

## **Audit Committee Charter**

### **1. Objectives**

Royal Plus Public Company Limited adheres to the principles of good corporate governance as part of its business ideology. The Company cares deeply for its stakeholders and places strong emphasis on social responsibility. To achieve this, the Board of Directors has therefore established the Audit Committee and formulated the Audit Committee Charter to define their independent roles and responsibilities. This is aimed at helping the Board of Directors in governance, an integral aspect of good corporate governance. The Committee is tasked with scrutinizing the accuracy and reliability of financial reports, evaluating internal controls in business processes, and ensuring compliance with laws, regulations, and company requirements. The goal is to ensure that the administration is sufficiently efficient, effective, and transparent so that the specified objectives can be achieved.

### **2. Definitions**

- 2.1 **Audit Committee** refers to the Audit Committee of Royal Plus Public Company Limited.
- 2.2 **Audit Director** refers to the audit directors of the Audit Committee of Royal Plus Public Company Limited.
- 2.3 **Review** refers to the review or revision of various operations, procedures, conditions, events, or actions.
- 2.4 **Close relative** refers to a person who is related by blood or by legal registration, such as father, mother, spouse, sibling, child, including the child's spouse.

In cases where the definition of a specific term is not provided in this Charter, such definition shall align with the meaning specified in the announcement or regulation related to the matter.

### **3. Composition, Nomination, and Qualifications**

#### 3.1 Composition and Nomination

- 3.1.1 The Board of Directors is responsible for evaluating and nominating individuals for membership in the Audit Committee. The Board will choose candidates from directors who play no part in the management, as specified in Clause 3.2 Qualifications of members of the Audit Committee, or those who meet the criteria, conditions, and regulations of the Stock Exchange of Thailand currently in effect.
- 3.1.2 The Audit Committee consists of directors who are independent directors no fewer than three persons comprising

- 3.1.2.1 At least one audit director with a profound understanding and experience in accounting or finance, capable of reviewing the accuracy and credibility of financial reports;
  - 3.1.2.2 A person with a comprehensive understanding of the Company's business operations process.
  - 3.1.3 The Audit Committee selects one audit director to serve as the Chairman of the Audit Committee.
  - 3.1.4 Audit directors whose terms have expired may be reappointed by the Board of Directors .
  - 3.1.5 The head of the Internal Audit Department serves as the Secretary of the Audit Committee to assist and support the operations of the Audit Committee regarding meeting appointments, recording meeting minutes, and other tasks, as assigned by the Audit Committee .
- 3.2 Qualifications of the Members of the Executive Committee
- 3.2.1 The Audit Committee must hold no more than 1% of the total number of shares with voting rights of the Company. Shareholdings of related persons of that independent director must also be counted.
  - 3.2.2 Committee members shall not be directors appointed by the Board of Directors to establish policies, procedures, or hold administrative decision-making authority, or be employees or consultants receiving regular compensation from the Company, major shareholders, persons of authority of the Company or juristic person with a conflict, either during their tenure or within a two-year period preceding their appointment.
  - 3.2.3 Committee members shall not be persons related by blood or legal registration in the manner of father, mother, spouse, sibling, and child, including the spouse of the child of other directors, executives, major shareholders, persons of authority, or persons who will be nominated to be executive directors or persons of authority of the Company,
  - 3.2.4 Committee members shall not have, nor have ever had, business relationships with the Company, major shareholders, or persons of authority of the Company that could compromise their independent judgment. This includes not being, or having been, a significant shareholder or person of authority of an entity with a business relationship with the Company, major shareholders, or persons of authority of the Company, unless released from such associations for a minimum of two years. The term 'business relationship' in the first paragraph encompasses typical commercial transactions conducted for business operations, real estate renting or leasing, transactions involving assets or services, and the provision or receipt of financial assistance through lending or guaranteeing the granting of assets, acting as collateral for debts, among other similar circumstances which result in the Company or the counterparty having a debt obligation exceeding 3% of the net tangible assets of the Company or 20 million baht or more, whichever is lower. The calculation of such debt burden shall adhere to the method for determining the value of connected

transactions as per the announcement of the Capital Market Supervisory Board regarding the criteria for engaging in connected transactions, mutatis mutandis. However, in assessing such debt burden, debts incurred within one year preceding the date of establishing a business relationship with the same entity shall be included.

