

SIC-BC-CHA-2024-003

## Charter of the Audit Committee

### **Silicon Craft Technology Public Company Limited**

#### **Objective**

The Audit Committee is a sub-committee of the Board of Directors which was appointed to help ease the Board of Directors' mission in its operations and to provide the business with a good corporate governance. The Audit Committee was established to enhance the efficiency of operations and value-added to the organization in various areas as follows.

1. Confidence and reliability, as well as transparency of the Company's financial reports
2. Increased awareness of the performance of the Board of Directors' duties. The Audit Committee shall take into account on its responsibilities as follows.
  - 2.1. Financial reporting
  - 2.2. Choosing the right accounting policy
  - 2.3. Financial Management
  - 2.4. Internal control system and internal audit
  - 2.5. Consideration of the independence of the internal auditors and/or third-party internal auditors, as well as the evaluation of the work of the head of internal auditors and/or the third-party internal auditor
  - 2.6. Compliance with relevant requirements and laws
  - 2.7. Business Risk Management and Control
  - 2.8. Recommendation of appointment and evaluation of the performance of the certified auditors
3. Allows the Board of Directors to consider in depth in other matters other than financial reporting and internal control systems and increase efficiency in other areas of management
4. Strength in the role and authority of external directors
5. Strengthen the directors' understanding of the scope of the audits that have been determined

In order to perform the duties of the Audit Committee, the Committee must maintain a working relationship with the Board of Directors, executives, as well as external auditors and internal auditors of the Company to ensure efficient operation. Each audit committee member needs to develop and maintain expertise and knowledge as well as understanding of responsibilities and understanding of the company's business and damages.

#### **Nomination and appointment of The Audit Committee**

1. The Board of Directors shall appoint the Audit Committee which consists of at least 3 persons and all of them must be the Independent Directors;
2. The independent directors who have been appointed as the Audit Committee shall possess qualifications as per stipulated by the regulations of the Office of the Securities and Exchange Commission and/or the Stock Exchange of Thailand and at least one member of the Audit Committee shall have adequate knowledge, understandings or experiences on accounting and/or finance;
3. Term of office of each member is 3 years each. The Audit Committee may be re-appointed pursuant to the agenda approved by the Board of Directors but the term of office shall not be renewed automatically;
4. The Audit Committee shall jointly elect one of the members to be the Chairman of the Audit Committee;
5. The Audit Committee shall appoint the secretary to assist the works pertaining to summoning of meetings, preparation of the meeting agenda, submission of the meeting document and record the minutes of meeting;
6. Apart from vacating office upon expiry of the term, the Audit Committee may vacate from holding office upon occurrence of the following circumstances;
  1. Resignation;
  2. Expiration of the term or termination from the being the Company's Director;
  3. The Board of Directors passed a resolution to remove from office;
  4. Lack of qualification and possess any prohibited characteristic, as per specified by the laws;
  5. Death.

### **Qualifications of The Audit Committee**

1. Be an Independent Director and have qualification as prescribed by the Office of the Securities and Exchange Commission and the Stock Exchange of Thailand (please see more details in topic “Qualifications of the Independent Director);
2. Must not be a director who is appointed from the Board of Directors to make decision with regards to the business operations of the Company, its parent company, its subsidiary, its associated company, a subsidiary in the same level, a major shareholder or a controlling person of the Company;
3. Must not be a director of the parent company, its subsidiary, or a subsidiary in the same level, only of the listed company;
4. To have duty in the same manner specified in the notifications, regulations and/or rules of the Stock Exchange of Thailand on qualifications and scope of work of the Audit Committee;
5. To have adequate knowledge, understandings and experiences on accounting or finance that can audit credibility of the financial statement as well as perform other duties as the Audit Committee.

### **Qualifications of the Independent Director**

The Company has the process to nominate the independent director by assigning the Nomination, Remuneration and Corporate Governance Committee to consider the right independent directors from qualifications and prohibited qualifications of the directors pursuant to the Public Limited Companies Act, laws on securities and exchange, notifications of the Office of the Securities and Exchange Commission, the Market Capital Supervisory Board, the Stock Exchange of Thailand, as well as the relevant notifications, regulations and/or rules.

