




Civil Engineering Public Company Limited

Company regulations

Subject

Audit Committee Manual

(Amended No. 1/2020)

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This Audit Committee manual is a copyright of Civil Engineering Public Company Limited and its group companies. It has been written with the aim of striving to develop the corporate governance system to be in accordance with the good corporate governance principles issued by the Securities and Exchange Commission.

The Audit Committee shall strictly adhere to the guidelines specified in this Audit Committee manual.

In order to keep the Audit Committee manual up to date and appropriate to the situation and changes, it is required that the Audit Committee manual be reviewed regularly at least once a year. Any changes or amendments must be approved by the Board of Directors only.

(Signed)

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(Mr. Chaiwat Utaiwan)

Chairman of the Board



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1. Principles and Reasons

To ensure the efficiency in the performance of duties of the Board of Directors and to be confident that the Company is compliant with the relevant law, policies, and regulations of the Company, that there is a correct and accountable financial report, and the operation is efficient and effective, as well as having a system of check and balances, the Board of Directors therefore has appointed an Audit Committee which is independent from the executives to review the sufficiency and appropriateness of the internal control system and risk management system. The Audit Committee shall also perform duties as assigned by the Board of Directors in order to operate the business in accordance with the objectives of the Company.

The Company has summarized the key practices relevant to the Audit Committee from the rules, regulations, and announcements of the Stock Exchange of Thailand, (“**SET**”) and the Office of the Securities and Exchange Commission (“**SEC**”) for the Audit Committee to use as the principle and guidelines in performing their duties and responsibilities correctly.

2. Objectives

To be used as a guide for the performance of the Audit Committee.


3. Scope

Applies to the Audit Committee of Civil Engineering Public Company Limited.

4. Structure of the Audit Committee

4.1 Composition


- 1) The Audit Committee must be an independent director of the Company.
- 2) The Audit Committee must consist of at least three Audit Committee members.
- 3) The members of the Audit Committee must be appointed by the Board of Directors and/or the shareholders’ meeting (depending on the case).
- 4) At least one member of the Audit Committee must have the knowledge, understanding, or experience in accounting or finance sufficient to be able to review the reliability of financial statements.
- 5) The Audit Committee or the Board of Directors shall appoint a member of the Audit Committee to be the Chairman of the Audit Committee.
- 6) The Audit Committee shall consider appointing an internal audit executive or an appropriate person to function as the secretary of the Audit Committee.

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4.2 Qualifications of the Audit Committee members

- 1) Have the qualifications according to the laws, announcements, and related criteria, especially the law on public limited companies and the law on securities and exchange.
- 2) Holding the position of director and independent director of the Company.
- 3) Holding no more than 1% of total voting shares of the Company, parent company, subsidiary, associated company, major shareholder, or controlling person of the Company. This shall include the shareholding of related persons of that independent director.
- 4) Not currently being or has never been the company's executive director, worker, employee, salary consultant, or controlling parties of the Company, parent company, subsidiary, affiliate, same level of subsidiary company, major shareholder, or controlling person, unless the foregoing status has ended not less than two years before taking office. However, such prohibited characteristics do not include the case where an independent director used to be a government official or advisor of a government agency which is a major shareholder or person with control over the Company.
- 5) Not a person who is related by blood or legally registered in the form of parents, spouses, siblings, and children including the spouses of the children, of other directors, executives, major shareholders, controlling persons, or persons who will be nominated as a director, executive, or controlling person of the Company or its subsidiaries.
- 6) Not currently having or never had a business relationship with the Company, parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company in a manner that would impede the exercise of one's independent judgment and not and never been a significant shareholder or controlling person of a person having a business relationship with the Company, parent company, subsidiary, affiliate, major shareholder, or controlling person of Company, unless the aforementioned characteristics have been terminated for not less than two years before taking office.


Such business relationships include entering into normal business transactions, rental or lease of property, transactions relating to assets or services, or giving or receiving financial assistance by accepting or giving loans, guarantees, the provision of assets as collateral for liabilities, including other similar circumstances resulting in the Company or the counterparty being indebted to the other party from three percent of the Company's

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net tangible assets or from twenty million baht or more, whichever is lower. In this regard, the calculation of such indebtedness shall be in accordance with the method for calculating the value of connected transactions under the Notification of the Capital Market Supervisory Board Re: Rules on Connected Transactions *mutatis mutandis*. However, in considering such debt burden, debt burden incurred during one year prior to the date of business relationship with the same person shall be counted.

