

**No. AIS HR 9 050/2018**  
**Re: Charter of the Audit and Risk Committee**

The Board of Directors of Advanced Info Service Public Company Limited (the "Company") realises the significance of Good Corporate Governance for business sustainability, and has thereby appointed the Audit and Risk Committee (the "Committee") as the mechanism for monitoring its performance and management in order to ensure effective risk management, internal control, correct standards, transparency, and a reliable financial reporting system for the benefit of concerned investors and persons to comply with best practices and regulations of The Capital Market Supervisory Board and The Stock Exchange of Thailand (SET) as well as international standards. The Board of Directors thus deems it appropriate to issue the Charter of the Committee as follows:

**Section 1: Composition and Term of Appointment of the Audit and Risk Committee**

1. The Committee shall comprise no less than three persons of the Independent Directors of the Company. Each person must have sufficient knowledge and experience to perform their duties as an Audit and Risk Committee member. One member of the Audit and Risk Committee must have sufficient knowledge and experience to review the reliability of financial statements.
2. The Committee Members shall select and appoint one of their members as Chairman of the Committee.
3. The Committee shall appoint a Chief of Internal Audit as Secretary to the Committee in order to prepare and set meetings of the Committee, and coordinate reports to the Board of Directors of the Company, investors, shareholders and the Stock Exchange of Thailand.

The Secretary to the Committee shall attend meetings but shall not have any voting rights in any decisions made by the Committee.

4. A Committee member shall serve for a term equivalent to the director's term of office. A retiring member may be re-elected.
5. A Committee member who wishes to resign during his or her term of office must give notice to the Chairman of the Board of Directors. The resignation date is effective upon the Company receiving the notice in order that the Board of Directors can appoint another qualified director as a replacement with regards to the remaining term of office. The Board of Directors must fill the vacancy within 90 days from the date on which a Committee member resigns.

In the case that all members vacate office except otherwise by reason of disqualification or as prohibited by law, the Committee shall remain in office as necessary until a new Committee is appointed.

## **Section 2: Scopes & Duties**

6. The Committee shall supervise and oversee the Company's state of affairs, risk management, internal control and legal compliance in order to ensure that Management and executive directors, who are accountable to shareholders of the Company, execute their duties with honesty and responsibility, and in accordance with the policy of the Board of Directors accurately and the policy of the Company completely, reaching a level of standard practice.
7. The Committee shall have the following duties and responsibilities:
  - 7.1 to review the accuracy of the Company's financial reports in accordance with legally defined Accounting Standards and Financial Reporting Standards, and to ensure there is adequate disclosure;
  - 7.2 to review the overall performance of the external auditors and recommend to the Board on the proposal to shareholders on the appointment, reappointment or removal of the external auditors, and the auditor's remuneration, as well as to make a decision in the case where the management and the external auditors cannot agree on financial reports or limitations of audit engagement;
  - 7.3 to hold a meeting with the external auditor without management in attendance, at least once a year;
  - 7.4 to review the policy on the engagement of the external audit firm to provide non-audit service to the Company;
  - 7.5 to review the Company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine the Internal Audit's independence, as well as to approve the appointment, transfer, dismissal, performance appraisal and remuneration of the Chief of Internal Audit, and to hold a meeting with the Chief of Internal Audit without management in attendance in order to review limitations of internal audit engagement that might impair independence;
  - 7.6 to review and approve the Charter of Internal Audit activities, annual audit plan and activities of Internal Audit, and coordinate with the external auditor;
  - 7.7 to oversee that quality of the Internal Audit be reviewed independently by external assessor once every 5 years;
  - 7.8 to review that the Company has established an appropriate and effective risk management system, and to support the Board of Directors in overseeing enterprise risks, whereby the Committee shall have the following duties and responsibilities:
    - (a) to consider risk framework which comprises risk appetite and risk tolerance as well as enterprise risk management, and to review adequacy of the risk management and policy by Risk Management Committee prior to the proposal to the Board of Directors;

