



**KCE Electronics Public Company Limited**

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**Audit Committee Charter**

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## **Audit Committee Charter**

Audit Committee is the sub-committee which is regarded as the important part of the good corporate governance mechanism. The Audit Committee is appointed by the Board of Directors in order to audit and review to ensure that the Company has adequate corporate governance, and to ensure that management operates according to proper and transparent standards, as well as to enhance operational efficiency so that management is carried out primarily for the overall benefit of the Company. This also includes the role of overseeing risk management and reviewing other information beyond financial reports.

The Company has established the Audit Committee charter in accordance with the principles and guidelines of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET), as well as relevant best practices. This charter serves as a guideline for the Audit Committee to meet the expectations of shareholders, the Board of Directors and external regulatory authorities. The details are as follows;

### **1. Definition**

“Independent directors” is a director who does not participate in management and is not an employee/staff/advisor receiving a regular salary/or a controlling person of the Company, its parent company, subsidiaries, associates, subsidiaries of the same level, or any legal entity that may have a conflict of interest (both at present and within the 2 years prior to the appointment). This shall comply with the criteria prescribed in the notifications of the Securities and Exchange Commission (SEC).

“Act” is Securities and Exchange Act

### **2. Objectives**

To assist and support the Board of Directors in fulfilling their responsibilities in overseeing the following matters:

1. The preparation of financial statements and the selection of appropriate accounting policies
2. Compliance with the requirements of the Stock Exchange and relevant laws
3. Management and control of business risks
4. An adequacy of internal control systems and internal audit
5. Related-party transactions
6. Performance of the internal audit function and external auditors, and the preparation of reports as required by external regulatory authorities

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

- 3.1 The Audit Committee must be independent directors of the Company
- 3.2 The Audit Committee must be appointed by the Board of Directors
- 3.3 The Audit Committee must consist of at least 3 independent directors

- 3.4 The Board of Directors shall select 1 Audit Committee member to serve as the Chairman of the Audit Committee
- 3.5 The Audit Committee shall appoint the Head of Internal Audit as the Secretary

#### **4. Qualifications of the Audit Committee Members**

##### **4.1 General Qualifications: The Audit Committee members must have the qualifications of independent directors as follows:**

- 4.1.1 Holding no more than 0.5 % of total voting shares\* including the shareholding of persons related to the independent directors.
- 4.1.2 Not currently be or never been the Company's executive director, staff, employee, salaried consultant or controlling parties\*. Exception: It has been at least 2 years after the person has held the position.
- 4.1.3 Not by blood or legally registered with other directors, executives, major shareholders, controlling parties or persons who will be nominated as directors, executives or controlling parties of the Company or subsidiary.
- 4.1.4 Not currently having or never had any relations with the Company\* in the way that such relation may impede the person from having independent views. Also, the person should not currently be or never be a significant shareholder or controlling person for persons having business relations with the Company\*. Exception: It has been at least 2 years after the person has held the position.
- 4.1.5 Not currently being or never been the Company's external auditor\*. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current external auditor's auditing firm\*. Exception: It has been at least 2 years after the person has held the position.
- 4.1.6 Not currently be providing or never provided professional services, legal consulting nor financial consulting services to the Company with a fee more than THB 2 million per year\*. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Exception: It has been at least 2 years after the person has held the position.
- 4.1.7 Not currently a director appointed to represent the Company's directors, major shareholders, or the shareholder related to major shareholder.
- 4.1.8 Not currently be operating under similar business nature and significant competition to the Company or subsidiary; or not a significant partner of the partnership, executive director, staff, employee, or salaried consultant.

4.1.9 Not under any conditions that may impede the person from having independent views towards the Company's operations.

4.1.10 Able to perform duties, provide opinions and report on the performance of assigned responsibilities from the Board of Directors independently, without being under the control of executives, major shareholders of the Company, related parties or close relatives of such individuals.

\*Including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company.

**4.2 Specific Qualifications: The Audit Committee members must have the following specific qualifications:**

4.2.1 Having been appointed by the Board of directors or Shareholders' meeting to act as Audit Committee member.

4.2.2 Qualified for an independent director.

4.2.3 Not currently the director authorized by the Board to make administrative decisions of the Company, parent company, subsidiary, same-level subsidiary, major shareholders, or controlling persons.

