

**Yuasa Battery (Thailand) Public Company Limited**  
**Audit Committee Charter**  
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**1. Objective**

As an important mechanism of good corporate governance, the Board of Directors of Yuasa Battery (Thailand) Public Company Limited has appointed the Audit Committee to monitor financial reports, efficiency of internal control system and discipline of rules and regulations in order to support good corporate governance of the Company. Furthermore, the Audit Committee shall be responsible for making a report of the Audit Committee and presenting it in the annual report of the Company.

**2. Structure of the Audit Committee**

2.1 The Audit Committee is selected from the Independent Directors and is appointed by the Board of Directors or the Shareholders Meeting, consisting of at least one-third of the Board of Directors.

2.2 The Independent Directors who are appointed the Audit Committee shall have the qualifications stipulated under the Stock Exchange of Thailand regulations; at least one member should understand or have experience in accountancy and/or finance.

2.3 Audit Committee shall elect one member to act as the Chairman of the Audit Committee.

2.4 No member of the Audit Committee can hold the position more than 3 years per term. The service period of the Audit Committee member shall not exceed full 9 (nine) consecutive years. However, as far as in compliance with the related laws and regulations stipulated by the regulatory agencies in Thailand, and as far as the board of directors of the Company deems its reason as reasonable, then, subject to by limiting to the necessitated period of time before the appropriate candidate of the successor is appointed, he/she can serve for an extended period. The board of directors of the Company has to make utmost efforts to find and appoint the appropriate alternative member in due course.

However, after 2 (two) years of his/her expiry term of 9 (nine) consecutive years and plus such an extended period stipulated in first paragraph, he/she can be newly appointed as Audit Committee member in accordance with the laws, regulations and the Company's charter."

2.5 In case of any vacancy in the Audit Committee for reasons other than retirement by rotation, the Board of Director shall elect a person who has the qualifications, and being Independent Director of the Company in according to the laws and the

Article of Association of Company in order that the member of Audit Committee to be completed in accordance with the Board of Directors approved Charter. The replacement of such member shall hold the office only for the remaining terms of office of the Directors whom he/she has replaced.

2.6 Unseated from being Audit Committee shall mean he/she is no longer a Company's director, retirement by rotation, resignation, death or being removed from the Board for any reason whatsoever.

2.7 The Audit Committee is entitled to appoint a manager of Internal Audit Department or any other person within the company to be the secretary of the Audit Committee. The secretary of the Audit Committee shall support the Audit Committee in arranging appointments for meetings, preparing meeting agendas, sending meeting materials and recording the minutes of meetings.

### **3. Qualifications of Audit Committee Members**

3.1 The Audit Committee shall have the same following qualifications as the Independent Directors:

- (a) Their shareholdings must not exceed 1% of all shares entitled to voting rights of the Company, i.e. the parent company, its subsidiaries, its joint ventures, or juristic entities in potential conflict with the company. In this regard, the shares owned by persons related to them shall be counted as theirs.
- (b) They must not now be nor ever have been involved as executives, employees, hired workers, salaried consultants, or anyone with controlling authority of the Company, i.e. the parent company, its subsidiaries, its joint ventures, its associated subsidiaries, or juristic entities in potential conflict with the company, unless such association ended no less than 2 years before.
- (c) They are not related by blood or registered as being parents, spouses, siblings, children or spouses of the children and the executives, major shareholders, persons with controlling authority, or persons to be nominated as executives or persons of controlling authority in the Company or its subsidiaries.
- (d) They have no business relations with the Company, i.e. the parent company, its subsidiaries, its joint ventures, or juristic entities in potential conflict with the company in ways that might impair their independent judgment. They must also not be nor have been major shareholders, directors other than independent directors, or executives of entities having business relations with the Company, i.e. the parent company, its subsidiaries, its joint

ventures, or juristic entities in potential conflict with the company, unless such association ended no less than 2 years before.

