

## **Charter of the Audit Committee**

### **GMM Grammy Public Company Limited**

#### **1. Purpose**

The Audit Committee (the “Committee”) is established in accordance with the resolution of the Board of Directors to promote good corporate governance and enhance efficiency and add value to the organization. The Audit Committee is to support and operate on behalf of the Board of Directors in building confidence and reliability of the financial reports to the shareholders and other stakeholders. Also, the Committee is to review and evaluate the internal control system, risk management and internal audit system, and to ensure that the operation comply with its good corporate governance policy, business ethics, and also the related laws, plus to cooperate with the company’s auditors.

#### **2. Composition and qualifications of the Audit Committee**

##### **2.1 Composition**

2.1.1 The Audit Committee shall be comprised of at least three independent directors of the Board.

2.1.2 At least one of the audit committee’s members has to have knowledge, understanding and experience that are sufficient to review financial statement.

##### **2.2 Qualifications**

The Audit Committee’s qualifications are fully conformed to the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission’s (SEC) guidelines and other regulatory agencies. Moreover, the Audit Committee shall be neutral, not biased or has any benefit or interest directly or indirectly which may result in an unfair or dependently judgment.

#### **3. The Office Term**

3.1 The office term of each Audit Committee’s member is based upon the office terms they occupied as the Board of Directors.

3.2 The Audit Committee’s members may be re-appointed if the Board of Directors see as appropriate, but the office term of the Audit Committee shall not be automatically renewed.

3.3 Apart from vacating upon the end of office term stated in Item 3.1, the Audit Committee’s members will retire from the office upon the following conditions:

3.3.1 Resignation

3.3.2 Dismissal by the Board of Directors

3.3.3 Fail to have the qualifications as specified in the Audit Committee’s charter or fail to comply with the regulations set by the Capital Market Commission, the Stock Exchange of Thailand and other regulatory agencies.

- 3.4 In case of the completion of the office term or any circumstances that don't allow the audit committee to continue the term of office, which result in the decrease in number of audit committee and therefore violates the required amount of at least three Audit Committee's members, the Board of Directors shall, immediately or within three months, appoint a new member to meet the requirement in order to resume the operation of the Committee. The substituted member can only be in the office within the remaining term of the member he/she replaced.

#### **4. Duties and Responsibilities of the Audit Committee**

- 4.1 Ensuring the accuracy, completeness, and reliability of the financial statements and that sufficient information is disclosed.
- 4.2 Ensuring that the Company has sufficient, appropriate and effective internal controls, risk management, and internal audit systems.
- 4.3 Ensuring that the Company appropriately and effectively abides by the Good Corporate Governance Policy and Code of Ethics.
- 4.4 Ensuring that the Company abides by all relevant SEC and SET rules and regulations, and other regulations and laws related to the Company's businesses.
- 4.5 Proposing and terminating the Company's auditors and determining their compensation.
- 4.6 Evaluating connected transactions or transactions that may have conflicts of interest, so they comply with the law and regulations stipulated by SET, to ensure that the transactions are reasonable and benefit the Company.
- 4.7 Supervising the Internal Audit Department policies and operations so that they are aligned with the Internal Audit Charter, by evaluating the independence of its audits, the scope of work and audit schedules.
- 4.8 Evaluating and appoint, transfer, and terminate the head of Internal Audit Department, Including considering approving the performance evaluation and consideration of remuneration in the internal audit department assessed by the head of the internal audit department and top management of the company.
- 4.9 Reviewing the recommendations conducted by the external auditor and the Internal Audit Department, as well as monitoring the management team to ensure that recommendations have been sufficiently followed and effective action has been taken within an appropriate timeframe.
- 4.10 The Audit Committee can request that any member of the management or employee report or present information, attend meetings or deliver documents as deemed relevant and necessary.
- 4.11 The Audit Committee can request assistance from external advisors or experts related to the audit operation, at the Company's expense, in accordance with the Company's regulation as necessary.
- 4.12 Considering and amending the Audit Committee Charter at least once a year or as necessary, so it is up-to-date and appropriate for the Company's environment, and to present the results to the Board of Directors for approval.

- 4.13 Preparing an Audit Committee's report which includes data and perspective of the Audit Committee in various aspects that will be shown in the company's annual report and has to be signed by the Chairman of the Audit Committee.
- 4.14 Executing other tasks as assigned by the Board of Directors, as agreed to by the Audit Committee.

The management has a duty to report or present relevant information and documents to the Audit Committee to support the Audit Committee's work to achieve its assigned duties.

## **5. Meetings**

- 5.1 The audit committee holds a meeting when seen as appropriate (at least four times a year) and has the power to call for an extra meeting. The Audit Committee quorum shall comprise of not less than one-half of the total existing members.
- 5.2 All the members shall attend every meeting unless he/she has any necessary matter. In this case, the member has to notify his absence three days in advance to the Chairman of the Audit Committee.
- 5.3 The Chairman of the Audit Committee shall also be the chairman of the meeting. In case where the Chairman of the Audit Committee is absent, other members attending the meeting can select one member to be a substitute chairman of the meeting.
- 5.4 The exclusive meeting among the Audit Committee, management team, the internal auditor, or the financial auditor is to be held consistently or at least one time a year.
- 5.5 The resolution of the Audit Committee can be made by majority vote. Any member who has any interest in the related topic shall not vote on that particular topic. If the result of the vote is even, the chairman of the meeting shall have a final vote.
- 5.6 The meeting invitation letter shall be issued not less than seven days prior to the meeting date. This excludes the emergency case, where the date of the meeting will be informed by other methods or the meeting shall be scheduled earlier. The secretary of the Audit Committee shall take the minutes of the meeting.

This charter is enforced from August 13, 2014 onwards.

Announced on August 13, 2014