4.2.4 Not currently the director of the parent company, subsidiary, or same-level subsidiary of listed companies only.

4.2.5 Having sufficient knowledge and experience to perform the duty of an Audit Committee member. There must be at least 1 Audit Committee member, who is sufficiently knowledgeable and experienced to review the reliability of financial statements.

4.2.6 Receive continuous and regular training and knowledge enhancement on matters relevant to the operations of the Audit Committee, in order to keep up with potential changes and to continuously deepen understanding of the Company's operations, thereby enhancing the effectiveness of the Audit Committee.

4.2.7 Able to dedicate sufficient time and provide opinions in performing duties as a member of the Audit Committee.

**5. Appointment**

5.1 The Board of Directors appoints the Audit Committee and each Audit Committee member must be a director of the Company.

5.2 In the event that an Audit Committee position becomes vacant due to the expiration of term or any other reason that prevents an Audit Committee member from completing the term, the Board

of Directors or the Shareholders' meeting shall appoint a qualified individual as an Audit Committee member to immediately restore the full number of members, or at the latest within 3 months from the date the number of members is incomplete in order to ensure continuity in the operations of the Audit Committee at all times.

- 5.3 The Audit Committee or the Board of Directors shall select 1 Audit Committee member to serve as the Chairman of the Audit Committee.
- 5.4 The Chairman of the Audit Committee should be a qualified leader capable of conducting meetings properly, planning work efficiently and providing assurance of the overall effectiveness of the Audit Committee.

## **6. Tenure**

- 6.1 The term of office of an Audit Committee member shall coincide with the term of office of the Company director, which is 3 years.
- 6.2 An Audit Committee member who has completed their term may be reappointed for another term as approved by the Board of Directors but this does not constitute an automatic renewal of the term.
- 6.3 The term of office of individual Audit Committee member shall be staggered so that they do not end simultaneously, in order to ensure continuity and effectiveness in operations.

## **7. Termination: The Audit Committee members terminate when**

- 7.1 Cease to be a director of the Company
- 7.2 Completion of the prescribed term of office as an Audit Committee member
- 7.3 In the event of an early resignation, the director shall notify and submit a written resignation to the Board of Directors not less than 30 days in advance. The Company is required to notify the Stock Exchange of Thailand of the resignation and provide a copy of the resignation letter.
- 7.4 In the event of a resignation or removal prior to the completion of the term of office, the Company must notify the Stock Exchange of Thailand and the SEC of the removal together with the reasons, in order to update the information in the directors and executives database to reflect the accurate and current status. The Audit Committee member who is removed shall have the right to provide an explanation regarding the reasons for such removal to the Stock Exchange of Thailand as well.
- 7.5 Being sentenced to imprisonment by a final judgment or a lawful order, except in cases of offenses committed through negligence or petty offenses
- 7.6 Failure to meet the qualifications required of an Audit Committee member
- 7.7 Death
- 7.8 Being an incompetent person or a quasi-incompetent person
- 7.9 Being an undischarged bankrupt

## **8. The Secretary of the Audit Committee**

- 8.1 The Secretary of the Audit Committee shall be appointed with the approval of the Audit Committee to assist in the operations of the Audit Committee, including arranging meeting schedules, preparing meeting agendas, distributing meeting materials, taking minutes and preparing the minutes of the meetings.
- 8.2 The appointment of the Secretary of the Audit Committee shall be made based on the individual's knowledge, competence and experience in performing the duties as well as their independence in assisting the Audit Committee. The Audit Committee appoints the Secretary from the Chief Audit Executive.
- 8.3 The Secretary of the Audit Committee shall monitor the progress of actions arising from the minutes of Audit Committee meeting, including any issues and obstacles encountered in implementing the recommendations or observations of the Audit Committee in order to report to the Audit Committee at the next meeting as well as
  - (1) The meeting agenda shall be circulated at least 7 days prior to each meeting.
  - (2) All meeting materials shall be submitted to the Audit Committee in advance of each meeting.
  - (3) The minutes of the meeting shall be submitted to the Audit Committee for review in advance of the next meeting.