- (b) to independently consider and recommend to the Board of Directors the enterprise risk oversight to ensure appropriate risk assessment, monitoring, reporting and control activities;
  - (c) to assess adequacy and appropriateness of strategic risk management for the business sustainability by overseeing and balancing performance and risk taking, as well as to consider risks impacting all concerned stakeholders and persons;
- 7.9 to review that the Company complies with the requirements of The Securities and Exchange Commission, SET and all laws relating to its business;
- 7.10 to review all connected transactions and possible conflicts of interest to ensure they are in compliance with the laws and regulations of Regulators to ensure that all transactions are reasonable and beneficial to the Company and all its stakeholders;
- 7.11 to review the Company's compliance with Reporting and Investigation of Misconduct and or Fraud and Whistleblower Protection Policy, and consider all concerns of misconduct or fraud and the final investigation report quarterly, and be one channel to receive complaints according to such policy;
- 7.12 to oversee Anti-Bribery and Corruption Policy and its programme to ensure compliance with legal and ethical obligations;
- 7.13 to prepare, and to disclose in the Company's annual report, an audit and risk committee's report which must be signed by the Committee's Chairman and consist of at least the following information:
- (a) an opinion on the accuracy, completeness and credibility of the Company's financial report;
  - (b) an opinion on the adequacy of the Company's internal control system and the effectiveness of risk management;
  - (c) an opinion on the compliance with the law on securities and exchange, SET's regulations, or the laws relating to the Company's business;
  - (d) an opinion on the suitability of an auditor;
  - (e) an opinion on the transactions that may lead to conflicts of interests;
  - (f) the number of the Committee meetings, and the attendance of such meetings by each committee member;
  - (g) an opinion or overview comment received by the Committee from its performance of duties in accordance with the charter; and
  - (h) other transactions which, according to the Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's Board of Directors;
- 7.14 to continue the inspection when the external auditor informs regarding any suspicious circumstance that the director, manager or any person responsible for the operation of such juristic person commits an offence under the law on the Securities and Exchange and the Audit and Risk Committee shall report the result of preliminary inspection to the Office of the

Securities and Exchange Commission and the external auditor within thirty days;

7.15 to report the discussion and/or decision of the Audit and Risk Committee at its meetings and make recommendation as necessary to the Board of Directors at least four times a year. In its performance of duties, if it is found or suspected that there is a transaction or any of the following acts, which may materially affect the Company's financial condition and operating results, the Audit and Risk Committee shall report it to the Board of Directors for rectification within the period of time that the Audit and Risk Committee thinks fit:

- (1) any transaction which causes any conflict of interest; or
- (2) any fraud, irregularity, or material defect in an internal control system; or
- (3) any infringement of the law on securities and exchange, SET's regulations, or any law relating to the Company's business,

If the Company's Board of Directors or management fails to make a rectification within the period of time under the first paragraph, any Audit and Risk Committee Member may report on the transaction or act under the first paragraph to the Office of the Securities and Exchange Commission or SET;

- 7.16 to have the authority to invite concerned executives, management and officers of the Company to express opinions, attend meetings or deliver documents as deemed necessary;
- 7.17 In performing their duties and responsibilities assigned, the Audit and Risk Committee may engage consultants or experts to provide opinions, advice or work, if necessary;
- 7.18 to conduct the Audit and Risk Committee's individual and group self-performance assessment annually;
- 7.19 to review this charter annually and propose to the Board of Directors for approval if changes are needed;
- 7.20 to perform other duties as assigned by the Board of Directors of the Company with the consent of the Audit and Risk Committee.

### **Section 3: Meetings**

- 8. Meetings of the Audit and Risk Committee shall be held at least four times a year. In calling a meeting, the Chairman or Secretary of the Committee (as instructed by the Chairman) shall send an invitation letter to all members at least seven days in advance. However, if the matter is urgent, the Chairman can call a meeting without prior written notice.
- 9. At least one-half of the members must be present in the meeting to form a quorum. In the case that the Chairman of the Audit and Risk Committee is absent or cannot

perform his or her duties, the remaining members shall elect one member to chair the meeting.

10. Consent in meetings shall be made by majority vote.
11. Each member shall have one vote. A member who has a conflict of interest is not entitled to consider and vote for such matters. In the case that there are an equal number of votes, the Chairman shall have the casting vote.

Effective on 1 January 2019

(Mr Kan Trakulhoon)  
Chairman of the Board  
Advanced Info Service Public Company Limited