



**HANA Microelectronics Public Co., Ltd.**

## **CHARTER OF AUDIT COMMITTEE**

The board of directors approved the Charter of Audit Committee in order to ensure the Committee performing duties and responsibilities with a clear scope in its oversight of financial reporting, internal control, compliance with laws and the company's policies, risk management, information disclosure and etc.

### **Composition and Qualifications of Audit Committee**

The Committee shall consist of at least three independent directors who are independent from Hana operations and free from any relationship that might in the opinion of the board of directors to be construed as a conflict of interest, and all of whom shall meet the independence requirements of the SEC and the SET standards and applicable laws. At least one of the Audit Committee Members shall have sufficient knowledge and experience of financial background.

### **Term of Service**

The Audit Committee serves a term of three (3) years. An Audit Committee completing a term may be reappointed by the board of directors.

In the case where the Audit Committee position becomes vacant for a reason other than completion of a term, the board of directors may appoint another person with fitting qualifications to maintain the required number of Audit Committee within three months, as per the criteria for companies listed in the Stock Exchange of Thailand. The replacement member will serve only the remaining term of the Audit Committee whom he/she replaced.

### **Duties and Responsibilities**

- 1) Review the company's financial reporting process to ensure that it is accurate and adequate
- 2) Review the company's internal control system and internal audit system to ensure that they are suitable and efficient, to determine an internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the head of an internal audit department
- 3) Review the company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the company's business

- 4) Consider, select, nominate and dismissal of an independent auditor including propose their remuneration, as well as to attend a non-management meeting with an auditor at least once a year
- 5) Review the connected transactions, or the transactions that may lead to conflicts of interests, to ensure that they are in compliance with the laws and the Exchange's regulations, and are reasonable and for the highest benefit of the company
- 6) Prepare and disclose in the company's annual report, the Audit Committee's report which shall be signed by the chairman of Audit Committee and consisted of at least the following information:
  - 6.1 an opinion on the accuracy, completeness and creditability of the company's financial report,
  - 6.2 an opinion on the adequacy of the company's internal control system,
  - 6.3 an opinion on the compliance with the law on securities and exchange, the Exchange's regulations, or the laws relating to the company's business,
  - 6.4 an opinion on the suitability of an auditor,
  - 6.5 an opinion on the transactions that may lead to conflicts of interests,
  - 6.6 the number of the Audit Committee's meetings, and the attendance of such meetings by each committee member,
  - 6.7 an opinion or overview comment received by the Audit Committee from its performance of duties in accordance with the charter, and
  - 6.8 other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the board of directors
- 7) Perform any other act as assigned by the board of directors, with the approval of the Audit Committee
- 8) 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 Committee shall report it to the board of directors for rectification within the period of time that the Audit Committee thinks fit:
  - 8.1 a transaction which causes a conflict of interest;
  - 8.2 any fraud, corruption, irregularity, or material defect in an internal control system;  
or
  - 8.3 an infringement of the law on securities and exchange, the Exchange's regulations, or any law relating to the Company's businessIf the company's board of directors or management fails to make a rectification within the period of time under the first paragraph, any Audit Committee may report on the transaction or act under the first paragraph to the SEC and the SET
- 9) Support and monitor the risk management systems and ensure the measures of the company are appropriate
- 10) Review the company's compliance with private sector's anti-corruption and certification program, including the Collective Action Coalition Against Corruption's Self-Evaluation Tool
- 11) Review and revise the Audit Committee Charter and propose any revision to the board of directors for approval

## Meetings

- 1) The Audit Committee shall meet at least four times per year.
- 2) There shall be no less than 2/3 of the Committee members present in the Meeting to constitute a quorum.
- 3) Audit Committee Members with connected transaction in any matter being reviewed must be excluded from that session.
- 4) The Audit Committee if deemed appropriate can arrange a meeting in a year with the auditor of the company without participation of the management.

## Reporting

- 1) The Audit Committee shall prepare the annual report indicating the items required by the Stock Exchange of Thailand and signed by the chairman of the Audit Committee.
- 2) The Audit Committee shall report to the board of directors in case where the Audit Committee has detected a questionable transaction or action with potentially significant impact on the financial status and the performance of the company, transactions with conflict of interests, dishonest transactions or significant abnormality or deficiency of the internal control systems including compliance with anti-corruption program, and violation of the laws on SEC and SET or other laws pertaining to the business of the company.

## Annual Performance Evaluation

The Audit Committee shall perform a review and evaluation, at least annually, of the performance of the Audit Committee and its members.

## Charter Review

The Audit Committee will review the Charter annually and suggest revising as appropriate.

**Revised by:** Audit Committee

**Approved by:** Board of Directors on 13 December 2018