The Board shall consider and select the independent directors from the experts who have working experiences and other appropriated aspects. The Company has policy to appoint the independent directors at least one-thirds of total number of directors and the number shall be at least 3 persons with qualifications as follows.

1. Holding shares not exceeding 1.00 percent of the total number of voting rights of the Company, its parent company, subsidiary, affiliated company, principal shareholder or controlling person of the Company. Shares held by the related persons of such independent director shall also be included;
2. Not being nor having been an executive director, employee, staff, or advisor who receives salary, or a controlling person of the Company, its parent company, subsidiary, affiliated company, same-level subsidiary, major shareholder or controlling person of the Company unless the foregoing status has ended not less than 2 years prior to the date being appointed 124 as the independent director. However, such prohibited characteristics exclude the case where such Independent Director used to be the government official or the advisor of the government entity who is the major shareholder or the controlling person of the Company;
3. Not being a person related by blood or registration under laws, i.e. father, mother, spouse, sibling, and child, including spouse of the children of the executive, major shareholder, controlling person, or person to be nominated as executive or controlling persons of the Company or its subsidiary;
4. Not having a business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, in the manner which may interfere with his or her independent judgment, and neither being nor having been a significant shareholder or controlling person of any person having business relationship with the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company unless the foregoing relationship has ended not less than 2 years prior to the date being appointed as the independent director. Such business relationship includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Applicant or its counterparty being subject to indebtedness payable to the other party in the amount of three (3) percent or more of the net tangible assets of the Applicant or twenty (20) million Baht or more, whichever is lower. The amount of such indebtedness shall be calculated according to the calculation method for value of connected transactions under the Notification of the Securities and Exchange Commission concerning rules on connected transactions, mutatis mutandis. The combination of such

indebtedness shall include indebtedness taking place during the course of one (1) year prior to the date on which the business relationship with the same person commences;

5. Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliated company, major shareholder or controlling person of the Company, and not being a significant shareholder or controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary, affiliate, major shareholders or controlling person of the Company unless the foregoing relationship has ended not less than two (2) years from the date being appointed as the independent director;
6. Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding 2 million Baht from the Applicant, its parent company, subsidiary, affiliated company, major shareholders or controlling person of the Company, and neither being nor having been a significant shareholder, controlling person or partner of the professional advisor unless the foregoing relationship has ended not less than 2 years from the date being appointed as the independent director;
7. Not being a director who has been appointed as a representative of the Company's director, major shareholder or shareholders who are related to the major shareholders;
8. Not operate any business which has the same nature as and is in significant competition with the business of the Company or subsidiary, or not being a significant partner in any partnership, or not being an executive director, employee, staff, or advisor who receives salary; or holding shares not exceeding 1.00 per cent of the total number of voting rights of any other company operating business which has the same nature as and is in significant competition with the business of the Company or its subsidiary;
9. Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

### **Authority of the Audit Committee**

The Board of Directors assigns the Audit Committee the authority to:

1. Perform duties within the scope of responsibilities set out in the Charter of the Audit Committee;
2. Invite directors, executives or employees attend meetings or clarify or respond to inquiries relating to the Company's business and operations, subsidiary, joint ventures, and joint venture projects within the scope of duties and responsibilities of the Audit Committee;
3. Consult an expert or advisor of the Company (if any) or hire a consultant or external expert, if necessary, at the expense of the Company;
4. Inspect and investigate as necessary in matters, as well as request the Company's for information as necessary to complete the performance under the responsibilities of the Audit Committee.

