indirect, in the finance and management of the Company, subsidiary, associated companies, or any individuals who might have conflicts that undermine independence.

3.1.4 Is not a person related by blood or legal registration as father, mother, spouse, sibling, or child, including spouse of child of other directors, of an executive, major shareholder, controlling person, or person to be nominated as director, executive, or controlling person of the Company or its subsidiaries.

3.1.5 Is not a director appointed as a representative to protect the interest of any Director of the Company, any major shareholder, or a shareholder related to the major shareholders; and demonstrates independence of opinion and reporting according to tasks so assigned without regard to any benefits that might prevent them from expressing their opinion as should be.

3.1.6 Neither is nor has ever been an auditor of the Company, its parent company, subsidiaries, associated companies, major shareholders or controlling persons; and not be a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiaries, associated companies, major shareholders or controlling persons, unless the foregoing relationship has ended not less than two years prior to the date of becoming a member of the Audit Committee.

3.1.7 Neither is nor has ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding two million baht per year from the Company, its parent company, subsidiaries, associated companies, major shareholders or controlling persons; and not be a significant shareholder, controlling person, or partner of the provider of professional services, unless the foregoing relationship has ended not less than two years prior to the date of becoming a member of the Audit Committee.

3.1.8 Does not undertake any business in the same nature and in competition with the business of the Company or its subsidiaries, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiaries.



CK Power Public Company Limited  
Subject: Audit Committee Charter

Page 3/10

Revision 01

Effective Date

28 August 2018

3.1.9 Members of the Audit Committee must be independent directors with required qualifications stipulated by the Securities and Exchange Commission.

### 3.2. Specific qualifications

3.2.1 Is not a director assigned by the Board of Directors to make decisions involving the business of the Company, its parent company, subsidiaries or associated companies, same-tier subsidiaries, a major shareholder, or a controlling person.

3.2.2 Is not a director of the Company or its subsidiaries or same-tier subsidiaries that are listed companies.

3.2.3 Has adequate knowledge and experience to fulfill their assigned duties as a member of the Audit Committee and is able to devote sufficient time to the duties of the Audit Committee.

3.2.4 Members of the Audit Committee should not be directors in more than five other listed companies.

3.2.5 Not all members of the Audit Committee must be experts on accounting or finance. However, at least one member of the Audit Committee must have adequate knowledge and experience of accounting or finance and should continuously develop their accounting or finance knowledge to be able to assess impacts on the reliability of financial statements.

3.2.6 Members of the Audit Committee should continuously and regularly attend training sessions and enrich their knowledge on matters related to the duties of the Audit Committee.

## **4. Appointment, terms of office, and vacation of office**

### 4.1 Appointment

4.1.1 The Audit Committee shall be appointed by the Board of Directors. All members of the Audit Committee shall be the Company's directors. When the Board of Directors appoints a member to the Audit Committee, the Company shall submit their name and the scope of work of the Audit Committee (F24-1 Form), along with the certificate and biography of the Audit Committee member (F24-2 Form) to the Stock Exchange of Thailand and the Securities and Exchange Commission.

4.1.2 If the term of office of a member of the Audit Committee expires or there arise circumstances preventing them from completing the term of office, causing there to be fewer than three members on the committee, the Board of Directors shall appoint members to replace them within three months of the date the number of members becomes less than the required number to ensure the continuous performance of duties of the Audit Committee.

4.1.3 The Company's Internal Audit Manager shall be appointed as Secretary to Audit Committee.

#### 4.2 Terms of office

Each member of the Audit Committee shall serve a term of three years, coinciding with their term of office as the Company's independent director. Upon the expiration of their term of office, they may be re-appointed as deemed appropriate by the Board of Directors.

#### 4.3 Vacation of office

4.3.1 A member of the Audit Committee shall vacate the office upon:

- a) expiration of their term of office;
- b) termination of their directorship of the Company;
- c) resignation;
- d) death;
- e) removal from office by the resolution of the Board.

4.3.2 In the event a member of the Audit Committee wishes to resign before complete their term of office, they are advised to inform the Company at least one month in advance and specify the reason for resigning, so that the Board of Directors may appoint a qualified member in their place. In addition, the Company is required to notify the Stock Exchange of Thailand of the resignation and submit a copy of the resignation letter. The resigning member of the Audit Committee may additionally submit their reason for resigning to the Stock Exchange of Thailand by themselves.

