



Charter of the Audit Committee

Nirvana Daii Public Company Limited

(Revised Version of the year 2020)

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## 1. Definition

|                                  |   |
|----------------------------------|---|
| "the Company"                    | means Nirvana Daii Public Company Limited   |
| "Board of Directors"             | means Board of Directors of Nirvana Daii Public Company Limited   |
| "Director"                       | means Director of Nirvana Daii Public Company Limited   |
| "Audit Committee"                | means Audit Committee of Nirvana Daii Public Company Limited  |
| "Members of the Audit Committee" | means Members of the Audit Committee of Nirvana Daii Public Company Limited   |
| "Review"                         | means revision or verification of performance, methods, conditions, events, or other transactions   |
| "Executives"                     | means Chief Executive Officer and the first top-four executives after the Chief Executive Officer, as well as, persons holding the management positions in accounting or finance departments of Nirvana Daii Public Company Limited |
| "Close Relatives"                | means persons related by blood or legal registration such as father, mother, spouse, siblings, children, including spouses of the children  |
| "SET"                            | means the Stock Exchange of Thailand  |

In the event that any definition is not specified in this Charter, such definition shall be meant in accordance with the notifications or regulations related to the aforementioned subject

## 2. Objectives

The Board of Directors has appointed the Audit Committee, consisting of independent directors, who have the duties in monitoring the operations of the Company, reviewing the effectiveness of internal control system to ensure that the performance of related agencies is effectively in compliance with the laws and in line with the regulations as well as the ethical standards in efficient and effective operations. The Audit Committee also has a duty to review financial report, in collaboration with the auditors to ensure that the Company's financial report is credible, disclose accurate and truthful information in accordance with the Company's regulations and standards. The Audit Committee also provides credibility and reliability to investors and all stakeholders, to ensure that the business undergoes with proper assessment and careful supervision in line with the justice system, transparency, and manage business in accordance with the principles of good corporate governance.

## 3. Composition and Qualifications

- 3.1 The Audit Committee shall consist of at least 3 independent directors and at least 1 member must be knowledgeable and possess sufficient work experience in accounting or financial field to review

reliability of financial statement. The names of Members of the Audit Committee shall be specified in Form 56-1, Annual Report (56-2), Form to Report Names of Members and Scope of Work of the Audit Committee (F 24-1), and Certificate and Biography of Member of the Audit Committee (F 24-2) delivered to the Stock Exchange of Thailand.

3.2 Members of the Audit Committee shall have the following qualifications

- 1) Being appointed by the Board of Directors or a meeting of shareholders.
- 2) Having of the qualifications and duties stipulated under the Public Limited Companies Act, the Securities and Exchange Act, and relevant laws.
- 3) Holding shares of not exceeding 1 percent of total voting shares of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, including shares held by related parties.
- 4) Not being a board member assigned to make decision on business operation of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, its major shareholders, or its controlling persons.
- 5) Not being or have ever been an executive director, employee, staff, corporate advisor receiving a regular salary, or a controlling person of the Company, its parent company, its subsidiaries, its associated companies, its same-level subsidiaries, its major shareholders, or its controlling persons unless the foregoing status has ended for more than 2 years prior to being appointed.
- 6) Not having any personal benefit or interest, directly or indirectly, both in finance and management of the Company, its parent company, its subsidiaries, or its associated companies, including benefit or interest in any Company transactions for the period of 1 year before being appointed as Members of the Audit Committee.
- 7) Not being a person related by blood or legal registration as father, mother, spouse, sibling, and child, including spouse of child, of the executives, major shareholders, controlling person, or person to be nominated as director, executive, or controlling person of the Company or its subsidiaries.
- 8) Neither having nor used to having a business relationship with the Company, its parent company, its subsidiaries, its associated companies, its major shareholders or its controlling persons in the manner that may interfere with his independent judgment, and neither being nor used to being a significant shareholder, or controlling person of any person having a business relationship with the Company, its parent company, its subsidiaries, its associated companies, its shareholders, or its controlling persons unless the foregoing relationship has ended for not less than 2 years.

The term "business relationship" mentioned in the first paragraph shall include any normal business transaction, rental or lease of immovable property, transaction relating to assets or





services or granting or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, and any other similar actions, which result in the Company or its counterpart being subject to indebtedness payable to the other party in the amount of 3 percent or more of the net tangible assets of the Company or Baht 20 million or more, whichever is lower. The amount of such indebtedness shall be calculated according to the method for calculation of value of connected transactions under the Notification of the Capital Market Supervisory Board governing rules on connected transactions mutatis mutandis. The consideration of such indebtedness shall include indebtedness occurred during the period of 1 year prior to the date on which the business relationship with the person commences.

