

*(Translation)*

## **Notification of Bangkok Commercial Asset Management Plc.**

### **Re: The Audit Committee Charter**

---

Pursuant to the resolution of the Board of Directors' Meeting No. 1/2020 on January 10, 2020 approving an amendment to the Notification of Bangkok Commercial Asset Management Plc. Re: The Audit Committee Charter to provide clarity of the Audit Committee's role and align with the Securities and Exchange Act, it is accordingly resolved that the Notification of Bangkok Commercial Asset Management Plc. Re: The Audit Committee Charter, coming into force on June 2, 2017, be repealed and then replaced by this Audit Committee Charter, the details of which are as follows:

#### **1. Principle and Rationale**

The Board of Directors appointed the Audit Committee to perform duties as prescribed by the relevant laws and under the principles of good corporate governance and social responsibility with a view to guiding the Company towards sustainable success.

The Audit Committee then established the Audit Committee Charter to set forth the scope of duties, responsibilities and best practice guidelines as operational standards for the Audit Committee to perform its duties in accordance with the Company's objectives.

#### **2. Objectives**

The Audit Committee shall undertake duties and responsibilities as follows:

2.1 Assist the Board of Directors in the monitoring task by reviewing accuracy and reliability of financial reporting and internal control, internal audit and risk management systems.

2.2 Support and promote the Company's internal operation in an efficient, transparent, reliable and examinable manner.

2.3 Monitor and ensure compliance with the laws, rules, regulations, charters, operational procedures and requirements of the authorities in relation to the Company's operation.

### 3. Definitions

“The Company”	means Bangkok Commercial Asset Management Plc.
“Directors”	mean the Company’ s directors appointed to supervise the Company’ s operation under the missions defined by the shareholders.
“Board of Directors”	means the Board of Directors of Bangkok Commercial Asset Management Plc.
“Audit Committee”	means the directors appointed to serve as members of the Audit Committee of the Company.
“Internal audit unit”	means a work unit of the Company having duties and responsibilities for internal audit.
“Executive,” “major shareholder,” “related person,” “parent company,” “subsidiary,” “associate company,” “same-level subsidiary,” and “controlling person”	have the same meanings as those defined in the Notification of the Securities and Exchange Commission Re: Determination of Definitions in Notifications Relating to Issuance and Offer for Sale of Securities, or other relevant regulations.
“SET”	means the Stock Exchange of Thailand.

#### **4. Composition and Qualifications of the Audit Committee**

4.1 The Audit Committee shall be composed of one chairman and at least two but not more than four members, all of whom must be independent directors.

4.2 At least one of the Audit Committee members must have adequate knowledge and experience in accounting or finance or in other fields to review reliability of financial statements.

4.3 The Chairman and all members of the Audit Committee must possess the following qualifications:

- (1) Being appointed by the Board of Directors or the shareholders' meeting of the Company.
- (2) Being an independent director.
- (3) Not being a director assigned by the Board of Directors to make decisions on business operation of the Company, parent company, subsidiary, associate company, same-level subsidiary, major shareholder or controlling person of the Company.
- (4) Not being a director of the parent company, subsidiary or same-level subsidiary, only where the foregoing is a listed company.
- (5) Having sufficient knowledge and experience to perform duty as an Audit Committee member.
- (6) Being able to dedicate time to perform duties and express opinions or report results of performance of the assigned tasks on a fair and independent basis.
- (7) Not being a director assigned by the Board of Directors to formulate policies or regulations or have decision power on management; or not being an employee, staff member or advisor receiving a regular salary or compensation from the Company, related person or related company or major shareholder of the Company while serving as the Chairman or member of the Audit Committee or within two years prior to the date of being appointed as the Chairman or member of the Audit Committee.
- (8) Not having a conflict of interest with the Company while serving as the Chairman or member of the Audit Committee or within two years prior to the date of being appointed as the Chairman or member of the Audit Committee.

- (9) Not being the parent, descendant or spouse of the director, top executive, executive, head of the internal audit unit, internal auditor of the Company or internal auditor of the business of which the Company participates in making decisions on policy and operation.