4.3.3 In the event a member of the Audit Committee is removed before completing their term, the Company is required to notify the Stock Exchange of Thailand and specify the reason for the removal. Such member may additionally offer clarification to the to the Stock Exchange of Thailand.



CK Power Public Company Limited  
Subject: Audit Committee Charter

Page 5/10

Revision 01

Effective Date

28 August 2018

## 5. Meetings

5.1 The Audit Committee shall convene at least one meeting every three months, with the participation of external auditors, internal auditors, the management, and accounting and finance executives, to review quarterly financial statements and submit reports to the Board of Directors. The Audit Committee may also convene meetings when the management is about to make connected transactions or transactions related to the acquisition or disposition of assets, in which the appropriateness and reasonableness of such transactions and the greatest benefit of the Company must be reviewed to ensure that they are in accordance with the rules on connected transactions or transactions related the acquisition or disposition of assets stipulated in the notification of the SET.

5.2 In giving notices of the Audit Committee's meetings, the chairperson of the Audit Committee or the secretary to the Audit Committee, through the order of the chairperson of the Audit Committee, shall give a written notice to each member of the Audit Committee at least 7 days in advance, except in urgent cases, in which notices can be given by other means or the meetings can be convened earlier.

5.3 Each meeting of the Audit Committee shall consist of at least half of the committee members to form a quorum. In meetings where quarterly or annual financial statements are reviewed, members with knowledge and experience of financial statement reviewing must be present.

5.4 If the chairperson of the Audit Committee is unable to attend a meeting, the remaining members of the Audit Committee present at the meeting shall select one member to serve as the chairperson in that meeting.

5.5 The decision of the meeting shall be made by a majority of votes. In case of a tie, the chairperson of the meeting shall have a casting vote

5.6 Any member of the Audit Committee who has interest in the matter under consideration shall not express opinions or cast votes on such matter.

5.7 The secretary to the Audit Committee shall have any voting right.

5.8 The secretary to the Audit Committee or a person assigned by the Audit Committee shall record minutes of each meeting of the Audit Committee, which shall be approved by the Audit Committee,



CK Power Public Company Limited  
Subject: Audit Committee Charter

Page 6/10

Revision 01

Effective Date

28 August 2018

and the chairperson of the Audit Committee shall report the results of such meeting at the Company's Board of Directors' meeting, so that the latter is informed of the activities of the Audit Committee.

5.9 The Audit Committee may invite related persons, namely directors, executives, and staff members of the Company, its parent company, or subsidiaries, to attend a meeting, participate in discussions, provide explanations, or respond to inquiries.

## **6. Scope of duties and responsibilities**

6.1 To review the financial reporting process of the Company and its subsidiaries to ensure that it provides accurate and adequate report

6.2 To approve quarterly financial statements and present them to the Board of Directors for acknowledgement in the next Board meeting; and to review annual financial statements and present them to the Board of Directors for approval and subsequently presentation to meetings of shareholders

6.3 To review the Company's and its subsidiaries' internal control and internal audit to ensure that they are appropriate and effective; to determine the independence of internal control units; and to approve the appointment, transfer, or dismissal of the head of internal audit or the head of other units responsible for internal audit

6.4 To approve internal audit plans, review audit reports, as well as consider and monitor issues raised in audit reports

6.5 To review the Company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and laws related to the Company's business and review its subsidiaries' compliance with the rules set forth in control policies and compliance mechanisms of any invested companies

6.6 To consider and nominate for appointment/dismiss an independent person as the Company's auditor; and to propose the audit fee; as well as to attend at least one meeting with the auditor without the presence of the management

6.7 To review connected transactions, transactions that may lead to conflicts of interest, and transactions related the acquisition or disposition of assets of the Company and its subsidiaries to ensure that they are in compliance with laws the regulations of the Stock Exchange of Thailand, control policies,





CK Power Public Company Limited  
Subject: Audit Committee Charter

Page 7/10

Revision 01

Effective Date

28 August 2018

and compliance mechanisms of any invested companies and that they are reasonable and are in the best interest of the Company

6.8 To prepare Audit Committee reports, which shall be disclosed in the Company's annual report, signed by the chairperson of the Audit Committee, and consist of the following information, considered minimum requirements stipulated by the Stock Exchange of Thailand:

