

กฎบัตรคณะกรรมการตรวจสอบ
Audit Committee Charter
บริษัท อีสต์โคสต์เฟอร์นิเทค จำกัด (มหาชน)
East Coast Furnitech Public Company Limited

Audit Committee Charter

1. Objective

The Board of Directors approved to prepare the Audit Committee Charter with following objectives: to establish the scope of authorities and duties of the Audit Committee which is one of important mechanisms of the good corporate governance; to ensure stakeholders that there are the efficient internal audit system and internal control system in place for the Company's operations for the prevention of conflicts of interest and acting as a guideline for the Audit Committee; and to enable the Board of Directors and executives to understand the working scope of the Audit Committee.

2. Composition

The Audit Committee shall comprise at least three (3) Independent Directors, with appropriate proficiency and skills pursuant to the assigned tasks; and at least one (1) member of the Audit Committee shall have knowledge and understanding or experience in accounting/finance as well as have continuing knowledge of the reasons for changes in financial reports.

3. Qualifications

3.1 Owning not more than 1 percent of the total number of shares with the right to vote and issued by the Company, Parent Company, Subsidiary Company, and Joint Venture Company; or of the Major Shareholder, or of a party with a controlling power over the Company. As such, this total shareholding also includes those shares owned by persons related to the respective Independent Director.

3.2 Not being or having been a Director involved in the management of the operations of, an Employee of, a Staff of; or an advisor with a monthly retainer to; or a person with a controlling power over the Company, Parent Company, Subsidiary Company, Joint Venture Company, and Subsidiary Company of the same status, the Major Shareholder of, or a person with a controlling power over the Company; unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to the date of submitting the application for approval to the SEC Office. As such, this prohibited qualification is not applicable in the event that the Independent Director used to be a Civil Servant or an advisor to the Government Agency/ organization that is a Major Shareholder of or a party with a controlling power over the Company.

3.3 Not being a person who has a relationship, by blood or by legal registration, as a parent, spouse, sibling or children, as well as spouse of the children, of an Executive of, a Major Shareholder of, a person with a controlling power over, as well as a person proposed to be appointed as an Executive or as a person with a controlling power over, the Company or Subsidiary Company.

3.4 Not being or having been a person with a business relationship with the Company, Parent Company, Subsidiary Company, Joint Venture Company, as well as with a Major Shareholder of or a person with a controlling power over the Company, so as to may be an obstacle to exercising judgments in a fully independent manner. This also includes not being or having been a significant Shareholder of a party or having a controlling power over a party with a business relationship with the Company, Parent Company, Subsidiary Company, Joint Venture Company as well as with a Major Shareholder of or a person with a controlling power of the Company. This is unless the person in question no longer is in such a position or has such a status for not less than 2 years prior to the date of submitting the application for approval to the SEC Office.

The business relationship mentioned under the first paragraph shall include business transaction in ordinary business manner of rent, or lease the immovable property, transaction related to assets or services, or the financial support regardless of being lent or borrowed, guaranteed, secured, by assets, debt, and any otherwise similar performance which causes liability or obligation to the applicant or counter party, have provided that such liability is equal to or exceed 3 percent of the net tangible assets of the applicant or equal or above 20 million baht, whichever is lower. In this regard, the calculation of such liability shall be in accordance with the calculation method of the value of connected transaction under the Notification of Capital Market Supervisory Board governing the conditions of connected transaction *mutatis mutandis*. The liabilities incurred during a period of 1 year prior to the date of having business relationship with the above party shall be included on calculation of such liabilities.

3.5 Not being or having been the auditor of the Company, Parent Company, Subsidiary Company, Joint Venture Company as well as with a Major Shareholder of or a person with a controlling power of the Company, and not being or having been a significant Shareholder of a party or having a controlling power over a party or a partner of the auditing firm which employs such auditor of the Company, Parent Company, Subsidiary Company, Joint Venture Company as well as with a Major Shareholder of or a person with a controlling power of the Company, unless the foregoing status ended at least 2 years prior to the date of submitting the application for approval to the SEC Office.

3.6 Not being or having been the professional service provider, including but not limited to legal service or financial advisor with received service fee more than 2 million baht per year from the Company, Parent Company, Subsidiary Company, Joint Venture Company as well as with a Major Shareholder of or a person with a controlling power of the Company, and not being or having been a significant Shareholder of a party or having a controlling power over a party, or a partner of the above mentioned service firms unless the foregoing status ended at least 2 years prior to the date of submitting the application for approval to the SEC Office.

3.7 Not being the Director who is nominated to be the representative of directors of the Company, a Major Shareholder, or any other shareholder related to a Major Shareholder.

