

## **CHARTER OF THE AUDIT COMMITTEE**

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**Neo Corporate Public Company Limited**

## Charter of the Audit Committee

### **1. Purpose**

The Audit Committee is established to assist and support the Board of Directors in overseeing and reviewing the Company's management, internal controls, financial reports, risk management, and compliance with applicable laws. This is to ensure that the Company's operations and disclosures of information are transparent, reliable, and in line with the Company's principles of corporate governance.

### **2. Composition**

The Audit Committee must consist of at least three independent directors, with at least one Audit Committee member possessing knowledge and experience in accounting or finance and having sufficient knowledge about factors affecting financial reports to be able to review the reliability of financial statements.

In this regard, the Audit Committee must select one member as the Chairman of the Audit Committee and appoint a secretary to the Audit Committee to assist in the operations of the Audit Committee on scheduling meetings, preparing meeting agendas, distributing meeting materials, and recording meeting minutes.

### **3. Qualifications of members of the Audit Committee**

The Audit Committee members must have the following qualifications and possess no prohibited characteristics, as follows:

(1) Each member of the Audit Committee must hold the position of director and independent director of the Company.

(2) Each member of the Audit Committee must meet all qualifications of director, independent director, and Audit Committee member pursuant to the criteria and conditions prescribed by the law governing public limited companies, the Securities and Exchange Commission, the Capital Market Supervisory Board, and the Stock Exchange of Thailand.

(3) Each member of the Audit Committee must not be a director who is authorized by the Board of Directors to make decisions in relation to the business operation of the Company, parent company, a subsidiary company, an associated company, a subsidiary company of the same level, a major shareholder, or a controlling person of the Company.

(4) Each member of the Audit Committee must not be a director of the parent company, a subsidiary company, or a subsidiary company of the same level which is a listed company.

(5) Each member of the Audit Committee must be able to provide independent opinions, have the knowledge, experience, and expertise that is appropriate for the tasks assigned, and be able to dedicate sufficient time to perform duties of the Audit Committee members.

(6) Each member of the Audit Committee must have sufficient knowledge and experience to perform duties of a member of the Audit Committee. At least one Audit Committee member must have knowledge and experience in accounting or finance and has sufficient knowledge about factors affecting financial reports to review the reliability of financial statements.

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

The Board of Directors is responsible for appointing the Company's independent directors as members of the Audit Committee. The term of office of the Audit Committee members coincides with their term of office as director of the Company. The member of the Audit Committee retiring by rotation may be reappointed as member of the Audit Committee. In addition to retirement by rotation, an Audit Committee member ceases to hold office upon:

- (a) cessation to be a director of the Company;
- (b) death;
- (c) resignation;
- (d) a resolution being passed at the Board of Directors' meeting to remove him/her from the position;
- (e) disqualification of a member of the Audit Committee pursuant to this charter or lack of a qualification of a member of the Audit Committee prescribed under the rules of the Securities and Exchange Commission, the Capital Market Supervisory Board, or the Stock Exchange of Thailand.

Any member of the Audit Committee who wishes to resign must submit his/her resignation letter to the Chairman of the Board of Directors. The resignation letter must be submitted along with the reasons for resignation one month in advance to allow the Nomination and Remuneration Committee and the Board of Directors to consider appointing another director having all required qualifications to replace the resigning one.

In the event that the Audit Committee member completes his/her term of office or is unable to serve until the end of his/her term, resulting in the Company having fewer than three Audit Committee members, the Board of Directors or the shareholders' meeting must appoint an independent director as a new Audit Committee member to ensure that the required number is met immediately or, at the latest, within three months from the date on which the number of the member falls below the required minimum. This is to ensure the continuity of the Audit Committee's duties. However, the Audit Committee member appointed to replace the former member who left the office for a reason other than retirement by rotation may remain office for the remaining term of the former member whom he/she is replacing.

#### **5. Authorities, roles and responsibilities**

(1) The Audit Committee must review to ensure that the Company prepares accurate financial reports and discloses sufficient information in accordance with the financial reporting standards. This may be achieved through coordination with external auditors and the executives who are responsible for preparing financial reports on a quarterly and annually basis. The Audit Committee may also recommend the auditors to examine or audit any transactions as it considers necessary and important.

(2) The Audit Committee must ensure that the Company has appropriate and effective internal control and internal audit systems. This must be done in collaboration with external auditors and internal auditors.