6.8.1 An opinion on the accuracy, completeness, and reliability of the Company's financial report,

6.8.2 An opinion on the adequacy of the Company's internal control system,

6.8.3 An opinion on the compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, or laws related to the Company's business,

6.8.4 An opinion on the suitability of an auditor,

6.8.5 An opinion on transactions that may lead to conflicts of interest,

6.8.6 The number of meetings of the Audit Committee and the attendance of such meetings by each member,

6.8.7 An opinion or overall observations from the performance of duties in accordance with the charter, and

6.8.8 Other transactions that, in the opinion of the Audit Committee, should be made known to shareholders and general investors, within the scope of duties and responsibilities as assigned by the Company's Board of Directors

6.9 To carry out any other duties assigned by the Board of Directors and approved by the Audit Committee

6.10 In the performance of its duties, if it is found or suspected that a transaction or any act that may materially affect the Company's financial status or operating results has taken place, the Audit Committee shall report it to the Board of Directors for rectification within a period of time deemed suitable by the Audit Committee. Transactions and acts that must be reported are as follows:

6.10.1 Transaction that cause conflicts of interest,

6.10.2 Any fraud, irregularity, or material defect in the internal control system,

6.10.3 An infringement of the laws on securities and stock exchange, the regulations of the Stock Exchange of Thailand, or laws related to the Company's business. If the Audit Committee has

reported such transaction or act that has material impact on the Company's financial status or operating results and has consulted with the Board of Directors and the management and agreed that such it needs to be rectified and if the Audit Committee finds that, after the timeframe agreed upon, such transaction or act has not been rectified with no justifiable reason provided, a member of the Audit Committee may report what they have found to the Securities and Exchange Commission and/or the Stock Exchange of Thailand.

## **7. Authority**

7.1 The Audit Committee shall have the authority to select and nominate for appointment/dismiss an auditor as well as determine remuneration for the Company's auditor.

7.2 The Audit Committee shall have the authority to appoint the secretary to the Audit Committee to assist the committee in performing its duties.

7.3 The Audit Committee shall have the authority to seek independent opinions from any other professional consultants as deemed necessary at the expense of the Company and shall hire such persons in accordance with the Company's protocols.

7.4 The Audit Committee shall have the authority to request additional information from different units of the Company and its subsidiaries to inform its process of consideration.

## **8. Reporting of the Audit Committee**

### **8.1 Reporting to the Board of Directors**

8.1.1 Report on its regular activities so as to keep the Board of Directors informed:

a) Minutes of meetings of the Audit Committees, which clearly state the Audit Committee's opinions on relevant matters

b) Report of the Audit Committee's activities throughout the year

c) Report of the Audit Committee's opinions on the Company's financial reports and internal audit reports

d) Any other report deemed necessary for the Board of Directors to be informed of

8.1.2 Immediately report on any findings to the Board of Directors, so as to allow the Board of Directors to rectify them in due course.

a) Report on any fraud, irregularity, or material defect in the internal control system

b) Report on conflicts of interest

c) An infringement of the laws or regulations of the Stock Exchange of Thailand and any other relevant laws

## 8.2 Reporting of a listed company to the Stock Exchange of Thailand

### 8.2.1 Appointment of the Audit Committee

a) 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.

b) 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.

### 8.2.2 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.

8.2.3 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.

8.2.4 Review the Audit Committee Charter at least once a year to ensure its alignment with the Company's operational plans as well as short-term and long-term strategies.

## 9. Performance Evaluation of the Audit Committee

The performance evaluation of the Audit Committee shall be conducted at least once a year. The members of 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 in order to improve its performance and maximize its effectiveness for the benefit of the Company and its shareholders.



CK Power Public Company Limited

Subject: Audit Committee Charter

Page 10/10

Revision 01

Effective Date

28 August 2018

The previous Audit Committee Charter, issued on April 11, 2013, shall be annulled and replaced by the Revised Audit Committee Charter (First Revision), approved by the Board of Director Meeting No.5/2018 on August 28, 2018. This charter will become effective from August 28, 2018 onwards.

Please be informed and comply accordingly.

(Dr. Thanong Bidaya)

Chairman of the Board of Directors