- 9) Neither being nor used to being an auditor of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, and not being a significant shareholder, controlling person, or partner of the audit firm which employs auditors of the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons, unless the foregoing relationship has ended not less than 2 years.
- 10) Neither being nor used to being any professional service provider including a legal counselor or financial advisor who receives service fee of exceeding Baht 2 million per year from the Company, its parent company, its subsidiaries, its associated companies, its major shareholders, or its controlling persons of the Company, and not being a significant shareholder, controlling person or partner of the aforementioned professional service provider, unless the foregoing relationship has ended not less than 2 years.
- 11) Not being a director appointed as representative of directors of the Company, major shareholder, or shareholder who is related to major shareholder.
- 12) Not undertaking any business of the same nature as and competing with that of the Company or its subsidiaries or not being a significant partner in a partnership or being a director who takes part in the management, employee, staff member, advisor who receives regular salary or holding shares exceeding 1 percent of the total number of shares with voting rights of other companies which undertake businesses of the same nature as and competing with that of the Company or its subsidiaries.
- 13) Not having any other characteristics which cause the incapacity to render independent opinions with regard to the Company's business operations.
- 14) Being capable of independently performing the duties and providing opinions or reporting the result of performance of duties as assigned without being under control of any executives or major shareholders, including their related persons or close relatives, as well as not having any characteristics that may hinder the provision of opinions independently.

- 15) Being generally reliable and accepted, and being able to devote themselves sufficiently in performance of duties as Members of the Audit Committee.

#### 4. Appointment, Terms of Office, and Expiration

##### 4.1 Appointment of Members of the Audit Committee

- The Board of Directors or the meeting of shareholders shall appoint the independent directors as Members of the Audit Committee. In case of any Member of the Audit Committee vacates from office or any unavailability before the expiration of his term of service, the Board of Directors shall appoint another Member of the Audit Committee who has qualifications to replace the resigning member not later than 3 months as of the date of incomplete composition of the Audit Committee to ensure the continuity in the operation of the Audit Committee in which the term of office shall only be equal to the remaining term of the resigning member.

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

- Chairman of the Audit Committee shall be appointed by the Board of Directors of the Company or by the Audit Committee elects one member to hold the position as the Chairman of the Audit Committee.
- Chairman of the Audit Committee shall be a leader in the meeting who steers the meeting to be in accordance with best practices and a person who ensures the overall effectiveness of the Audit Committee.

##### 4.3 Appointment of the Secretary of the Audit Committee

- The Audit Committee shall appoint an internal auditor or a person who is appropriate to act as the Secretary of the Audit Committee.
- The Secretary of the Audit Committee has duties to support the operation of the Audit Committee regarding determining action plans of the Audit Committee, scheduling the meeting, preparing the meeting agenda as assigned by the Chairman of the Audit Committee, delivering documents relevant to the meeting, and recording the minutes of meeting.

##### 4.4 Terms of Office

- The office term of each member of the Audit Committee is based upon the office term they occupied as the Board of Directors which shall not be more than 3 consecutive terms or not more than 9 years. Apart from vacating upon the end of office term, Members of the Audit Committee will retire from the office upon the lack of qualifications as directors, or resignation, or removal by a meeting resolution of the Board of Directors.

##### 4.5 Expiration

- Members of the Audit Committee may vacate office upon;
  - 1) End of period of the Company's director position.



- 2) Disqualified from being Members of the Audit Committee.
  - 3) Death
  - 4) Resignation
  - 5) Removal by a resolution of the Board of Directors of the Company.
  - 6) Being sentenced to imprisonment by final judgment or legal order, except for offenses committed with negligence or misdemeanors.
  - 7) Being incompetent or quasi-incompetent.
  - 8) Being bankrupt.
- In the case of any member of the Audit Committee resigning before completing the terms of office, a written notice stating reasons for resignation shall be presented to the Company at least 1 month prior to the resignation, so that the Board of Directors can appoint a replacement director accordingly. The Company shall notify and present a copy of resignation letter to the Stock Exchange of Thailand.
  - In the case of member of the Audit Committee being removed before completing the terms of office, the Company shall report reasons for the removal to the Stock Exchange of Thailand accordingly.