3.8 Not operating the same and competitive business with the business of the Company, or Subsidiary Company, or not being a significant partner of the partnership, or not being a non-executive director, employee, staff, advisor who receives salary, nor holding shares for more than 1% of the total shares with voting right of any other company which operates the same and competitive business with the business of the Company, or Subsidiary Company.

3.9 No being any otherwise which is unable to have the independent opinion regarding the business operation of the Company.

4. Appointment, Term of Office, and Termination from Office

4.1 Appointment

4.1.1 The Board of Directors shall select and appoint Independent Directors to be the Chairman of the Audit Committee and members of the Audit Committee.

4.1.2 When any member of the Audit Committee completes the term of office or has a reason to vacate the position, resulting in comprising less than 3 members, the Board shall appoint another director, who is fully qualified, to replace that resigning member within three (3) months from the date of incomplete composition of the Audit Committee to ensure the continuity in the performance of the Audit Committee.

4.1.3 The Company's internal audit manager shall act as the Secretary of the Audit Committee.

4.2 Term of Office

The Audit Committee serves for the term of three (3) years, based on the term of office of the Company's directorship.

4.3 Termination from Office

4.3.1 A member of the Audit Committee shall immediately be terminated from the position upon

- a) Term expiration
- b) Being removed from directorship
- c) Resignation
- d) Death
- e) Dismissal from office prior to term expiration by Board of Directors' resolution

4.3.2 In the case of any member of the Audit Committee resigning before completing the term of office, a written notice stating reasons for resignation should be presented to the Company at least

one (1) month prior to the resignation, so that the Chairman of the Audit Committee shall examine and propose the Board Of Directors for consideration and approval and the Company shall notify and present a copy of resignation letter to the Stock Exchange of Thailand, and the Board of Directors can then consider appointing another qualified Director to replace the Member who is resigning.

4.3.3 In the event that any member of the Audit Committee resigns or vacates the position prior to completing the current term of office, the Company should promptly inform the SET, that resigning or removed member must be able to explain the reason to the SEC Office.

5. Scope of Authority and Duties

5.1 Review and ensure that the Company and its Subsidiary Company have and submit the financial reports that are correct, accurate and adequate.

5.2 Review and ensure that the Company and its Subsidiary Company has in place both internal control and internal audit systems that are appropriate and effective; as well as consider and monitor the independence of the Internal Audit Office together with considering the appointment, transfer, or termination of the Head of the Internal Audit Office or any other unit responsible in internal audit.

5.3 Review and ensure that the Company fully complies with all laws on securities and securities exchange, the regulations of the Stock Exchange of Thailand, and other laws applicable to the Company's business.

5.4 Consider and select, as well as propose the appointment of qualified Auditor(s) together with the associated audit fee; and a meeting should also take place with the authorized Auditor of the Company, without the participation of management, at least once a year.

5.5 Consider and review all proposed related transactions or those transactions that may involve a conflict of interest, as well as the acquisition or disposal transaction of the Company and its Subsidiary Company to comply with the applicable laws and regulatory requirements of the Stock Exchange of Thailand. As such, this is to ensure that such transactions are reasonable and for the maximum benefits of the Company.

5.6 Prepare the Report of the Audit Committee and disclose the Report in the Company's Annual Report; whereby the Report is to be signed by the Chairman of the Audit Committee and must at least consist of all the following information:

- a) Opinion on the correctness, accuracy, and comprehensiveness, together with the credibility of the Company's financial reports.
- b) Opinion on the adequacy of the Company's internal control system.

c) Opinion on the compliance with the laws on securities and securities exchange, the regulations of the Stock Exchange of Thailand, and laws applicable to the Company's business.

d) Opinion on the suitability of the external Auditor.

e) Opinion on transactions that may cause conflicts of interests.

f) Number of Audit Committee meetings held during the year, and the attendance record of each member of the Audit Committee.

g) Overall opinion or comments received by the Audit Committee from its performance of duties in accordance with the Audit Committee Charter.

h) Other transactions which should be known to Shareholders and general investors, subject to the scope of duties and responsibilities as assigned by the Company's Board of Directors.

5.7 Undertake any other activities as assigned by the Board of Directors and with the concurrence of the Audit Committee.

5.8 In performing the duties of the Audit Committee, if it is found or suspected that a transaction or any of the following acts has taken place, which may materially affect the Company's financial condition or operating results, the Audit Committee shall report it to the Board of Directors for rectification within a period of time deemed appropriate by the Audit Committee, transactions or acts to be reported are as follows:

5.8.1 a transaction which causes a conflict of interest;

5.8.2 any fraud, irregularity, or material defect in an internal control system;

5.8.3 an infringement of the laws on securities and securities exchange, the Stock Exchange of Thailand's regulations, or any other law relating to the Company's business. If the Audit Committee reported the Board of Directors on what significantly affects the financial status, operating performance, and consulted with the Board of Directors and the management that the rectification is required. After completing the agreed timeframe, if the Audit Committee found that the Board of Directors and the management ignored to make such rectification without appropriate reason, any member of the Audit Committee may report such transaction or act to the SEC Office and/or SET.

