

**CHARTER OF THE AUDIT COMMITTEE**  
**THE SIAM CEMENT PUBLIC COMPANY LIMITED**

The core values of The Siam Cement Public Company Limited are “Adherence to Fairness, Dedication to Excellence, Belief in the Value of Individual, and Concern for Social Responsibility” They have always been the ethical codes of the Company – ones that have been guided by in all business operations. This moral code for doing business and the Company’s rules of practical conduct for employees, which have always been consistently implemented, often as corporate ‘traditions’ handed on from one generation to the next, were scattered about in various places. The Company finally compiled them in writing as its “Code of Conduct” and publicized in 1987.

The existence of the Audit Committee is a part of good corporate governance, and thus the Board of Directors has resolved to adopt this Charter of the Audit Committee guided by the Company’s Code of Conduct, along with the relevant criteria and laws, which have been applied to form this present Charter.

**1. Scope of Duties**

The duties of the Audit Committee are as follows:

**Oversight, Risk Management, Oversight of Performance of Duties, and Internal Controls**

- 1.1 Review the appropriateness of the financial reporting system and disclosure of information in its financial statements in accordance with the legally defined Financial Reporting Standards and promote the development of financial reporting systems in compliance with International Financial Reporting Standards.
- 1.2 Consider connected transactions, acquiring or selling of assets, or those with possible conflict of interest to ensure compliance with all pertinent laws and requirements of the Securities and Exchange Commission, Thailand.
- 1.3 Review the presence of the Company’s risk management, work processes, control, oversight of performance of duties, IT governance, as well as Information and Integrated Network Security to ensure their effectiveness and compliance with international standards.
- 1.4 Review the Company’s Anti-corruption procedures to ensure the effective compliance with the guidelines of the governance bodies including Collective Action Coalition Against Corruption (CAC), Thai Institute of Directors (IOD), and The National Anti-Corruption Commission. The efforts start from promoting and raising awareness, assessing the risks, internal controls, incorporating the proactive preventive system, reporting frauds, auditing as well as reviewing the self-assessment form regarding anti-corruption measures as audited and assessed by the Internal Audit Office.
- 1.5 Review the Company’s Compliance Procedure in accordance with the Securities and Exchange Act, rules, regulations and other laws relevant to the Company’s business.
- 1.6 Review the compliance of the Company’s Internal Control System with Internal Control Framework (COSO 2013) and the appropriateness and the effectiveness

of the Company's Internal Audit System in accordance with internationally accepted approaches and standards. Also, review "The Assessment Form of the Adequacy of the Internal Control System" as audited and assessed by the Internal Audit Office to ensure that the Company has sufficient internal control system and propose to the Board of Directors for consideration.

- 1.7 Review the results of fraud investigation, establish the preventive measures in organization and review the internal processes of whistleblowing system.
- 1.8 Review the presence of proactive preventive system to enhance operating effectiveness and efficiency.

### **Others**

- 1.9 Select and propose the appointment or discharge an independent person to perform the duties of the Company's auditor and also propose the remuneration of the Company's auditor and evaluate the effectiveness of auditor's performance.
- 1.10 Prepare the audit committee's report to be disclosed in the Company's Annual Report and duly signed by the Chairman of the Audit Committee and containing opinions on various matters as required by SET.
- 1.11 Review and give the opinion toward the audit practices of the Internal Audit Office and coordinate with the Company's auditors. Also, organize meetings with the Company's auditor, without the attendance of management, at least once a year.
- 1.12 Approve the internal audit plan, budget and manpower of the Internal Audit Office. Also, provide recommendations in respect of appointment, removal, transfer, or dismissal of the Director of Internal Audit Office.
- 1.13 Consider the independence of the Internal Audit Office based upon the execution of work, reports, and line of command. Also, review the execution of the Internal Audit Office for the performance assessment according to international standards.
- 1.14 Review the presence of the Audit Committee's performance assessment as a whole and as self-assessment on an annual basis.
- 1.15 Perform other actions as required by law or as assigned by the Board of Directors.

To fulfill its duties under its scope of authority, the Audit Committee is authorized to call for and order management, heads of offices, or employees concerned to present opinions, attend meetings, or submit necessary documents. In addition, the Committee may seek independent opinion from professional consultants as deemed appropriate, at the Company's expense.

The Audit Committee performs duties within its authority and responsibilities under the order of the Board of Directors. The Board of Directors is responsible for the Company's operations and is directly accountable to shareholders, stakeholders, and the public.