- 3.2.5 Committee members shall not be, or have previously been, the Company's auditors, major shareholders, or persons of authority of the Company. Additionally, they should not be significant shareholders, persons of authority, or partners of the audit firm to which the Company's auditors, major shareholders, or persons of authority belong, unless released from such associations for a minimum of two years.
- 3.2.6 Committee members shall not be, nor have ever been, professional service providers, including those serving as legal or financial advisors who receive service fees exceeding two million baht per year from the Company, major shareholders, or persons of authority of the company. Additionally, they should not be persons holding significant shares, controlling positions, or partnerships with that professional service provider, unless released from such associations for a minimum of two years.
- 3.2.7 Committee members shall not be directors nominated as representatives of the Company, major shareholders, or shareholders related to major shareholders.
- 3.2.8 Committee members shall not participate in a business that shares the same nature and is in significant competition with the Company or its affiliates, or be significant partners in a partnership, directors actively involved in management, or employees, personnel, or consultants who receive a regular salary or hold shares exceeding 1% of the total number of shares with voting rights in other companies that operate businesses of a similar nature and are in significant competition with the Company's operations or affiliated companies.
- 3.2.9 Committee members should not possess any other qualities that would hinder their ability to provide independent opinions on the operations of the Company.

#### **4. Term of Office and Retirement**

##### **4.1 Term of Office**

- 4.1.1 The Audit Committee members serve a term of three years, with their tenure concluding on the date of the annual general meeting of shareholders. Upon the expiration of their term, they may be considered for reappointment to the position.
- 4.1.2 When a circumstance arises leading an Audit Committee member to retire from their position, resulting in an incomplete number of Audit Committee members, the Board of Directors shall appoint a new replacement Audit Committee member to restore the full complement within three months from the date the number of committee members becomes incomplete.



**ROYAL PLUS**

## Royal Plus Public Company Limited

Taxpayer Identification Number 0107564000235

Head Office : No. 84/3-7 Ramall Soi 69, Samae Dam Sub-district, Bang Khun Thian District, Bangkok 10150 Thailand Tel : (+66) 2416-9209 Fax : (+66) 2416-9209  
Manufacturing : No. 129 Moo 6, Phraek Nham Dang, Amphawa, Samut Songkhram 75110 Thailand Tel : (+66) 3471-0910 Fax : (+66) 3471-0914

### 4.2 Retirement

4.2.1 A member of the Audit Committee shall be retired from office immediately upon:

- The expiration of term;
- The Board of Directors' resolution to be relieved of the position;
- Death;
- Resignation;
- Lack of qualifications as the Audit Committee members;
- A prison sentence in accordance with a final judgment or a lawful order for imprisonment;
- Becoming an incompetent or quasi-incompetent person;
- Becoming an insolvent person.

4.2.2 If a member of the Audit Committee intends to resign before the completion of their term, they are required to submit a written resignation to the Board of Directors at least one month in advance, specifying the date of resignation. In cases where the date is not specified, the Company shall consider from the date on which the letter is received, allowing the Board of Directors to consider the appointment of a replacement Audit Committee member.

## 5. Duties and Responsibilities

5.1 Reviewing to ensure the Company possesses accurate financial statements (both quarterly and annually) and disclosing adequate information related to the Company before presenting it to the Board of Directors;

5.2 Reviewing to ensure that the Company has appropriate, sufficient, and effective internal control and internal audit systems, as well as evaluating the independence of the internal audit unit. This includes providing approval for the appointment, transfer, or termination of the head of the internal audit unit or any units responsible for internal audit;

5.3 Reviewing to ensure the Company's compliance with securities and exchange laws and regulations of the Stock Exchange of Thailand or laws related to the Company's business;

5.4 Considering the selection and appointment of an independent person to serve as the Company's auditor; determining compensation, coordinating with the auditor regarding audit objectives, scope, guidelines, plans, and issues identified during the audit, including matters deemed significant by the auditor; and participating in a meeting with the auditor without management present at least one time per year;

5.5 Considering connected transactions or transactions that may involve conflicts of interest to ensure their accuracy and completeness in accordance with the laws and regulations of the Stock Exchange of Thailand, as well as ensuring the proper and complete disclosure of information when entering into transactions, and guaranteeing that the transaction is reasonable and maximally beneficial to the Company;

5.6 Reviewing the accuracy of reference documents and self-assessment forms regarding anti-corruption measures of businesses according to the Thai Private Sector Collective Action Against Corruption.