### **Material authorities, Duties, and Responsibilities of The Audit Committee**

1. To review accuracy and adequacy of the Company's financial reporting by coordinating with the external auditor and the executives who are responsible for preparing of quarterly and yearly financial reports. The Audit Committee may recommend the auditor to review or audit any transaction which it deems necessary and materially during the Company's auditing process;
2. To review the Company's internal control system and internal audit jointly with the external auditor and the internal auditor to ensure that they are suitable and efficient, to determine independence of the internal audit unit and/or the outsourced internal auditor, including to approve the appointment, transfer and dismissal of the chief of the internal audit unit and/or the outsourced internal auditor;
3. To review the Company's compliance with the laws on securities and exchange, regulations of the stock exchange and the laws pertaining to the Company's businesses;
4. To select and propose an independent person to be the Company's auditor and to fix his/her remuneration based on creditability, adequacy of resources and amount of auditing work of such auditing firm, including the experiences of the personnel assigned to perform the Company's audit works, as well as to attend the meeting with the auditor without any participation of the Company's Management at least once a year;



5. To consider the connected transactions or transactions that may lead to conflicts of interest to ensure their compliance with the laws, notifications and regulations of the Stock Exchange of Thailand and the Capital Market Supervisory Board to make sure that such transactions are reasonable and for the best interests of the Company;
6. To consider transactions on acquisition or disposition of the Company's assets of which transaction size is required to obtain approval from the Audit Committee as per specified in the laws, notifications, regulations of the Stock Exchange of Thailand and criteria of the Office of the Securities and Exchange Commission and the Capital Market Supervisory Board;
7. To prepare the Audit Committee's report and disclose in the Company's annual report. Such report must be signed by the Chairman of the Audit Committee and at least it must contain the following information:
  - Recommendation on accuracy, completeness and creditability of the Company's financial report;
  - Recommendation on adequacy of the Company's internal control system;
  - Recommendation on compliance with the laws on securities and exchange, regulations of the Stock Exchange of Thailand, or laws related to the Company's businesses;
  - Recommendation on suitability of the auditor;
  - Recommendation on transaction which may have conflict of interest;
  - Number of the Audit Committee's meetings arranged and attendance of such meetings by each committee member;
  - Overall recommendations or observations that have arisen while the Audit Committee performed its duties in accordance with the Charter;
  - Other matters which should be made available to the shareholders and general investors within scope of duty and responsibilities assigned by the Company's Board of Directors.
8. The Audit Committee shall conduct self-evaluation on its performance and report such evaluation results together with problems or obstacles found in performing the works which may make them unable to achieve objectives as per specified to the Board for acknowledgement every year;

9. To approve the internal audit plan, as well as to consider on acknowledgement of performance report of the Internal Audit Unit and/or the outsourced internal auditor;
10. To consider, review and improve the Audit Committee Charter and propose to the Board for consideration and approval;
11. In carrying out duties, if the Audit Committee has found or is suspicious about any of the following transactions or activities which may have material impacts to the financial position or performance of the Company, the Audit Committee must report the Board of Directors to take corrective action within a period of time it deems appropriated. Such transaction include: Recommendation on accuracy, completeness and creditability of the Company's financial report;
  - Transaction with the conflicts of interests;
  - Fraud or unusual transaction or significant deficiency in the Company's internal control system;
  - Violation or breach of laws on securities and exchange, notifications and regulations of the Stock Exchange of Thailand and the laws related to the Company's business.
12. To conduct an investigation of the matter notified by the Company's auditor. If the Company's auditor discovered any suspicious circumstance concerned with the director, manager or any person responsible for the Company's operations, which can be regarded as the fraudulent act as per specified in the Securities and Exchange Act and the auditor has reported such issue to the Audit Committee, the Audit Committee must conduct an investigation and shall report the result of the preliminary investigation to the Office of Securities and Exchange Commission and the auditor within 30 days from the date notified by the auditor;
13. To perform any other tasks as assigned by the Board of Directors and approved by the Audit Committee.

In performing the operations pursuant to the scope of authority and duty, the Audit Committee shall have power to invite or order the concerned management, the department head or the employee of the Company to provide recommendation, participate in the meeting or submit document which is deemed relevant and necessary. Moreover, in performing duties under scope of authority and duty of this regulation, the Audit



Committee may consult with the external independent consultant or the expert in various professions, if it deems necessary and appropriated, at the Company's expenses.