4.4 Head of the internal audit unit shall act as the ex officio secretary to the Audit Committee.

## **5. Appointment and Term of Office**

5.1 The Board of Directors is responsible for appointment of members of the Board, except the Board Chairman, to serve on the Audit Committee.

5.2 Either the Board of Directors shall appoint Chairman of the Audit Committee or all of those appointed as members of the Audit Committee shall select one of them as Chairman of the Audit Committee. The Board of Directors shall inform any appointment or change in the appointment of the Audit Committee to the concerned unit within the specified period of time.

5.3 The Audit Committee members shall have the term of office and service equal to the term of their respective directorship.

5.4 The Audit Committee members shall vacate office upon

- (1) expiration of the term of office;
- (2) dispossession of qualifications of the Audit Committee;
- (3) death;
- (4) resignation;
- (5) removal by the Board of Directors;
- (6) being imprisoned by the court's final judgment or a lawful order, except for an offence committed by negligence or a petty offence;
- (7) becoming an incompetent or a quasi-incompetent person; or
- (8) becoming bankrupt.

5.5 In the case where any Audit Committee member wishes to early resign before expiration of his term of office, he should give a notice thereof together with reason therefor to the Board of Directors at least one month in advance so that the Board of Directors can consider appointing another director who is fully qualified to replace the resigning member. The substitute member shall hold office only for the remaining term of office of the member whom he replaces.

5/5.6 When any of...

5.6 When any of the Audit Committee members completes his term of office or there is any circumstance causing any Audit Committee member to be unable to hold office until expiration of his term of office and, thus, leading to a shortfall in the number of the Audit Committee members from the prescribed number, the Board of Directors shall appoint new Audit Committee member/s to fill the vacancy/ies immediately or no later than three months from the date of vacancy in the Audit Committee to ensure continuity of the performance of duties of the Audit Committee.

## **6. Duties and Responsibilities**

The Audit Committee shall have the following power and duties:

6.1 Review the quarterly and yearly financial reports to make certain that they are correctly and completely prepared in accordance with generally accepted accounting principles.

6.2 Review and ensure that the Company has appropriate and effective internal control system, corporate governance process, risk management process and internal audit system, ensure independence of the internal audit unit, and approve appointment, rotation, dismissal and performance evaluation of head of the internal audit unit and/or hiring of an audit firm or any other agency in charge of internal audit.

6.3 Review and ensure that the Company complies with the laws governing securities and exchange, the regulations of the Stock Exchange of Thailand, and other laws, rules and regulations applicable to the Company.

6.4 Review and ensure that the Company complies adequately and appropriately with the anti-corruption policy and measures.

6.5 Consider, select and nominate an independent person to act as the Company's auditor, and propose remuneration for such auditor, as well as attend a non-management meeting with the auditor at least once a year.

6.6 Consider and ensure that a connected transaction or transaction that may create a conflict of interest conforms to the laws and the regulations of the Stock Exchange of Thailand, and that it is a reasonable transaction done in the best interest of the Company.

6.7 Prepare, and disclose in the Company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and contain at least the following information:

- (1) opinion on accuracy, completeness and reliability of the Company's financial reports;
- (2) opinion on adequacy of the Company's internal control system;
- (3) opinion on compliance with the laws governing securities and exchange, the regulations of the Stock Exchange of Thailand or the laws relating to the Company's business;
- (4) opinion on suitability of the auditor;
- (5) opinion on a transaction that may create a conflict of interest;
- (6) number the Audit Committee's meetings and meeting attendance by each committee member;
- (7) overall opinion or observation obtained by the Audit Committee from performing duties in accordance with the Audit Committee Charter; and
- (8) other matters that the shareholders and general investors should know within the purview of duties and responsibilities assigned by the Board of Directors.

6.8 In performing its duties, if the Audit Committee witnesses or suspects any of the following transactions or actions which may materially affect the Company's financial position and performance, the Audit Committee shall report this to the Board of Directors for rectification within a period of time the Audit Committee deems fit:

- (1) a transaction which creates a conflict of interest;
- (2) a fraud or irregularity or crucial defect in the internal control system; or
- (3) a breach of the laws governing securities and exchange, the regulations of the Stock Exchange of Thailand or the laws relating to the Company's business.