## 5. Duties

The Audit Committee has scope of duties to support the governance of the business, particularly where financial reporting procedures, internal control systems, audit procedures and compliance with the laws of the Company. The scope of duties shall be detailed as follows;

### 5.1 Financial Reports and Audit

- Reviewing the Company's financial reporting process to ensure its accuracy, credibility, and sufficient information disclosure by coordinating with the external auditors and executives who are responsible for the preparation of financial reports, both quarterly and annually.
- Considering, selecting and nominating an independent person to be the Company's external auditor, as well as proposing the remuneration of the auditor with regard to reliability, adequacy of resources, and the amount of audit work. In addition, the Audit Committee shall convene a meeting with the external auditors, without the presence of the management, at least 1 time per year.
- Promoting independence and providing comments on the suitability of an external auditor, as well as encouraging the development of financial reporting to be comparable to international accounting standards.

### 5.2 Internal Control

- Reviewing to ensure that internal control system and risk management system of the Company are suitable and efficient. The Audit Committee may suggest to review or inspect any transactions that are

necessary and important, and provide recommendations regarding the improvement of the internal control system, risk management system, as well as report the review to the Board of Directors.

- Reviewing evidence in case of suspicion regarding any action that may impact significantly to the financial position and operating result of the Company or result in a conflict of interest or violations of laws and regulations which could affect the Company's operations.
- Reviewing the internal procedures concerning incident reports and complaints.
- Reviewing the accuracy and effectiveness of information technology related to financial reporting and internal control.

### 5.3 Internal Audit

- Reviewing to ensure that the internal audit systems of the Company are appropriate and efficient, as well as supervising the internal audit department to perform in accordance with internal audit standards.
- Considering the independence of the internal audit department, as well as providing advice concerning budget, workforce of the internal audit department. In addition, the Audit Committee shall also approve the appointment and dismissal of the internal audit department, and assess the annual performance of the internal audit department and the head of the internal audit department.
- Considering and approving the Charter of the internal audit department.
- Approving and evaluating the annual internal audit plan in order to be in line with the nature and the level of risks of the Company.
- Reviewing and considering the findings together with internal auditors.

### 5.4 Compliance with relevant laws and regulations

- Reviewing the Company's compliance with the laws on securities and exchange, the Stock Exchange of Thailand's regulations, as well as policies, rules, regulations, and other laws relating to the business of the Company.
- Considering connected transactions or transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the Stock Exchange of Thailand's regulations, and to certify that such transactions are reasonable and done for the highest benefit of the Company.

### 5.5 Other Duties

- The Audit Committee may seek independent opinions from professional advisors or specialists in other fields when needed under the Company's expense with the approval from the Board of Directors. The employment of advisors or specialists must comply with the Company's regulations.
- Preparing the Audit Committee's report signed by the Chairman of the Audit Committee. The report is to be disclosed in the Company's annual report in accordance with the requirement of the Stock Exchange of Thailand.





- Chairman or Members of the Audit Committee shall attend the shareholders' annual general meeting in order to clarify issues associated with the Audit Committee or appointment of the external auditors.
- Reviewing and improving the Charter of the Audit Committee and proposing to the Board of Directors for approval.
- Performing other duties as assigned by the Company's Board of Directors, with the approval of the Audit Committee.

## 6. Responsibilities

The Audit Committee must be directly responsible the duties as assigned by the Board of Directors, while the Board of Directors shall remain responsible to third parties for the operations of the Company.

## 7. Meetings

### 7.1 Number of Meetings

- 7.1.1 The Audit Committee shall hold at least 4 meetings per annum.
- 7.1.2 Special meetings may be arranged as deemed appropriate by the Chairman of the Audit Committee if requested by Members of the Audit Committee, internal auditors, external auditors, or the Chairman of the Company in case that there are agenda needed to discuss together.
- 7.1.3 In calling a meeting, the Chairman of the Audit Committee or an assigned person shall send a written meeting notice by indicating meeting date, time, venue, and agenda to all Members of the Audit Committee at least 7 days in advance of the date of the meeting, except in case of urgency, for the benefits of the Company, a meeting notice may be made otherwise, with an earlier date.
- 7.1.4 The Audit Committee shall convene a meeting with the external auditors, without the presence of the management, at least 1 time per year.