- (e) They are not be auditors of the Company, its corporations, its subsidiaries, its joint ventures, its major shareholders or its authorized persons and not significant shareholders, persons of controlling authority or partners of the auditing companies which employ the auditors of the Company, i.e. the parent company, its subsidiaries, its joint ventures, its major shareholders or its authorized persons, unless such association ended no less than 2 years before.
- (f) They must not now be nor ever have been a professional service provider i.e. legal consultants, financial advisors : receiving compensation for services rendered exceeding THB 2 million per annum from the Company i.e. the parent company, its subsidiaries, its joint ventures, major shareholders, persons with controlling authority, and not as significant shareholders, persons of controlling authority or partner of professional service provider unless such association ended no less than 2 years before.
- (g) They are not directors appointed as representatives of directors of the Company, major shareholders or of shareholders related to the major shareholders of the Company.
- (h) They shall not operate the same business and a significant competitive business with the Company, its subsidiaries, its joint ventures, its major shareholders and not the legal entities that may have conflict of interest, the executives, employees, hired workers, consultants receiving salaries or holding more than 1% of the overall ordinary share of the other companies which operate the same business and be significant competitors with the Company, its subsidiaries, its joint ventures, its major shareholders or the legal entities that may have conflict of interest.
- (i) They have no other attributes that obstruct them from forming independent opinions on operation of the Company. Generally, forming an independent opinion means giving an opinion or making a report as assigned, regardless of any benefits related to assets or positions, influence of any persons or any groups of persons and pressure from any situations which obstruct them from giving a direct opinion.

After the appointment of the Independent Directors qualified under the above clause (a) to (i), the Independent Directors may be assigned by the Board of Directors to check, review or follow up the relevant issues of the Company, its subsidiaries, its joint ventures, its subsidiaries which are in the same ranking, its major shareholders or the persons with controlling authority in the form of collective decision and report such issues to the Board of Directors.

- 3.2 They are not the directors assigned by the Board of Directors to make a decision on operation of the Company, its parent company, its subsidiaries, its joint ventures, or its subsidiaries which are in the same ranking, major shareholders or persons of controlling authority.
- 3.3 For listed companies only, they are not directors of the parent company, its subsidiaries or its subsidiaries which are in the same ranking.
- 3.4 They must have enough knowledge and experience for position of Audit Committee to handle tasks assigned. The Audit Committee must be able to dedicate themselves to operation of the committee.
- 3.5 They should not be directors of more than five listed companies which may cause them to be unable to provide satisfactory tasks for all of the companies.
- 3.6 One member of the Audit Committee or more must have enough knowledge and experience about accountancy or finance for auditing the financial statements, and should improve their accounting or financial knowledge continually for evaluating the effects on reliability of the financial statements for more efficiency of the Audit Committee.
- 3.7 The Audit Committee should be trained and enhanced their knowledge continually and regularly on the relevant issues of their operation to catch up with any changes which may be incurred and on operation of the Company continually for more efficiency of the Audit Committee.

#### **4. Authorities of Audit Committee**

The Audit Committee is authorized to work under the responsibilities which are stipulated in Duties and Responsibilities, and has following authorities;

- 4.1 To have the authority to invite the Management or the officers of the Company to attend meetings, give opinions or send required documents.
- 4.2 To propose nominations for an auditor and remuneration to the Board of Directors for asking for the appointment from Shareholders Meeting and to evaluate the performance of the auditor.
- 4.3 To make a decision if there is a conflicting opinion regarding financial reports between the Management and the auditor.
- 4.4 To make a consideration in respect of disclosure of related transactions or transactions which might have a conflict of interest under the related law and regulations.
- 4.5 To make a consideration regarding the appointment, demotion, termination and performance evaluation of the manager of Internal Audit Department.
- 4.6 To make a consideration on reports of Compliance Committee and any other Committees appointed by the Company and determined to make reports to the Audit Committee.

- 4.7 To propose the hiring of an external consultant or a specific expert to give advice or opinions as considered appropriate by the Audit Committee.
- 4.8 To attend meetings with the auditor. The Management or the managers might be invited to attend such meetings.

## **5. Duties and Responsibilities of Audit Committee**

The Audit Committee of the Company will carry out the following duties and responsibilities for the Board of Directors.