(3) The Audit Committee must consider the independency of the internal audit department and provide approval for the appointment, transfer, termination of the head of internal audit department or any other department responsible for internal audit, including external auditors of internal control system as engaged by the Company.

(4) The Audit Committee must review and approve the Company's annual internal audit plan and assess the audit results together with the internal auditors and the external auditors of the Company.

(5) The Audit Committee must examine, review, and approve the charter of the internal audit office and conduct a periodic review of its appropriateness, at least once a year. It must also review and define a scope of internal audit in collaboration with external auditors of internal control system as engaged by the Company (if applicable).

(6) The Audit Committee must review to ensure the Company's compliance with the law on securities and exchange commission, regulations and notifications of the Stock Exchange of Thailand, as well as relevant laws that are applicable to the Company and/or its business.

(7) The Audit Committee must consider, select, and nominate an independent person to act as auditor of the Company and suggest such person's remuneration.

(8) The Audit Committee must consider connected transactions or transactions that may cause a conflict of interest to ensure that they are in compliance with the law on securities and exchange commission, regulations and notifications of the Stock Exchange of Thailand, as well as relevant laws that are applicable to the Company and/or its business. This is to ensure that such transactions are reasonable and for the best interest of the Company.

(9) The Audit Committee must prepare reports of the Audit Committee for presentation to the Board of Directors. The reports must be disclosed in the Company's annual reports, which will become effective after the Company's shares are listed on the stock exchange. Such reports must be signed by the Chairman of the Audit Committee and must include at least the 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, risk management system, and anti-corruption prevention;
- (c) opinion regarding the compliance with the law on securities and exchange commission, regulations and notifications of the Stock Exchange of Thailand, and other relevant laws that are applicable to the Company and/or its business;
- (d) opinion on the suitability of the Company's auditor(s);
- (e) opinion on the transactions which may cause a conflict of interest;
- (f) number of the Audit Committee's meetings and attendance of such meetings by each member of the Audit Committee;
- (g) overall opinions or observations that the Audit Committee has received from performing its duties in accordance with the charter;
- (h) any other matters that the shareholders of the Company and general investors should be informed of within the scope of the power, authorities, duties, and responsibilities assigned by the Board of Directors.

(10) The Audit Committee must review relevant persons within the authority and responsibilities of the Audit Committee and have the authority to engage experts/specialists to assist in audit tasks.

(11) The Audit Committee must report the results of the Audit Committee's performance of duties to the Board of Directors at least on a quarterly basis.

(12) The Audit Committee may engage independent advisors or persons to provide advice or recommendations as necessary.

(13) If any of the following transactions or actions, which may have a significant impact on the financial condition and the operating results of the Company, is found or suspected, the Audit Committee must report to the Board of Directors for rectification within a timeframe considered appropriate by the Audit Committee.

- (a) transaction that causes a conflict of interest;
- (b) fraud or significant irregularity or material deficiency in the internal control system;
- (c) violation of the law on securities and exchange, regulations and notifications of the Stock Exchange of Thailand, or other relevant laws applicable to the Company and/or its business.

If the Board of Directors or the executives do not take any action to make necessary rectifications within the timeframe specified above, any member of the Audit Committee may report such transaction or action to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

(14) The Audit Committee must consider the independency of the internal audit department and provide opinions to the management regarding the appointment, termination, performance, budget, and number of employees within the internal audit department.

(15) The Audit Committee must review, check, and provide opinions on policies related to corporate governance, social responsibility, and anti-corruption. The Audit Committee must review and provide feedbacks on the assessment results of the Company's corporate governance, social responsibility, and anti-corruption efforts.

(16) The Audit Committee must consider, evaluate, and review the nature of risks that the Company is currently facing or anticipating and have an impact on the Company (Identification of Risk), and the Audit Committee must define the Company's acceptable level of risk (Risk Appetite) and review and provide opinions on the policy on risk management with respect to both external and internal risks to ensure it is comprehensive and in line with the Company's business strategies and direction. It must cover at least four categories of risk set out below:

- (a) Financial Risk;
- (b) Operational Risk;
- (c) Strategic Risk;
- (d) Compliance Risk.

(17) The Audit Committee must examine, review, and provide opinions on the Company's business operations to ensure their alignment with the Company's risk management policy. This includes the ability to assess, check, monitor, and control the overall risk of the Company at an appropriate level.

(18) The Audit Committee must oversee, support, and promote collaboration in the Company's risk management, including continuously reviewing the adequacy of the risk management policy and system to ensure efficient risk management of the Company.