6. Authorities related to operation

6.1 The Audit Committee has authority to select, propose, appoint and determine the remuneration of the Company's accounting Auditors.

6.2 The Audit Committee has authority to appoint the Secretary of the Audit Committee to assist the Audit Committee's performance.

6.3 The Audit Committee has authority and duty to seek independent opinions from any other professional advisors when deemed necessary at the expense of the Company. The hiring process is in accordance with the Company's rules and regulations.

6.4 The Audit Committee has authority to request for the information from any functions of the Company and its Subsidiary Company for further consideration in any matters.

7. Meetings

7.1 The Audit Committee shall regularly meet at least four (4) times per year with the external accounting Auditors, internal auditors and executives responsible in accounting and finance, to quarterly review the financial statements, and to report to the Company's Board of Directors. The Audit Committee could invite relevant parties including Directors, executives, or employees of the Company and its Subsidiary Company to attend the meeting, discuss, provide explanations or answer the questions.

7.2 The Chairman of the Audit Committee or the Secretary of the Audit Committee shall deliver the meeting invitation and documents to all members of the Audit Committee and other meeting participants at least seven (7) days before the meeting date, except the urgent case that may call for the meeting by other means or schedule the meeting date earlier than that.

7.3 For each meeting of the Audit Committee, at least half of the total number of Audit Committee Members is required to make a quorum. In case of considering quarterly or annual financial statements, a member of the Audit Committee with knowledge and experience in reviewing financial statements is required to attend the said meeting.

7.4 In the event that the Chairman of the Audit Committee is on a mission and unable to attend any meeting, the attending members shall elect any member to preside over the meeting.

7.5 The decision of the meeting shall be made by a majority of votes, if the voting result is equal, the Chairman of the meeting shall make an additional vote as a casting vote.

7.6 In the voting of the Audit Committee, any member with interest in any agenda is prohibited to express any opinion and voting on that agenda.

7.7 The Secretary of the Audit Committee is ineligible in voting.

7.8 The Secretary of the Audit Committee shall attend every meeting as he/she is responsible for preparing and presenting the minutes of meeting to the Audit Committee for consideration and approval, and the Chairman of the Audit Committee shall report the meeting result to the meeting of the Board of Directors for the acknowledgement of the activities performed by the Audit Committee.

8. Reporting of the Audit Committee

8.1 Reporting to the Board of Directors

8.1.1 Following activities are regularly reported to the Board of Directors for the acknowledgement of the activities performed by the Audit Committee:

- a) the meetings of the Audit Committee, clearly stating the opinions in considering activities;
- b) activities considered during the year;
- c) opinions towards financial reports, internal audit reports;
- d) any other reports deemed appropriate to be acknowledge by the Company's Board of Directors.

8.1.2 Following transactions or actions shall be promptly reported so that the Company's Board of Directors shall find solutions in a timely manner:

- a) Any fraud, irregularity, or material deficiency of the internal control system;
- b) Any conflict of interest;
- c) Infringement of any laws or requirements of the Stock Exchange of Thailand, or relevant laws.

8.2 Reporting to the SET as the listed company

8.2.1 The Appointment of the Audit Committee

- a) Reporting the resolutions of the Board of Directors' meeting about the appointment of the Audit Committee together with a name list form and the scope of the Audit Committee in accordance with the requirements of the Stock Exchange of Thailand.
- b) Submitting a certification letter and profile of all members of the Audit Committee together with the report on the resolution of the appointment of the Audit Committee to the Stock Exchange of Thailand within 3 days from the date of the Board of Directors passed a resolution to appoint the Audit Committee.

8.2.2 Any change of members of the Audit Committee

- a) Reporting the resolutions of the Board of Directors' meeting about the changes of members of the Audit Committee to SET in accordance with the requirements of the Stock Exchange of Thailand.
- b) Submitting a certification letter and profile of the newly appointed member of the Audit Committee together with the report on the resolution of the appointment of the Audit Committee.

8.2.3 For any change of duties and scope of work of the Audit Committee, report the resolutions of the Board of Directors' meeting regarding the change in duties and scope of work of the Audit Committee to the SET in accordance with the requirements of the

Stock Exchange of Thailand within 3 days from the date of the Board of Directors passed a resolution about such changes.

9. Performance Assessment of the Audit Committee

In order to improve the performance of the Audit Committee for the ultimate efficiency and effectiveness to the shareholders and organization, the Audit Committee have to annually assess the performance in a team basis and report the assessment result to the Board of Directors at least once a year.

This Audit Committee Charter was proposed to the meeting of the Board of Directors No. 11/2020 on November 13, 2020 for final consideration and review.