### 7.2 Attendees

- 7.2.1 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 form a quorum and the Chairman of the Audit Committee shall chair the meeting.
- 7.2.2 The Audit Committee may invite the executives of the Company or the external auditors to attend or to explain the issues involved.
- 7.2.3 The Audit Committee may invite an expert or an external lawyer to attend the meeting as deemed necessary and appropriate.

### 7.3 Voting

7.3.1 A decision of a meeting shall be by a majority votes. In casting votes, each member shall have one vote. In case of an equality of votes, the Chairman of the meeting shall have an additional vote as a casting vote.

7.3.2 Members of the Audit Committee who have any interest in a particular matter shall not attend or vote on such matter.

### 7.4 Minutes of Meeting

The Secretary of the Audit Committee or an assigned person shall be responsible for preparing minutes of a meeting.

## 8. Reporting of Audit Committee

### 8.1 Reporting to the Company's Board of Directors

8.1.1 Reporting on its regular activities to the Board of Directors for their acknowledgement which include the information as follows;

- Minutes of the Audit Committee's meeting with comments on various issues clearly made by the Audit Committee.
- Summary of activities during the year.
- Comments on financial reports, internal control, and internal audit.
- Other reports that the Board of Directors is supposed to know.

8.1.2 Immediate reporting on finding of irregularity for possible remedial actions by the Board of Directors;

- List of transaction with conflict of interest.
- Suspect or inference to irregularity or abnormality or significant deficiency in internal control systems.
- Suspect of violation of laws relating to Securities and Exchange or regulations issued by the Stock Exchange of Thailand or laws relevant to the Company;

### 8.2 Reporting to the Authority

In case the Audit Committee has reported to the Board of Directors of any significant impact on financial position and operation result, and discussion was held with the Board of Directors and the Management on remedial actions but no action was taken in due course of agreed time frame without good reason, the Audit Committee or any of its members may report their finding to Office of Securities and Exchange Commission or the Stock Exchange of Thailand.

### 8.3 Reporting to Shareholders and Investors

8.3.1 Opinion on correctness, completeness and reliability of financial reporting.

- 8.3.2 Opinion on sufficiency of internal control system.
- 8.3.3 Opinion on compliance to laws relating to securities and exchange, regulations of The Stock Exchange of Thailand, or laws relevant to businesses of the Company.
- 8.3.4 Opinion on suitability of the auditor.
- 8.3.5 Opinion on transactions that may create conflict of interest.
- 8.3.6 Number of meetings of the Audit Committee, and number of attendance of each member.
- 8.3.7 Opinion or overall views derived from discharging assignments under this Charter.
- 8.3.8 Other subjects that shareholders and investors should be informed under the scope of duties and responsibilities assigned by the Board of Directors of the Company

The reporting format of the operating result of the Audit Committee shall be under the discretion of the Audit Committee.

## 9. Reporting of the Company to the Stock Exchange of Thailand

### 9.1 Appointment or removal of the Audit Committee

- 9.1.1 Resolution of the Board of Directors or the meeting of shareholders regarding the appointment or removal of the Audit Committee to the Stock Exchange of Thailand, as well as submit Form to Report Names of Members and Scope of Work of the Audit Committee (F 24-1) in accordance with the requirements of the Stock Exchange of Thailand.
- 9.1.2 In the case of the appointment, the Audit Committee shall submit Certificate and Biography of Member of the Audit Committee (F 24-2) to the Stock Exchange of Thailand within 3 working days from the date that the meeting of the Board of Directors or the meeting of Shareholders has a resolution to appoint Members of the Audit Committee.

### 9.2 Change in duties and scope of operation of the Audit Committee

The Audit Committee shall report a resolution of the meeting of the Board of Directors regarding change in duties and scope of operation of the Audit Committee to the Stock Exchange of Thailand according to the regulations of the Stock Exchange of Thailand within 3 business days from the date that the resolution of the Board of Directors regarding such change has been made.

## 10. Performance Assessment


The Audit Committee shall assess its performance annually and report problems or obstacles that cause the failure in operation (if any) to the Board of Directors of the Company at least once a year.



## 11. Remuneration

The Board of Directors shall consider and determine the remuneration of the Chairman of the Audit Committee and Members of the Audit Committee in order to propose to the Annual General Meeting of shareholders for approval.

Announced on December 29, 2020



( Mr. Sutthichai Sungkamanee )

Chairman

Nirvana Daii Public Company Limited