(19) The Audit Committee must report to the Board of Directors on significant risk transactions, risk status assessment, risk management, potential impact on the Company's operations, as well as preventive measures and necessary actions for improvement. In case of significant issues with material impact on the Company, the Audit Committee must report promptly to the Board of Directors.

(20) The Audit Committee has the power and authority to establish a committee to perform risk management duties and report to the Audit Committee.

(21) The Audit Committee must provide channels for receiving reports and complaints regarding inappropriate financial reports in financial statements or other issues, ensuring that the whistleblowers can be confident in an independent audit process and appropriate follow-up actions.

(22) The Audit Committee must perform any other duties as assigned by the Board of Directors with the approval of the Audit Committee.

## **6. Meetings**

(1) The Audit Committee must hold meetings at least once every three months corresponding to the period for preparation of the Company's financial reports. The Chairman of the Audit Committee may call for a special meeting upon request by a member of the Audit Committee, internal auditor, auditor, or the Chairman of the Board of Directors to discuss and consider any necessary matters.

(2) The Audit Committee must arrange a separate meeting with the Company's auditors, without the presence of the management, at least once a year. It may be held as a special meeting in addition to the regular meetings or may be included as an agenda in one of the regular meetings of the Audit Committee where other matters are also discussed.

(3) To convene a meeting of the Audit Committee, the Chairman of the Audit Committee or an authorized person must send a meeting invitation notice to all members of the Audit Committee, along with the agenda and supporting documents, at least seven days prior to the meeting date. This is to allow the Audit Committee members sufficient time to study the information. In a case of urgency, to protect the rights and interests of the Company, the meeting invitation notice may be given by other means or an earlier meeting date may be scheduled, as necessary.

(4) Meetings of the Audit Committee may also be conducted electronically, subject to compliance with the law on electronic meetings and other applicable laws. Such electronic meetings of the Audit Committee must be considered equivalent to physical meetings of Audit Committee as prescribed by law and this charter whereby the Company's head office must be considered the venue of the meeting.

(5) The Audit Committee may invite directors or executives of the Company, internal auditors, or auditors to attend meetings on certain relevant matters, such as assessment of the adequacy of internal control systems, audit plans, etc., in order to provide the Audit Committee with sufficient information for consideration and opinions on those matters.

(6) Minutes of meetings must be prepared for each meeting of the Audit Committee. The secretary to the Audit Committee must be responsible for recording the meeting minutes and presenting the meeting minutes to the Audit Committee for consideration and presenting it to the Board of Directors prior to the next meeting.

(7) The secretary to the Audit Committee must check and monitor the progress of various operations/activities based on the minutes of the Audit Committee's meeting, including issues and obstacles of the operations based on, or implementation of, the opinions or observations of the Audit Committee and report them to the Audit Committee for acknowledgment at the next meeting.

## **7. Quorum and voting**

(1) At the Audit Committee's meetings, at least half of the total number of the Audit Committee members must be present to constitute a quorum. In case the Chairman of the Audit Committee is not present at the meeting or is unable to perform duties, the members of the Audit Committee being present at the meeting must select one member to preside as chairman of the meeting.

(2) The meeting must make decisions by resolution passed with a majority vote.

(3) In a voting process, each member of the Audit Committee has the right to cast one vote, except for the member(s) having a conflict of interest in a particular matter who cannot participate in the consideration and vote on that matter. In the event of a tie in the voting, the chairman of the meeting must cast an additional casting vote.

(4) The Chairman of the Audit Committee, or the designated Audit Committee member, or the secretary to the Audit Committee must be responsible for reporting the outcomes of the meeting to the next Board of Directors' meeting.

## **8. Evaluation**

The Audit Committee must conduct evaluations of its own performance, both individually and collectively, and review the performance of the Audit Committee in the past year, and report the performance evaluation to the Board of Directors at least once a year.

## **9. Remuneration**

The Nomination and Remuneration Committee is responsible for considering and determining the remuneration of the Audit Committee and proposing it to the Board of Directors for approval for further proposing it to the shareholders' meeting for approval (if applicable).

## **10. Review and modification of the charter**

The Audit Committee shall review this Charter of the Audit Committee at least once a year to ensure that it corresponds to current circumstances and must propose any necessary amendments or modifications to the Board of Directors for consideration and approval.

This Charter of the Audit Committee is effective from 25 August 2023 onwards.

(Mr. Virapan Pulges)

Chairman of the Board of Directors  
Neo Corporate Public Company Limited