

Sahamitr Pressure Container PLC

Audit Committee Charter

(5th Revised Edition)

This Charter has been approved by the Board of Directors Meeting No. 5/2023 on 9 November, 2023.
The previous audit committee charter (9 August 2022) is cancelled.

Objectives

The Audit Committee (AC) was established with the approval of the Board of Directors to be an independent organization to support and assist the Board of Directors to perform duties of reviewing financial information offered to shareholders and stakeholders. The committee is also to review the internal control system and compliance with the law and rules of SET and other regulatory agencies to achieve good corporate governance.

Structure and Qualifications of the Audit Committee

The Audit Committee is appointed by the company's Board of Directors with the composition and qualifications in accordance with the criteria specified in the SEC notifications as follows:

1. The audit committee shall consist of at least 3 members, and shall be appointed by the Board of Directors or shareholders.
2. Every member of the audit committee must be an independent director. The qualifications of the independent director shall comply with the regulations of Stock Exchange of Thailand or The Securities and Exchange Commission, Thailand
3. Must not be the Director who is assigned by the Board of Directors to make decision on the operations of the company, or related companies, or juristic persons with possible conflict.
4. Must not be the Directors of the associated and related companies.
5. Having duties as specified by the SET.
6. At least one committee member must have adequate knowledge and experience in accounting and finance to perform duty of reviewing the creditability of the financial statements. The company shall disclose in the Form 56-1 and the annual report that the Audit Committee members who meet the mentioned qualifications, the particular Audit Committee members shall include such qualifications in the representation letters and curriculum vitae of the Audit Committee member to be submitted to the SET.

Term of Services

1. The term of services of Audit Committee is according to the term of board of director.
2. Audit Committee may be re-appointed to resume the position if the company's board of directors consider it appropriate.
3. In addition to the vacation of the position according to item 2, the Audit Committee will be dismissed as following reasons
 - Pass away
 - Resign
 - The Board of Directors has a resolution to vacate from the position.
4. Board of Directors has authority to appoint additional Audit Committee members, for achieving the objectives of the operation work, or to replace the Audit Committee who vacate from the position according to item 1 or 3. The person appointed Audit Committee under clause 3 can be in the position for the remaining term of the Audit Committee which he or she replaces of only.

Roles, Duties and Responsibilities of the Audit Committee

The Company's Audit Committee has duties as assigned by the Company's Board of Directors, according to the announcement of the Stock Exchange of Thailand's board of directors as follows:

1. Review to ensure that the company discloses information and prepares financial reports that are accurate, adequate, and reliable, as follows
 - (1) Consider, select, and propose appointment of persons to be the company's auditors. Set the scope of work to be clear and appropriate, including considering independence of auditor's abilities and the period of service of the auditor for the company according to the guidelines of the Securities and Exchange Commission. The committee proposes remuneration of the auditor, and to meet with the auditor, without the presence of the management, at least once a year.
 - (2) Monitor and ensure that the management team prepares the financial statements within a reasonable period so that the auditor and the audit committee have enough time to audit and make notice, as a result, the financial statements prepared by the company are accurate, transparent and can be disclosed to investors within the time frame specified by regulations.
 - (3) Accelerate the process of inquiring into the cause and extent of the investigation from those involved, when receiving a report from the auditor or discovering irregularities in the financial statements.
 - (4) Review the consistency of the information in the company's financial report with any other information related to the company's financial status and operating results that has been communicated to investors or related persons.
 - (5) Continuously review knowledge and understanding related to accounting or finance, in order to keep up with the changes and be able to perform duties as an audit committee more efficiently.
2. To review the system of Internal Control, Internal Audit, Risk Management, and the Anti-Corruption measures, as well as appropriate and efficient internal control as follows
 - (1) Designate the internal audit unit to report directly to the Audit Committee, so that the internal audit function is independent from the management team, and able to perform duties independently and efficiently.
 - (2) Consider and approve the appointment, transfer, and dismissal of the head of the internal auditor or any other unit responsible for internal audit, by considering knowledge, ability, experience and understanding of the company's business to the level of knowing the risk points and important issues that need to be investigated.
 - (3) Jointly plan the audit of the internal control system with the internal audit department, by considering the type and risk level of matters that may affect the company. Expedite the process of investigating the high-risk matters and immediately find measures to prevent the aforementioned risks.