5.7 Preparing a report on the corporate governance results of the Audit Committee for inclusion in the Company's annual report, which is to be signed by the Chairman of the Audit Committee and include the following information:

- Opinions regarding the accuracy, completeness, and reliability of the Company's financial reports;
- Opinions regarding the adequacy of the Company's internal control system;
- Opinions regarding the Company's risk management system;
- Opinions regarding the Company's compliance with securities and exchange laws and regulations of the Stock Exchange of Thailand or laws related to the Company's business;
- Opinions regarding the conflict of interest report;
- Number of Audit Committee meetings and attendance of each Audit Committee member;
- Overall approval or observation received by the Audit Committee from performing its duties according to the Charter;
- Other matters that shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors;

5.8 Performing other duties as assigned by the Board of Directors with the approval from the Audit Committee;

5.9 Reviewing to ensure that the internal audit unit complies with the audit plan approved by the Audit Committee and reviewing the scope of work of the internal audit unit to ensure the alignment with the responsibilities assigned by the Audit Committee;

5.10 Considering and approving the Audit Committee Charter before presenting it for approval to the Board of Directors, as well as arranging for a review of its appropriateness at least one time per year.

## **6. Meeting**

### **6.1 Number of Meetings**

The Audit Committee is required to convene a minimum of four times per year to review quarterly and annual financial statements and address other matters. Additional meetings will be scheduled at the discretion of the Audit Committee Chairman as deemed appropriate.

### **6.2 Meeting Attendees**

6.2.1 During an Audit Committee meeting, a quorum must be established with the presence of no fewer than half of the total number of members. The Chairman of the Audit Committee shall serve as the Chairman of such meeting.

6.2.2 In the event that the Chairman of the Audit Committee is not present at the meeting or is unable to perform their duties, the Audit Committee members present at the meeting shall elect one audit director to chair the meeting.

6.2.3 The Audit Committee may invite outside experts or lawyers to attend meetings as necessary and appropriate.



**ROYAL PLUS**

## **Royal Plus Public Company Limited**

Taxpayer Identification Number 0107564000235

Head Office : No. 84/3-7 Ramall Soi 69, Samae Dam Sub-district, Bang Khun Thian District, Bangkok 10150 Thailand Tel : (+66) 2416-9209 Fax : (+66) 2416-9209  
Manufacturing : No. 129 Moo 6, Phraek Nham Dang, Amphawa, Samut Songkhram 75110 Thailand Tel : (+66) 3471-0910 Fax : (+66) 3471-0914

6.2.4 The Secretary of the Audit Committee shall attend every meeting. In the event of necessity in which the Secretary is unable to attend the meeting, the Audit Committee may assign a person to attend the meeting and act on his behalf.

### 6.3 Voting

6.3.1 The majority vote of members of the Audit Committee attending the meeting will decide the resolution of the meeting. One director has one vote. If the votes are equal, the chairman of the meeting will cast one additional vote as the deciding vote.

6.3.2 The Audit committee members who have an interest in the matter being considered must abstain from voting on that matter.

### 6.4 Meeting Minutes

6.4.1 The Secretary of the Audit Committee or the person assigned shall record the meeting minutes.

6.4.2 Meeting minutes shall be presented to the Board of Directors in a timely manner for corrective actions in the event that there are reports or actions that may have a significant impact on the financial status and operating results or cause conflicts of interest or corruption or abnormalities, significant defects to the internal control system, or violation of laws, regulations, and company requirements.

## 7. **Performance Evaluation**

The Audit Committee shall evaluate work performance through self-assessment and report the results of the evaluation along with problems and obstacles in operation that may cause the operation to not achieve its objectives to the Board of Directors every year.

## 8. **Remuneration**

The remuneration of the Audit Committee shall be decided with consideration to the appropriateness and responsibilities based on their experience, duties, circumstances, economic landscapes, in tandem and comparable with other companies in the same industry. These remunerations shall be approved at the general shareholders' meeting on a yearly basis.

This charter is an effective from April 27, 2023, onward