Failure by the Board of Directors to complete the rectification within the said time period may result in any of the Audit Committee members reporting such transaction or act to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

6.9 Approve the charter of the internal audit unit and the yearly audit plan and budget of the internal audit unit.

6.10 Establish the Auditor Committee Charter in accordance with the scope of responsibilities of the Company, which must be approved by the Board of Directors and reviewed at least once a year.

6.11 Perform any other duties as prescribed by the laws, rules and/or regulations applicable to the Company or as assigned by the Board of Directors, which are within the scope of duties and responsibilities of the Audit Committee.

6.12 In performing duties under the Charter, the Audit Committee is directly responsible to the Board of Directors, while the responsibility for all activities of the Company towards outside parties is still vested in the Board of Directors.

## **7. Meeting**

7.1 The Audit Committee shall meet at least once every quarter and, where necessary, may invite the top management, executives or other persons to participate in the meeting. The Audit Committee must hold a meeting with the auditor, without presence of the top management, executives or other persons, at least once a year.

7.2 A quorum shall be composed of at least two-thirds of the total number of the Audit Committee members. In the event that the Chairman of the Audit Committee is not present at the meeting or is unable to perform his duty, the Audit Committee members who are present at the meeting shall select one of them to act as chairman of the meeting.

7.3 In case of voting for a final decision, the majority vote shall be required, whereby one Audit Committee member shall have one vote and any Audit Committee member who has a conflict of interest in any matter shall not be entitled to cast vote on such matter. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

7.4 The meeting agenda should be determined in writing in advance and the meeting documents should be delivered to the Audit Committee at least three days ahead of the meeting date. The Secretary to the Audit Committee shall have duty to take minutes of the meeting.

## **8. Reporting**

8.1 The Audit Committee must make reports and express opinions independently in accordance with the assigned duties with no concern of benefit and free of any influence.

8.2 The Audit Committee must report its performance on internal audit to the Board of Directors at least once every quarter within 60 days from the end of the quarter, except for the fourth-quarter report which shall be prepared as a yearly performance report.

8.3 The yearly performance report of the Audit Committee and the auditor's fee shall be disclosed in the annual report of the Company.

8.4 When the Audit Committee has received an internal audit report that reveals any breach of the laws, rules, regulations, working procedures, notifications and orders relating to the Company's operation, the Audit Committee shall notify the top management to further instruct the responsible work unit to take remedial actions in conformity with the laws, rules, regulations, working procedures, notifications and orders relating to the Company's operation.

8.5 The Audit Committee shall arrange for a preliminary inspection to be conducted on any suspicious circumstance informed by the auditor with respect to fraud or breach of the laws relating to the performance of duties of the directors and executives under Section 89/25 of the Securities and Exchange Act, and shall report the result of such preliminary inspection to the Office of the Securities and Exchange Commission and the auditor within 30 days from the date of being informed by the auditor.

## **9. Performance Assessment**

The Audit Committee shall conduct self-assessment of its internal audit performance at least once a year and report results of such assessment, problems and obstacles, as well as operational improvement plan to the Board of Directors.

## **10. Hiring of an Expert**

10.1 In the case where an internal audit on any matter requires knowledge and capability of a specialist other than head of the internal audit unit, the audit firm or any other agency in charge of internal audit as in Clause 6.2, the Audit Committee shall propose the Board of Directors to consider the hiring of such specialist at the Company's cost and in accordance with the Company's regulations.

10.2 The specialist being hired must not have a conflict of interest with the Company and must not be the parent, descendant or spouse of the director, top executive, executive, head of the internal audit unit, internal auditor of the Company or internal auditor of the business of which the Company participates in making decisions on policy and operation.



## **11. Judgment and Decision-Making**

11.1 The final judgment and decision on any issue concerning the performance of work of the Audit Committee under this Charter or any other circumstances not specified herein shall rest with the Board of Directors.

11.2 The handbook of the Office of the Securities and Exchange Commission shall be used as a framework of operation and judgment under this Charter.

Given on February 25, 2020.

(Mrs. Tongurai Limpiti)

**Chairperson of the Board of Directors**

Internal Audit Department

Tel. 02-267-1900 Ext. 1801