## **9. Meeting**

### **Meeting Agenda**

- 9.1 For each meeting, the agenda shall be clearly set in advance and the meeting materials shall be provided to the Audit Committee and attendees at least 7 days prior to the meeting in order to allow the Audit Committee sufficient time to review the matters or request additional information as necessary.
- 9.2 The meetings of the Audit Committee shall consider matters assigned by the Board of Directors, including the following:
  - (a) Review the financial statements and related financial reports, accounting principles and practices, compliance with accounting standards, significant changes in accounting policies and in consultation with the external auditor, issues or limitations arising from the audit of the financial statements in order to consider corrective or improvement measures.
  - (b) Consider the adequacy of the internal control system, internal audit and risk management including the following:
    1. Review the Company's annual internal audit plan (Audit Plan) and inquire about the scope of the planned audits to ensure that the plan effectively identifies potential

fraud or deficiencies in the internal control system with particular attention to managerial fraud.

2. In consultation with the internal auditor and external auditor, review the planning of procedures and controls over electronic data processing and inquire about security measures to reduce the risk of fraud or misuse of computer systems by employees or external parties.
3. In consultation with the internal auditor, review issues or limitations encountered during audits and evaluate the internal audit processes to enhance efficiency and effectiveness.
4. Assess the adequacy of the risk management system by discussing with the management team.

(c) Review and consider transactions that may give rise to conflicts of interest such as related-party transactions of the Company.

(d) Consider compliance with the Securities and Exchange Act, regulations of the Stock Exchange or other laws relevant to the Company's business as well as business ethics and corporate conduct.

#### **Number and duration of meetings**

- 9.3 The Audit Committee shall hold regular meetings at least 4 times a year, in line with the financial reporting schedule, to review quarterly financial statements and report to the Board of Directors.
- 9.4 The Chairman of the Audit Committee may convene additional special meetings of the Audit Committee upon request by any Audit Committee member, internal auditor, external auditor or the Chairman of the Board of Directors, to consider issues that require joint discussion.
- 9.5 Each Audit Committee meeting shall involve discussion of agenda items and inquiry into relevant issues.
- 9.6 The Audit Committee shall meet separately with the Company's external auditor without management present at least once a year. This session shall be scheduled as one of the first agenda items of the meeting. After completion of this session, the Committee may proceed with other agenda items that require management participation.

#### **Quorum and voting**

- 9.7 Audit Committee members should attend every Audit Committee meeting or at least half of the total number of Audit Committee members (minimum of 2 members) must be present to constitute a quorum.
- 9.8 The Audit Committee may invite the Company directors, executives or the external auditor to attend meetings for specific matters.

- 9.9 In the event that the Chairman of the Audit Committee is absent or unable to perform their duties, the attending Audit Committee members shall select 1 member to act as Chairman for that meeting.
- 9.10 Each Audit Committee member has 1 vote. Decisions shall be made by a majority vote. In the event of a tie, the Chairman of the meeting shall cast an additional deciding vote.
- 9.11 Any Audit Committee member with a vested interest in a matter under consideration must abstain from participating in the discussion (or voting on that matter).
- 9.12 The Secretary of the Audit Committee should attend every meeting.
- 9.13 The Secretary of the Audit Committee shall have no voting rights.

#### **Minutes of the Audit Committee Meeting**

- 9.14 The minutes of each Audit Committee meeting shall be prepared by the Secretary of the Audit Committee, who is responsible for recording the minutes and submitting them to the Audit Committee for consideration.
- 9.15 The Chairman of the Audit Committee or a designated Audit Committee member shall present the information to the Board of Directors. If any Board member raises questions, the Chairman and Audit Committee members shall provide additional clarification.
- 9.16 The Secretary of the Audit Committee shall monitor the progress of actions arising from minutes of the Audit Committee meeting including any issues or obstacles encountered in implementing the recommendations or observations of the Audit Committee and report on these matters to the Audit Committee at the next meeting.

