

# **Audit Committee Charter**

**บริษัท เอ็น.ดี.รับเบอร์ จำกัด (มหาชน)**

**N.D. Rubber Public Company Limited**

## **Audit Committee Charter**

### **Objective**

1. The Audit Committee has role to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system for internal control and risk management, internal audit and accounting audit process and the Company's process for monitoring compliance with laws and regulations.
2. The Audit Committee has role to keep good relationship with the Board of Directors, Management, Internal Auditor, and Auditor including related persons for effective operations. Audit Committee members shall clearly understand the responsibilities to the Board of Directors, business organization, operational process, and related risks.
3. The Audit Committee plays a major role in supporting corporate governance of the Company.

### **Composition of the Audit Committee**

1. The Audit Committee, Chairman and members, shall be appointed by the Board of Directors and consist of at least non-executive independent directors whose qualifications meet the Stock Exchange of Thailand ("SET")'s requirements.
2. Head of Internal Audit will be the secretary to the Audit Committee.

### **Qualifications of the Audit Committee**

1. Having been appointed by the Board of Directors or Shareholders' Meeting to act as Audit Committee Member.
2. Qualified for an independent director.
3. Not currently the director authorized by the Board to make administrative decisions of the Company, parent company, subsidiary, same-level subsidiary, major shareholders, or controlling persons.
4. Not currently the director of the parent company, subsidiary, or same-level subsidiary of listed companies only.
5. Having sufficient knowledge and experience to perform the duty of an Audit Committee. There must be at least one Audit Committee Member, who is sufficiently knowledgeable and experienced to review the reliability of financial statements.

**Term of Office**

1. Audit Committee Member has a term of office of 3 years each from the date of appointment. At the end of the term, the director may be nominated for reappointment.

**Removal of Audit Committee Member**

1. Other than retirement from office by rotation, Audit Committee Member vacates office upon death; resignation; lacking qualification or possessing of prohibited characteristics according to the Public Limited Companies Act and/or the securities and exchange laws; removal by a resolution of a shareholders' meeting; removal by a court order, an insane person or bankruptcy.
2. Any Audit Committee Member wishing to resign from office shall submit his/her resignation letter to the Board of Directors at least 3 months in advance. However, such resignation may take effect earlier than 3 months if the Board of Directors has considered appointing a person who has full qualifications to replace the person who has resigned. A director who resigns may also notify the registrar of the resignation for the registrar's information.
3. In the event that the Audit Committee is vacant for any reason other than the expiration of the term, the Board of Directors shall appoint qualified persons to be Audit Committee Member in order for the Audit Committee to reach the required number of as specified by the Board of Directors. The person who replaces the Audit Committee Member will remain in office for the remaining term of the Audit Committee Member whom he/she replaces.

**Role and Responsibilities of the Audit Committee**

The Audit Committee subject to scope of duties and responsibilities as follows:

1. Hold the Audit Committee Meeting for at least 3 months at a time.
2. Review the Company's financial reporting process to ensure that it is accurate and adequate.
3. Review the Company's internal control system and internal audit system to ensure that they are appropriate and efficient.
4. Determine an internal audit unit's independence, to express opinions regarding the operation plan and operation results, budgeting and manpower of the Internal Audit Department as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit.

5. Ensure that the Company has duly complied with the laws on securities and exchange, the SET's regulations, and the laws relating to the Company's business.
6. Review and discuss with the Management about the significant risks including the measures the Management has taken to monitor and control such risks.
7. Consider, select and nominate an independence person to be the Company's auditor as well as to attend the meeting with the auditor without the Management at least once a year.
8. Review the related transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the SET's regulations, and are reasonable for the highest benefit of the Company.
9. Prepare and disclose the Audit Committee's report in the Form 56-1 One Report (Annual Report) which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
  - a) an opinion on the accuracy, completeness and creditability of the Company's financial report;
  - b) an opinion on the adequacy of the Company's internal control system;
  - c) an opinion on the compliance with the law and securities and exchange, the SET's regulations, and the laws relating to the Company's business;
  - d) an opinion on the suitability of an auditor;
  - e) an opinion on the transactions that may lead to conflicts of interests;
  - f) the number of meetings of the Audit Committee and the attendance of each Audit Committee Member;
  - g) overall opinions or observations received by the Audit Committee from its performance of duties in accordance with the charter; and
  - h) other transactions which shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.
10. Report to the Board of Directors if found or suspected that there are any transactions or actions that affect the Company's business operations.
11. Obtain appropriate consultations from the independent specialist relating to its scope of duties and responsibilities with the Company expenses.
12. Assess the performance of the Board of Directors, Sub-Committee and Managing Director at least once a year for further development.
13. Perform any other tasks as assigned by the Board of Directors upon the Audit Committee's consent.

### **The Audit Committee Meeting**

1. The Company organizes the Audit Committee' Meeting at least once every 3 months. Additional meetings may be called if necessary. More than half of the directors must be in attendance to maintain a quorum.
2. There shall be at least one Audit Committee Meeting each year in which executives do not join the meeting.
3. Agenda and supporting documents must be prepared and submitted prior meeting date and the secretary of the Audit Committee shall record the minutes of the meeting.

### **Voting**

The resolution of the meeting shall be passed by a majority vote of the Audit Committee Member attending the meeting by having one member have one vote. Audit Committee Members who have interests will not exercise the right to vote on that matter. If the votes are equal, the Chairman will have an additional vote as a casting vote

### **Reporting of the Audit Committee**

#### Report to the Board of Directors:

1. Audit Committee reports activities and performance from its meeting and clearly states opinion on various matters.
2. Should the Audit Committee detect a questionable transaction or action with potentially significant impact on the financial status and the performance of the Company, it shall be reported to the Board of Directors so that the matter may be rectified within the timeframe deemed by the Audit Committee as appropriate. This includes:
  - (a) Transaction which conflict of interests;
  - (b) Misconduct or abnormality or significant deficiency in the internal control systems;
  - (c) Violation of the laws on securities and exchange, SET's regulations or other laws pertaining to the business of the Company.

Should the Board of Directors or the management fail to rectify the matter within a reasonable period of time, an Audit Committee Member may report it to the Office of Securities and Exchange Commission ("SEC") or SET.

Report to the Shareholders:

The Audit Committee shall report its activities under their scope of work assigned by the Board of Directors.

This report shall be signed by Chairman of Audit Committee and published in the Form 56-1 One Report.

**Performance Assessment**

The Audit Committee shall conduct self-assessment on its performance as a whole committee and report to the Board of Directors on annually basis.

**Remuneration**

The Audit Committee Members receives remuneration allocated by the Board of Directors and propose to the shareholders' meeting for approval. The payment structure and components must be appropriate for each directors' duties and responsibilities, can be comparable to other firms in the same industry, and enticing enough to recruit and retain skilled directors.

Audit Committee Charter, is considered and approved by the Board of Directors Meeting No. 4/2022 on 10 November 2022.

A handwritten signature in blue ink, appearing to be 'P. Swadwan', written over a horizontal line.

**(Mr. Pongsak Swadwan)**

**Chairman of the Board of Director  
N.D. Rubber Public Company Limited**