- (4) Conduct a review, and improve the company's internal control system continuously and regularly in order to keep up with changes in business operations. If the company has significant operations abroad, the audit committee must take steps to ensure that overall internal control system of the company able to detect irregularities and prevent corruption that may occur from transactions of the company registered abroad.
 - (5) Make observations and inquire about the cause and extent of the investigation from those involved, when see any notice or defect the drawback from lack of a system, or failure to comply with internal control systems or regulations in related matters.
 - (6) Co-ordinate with the Risk Management Committee regarding the significant risks to be used as a guideline for internal audit plan, as well as considering the appropriate internal control measures to manage those risks.
3. To review the company performances to ensure compliance with the securities and exchange law, the SET regulations, and other laws relevant to the company business. Review the company's compliance with Section 89/25 of the Securities and Exchange Act B.E. 2535, which stipulates that if the auditor finds suspicious behavior of directors, managers or persons responsible for the operation of the company, the auditor shall report the facts regarding such circumstances to the audit committee in order for the Audit Committee to investigate the matters without delay and report the results of such inspection to the SEC Office and the auditor within 30 days from the date of notification from the auditor. In order for the supervision of the SEC Office to be effective, the Audit Committee should report initially suspicious circumstances to the SEC immediately upon notification from the auditor, by proceeding as follows:
- (1) Consider the significance and risk of the matter to the company and investors and expedite the company's initial disclosure to investors as soon as possible, If the suspicious circumstances may significantly affect the rights of shareholders or there are issues that shareholders should be informed immediately.
 - (2) Consider the persons who may be involved in such behavior. If it is found that the directors and executives of the company may be involved in the above circumstances, the Audit Committee must take steps to ensure that the inspection process is independent and not under the control of those involved in suspicious behavior.
 - (3) Consider determining measures or guidelines for stopping suspicious behavior, in order to mitigate the impact that may occur on both the company and shareholders as a whole.
 - (4) Consider and determine measures to upgrade the company's internal control system to prevent and deter suspicious behavior so that the above behavior does not occur again in the future.
4. Consider the acquisition or disposal of assets with Material Transaction (MT), Related Party Transaction (RPT), or transactions with possible conflict of interest to ensure compliance with all pertinent laws, and the SET regulations, and to ensure their rationality and optimal benefits for the company by proceeding as follows
- (1) Consider and give opinions on the significant MT & RPT that requires approval from the Board of Directors' meeting or the shareholders' meeting, by reviewing the reasonableness of the transaction, details, identity of the contracting parties, rewards and associated risks.
 - (2) Set up a system or process for the management team to report and continuously analyze the reasonableness of MT & RPT transactions that the management team has the authority to approve. Consider whether making transactions in the above manner may indicate an intention to avoid the rules for entering into MT & RPT transactions.

- (3) The Board of Directors should provide support in various areas to ensure the Audit Committee's duties are accomplished, such as hiring independent experts to help provide opinions for reviewing this unique MT & RPT transactions.
- (4) Follow up with the management team about the progress of the approved transactions. Ensure that the company discloses and reports progress to shareholders regularly and appropriately.
- (5) Follow up on the progress of the MT & RPT transactions by analyzing them together with various information in order to monitor for abnormalities in the overall picture. This is to prevent the case where the company uses disclosure of information as a channel to create the company's stock price for the benefit of a specific group of persons, which will cause damage to shareholders and the capital market as a whole.
5. To review the company's internal process for receiving complaints, whistleblower and reporting of concerns, etc. where appropriate. Ensure to have a policy or method for dealing with complaints and protecting whistleblowers appropriately
6. Follow up on the use of the raising funds to meet the objectives that have been disclosed. By proceeding as follows:
 - (1) Consider details related to the use of the fundraising funds, such as the feasibility of investing in the project, suitability of value and funding channels, the company's capital structure, investment contracts, the adequacy of the funds raised from fundraising used to invest in the project. Also having management team carefully study the economic conditions and industry growth trends of the businesses in which the company will use funds for.
 - (2) Ensure that the company has a mechanism to oversee and monitor the use of the raising funds correctly and appropriately, according to the objectives that have been disclosed. There should be an internal control system that makes the disbursement of the raising funds transparent and auditable. Establish measures to stop and prevent listed companies from using funds inappropriately with the wrong purpose. This may cause damage to the company and shareholders.
7. To prepare the audit committee's report and to disclose it in the company's annual report. The report must be signed by the Chairman of the Audit Committee, and consist of at least the following information:
 - (1) an opinion on the accuracy, completeness, and creditability of the company's financial reports,
 - (2) an opinion on the adequacy of the company's internal control system and anti-corruption measures,
 - (3) an opinion on the compliance with the laws on securities and exchange, the regulations of SET, or the laws relating to the company's business,
 - (4) an opinion on the suitability of the auditor,
 - (5) an opinion on the transactions with possible conflict of interests,
 - (6) the number of the Audit Committee meetings, and the attendance of the meetings by each Audit Committee member,
 - (7) any opinions or overview observations that the Audit Committee received during the performance of duties in accordance with the charter,
 - (8) other transactions which the Audit Committee deemed should be known to the shareholders and general investors, according to the scope of duties and responsibilities assigned by the company's Board of Directors
8. To regularly report activities or progress of the tasks to the Board of Directors.
9. To perform any other actions as delegated by the Board of Directors and approved by the Audit Committee.

If there is any change in duties of the Audit Committee, the company shall notify the resolution of changes, a list of names, and scope of work of the audit committee that have changed in the form prescribed by the SET and submit to the SET within 3 business days from the date the Board of Directors or the shareholders' meeting resolves to make such changes, in accordance with the SET's regulations through to electronic media.

Other Regulations

1. The Audit Committee reviews the charter on a regular basis, usually once a year. The significant amendments to the charter will be presented to the Board of Directors for approval in order to keep the charter up-to-date and suitable for the corporate environment as well as complying with relevant laws.
2. The Audit Committee must have a meeting at least four times a year or more when necessary. The audit committee may invite management team or related persons to attend meeting in order to provide them with relevant information.
3. If audit committee members vacate from the positions before the end of their term, the company shall immediately notify the SET of the reason for the termination. The company is to forward to the SET according to the SET's regulations through electronic media which the committee of the SEC and / or the SET will announce in the future.
4. Board of Directors with agreement from the Remuneration Committee is to approve the audit committee's remuneration.

Mr. Vinai Vittavasgarnvej
Chairman

Mr. Tanadit Charoenchan
Chairman of the Audit Committee

References:

1. Circular letter No. SEC.Nor.Ror(W) 23/2023 dated 12 September 2023, regarding rehearsal of understanding roles and duties of the Audit Committee
2. Good practice guidelines for the Audit Committee to prevent and suppress inappropriate behavior of listed company.