- 5.1 To review the Company's financial reporting process to ensure accuracy in accordance with general accepted accounting standards and adequacy of disclosure.
- 5.2 To review and ensure that the Company has suitable and efficient internal control system and internal audit, to determine an independency of the internal audit unit, as well as to approve the appointment, transfer and dismissal of the chief of the internal audit unit or other units that in charge of the internal audit.
- 5.3 To review the performance of the Company to ensure compliance with the securities and exchange law, regulations of the Exchange or laws relating to business of the Company.
- 5.4 To consider, select and nominate an independent person to be an external auditor of the Company, and to propose such person's remuneration, as well as to attend a non-management meeting with an auditor at least once a year.
- 5.5 To review related transactions or transaction that may lead to conflict of interest to ensure compliance with the law and regulations of the Stock Exchange of Thailand and the best benefits to the Company;
- 5.6 To review and give opinions on the internal audit plan and operation of the internal auditor as well as coordinate with the external auditor.
- 5.7 To prepare the report of the Audit Committee and disclose it in the annual report of the Company. The report should be signed by the chairman of the Audit Committee and shall consist of the following information:
  - a. An opinion on the accuracy, completeness and creditability of the Company's financial report,
  - b. An opinion on the adequacy of the Company's internal control system,
  - c. An opinion on the compliance with the law related to securities and Stock Exchange of Thailand, the regulations of the Stock Exchange of Thailand or the law related to the business of the Company,
  - d. An opinion on the suitability of the auditor,
  - e. An opinion on the transactions that may lead to conflicts of interest,
  - f. The number of the Audit Committee meetings, and the attendance of such meetings by each committee member,

- g. An opinion or overview comment of the audit committee performance with charter compliance,
  - h. Other transactions which, subject to the Audit Committee's opinion, should be known by the shareholders and general investors under the scope of duties and responsibilities assigned by the company's board of directors;
- 5.8 For the operation of Audit Committee, if the following transaction are found and might deliver some significant effects to financial statement and performance of the Company, the Audit Committee should report to the Board of Director to adjust or amend within proper time.
- (1) Transaction that might create a conflict of interest,
  - (2) Fraud or any irregularity or deficiency in internal control system
  - (3) Violation of the law related to securities and stock markets, the regulations of Stock Exchange of Thailand or any laws related to the business of the Company.

If the Board of Directors or the management does not make any improvement within the proper time as specified by the Audit Committee, a member of the Audit Committee might report such actions to the Securities and Exchange Commission or the Stock Exchange of Thailand.

- 5.9 To monitor and evaluate the Anti-Corruption Measure to align with the Anti-Corruption Policy of the Company.
- 5.10 To acknowledge the result of investigation according to the Anti-Corruption Policy.
- 5.11 To strictly follow the Anti-Corruption Policy and be the role model for the Company staffs
- 5.12 Other related matters assigned by the Board of Directors with the permission of the Audit Committee.

## **6. Report of Audit Committee**

The Audit Committee has duties and responsibilities to report operation of the Audit Committee or other duties assigned by the Board of Directors. The report of Audit Committee is important to the Board of Directors, the shareholders and general investors because the report shall give independent and direct opinions. It shall give confidence to the Board of Directors that the Management runs the business carefully and equally take interests of every shareholder into account.

- 6.1 Report to the Board of Directors signed by Chairman of Audit Committee
  - Report an assessment of financial report, internal audit and internal audit

process.

- Report conflicts of interest
- Report doubts or indications of dishonesty or abnormal matters or failures of the internal control system.
- Report any suspicions that the regulations or rules might have been broken or violated.
- Reports any other matters that the Board of Directors should be aware of.
- Minutes of Audit Committee meeting

#### 6.2 Report to government agencies

For the event that the Audit Committee reports significant effects on financial status and business operation to the Board of Directors or the Management and consults with the Board of Directors and the Management for improvement, if the Audit Committee discovers that there is indifference to implement the improvement stated above without a good reason, a member of the Audit Committee or the Audit Committee might report this issue to Securities and Exchange Commission or the Stock Exchange of Thailand.

#### 6.3 Report to shareholders and general investors

The operations performed during the year under the duties and responsibilities as assigned by the Board of Directors shall be reported. The report shall be signed by the chairman of the Audit Committee, and shall be disclosed in the annual report of the Company.

### 7. Assessment of the Audit Committee

The assessment of the Audit Committee shall be made once a year in term of the whole committee and self evaluation, and submit the result to the Board for acknowledgement.

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(Ichiro Murata)  
Chairman of the Board of Directors (Acting)

This Charter is originally approved in the Company's Board of Directors Meeting no.10/2008, on Dec 18, 2008.

1<sup>st</sup> revised edition; by the board no.3/2012, on Feb 23, 2012

2<sup>nd</sup> revised edition; by the board no.4/2014, on May 8, 2014

3<sup>rd</sup> revised edition; by the board no.1/2015, on Jan 27, 2015

4<sup>th</sup> revised edition; by the board no.3/2018, on August 8, 2018

5<sup>th</sup> revised edition; by the board no.5/2018, on Dec 20, 2018