

(TRANSLATION)

Announcement

No. AIS HR 09 067/2021

Re: Charter of the Audit and Risk Committee

The Board of Directors of Advanced Info Service Public Company Limited (the “Company”) embraces good corporate governance for its sustainable business operations and has therefore appointed the Audit and Risk Committee (the “Committee”) to oversee its operations, risk management and internal controls to ensure that they meet standards, are accurate and transparent, and that financial reporting is reliable for the benefit of shareholders and other stakeholders. To conform to best practices and international standards, as well as regulations stipulated by Thai Capital Market Supervisory Board and The Stock Exchange of Thailand (SET), the Board of Directors therefore deems it appropriate to enact the Charter of the Audit and Risk Committee as follows:

**Section 1: Composition and Terms of the Audit and Risk Committee**

1. The Committee shall comprise at least three members. Each member of the Committee must be an independent director of the Company. Each member must have adequate knowledge and experience to carry out their responsibilities, with at least one of them being financially literate and having relevant experience to review the financial statements' reliability.
2. The Committee members will select and appoint one of their members as the Chairman of the Audit and Risk Committee.
3. The Committee shall appoint the Head of Internal Audit to act as the Secretary to the Audit and Risk Committee in order to prepare and facilitate meetings of the Committee, as well as collaborate on reporting to the Company's Board of Directors, investors, shareholders and the Stock Exchange of Thailand.

The Secretary to the Audit and Risk Committee shall attend meetings but has no voting rights.

4. The Committee members serve for the same terms as they do on the Board of Directors. Members who are due to retire because of rotation are eligible for re-appointment.
5. The Committee member must give notice to the Chairman of the Board of Directors if he or she wishes to resign during his or her term of office. The resignation date becomes effective when the Company receives the notification, allowing the Board of Directors to nominate another competent director to fill the remainder of the term. The Board of Directors must fill the vacancy within 90 days of the Committee member's resignation.

In the case where all members vacate office, unless otherwise disqualified or forbidden by law, the Committee shall remain in office until a new Committee is appointed.

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## Section 2: Scope of Duties and Responsibilities

6. The Committee shall supervise and oversee the Company's business operations, risk management, internal controls and legal compliance in order to ensure that executive directors or management, who are accountable to the Company's shareholders, accurately and completely execute their duties with honesty and responsibility, in accordance with the Board policy, achieving a standard of practice.
7. The Committee shall have the following duties and responsibilities as delegated by the Board of Directors:
  - 7.1 to review the Company's financial reports for accuracy and adequate disclosure in accordance with applicable accounting standards and financial reporting standards;
  - 7.2 to review the qualifications, independence, and overall performance of the external auditors, including rotation of the external auditors, and to recommend to the Board on the proposal to shareholders on the appointment, reappointment, or removal of the external auditors, as well as the auditor's remuneration, and to make a decision in the case where management and the external auditors cannot agree on financial reports or audit engagement limitations;
  - 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 a non-audit service to the Company;
  - 7.5 to review the Company's internal control and internal audit systems to ensure that they are suitable and effective, to determine the independence of the Office of Internal Audit, and to approve the appointment, transfer, dismissal, performance evaluation, and remuneration of the Head of Internal Audit, as well as to hold a meeting with the Head of Internal Audit without management in attendance to review the limitations of internal audit engagements that may impair independence;
  - 7.6 to review and approve the Internal Audit Charter, annual internal audit plan, including budget and audit resources, and internal audit activities, as well as the Office of Internal Audit's collaboration and coordination with the external auditor;
  - 7.7 to ensure that the quality of internal audit is independently assessed every 5 years by an external assessor;
  - 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 the Company's enterprise risk management framework, which includes risk appetite, risk capacity, and tolerance, as well as enterprise risk management, and to assess the adequacy of the enterprise risk management policy prescribed by the Risk Management Committee prior to the proposal to the Board of Directors;
  - (b) to independently consider and advise the Board of Directors on the enterprise risk oversight to ensure appropriate risk assessment, monitoring, reporting and control activities;
  - (c) to assess the 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 affecting all concerned stakeholders and persons;
- 7.9 to review that the Company complies with Thailand's Securities and Exchange Act, as well as other applicable requirements and laws;
- 7.10 to review all connected transactions and potential conflicts of interest to ensure that they are in compliance with regulators' laws and regulations, and that all transactions are reasonable and beneficial to the Company and its stakeholders;
- 7.11 to review the Company's compliance with the Fraud and/ or Misconduct Reporting and Whistleblower Protection Policy, consider allegations of misconduct or fraud and the investigation report quarterly, be one channel for whistleblowers to file complaints in accordance with the established policy, and review the preparation and revision of Fraud and/or Misconduct Reporting and Whistleblower Protection Guideline prior to concurrence;
- 7.12 to oversee the Company's Anti-Bribery and Corruption Policy and its programme to ensure compliance with legal and ethical obligations, as well as to review the self-evaluation form for anti-corruption system development for voluntary Thai Private Sector Collective Action Against Corruption (CAC) certification;
- 7.13 to prepare an Audit and Risk Committee report to be disclosed in the Company's annual report. The report must be signed by the Committee Chairman and must contain at least the following information:
- (a) an opinion on the accuracy, completeness and reliability of the Company's financial statements;
  - (b) an opinion on the adequacy of the Company's internal control system and the effectiveness of risk management;
  - (c) an opinion on the Company's compliance with Thailand's Securities and Exchange Act, SET's regulations, or other laws relating to the Company's business;
  - (d) an opinion on the suitability of an external auditor;