#### **10. Reporting**

- 10.1 The Audit Committee shall report its activities to the Board of Directors for acknowledgment and consideration at least once every quarter.
- 10.2 The Audit Committee shall prepare an annual report of its activities, presenting the information as required by the Stock Exchange of Thailand and the report shall be signed by the Chairman of the Audit Committee. The report shall also be disclosed in the Company's annual report each year.
- 10.3 In performing its duties, if the Audit Committee identifies or suspects any transaction or action that may have a material impact on the Company's financial position or operating results, the Audit Committee shall report the matter to the Board of Directors for corrective action within a timeframe deemed appropriate by the Audit Committee. Such transactions or actions include:
  - (10.3.1) Transactions that may give rise to conflicts of interest.
  - (10.3.2) Fraud, irregularities or significant deficiencies in the internal control system.
  - (10.3.3) Violations of the Securities and Exchange Act, regulations of the Stock Exchange, or other laws relevant to the Company's business.

10.4 If the Board of Directors or executives fail to take corrective action on the transactions or actions described in items (10.3.1), (10.3.2) and (10.3.3) within a timeframe deemed appropriate by the Audit Committee, any Audit Committee member may report such transactions or actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.

**11. Self-Assessment**

The Audit Committee should evaluate its own performance as a committee at least once a year and report the annual evaluation results to the Board of Directors for acknowledgment and possible additional comments in order to improve the effectiveness of the Audit Committee's operations for the benefit of shareholders and the organization as a whole.

**12. Compensation**

The Nomination and Remuneration Committee shall determine the compensation of the Audit Committee members and propose it to the Board of Directors for consideration and subsequently submit it to the Shareholders' meeting for approval.

**13. Duties and Responsibilities**

13.1 Review the Company's financial reporting process to ensure that it is accurate and adequately transparent.

13.2 Review to ensure that the Company has appropriate and efficient internal control and internal audit systems. Also consider the independence of internal audit unit, approve an appointment, transfer or termination of the head of internal audit unit, or any other units in charge of an internal audit.

13.3 Review to ensure that the Company is compliance with SEC's laws, SET's regulations and other related business laws.

13.4 Consider, select and propose the appointment of individuals who are independent to serve as external auditors and recommend their remuneration as well as attend meetings with the external auditors without management present at least once a year.

13.5 Consider the connected transactions or the transactions that may cause conflicts of interests, making them in line with the laws and SET's regulations. This is to ensure such transactions are reasonable and for the highest benefit of the Company.

13.6 Prepare a report of the Audit Committee and disclose it in the Company's annual report. The report must be signed by the Audit Committee's chairman and consist of at least following information:

- Opinion on the accuracy, completeness and reliability of the Company's financial reports
- Opinion on the adequacy of the Company's internal control system

- Opinion on the compliance with SEC's laws, SET's regulations or any other related business laws
- Opinion on the suitability of the external auditor
- Opinion on transactions which may cause conflicts of interests
- Number of the Audit Committee meetings and attendance of such meetings by each Audit Committee member
- Opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter
- Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of directors

13.7 Review to ensure that there are effective processes for overseeing information technology operations and information security in accordance with international standards.

13.8 Able to seek independent opinions from other professional advisors when deemed necessary, at the Company's expense.

13.9 Review and oversee to ensure that the Company has mechanisms to monitor the use of raised funds in accordance with the disclosed purposes.

13.10 Other operations as assigned by the Board of directors and approved by the Audit Committee

13.11 Other Responsibilities
 

- (1) Promote compliance with the Company's Anti-Fraud & Corruption Policies.
- (2) Review the Company's self-assessment to improve the anti-corruption system in accordance with the Thai Private Sector Collective Action against Corruption (CAC).
- (3) Prepare report of the Audit Committee to be disclosed in the Company's annual report. The report shall be signed by the Chairman of the Audit Committee and comply with the criteria prescribed by the Stock Exchange of Thailand.
- (4) Review the Audit Committee charter at least once a year. Any amendments or revisions to the charter must be submitted to the Board of Directors for approval.

This Audit Committee charter is effective from 8 October 2025 onwards.



(Mr. Paitoon Taveebhol)

Chairman of the Audit Committee



(Mr. Bancha Ongkosit)

Chairman of the Board of Directors