- 7) Not currently being or has never been an auditor of the Company, parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company and not currently being or has never been a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, parent company, subsidiary, affiliate, major shareholder, or controlling person the Company is affiliated with, unless the aforementioned nature has been terminated for at least two years before taking office.
- 8) Not and never been a professional provider of any kind. This includes providing services as legal advisors or financial advisors who receive fees in excess of two million baht per year from the Company, parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company and not a significant shareholder, controlling person or a partner of that professional service provider, unless the foregoing relationship has been terminated for not less than two years before taking office.
- 9) Not currently a director appointed to represent the Company's directors, major shareholders, or shareholders who are related to the Company's major shareholders.
- 10) Not operating businesses of the same nature and in significant competition with the business of the Company, or its subsidiaries; not a significant partner in a partnership or being an executive director, employee, advisor who receives regular salaries; and not someone who holds more than one percent of the total number of voting shares of other companies that operate businesses of the same nature and in significant competition with the business of the Company or its subsidiaries.
- 11) Have no other characteristics which prohibits the person from expressing an independent opinion on the operations of the Company.

After being appointed as an Audit Committee member with characteristics in accordance with clauses 3) – 11), the Audit Committee member may be assigned by the Board of

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Directors to make decisions on the operation of the Company, parent company, subsidiaries, affiliate, same-level subsidiaries, major shareholders, or those with controlling power of the Company by making decisions in the form of a collective decision.

- 12) Not a director assigned by the Board of Directors to make decisions on the operation of the Company, parent company, subsidiaries, affiliate, same-level subsidiaries, major shareholders, or person with controlling power of the Company; and
- 13) Not a director of a parent company, a subsidiary, or a same-level subsidiary of the listed companies in particular.

In addition, the Company will consider other qualifications, including business experience, business-related expertise, and ethics, etc.

4.3 Tenure and Retirement

- 1) An Audit Committee member's term of office is three years per term according to the Company Director's term of office. At the completion of the term of office, the Audit Committee member may be considered for reappointment as the Board of Directors deem appropriate whereby an Audit Committee member should not have a term of office longer than nine consecutive years from the date of the first appointment as an Audit Committee member (unless the Board of Directors considers that it is necessary to hold office for more than nine years). The Audit Committee member who vacates office upon the expiration of the term shall remain in office to continue to perform duties until a member is appointed to replace the position except in the case where the term of office of the Company's director has expired but is not reelected to be a director of the Company.
- 2) In addition to vacating office at the expiration of the term, the committee vacates office upon:
 - (1) Death
 - (2) Resignation from the Audit Committee whereby a notification of the intention to resign shall be submitted to the Chairman of the Board of Directors not less than 30 days in advance with reasons to allow the Board of Directors and/or the shareholders' meeting of the Company to consider appointing other qualified

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directors to be replace their position as an Audit Committee member (depending on the case).

- (3) Lack of qualifications to be a director of a company under the law governing public limited companies, the law on securities and exchange, or any related regulations including this Audit Committee manual.
 - (4) The Board of Directors' meeting resolved for the person to vacate the position.
- 3) In the event that an Audit Committee member vacates office resulting in a shortage of the number of Audit Committee members required by law, the Board of Directors shall appoint a qualified person to be an Audit Committee member to fill the vacant position in order for the Audit Committee to meet the lawfully required number or requirements of the related regulations within three months from the date of the shortage of Audit Committee members to ensure continuity of the Audit Committee's operation. The newly appointed Audit Committee member will remain in office for the remaining office term of the vacated Audit Committee member.


5. Duties and responsibilities of the Audit Committee

The Company defines the duties and responsibilities of the Audit Committee as follows:

- 5.1 Review the Company's financial reporting to be accurate and adequate according to financial reporting standards by coordinating with external auditors and management responsible for preparing both quarterly and annual financial reports. The Audit Committee may suggest that the auditors review or examine any items that are considered important and necessary during the audit of the Company and its subsidiaries.
- 5.2 Review to ensure that the Company has an appropriate and effective internal control and internal audit system and consider the independence of the internal audit unit as well as to approve the appointment, transfer and dismissal of the head of the internal audit unit, or any other agency responsible for internal audits.
- 5.3 Review the Company's compliance with the Securities and Exchange Act, the regulations of the Stock Exchange and the Capital Market Supervisory Board, and the laws relating to the Company's business.
- 5.4 Consider, select, or propose to appoint an independent person to act as the Company's external auditor and propose the remuneration of such person, including attending a meeting with the external auditor without the presence of the management at least once a year.

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- 5.5 Consider and give opinions on connected transactions or transactions that may have conflicts of interest and consider the acquisition or disposition of the Company and its subsidiaries to comply with the laws and regulations of the Stock Exchange of Thailand. This is to ensure that the transaction is reasonable and for the best interest of the Company.
- 5.6 Prepare the Audit Committee's report and disclose it in the Company's annual report, which must be signed by the Chairman of the Audit Committee and must contain the following information:
- 1) Opinion on the accuracy, completeness, and credibility of the Company's financial reports.
 - 2) Opinions on the adequacy of the Company's internal control system.
 - 3) Opinion on the compliance with securities and exchange laws, stock exchange regulations, or laws related to the Company's business.
 - 4) Opinion on the suitability of the auditor.
 - 5) Opinion on the transactions that may have conflicts of interest.
 - 6) Number of Audit Committee Meetings and attendance of each Audit Committee member.
 - 7) Overall opinions or observations received by the Audit Committee in the performance of its duties in accordance with the Charter.
 - 8) Other transaction that shareholders and general investors should be aware of under the scope of duties and responsibilities assigned by the Board of Directors.
- 5.7 Review the accuracy of reference documents and self-assessment on the Company's anti-corruption measures in the event that the Company participates in the Thai Private Sector Collective Action Coalition Against Corruption.
- 5.8 Review and monitor risk management results, including assessing risk management results from working groups and/or related agencies.
- 5.9 Perform any other duties as assigned by the Board of Directors with the consent of the Audit Committee.

