



Charter of the Audit Committee

**Nawarat Patanakarn Public Company Limited
(ACC – 01)**

Revision 00
Date 17/09/2015

Charter of the Audit Committee

1. Purpose

The Board of Directors of Nawarat Patanakarn Public Company Limited has deemed appropriate to prescribe the Charter of the Audit Committee in order to gather details relating compositions, duties, responsibilities and practical guidelines as assigned by the Board of Directors of the Audit Committee. By adhering to this Charter, the Audit Committee can perform their required duties with efficiency and acts as a key mechanism to assist the Board of Directors to fulfill their responsibilities independently and transparently to ensure optimum trustworthiness and reliability for all stakeholders.

2. Composition and Appointment of the Audit Committee

2.1 The Audit Committee shall consist of at least three independent directors of the Board.

2.2 The Audit Committee shall be appointed by the Board of Directors or by the meeting of shareholders

2.3 The Audit Committee members must be adequately knowledgeable and experienced to review the credibility of financial statements and at least one member must possess knowledge and ability in financial and accounting.

2.4 The Audit Committee members must serve as audit committee member of up to 5 (five) listed companies.

2.5 The Board of Directors shall appoint one member of the Audit Committee as the Chairman of the Audit Committee.

3. Qualifications of the Audit Committee

3.1 The Audit Committee members must not be those assigned by the Board of Directors to decide on business operations related to the Company, subsidiaries or associated company.

3.2 The Audit Committee members must not take part in business management; serve as employees, wage earners, advisers with regular salaries of the Company, subsidiaries or associated company.

3.3 The Audit Committee members must perform their duties, express opinions and report on their performance assigned by the Board of Directors independently and are not under the control of the executives or its major shareholder, related parties or their close relatives.

3.4 The Audit Committee members must dedicate their time and express opinions adequately in performing their duties.

3.5 The Audit Committee members should receive continual and regular training on matters related to the committee's performance.

4. Office Terms

4.1 The Audit Committee's term shall serve a term of office of 3 (three) years as from the date of appointment.

4.2 The Audit Committee members who have completed their terms may be re-appointed by the Board of Directors.

4.3 Term of each committee member can stagger for the benefit and continuity of work performance

4.4 An Audit Committee member who desires to resign ahead of term completion must notify and submit a resignation letter to the Chairman of the Board at least 30 days in advance

4.5 In case a vacancy occurs for reasons other than term completion, the Board of Directors shall appoint a qualified person to maintain the required numbers of the committee members as defined in this Charter. The substituted member can only be in the office within the remaining term of the member he/she replaces

4.6 An Audit Committee member shall vacate office when he or she

- completes the term;
- is removal from the Board;
- is disqualified under the committee's criteria;
- deceases;
- resigns;
- is imprisoned under the final court verdict or a legal order, except for offences caused by negligence or misdemeanor;
- is considered incompetent or quasi-competent;
- becomes bankruptcy

5. Duties and Responsibilities of the Audit Committee

5.1 Ensure the accuracy, completeness, reliability and timely information disclosure of the financial statements report.

5.2 Ensure that the Company has duly complied with the rules and regulations of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), and other regulations and laws related to the Company's businesses.

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

5.4 Ensure that the Company has sufficient, appropriate and effective internal control and internal audit system, determine an internal audit unit's independence as well as approve the appointment, transfer or dismissal of the head of the internal audit office or related parties.

5.5 Review the related transactions or the transactions that may lead to conflicts of interests to make sure that they are in compliance with the law and regulations stipulated by the Stock Exchange of Thailand and are reasonable and for the highest benefit of the Company.

5.6 Ensure that the Company has sufficient, appropriate and effective risk management systems

5.7 Review and approve internal audit plan and performance of the internal audit office

5.8 Prepare the Audit Committee's annual performance report and disclose it in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and consists of at least the following information:-

- (a) opinion on accuracy, completeness and credibility of the Company's financial report,
- (b) opinion on adequacy of the Company's internal control system,
- (c) opinion on compliance with by the Securities and Exchanges laws, the Stock of Thailand regulations or the laws relating to the Company's business,
- (d) opinion on suitability of an external auditor,
- (e) opinion on transactions which may lead to conflicts of interest,
- (f) number of the Audit Committee's meeting and attendance at such meetings by each committee member,
- (g) opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter,
- (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors

5.9 Request or invite the Executive Committee members, executives or relevant parties to give statements or useful information, join meeting or deliver documents as deemed relevant and necessary

5.10 Review the Audit Committee Charter on an annual basis in order to consider and assess its current assigned roles and responsibilities and propose any required amendments if necessary.

5.11 Oversee that there is an effective whistle blowing system in place, in the event that an employee or any stakeholder is suspicious of any possible wrongdoing, as well as non-compliance to any laws, regulations, business code of conduct or to any corporate governance policies so that the whistleblower has the confidence that the Company has the required and appropriate independent procedure to effectively investigate and resolve such possible wrongdoings and non-compliance issues.

5.12 Execute other duties as assigned by the Board of Directors.

6. Meetings and Quorum

6.1 The Audit Committee must hold meetings at least 4 times per year following the quarterly financial reporting by setting meeting dates in advance all year round and may convene an extraordinary session if necessary.

6.2 The Chairman or the assigned person sends the meeting invitation specifying date, time, venue and agenda details to all members at least 7 (seven) days ahead of the meeting. Except for the urgent case to protect the company's interest, notification of the meeting can be given through other means and the meeting can be convened earlier

6.3 To form a quorum in the meeting, at least half of the total members of the Audit Committee must be present.

6.4 The Chairman of the Audit Committee shall also be the chairman of the meeting. In case the Chairman is absent or cannot perform the duty, other members attending the meeting can select one member to be a substituted chairman of the meeting.

6.5 Each member of the Audit Committee with vested interest in any agenda item must abstain from voting on that item.

6.6 The resolution of the meeting will take into account the majority of votes, with one member having one vote. If the number of votes is equal, the chairman will cast the decisive vote.

7. Reporting

The Audit Committee shall report its performance to the Board of Directors at least 4 (four) times a year and shall prepare a report of auditing activities carried out during a year to disclose in the Company's annual report.

8. Performance Evaluation

The Audit Committee shall conduct a self – appraisal at least once a year and submit the results to the Board of Directors for acknowledgement and consideration.

9. Remuneration of the Audit Committee

The Nomination and Remuneration Committee shall determine and recommend the remuneration of the Audit Committee to the Board of Directors for consideration and shall propose to the meeting of shareholders for approval.

This charter is approved by the Board of Directors' Meeting no. 09/2015 on September 17, 2015 and is enforced from September 17, 2015 onward.



บริษัท เนวรัตน์พัฒนาการ จำกัด (มหาชน)
NAWARAT PATANAKARN PUBLIC COMPANY LIMITED

(Mr. Mana Karnasuta)
Chairman
Nawarat Patanakarn Public Company Limited