## **2. Composition of the Audit Committee**

The constituents of the Audit Committee are to be as follows:

- 2.1 The members of the Audit Committee must be appointed by the Board of Directors.
- 2.2 The Audit Committee must consist of not less than 3 members, at least 1 of whom must possess sufficient knowledge and experience in order to perform his/her/their duties of reviewing the credibility of the financial statements.
- 2.3 The Audit Committee is to select one of its members to be the Chairman of the Audit Committee.

## **3. Qualifications of the Audit Committee**

The members of the Audit Committee must be directors of the Company who are qualified as independent directors pursuant to the definition announced by the Company and in accordance with the stipulations of the Capital Market Commission and the regulations of the Stock Exchange.

## **4. Terms of Office**

The term of office of the members of the Audit Committee is 3- year each, ending at the annual general meeting of shareholders. Nevertheless, a retiring member is eligible for re-appointment.

Apart from the vacancy upon the expiration as aforementioned, a member of the Audit Committee shall vacate office when:

- 4.1 he/she resigns;
- 4.2 he/she is no longer qualified for the office of the Audit Committee as specified in this Charter;
- 4.3 the Board of Directors passes a resolution removing him/her from office.

If a member of the Audit Committee wishes to resign, he/she shall give a notice of resignation to the Chairman of the Company's Board of Directors. The resignation shall be effective from the date on which the Chairman of the Company's Board of Directors receives the resignation letter.

If a member of the Audit Committee resigns or is dismissed from his/her position before his/her expiration of the term of office, the Company shall immediately inform the Stock Exchange of Thailand. The member of the Audit Committee who resigned or was dismissed may explain his/her reason to the Securities Exchange Commission (SEC) and the Stock Exchange.

In case of vacancies of all members in the Audit Committee, the said Audit Committee may perform any act in the name of the Audit Committee until a new Audit Committee takes over the duties.

In case of a vacancy in the Audit Committee for reason other than expiration of the term of office, the Board of Directors shall elect a person who is fully qualified as a substitute member of the Audit Committee so that the number of members of the

Audit Committee remains in full as the Board of Directors had stipulated. The substitute member shall hold office only for the remaining term of office of the member whom he/she replaces.

## **5. Meetings**

Meetings of the Audit Committee shall be at least 4 meetings per year.

In calling a meeting of the Audit Committee, the Chairman or the Secretary to the Audit Committee, by order of the Chairman, shall serve a written notice calling for such meeting to members of the Audit Committee not less than 7 days prior to the date of the meeting. Where it is necessary or urgent, the meeting may be called by other methods or an earlier meeting date may be choosing.

The Audit Committee should hold meetings to discuss matters within its scope of duties.

## **6. Quorum**

At a meeting of the Audit Committee at least half the number of the members of the Audit Committee must be present to constitute a quorum. In case the Chairman is absent or unable to perform his/her duty, the Audit Committee shall appoint a member to perform the duty on behalf of the Chairman.

Decisions in the meeting shall be made by a simple majority vote.

Each member of the Audit Committee is entitled to one vote, except the member of the Audit Committee who has a conflict of interest in any matter shall not be entitled to vote on such matter. In the event of tie vote, the Chairman of the meeting shall have a casting vote.

Resolutions of the Audit Committee may be made without meeting, and shall be deemed valid as if they were made at the meeting, when all members of the Audit Committee have adopted it by their signatures.

## **7. Responsibilities of the Audit Committee**

7.1 In case the Audit Committee is informed by the auditor about suspicious behavior of directors, managers or persons responsible for business operation of the Company, which may violate paragraph 2 of Section 281/2, Section 305, 306, 308, 309, 310, 311, 312 or 313 of the Securities and Exchange Act, the Audit Committee is to investigate the case and submit a preliminary report to the Securities and Exchange Commission (SEC), as well as to the auditor, within 30 days of the date it is informed.

7.2 Upon finding or having doubt about the following actions or transactions, which may significantly affect the financial position and performance of the Company, the Audit Committee is to report such events to the Board of Directors in order to find remedy within a period deemed appropriate by the Audit Committee:

- (1) Transaction which may cause conflicts of interest.

- (2) Fraud or irregular events or material flaws in the internal control system.
- (3) Violations of laws pertaining to Securities and the Stock Exchange, the regulations of the Stock Exchange, or laws pertaining to the Company's business.

Should the Board of Directors or management fail to remedy the issues within the timeline specified by the Audit Committee, a member of the Audit Committee may report the issue to the SEC or the SET

#### **8. Remuneration**

The Audit Committee shall be paid a remuneration, the amount of which shall be approved at the general meeting of shareholders.

This Charter shall be effective from December 20, 2017.

Announced on December 20, 2017

*[signature]*

(Mr. Chirayu Isarangkun Na Ayuthaya)  
Chairman of the Board of Directors