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In the performance of duties pursuant to Articles 5.1–5.9 above, the Audit Committee is directly responsible to the Board of Directors and the Board of Directors remains responsible for the Company’s operations to outsiders.

5.10 In performing the duties of the Audit Committee, if the following transaction or actions are found or suspected that may have a material impact on the financial position and performance of the Company, the Audit Committee shall report to the Board of Directors for corrective actions within the time the Audit Committee deems appropriate.


- 1) Transactions with conflicts of interests.
- 2) Fraud, or there is something out of the ordinary, or there is a major defect in the internal control system.
- 3) Violations of securities and exchange laws, stock exchange regulations, or laws related to the Company’s business.

If the Board of Directors or the management fails to take corrective actions within the aforementioned time, one of the Audit Committee members may report such transactions or actions to the Securities and Exchange Commission, or the stock exchange.

5.11 Has the authority to access information at all levels of the Company, including inviting executives, management, supervisors, employees, or related persons to attend the meeting to clarify information as well as deliver and provide relevant information under the scope of duties assigned by the Board of Directors.

5.12 Comment on the issue of conflicts of interest in accepting or rejecting an offer under the Right of first refusal as proposed by the Executive Committee to ensure that the acceptance or rejection of such offer is reasonable and in the best interest of the Company.

In the event that the Audit Committee has a resolution not to undertake the project according to the agenda proposed by the Executive Committee, such resolution must consist of all the votes of the Audit Committee members, and at the meeting of such agenda, all Audit Committee members must attend the meeting. If any Audit Committee member is unable to attend the meeting in person, such Audit Committee member can attend the meeting and vote via electronic media.

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6. Audit Committee Meeting


- 6.1 There shall be an Audit Committee meeting on the review of quarterly and annual financial statements at least four times a year and additional meetings may be convened as necessary. The Chairman of the Audit Committee or the person assigned shall call the meeting.
- 6.2 At a meeting of the Audit Committee, there must be at least half of the total number of Audit Committee members in order to constitute a quorum. In the event that the Chairman of the Audit Committee is not present at the meeting or is unable to perform the duties, the Audit Committee members attending the meeting shall elect one of the Audit Committee members to preside over the meeting.
- 6.3 The decision of the meeting shall be made by a majority of votes. If the votes are equal, the Chairman of the meeting shall have an additional vote as a casting vote.
- 6.4 Each member of the Audit Committee has one vote except any Audit Committee member who has conflict of interest in any matter, who shall not have the right to vote on that matter.
- 6.5 The Audit Committee may invite any person involved in the matters under consideration, such as executives, management, internal auditors, or auditors to attend the meeting as appropriate. It may also consider convening a separate meeting with such other persons if it is deemed that there are specific issues or matters that should be discussed.

7. Audit Committee Evaluation

The Company arranges to have a performance evaluation of the Audit Committee at every year-end to enable the Audit Committee to assess the role and effectiveness in overseeing the operations of the Audit Committee and the Audit Committee as a whole and send it back to the Company within the specified period to collect the information and present it to the Audit Committee and Board of Directors' meeting.

8. Audit Committee Report

- 8.1 The Audit Committee is responsible for reporting financial and general information to shareholders and general investors accurately, completely, and transparently, with reasonable explanations and supporting figures in terms of operating results, policies, future trends, achievements, and obstacles of the Company.

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8.2 In the event that the Company's auditor withdraws or is dismissed, the reason should be reported to the SEC and SET.

8.3 The Audit Committee should prepare a report showing the Audit Committee's responsibility for the preparation and disclosure of the Company's financial reports and present it in the annual report. The said report must be signed by the Chairman of the Audit Committee.

8.4 The audit committee should disclose compliance with the principles of good corporate governance as stipulated by the SET.

9. Development and training of the Audit Committee

The Company attaches great importance to the training of the Audit Committee. If there is a course that is important and will benefit the directors, for example the Audit Committee Program (ACP) organized by the Thai Institute of Directors Association, etc., the Company Secretary will notify the Audit Committee to inquire about their intention to attend the training and arrange for the participation in the training accordingly, as necessary and appropriate.

10. Appendix

Self-evaluation of the Audit Committee

(Attached forms)