- (e) an opinion on transactions that may result in conflicts of interest;
- (f) the number of Committee meetings and each Committee member's attendance at such meetings;
- (g) an opinion or point of view from performing the Committee's duties as prescribed in this charter; and
- (h) other items that, in the Committee's opinion, should be known to shareholders and general investors, subject to the scope of duties and responsibilities delegated by the Company's Board of Directors;

7.14 to find facts for matters raised by the external auditor, such as any suspicious activities that could lead to a director, manager, or person in charge of the Company's operations committing an offense under the Securities and Exchange Act, and to report the preliminary investigation results to the Office of the Securities and Exchange Commission and the external auditor within thirty days of the external auditor's notification;

7.15 to report to the Board of Directors at least four times a year on the Committee's engagement and make recommendations as needed.

If the Committee finds or suspects a transaction or any of the following acts that may substantially affect the Company's financial position or operating results while performing its duties, the Committee shall report it to the Board of Directors for correction within the time frame that the Committee deems appropriate:

- (1) a transaction that causes a conflict of interest; or
- (2) any fraud, irregularity, significant deficiencies or material weaknesses in an internal control system; or
- (3) violation of the Securities and Exchange Act, SET's regulations, or other applicable laws,

If the Company's Board of Directors or management fails to make a rectification within the time frame set forth in the second paragraph of Clause 7.15, any member of the Committee may report the transaction or act to the Office of the Securities and Exchange Commission (SEC), or SET;

7.16 to have the authority, in accordance with its scope of duties and responsibilities, to invite concerned executives, management and officers of the Company to express opinions, attend meetings or present documents as needed;

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- 7.17 to have the authority, in accordance with its scope of duties and responsibilities, to hire consultants or experts to provide opinions or advice in order to assist them in fulfilling their obligations as needed;
  - 7.18 to conduct the annual self-assessment as an individual and as a group.
  - 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 Company's Board of Directors with the concurrence of the Committee.

### **Section 3: Meetings**

- 8. The Committee will hold meetings at least four times each year. When the Chairman or Secretary of the Committee (as directed by the Chairman) calls a meeting, the Chairman or Secretary shall send a notice and agenda to all members at least seven days prior to the meeting. The Chairman, however, has the authority to hold a meeting without prior written notice if the subject is urgent.

The Committee Chairman may hold a meeting by electronic means in accordance with the Company's guidelines and other applicable regulations.

- 9. To form a quorum, at least half of the members must be present at the meeting. In the case that the Committee Chairman is absent or cannot perform his or her duties, the remaining members shall elect one member to chair the meeting.
- 10. Any matter requiring a decision at the meeting will be decided by a majority vote.
- 11. Each member shall have one vote. A member with 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 Date: 14 December 2021

*-Signed-*

(Mr. Kan Trakulhoon)

Chairman of the Board of Directors

Advanced Info Service Public Company Limited