

SiS Distribution (Thailand) Public Company Limited

Charter of the Audit Committee



SiS Distribution (Thailand) Public Company Limited ("the Company") recognizes the importance of effective corporate governance and, therefore, considers the appointment of the Audit Committee as a crucial tool for the Board of Directors in overseeing business operations and managing affairs efficiently and transparently. This is in alignment with Codes of Conduct, ensuring sustainable growth for the benefit of investors and stakeholders.

The Company through the Audit Committee has established this Charter in accordance with the Codes of Conduct, principles of good corporate governance, and relevant criteria, regulations, and laws. This document serves as a guideline for the committee's operations and is subject to an annual review to ensure alignment with pertinent requirements and current circumstances. Proposed revisions are presented to the Board of Directors for consideration and approval.

1. Scope of Responsibilities of the Audit Committee

The Audit Committee is tasked with the following responsibilities:

- 1.1 Examines to ensure that the Company reports its financial statements, as well as disclosing financial information in accordance with financial reporting standards and legal requirements, accurately, adequately, and reliably within the specified timeframe.
- 1.2 Examines to ensure there is an adequate and effective internal control system and reliable internal auditing that is internationally accepted and meets general standards.
- 1.3 Conducts an investigation and establishes measures to prevent suspicious activities. In the event of any suspected misconduct by directors, managers, or individuals responsible for the Company's operations, take immediate action and report the results of the investigation to the Securities and Exchange Commission, Thailand ("SEC") and the Auditor within 30 days from the date of receiving information from the Auditor and/or Quality Assurance Department.
- 1.4 Examines that the Company complies with regulations relating to securities and the stock market, regulations and laws set forth by the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission (SEC) including other relevant authorities governing the Company's business.
- 1.5 Considers, selects and proposes appointment, removal, or termination of the Auditor of the Company and proposes the Auditor's remuneration, including participating in meetings with the Auditor without Management present, at least once a year.
- 1.6 Considers and monitors Material Transactions (MT), Related Party Transactions (RPT) and transactions that may have conflicting interests to ensure compliance with laws, regulations, and requirements from the SET and the SEC.
- 1.7 Establishes mechanisms to oversee and monitor the accuracy and appropriateness of raised funds utilization, ensuring alignment with the disclosed objectives.
- 1.8 Prepares the Audit Committee's report and disclose it in the Company's Annual Report, in accordance with the requirements of the SET or relevant authorities.
- 1.9 Prepares audit result summary and presents to the Board of Directors on a quarterly basis.
- 1.10 Ensures regular performance assessment for the overall Audit Committee and individual self-assessments are conducted annually.



- 1.11 Collaborate in the planning and consideration for approving the Charter of the Internal Audit, internal audit plan, budget, and human resources of the Quality Assurance Department regularly or as changes arise, to ensure alignment with evolving environments and regulatory requirements.
- 1.12 Evaluates the independence of the Quality Assurance Department by considering its performance, reporting lines, and personnel management practices, including the appointment, removal, transfer, or termination of the Head of Quality Assurance Department.
- 1.13 Ensure the Quality Assurance Department undergoes performance quality assessments conducted by both internal units and independent external auditors, in accordance with generally accepted standards and good corporate governance principles.
- 1.14 Reviews and provide feedback on the operations of the Quality Assurance Department and coordinate relevant activities with the Auditor.
- 1.15 Examines to ensure that the Company adequately manages risks, is sufficiently equipped, and operates effectively.
- 1.16 Conducts a self-assessment regarding the Anti-Corruption measures as evaluated and recommended by Quality Assurance for consideration. Reviews the internal control systems related to Anti-Corruption to align with best practices and comply with the guidelines outlined in the self-assessment report provided by the Thai Institute of Directors.
- 1.17 Promotes accessible channels for reporting and complaints regarding inappropriate behavior, including auditing Anti-Corruption measures. Examines the processes for reporting misconduct and grievances related to the Codes of Conduct and establishes preventive measures to ensure compliance.
- 1.18 Has the authority and responsibility to invite Management, department heads, and employees to attend meetings, provide reports, submit documents, and offer relevant and necessary opinions. Additionally, has the authority to seek opinions from independent advisors in cases where it is pertinent, and the associated expenses shall be borne by the Company.
- 1.19 Reviews the Charter of the Audit Committee annually to ensure their appropriateness in light of any changes in the business environment or relevant requirements.
- 1.20 Performs any other duties as assigned by the Board of Directors with the approval of the Audit Committee or as required by relevant laws within the scope that does not exceed the authority of the Audit Committee.
- 1.21 Reports to the Board of Directors and make necessary improvements within the timeframe deemed appropriate by the Audit Committee in cases where there is suspicion or evidence of transactions or actions that may have a significant impact on the financial status and operations of the Company as follows:
 - 1.21.1 Conflict of interest transactions.
 - 1.21.2 Fraud, irregularities, or significant deficiencies in the internal control system.
 - 1.21.3 Violations of regulations relating to securities and Stock Exchange, requirements from the SET, the SEC or relevant regulations.