### **Audit Committee Meeting**

1. Submission the meeting's notice: Secretary of the Audit Committee prepares an invitation to the Audit Committee meeting, with clearly defined the date, time, location and agenda, and send the documents to the Audit Committee and the attendees in advance for a sufficient amount of time (or at least 7 days) to consider the matters or request information for further consideration, and to determine the matters that are in the responsibilities of the Audit Committee as follows:
  - Consideration of financial statements and related financial reports, accounting principles and accounting practices, compliance with generally accepted accounting standards, the existence of the business, major changes to accounting policies, including management's reasons regarding accounting policy making before presenting to the Board of Directors for publicity to shareholders and investors;
  - Consideration of Internal Control and Internal Audit system;
  - Review of the Company's Annual Audit Plan, as well as the coordination procedures of various relevant audit plans and audit evaluations in conjunction with internal auditors and auditors to ensure that such audit plans help detect fraud or deficiencies of the internal control system;
  - A joint review with the Internal Auditor on issues or limitations arising during the audit and review the performance of the internal auditor;
  - Consideration with the auditor on issues or limitations arising from the audit of the financial statements;
  - A joint review with internal auditors and auditors to plan a review of electronic data processing methods, controls, and security, specifically to prevent fraud or misuse of electronic information systems by the Company's employees or third parties;
  - Review of items that may cause conflicts of interest, such as connected transactions of the Company etc;
  - Self-evaluation of duties and responsibilities as assigned.

2. Number of meetings: The Audit Committee has at least 1 meeting in every 3 months, depending on the circumstances and necessity.
3. Attendees: The Audit Committee should invite external auditors and internal auditors of the Company to present their work and may invite others who are not audit committee members, such as the executives to attend meetings as necessary and appropriate.
4. Voting: Use the majority voting system as a resolution of the meeting.
5. Minutes of the Meeting: The Secretary of the Audit Committee prepares the minutes of the meeting, which must be submitted to the Audit Committee and the Directors of the attendance, and forwarded to the auditor to confirm the information and inform about the matters that the audit committee is paying attention to or should be paid special attention to within 14 days from the date of the Audit Committee meeting.

## **The reports**

The Audit Committee has a duty and responsibility to report the activities of the Audit Committee or any other duties assigned by the Board of Directors. The Audit Committee's report is important to the Board of Directors, shareholders, and investors as it expresses the independent and frank opinions of the Audit Committee and ensures that the management of the Company manages business operation carefully and with respect to the interests of all shareholders equally.

### 1. Reporting to the Board of Directors:

#### 1.1. Report regular activities to the Board of Directors to be aware of the activities of the Audit Committee

- Minutes of the Audit Committee meeting, which clearly stated the opinions of the Audit Committee on matters.
- Summary of activity reports made during the year
- Reports an opinion on financial reports, internal audit, and internal audit process
- Any other reports that the Board of Directors should be aware of

1.2. Report what is detected immediately so that the Board of Directors can find a solution in time

- List of conflicts of interests
- Suspicion or presumption of fraud or irregularities or significant deficiencies in the internal control system
- Suspicion of possible violation of the Securities and Exchange laws, the stock exchange regulations, or related laws of the Company
- Any other reports that the Board of Directors should be aware of

2. Reporting to official agencies:

If the Audit Committee has reported to the Board of Directors what has a significant impact on its financial position and performance and has been discussed with the Board of Directors and management, revisions must be taken. When a time is due, if the Audit Committee finds that such corrective action has been ignored without reasonable justification, any member of the Audit Committee or the Audit Committee may report such findings to the Securities and Exchange Commission or the Stock Exchange of Thailand.

3. Reporting to shareholders and investors:

Report on activities made during the year in accordance with the duties and responsibilities assigned by the Board of Directors. The report shall be signed by the Chairman of the Audit Committee and disclosed in the Company's annual report.

This Charter of the Audit Committee was firstly approved by the Board of Directors Meeting No. 1/2017 held on February 28, 2017. It was recently reviewed and approved by the Audit Committee Meeting No. 3/2024 held on July 17, 2024 and also reviewed and approved by the Board of Directors Meeting No. 4/2024 held on July 18, 2024.

This announcement made on July 18, 2024.



(Mrs. Monluedee Sookpantararat)

Chairman of the Audit Committee