2. Composition of the Audit Committee

The Audit Committee shall comprise the following:

- 2.1 The Audit Committee shall comprise of independent directors of the Company, appointed by the Board of Directors or the shareholders' meeting, with a minimum of 3 persons. At least one member of the Audit Committee shall possess knowledge, understanding, or experience in accounting or finance and have continuous awareness of events that may impact financial reporting.
- 2.2 The Audit Committee or the Board of Directors select a member of the Audit Committee to serve as the Chairman of the Audit Committee, considering thoroughly the qualifications to instill overall confidence in the effectiveness of the Audit Committee.
- 2.3 The Chairman of the Audit Committee appoints the Head of Quality Assurance Department to be the secretary of the Audit Committee to assist in managing the committee's activities. This includes coordinating meeting schedules, preparing agendas, distributing meeting materials, and recording meeting minutes. Alternatively, the Chairman of the Audit Committee may appoint the Company Secretary or the Financial Controller as the secretary of the Audit Committee. The secretary of the Audit Committee does not have the right to vote on any matter.

3. Qualification of the Audit Committee

- 3.1 Holding no more than 1% of total voting shares in the Company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the Company including the shareholding of persons related to the independent directors.
- 3.2 Not currently be or never been the company's executive director, worker, employee, salaried consultant, or controlling parties of the Company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the Company. Except it has been at least 2 years after the person has held the position.
- 3.3 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.
- 3.4 Not currently having or never had any relations with the Company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of 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, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the Company. Except it has been at least 2 years after the person has held the position.
- 3.5 Not currently being or never been the Auditor for the Company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the Company. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current Auditor's auditing firm. Except it has been at least 2 years after the person has held the position.



- 3.6 Not currently be providing or never provided professional services, legal consulting, nor financial consulting services to the Company, the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the Company with a fee more than 2,000,000 THB per year. Also, the person should not currently be or never be a significant shareholder, controlling person, or partners of current service providers. Except it has been at least 2 years after the person has held the position.
- 3.7 Not currently a director is appointed to represent the company's directors, major shareholders, or the shareholder related to major shareholders.
- 3.8 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, salaried worker, employee, or consultant; or holding more than 1% of voting shares of any other companies operating under similar business nature and significant competition to the Company and subsidiary.
- 3.9 Not under any conditions that may impede the person from having independent views towards the Company's operations.
- 3.10 Not currently being a director assigned by the Board of Directors to make decisions regarding the operations of the Company, its subsidiaries, affiliates, same-level subsidiaries, major shareholders, or controlling entities of the Company.
- 3.11 Not currently being a director of the parent company, subsidiaries, or same-level subsidiaries which are the listed company.
- 3.12 Possessing sufficient knowledge and experience to perform the duties as the Audit Committee, according to the assigned responsibilities. The Audit Committee shall advocate sufficient time to carry out the work of the Audit Committee.
- 3.13 The Audit Committee should not hold the position of director in more than 5 listed companies as it may impact their ability to fully perform duties in any one company.

4. Term of Office of the Audit Committee

- 4.1 The Audit Committee members will retire upon completing their term as the Audit Committee or upon completing their term as a director of the Company.
- 4.2 The Audit Committee members have a term of office for not more than 3 years or in accordance with their term of being a director of the Company. However, the retiring director is eligible for re-election as approved by the Board of Directors or at the shareholders' meeting.
- 4.3 In addition to the above retirement, the Audit Committee member will retire when:
 - 4.3.1 Death
 - 4.3.2 Submit a resignation letter to the Board of Directors, effective from the date the resignation letter reaches the Company.
 - 4.3.3 Fails to meet the qualifications of the Audit Committee as stipulated in this charter.
 - 4.3.4 Fails to meet the qualifications to serve as a director according to the criteria of the SET, the SEC, or relevant laws.



- 4.3.5 The Board of Directors has passed a resolution to remove them from their position. This resolution required at least three-fourths (3/4) of total members presented at the Board of Directors' meeting.
- 4.3.6 Sentences to imprisonment as stipulated in the judgment, or as ordered by law to serve a prison term, except for offenses committed with negligence or misdemeanor.
- 4.3.7 Considered by the court to be incompetent or quasi-incompetent..
- 4.3.8 Considered by the court to be bankrupted.
- 4.4 In the event that the Audit Committee member wishes to resign before completing their term, he/ she shall notify the Company at least 30 days in advance. This should be done by sending a written notice to the Chairman of the Board of Directors, providing reasons for the resignation. This allows the Board of Directors or the shareholders' meeting to consider appointing a substitute qualified director as specified in this charter.
- 4.5 In the event that the Audit Committee member completes their term or is unable to continue serving for any reason, resulting in the number of members being less than 3 persons, a new Audit Committee member shall be appointed by the Board of Directors or the shareholders' meeting within 3 months from the date the Audit Committee is not complete, according to this regulation. The newly appointed Audit Committee member will serve for the remaining term of the Audit Committee members they replace.
- 4.5 In case of a vacancy in the Audit Committee due to retirement or any reason until the number of committee member is less than 3 persons, the substitute committee member shall be appointed by the Board of Director or the shareholders' meeting within 3 months from the date when the number of the committee member has not met the specification in this charter. The substitute committee member shall remain in the position only for the remaining period of the committee member being replaced.
- 4.6 In the event that the entire Audit Committee vacate their positions, the departing Audit Committee members shall continue to hold offices until the new Audit Committee is appointed and assumes the responsibilities.

5. The Audit Committee Meeting

The Audit Committee shall hold the meeting in compliance with the following requirements:

- 5.1 Arranges a minimum of 6 meetings annually. The agenda of each meeting shall be clearly defined in advance, and supporting documents shall be presented by any means at least 7 days prior to the meeting, unless urgent circumstances require shorter notice. In such cases, alternative notification methods may be used, or the meeting may be scheduled earlier.
- 5.2 A meeting shall be deemed quorate when at least two-thirds (2/3) of the Audit Committee members are present.
- 5.3 The Audit committee members may participate and cast votes in meetings through electronic means or other appropriate channels. The secretary at the meeting recording the minutes shall document such proceedings in the meeting report.



- 5.4 In the event that the Chairman of the Audit Committee is absent or unable to fulfill their duties, the Audit Committee members present at the meeting shall elect one member to act as the temporary Chairman.
- 5.5 Each Audit Committee member shall be entitled to one vote unless they have a vested interest in a particular matter. It is strictly prohibited for any members to abstain from voting on a matter in which they have a vested interest.
- 5.6 Resolution of the Audit Committee shall be made by majority vote, with the Chairman of the Audit Committee not having the right to cast a vote unless the voting is tied. In the event of a tie, the Chairman in the meeting shall cast an additional deciding vote as a casting vote. However, the opinions of other Audit Committee members who did not vote in favor should be presented as dissenting views to the Board of Directors.
- 5.7 The Chairman of the Audit Committee may call a special Audit Committee's meeting if requested by an Audit Committee member, internal auditor, the Auditor, or the Chairman of the Board of Directors. The purpose of the meeting is to jointly address and discuss pertinent issues and concerns.
- 5.8 The Audit Committee may invite the directors, Management, the Auditor, external legal advisors, or subject matter experts to attend special meetings for the purpose of providing opinions or responding to questions related to the agenda of the meeting.
- 5.9 The secretary of the Audit Committee or the appointed person shall be responsible for recording the minutes of the meeting and presenting them to the Audit Committee within 14 days after the meeting.

6. Remuneration of the Audit Committee

The Remuneration and Nomination Committee is responsible for considering and determining the remuneration of the Audit Committee members as deemed appropriate, subject to approval by the Board of Directors and the shareholders' meeting. In the absence of a Remuneration and Nomination Committee, remuneration shall be considered by the Board of Directors.

This Charter of the Audit Committee has been approved by the Board of Directors in the Board of Directors' meeting of No. 6/2024 held on December 13th, 2024.

The Thai version of this document shall be regarded as the official version, with the English version provided solely as a translation from Thai. In the event of any conflict or discrepancy between the two languages, the Thai version shall prevail.

This Charter shall be effective from January 1st, 2025.

(Mr. Lim Kiah Meng)
Chairman