



Charter of the Audit Committee

FN Factory Outlet Public Company Limited

(Revised Edition No. 2 on March 8, 2022)

Charter of the Audit Committee

1. Objectives

- 1.1 To be a tool or significant mechanism ensuring that company has good corporate governance.
- 1.2 To ensure that company shall conduct business effectively, efficiently, fairly and suitably and it shall comply with laws, regulations, guidelines and ethic standard.
- 1.3 To ensure that the company shall have good quality of financial report and accurately and adequately be disclosed in accordance with related notifications and standards in order to ensure shareholders, investor and stakeholders.

2. Audit Committee Composition

- 2.1 The Audit Committee consists of at least 3 independent directors.
- 2.2 At least 1 member of the Audit Committee shall have knowledge, background or experience in accounting or finance and current knowledge about the changes in financial reporting.
- 2.3 Members of the Audit Committee shall have qualifications as follows:
 - 2.3.1 Having qualifications as required by the relevant laws, particularly the laws on securities and exchange, and the regulations of the Stock Exchange of Thailand
 - 2.3.2 Not being appointed as representative to protect the benefit of directors, major shareholders or related parties of the major shareholders.
 - 2.3.3 Being able to perform duties and provide opinions or report the performance of assigned duties with independence from the control of the Company's executives or major shareholders, including their related parties or close relatives.
 - 2.3.4 Being credible and widely recognized.
 - 2.3.5 Being able to adequately dedicate time to their duties as members of the Audit Committee.
- 2.4 Each member of the Audit Committee shall not hold shares in excess of 1% of the total number of voting shares of the Company, or the Company's parent company, subsidiaries, associated companies, major shareholders, or persons with controlling interest, whilst the number of shares held by any related person of such member of the Audit Committee must also be counted.

3. Appointment and Tenure of the Audit Committee

- 3.1 Appointment
 - 3.1.1 The Board of Directors has appointed the Audit Committee shall consist of at least 3 members. The Board of Directors has appointed the Audit Committee. And The chairman of the audit committee of the appointed audit committee must have all the qualifications under the charter in item 2.

- 3.1.2 Internal Audit Manager of the Company acts as the secretary of the Audit Committee. or the Audit Committee shall appoint a person who has knowledge, capability and experience in performing such tasks. Serves as the secretary of the Audit Committee.
- 3.2 Terms of Office
 - 3.2.1 Term of member audit committee shall be 3 years, in case of the position is vacant by other reason, not by ending of term, Board of Directors shall appoint a qualify person to be audit committee member to fulfill quorum which stated in charter. The validity of his term shall be valid according to the substituted member.
- 3.3 Members of the Audit Committee shall be considered to have vacated their office upon:
 - 3.3.1 Office term completion
 - 3.3.2 Disqualification as a member of the Audit Committee
 - 3.3.3 Death
 - 3.3.4 Resignation
 - 3.3.5 Removal from office by laws
 - 3.3.6 Being sentenced by the court's final order or lawful order to imprisonment except for offences of negligence or petty offences
 - 3.3.7 Being incompetent or quasi-incompetent
 - 3.3.8 Being bankrupt
 - 3.3.9 In cases where a member of the Audit Committee wishes to resign before the expiry of office term, he/she should notify the Company of the resignation and reasons at least 1 month in advance. The Board shall appoint an individual who is fully qualified to replace the resigned member and report the changes to the Securities and Exchange Commission and the Stock Exchange of Thailand.

4. Duties and Responsibilities

- 4.1 Review and ensure the Company's compliance with securities and exchange laws, regulations of the Stock Exchange of Thailand, relevant laws governing the Company's business, and the Company's policies, rules and regulations. In this regard, in order to operate the Company properly Achieve the objectives and goals of the company
- 4.2 Review the Company's financial reporting to ensure their accuracy and conformity to the generally accepted accounting standards and other relevant specific laws. The Audit Committee is to ensure accurate, adequate and complete disclosure of information, especially in case of transactions that involve connected interests or conflicts of interest.
- 4.3 Review and ensure that the financial reporting system is in accordance with the generally accepted accounting standards.

- 4.4 Consider and propose the appointment of an external auditor and the auditor's fee to the Board and assess the independence and performance effectiveness of the appointed external auditor. The Audit Committee shall hold a meeting with the auditor without participation by the management at least once a year.
- 4.5 Coordinate with the external auditor to ensure the independence and fairness of the audit process.
- 4.6 Consider and review the observations raised by the external auditor and the internal auditor regarding transactions with connected interest and potential conflicts of interest in compliance with applicable laws and rules of the Stock Exchange of Thailand to ensure reasonableness of such transaction and the best interest of the Company.
- 4.7 Conduct a review to ensure that the Company's internal control and internal audit are appropriate and effective according to international standards and practices.
- 4.8 Review and approve the Internal Audit Charter, the internal audit plan and methodology. Assess the Company's audit performance and other operations according to the generally accepted standards and methodologies.
- 4.9 Exercise oversight to ensure that the Company has preventive measures and processes to mitigate or prevent the loss and waste of resources with a view to optimize benefits and operational efficiency and effectiveness of the Company.
- 4.10 Review the Company's risk management system and recommend improvements thereto for the continuous effectiveness of the system.
- 4.11 Review the suitability of IT systems that are relevant to internal control, financial reporting, and risk management, as well as recommend improvements thereto for the continuous effectiveness of the systems.
- 4.12 Review the internal fraud monitoring and detection system of the Company.
- 4.13 Approve budget and manpower plan of the Internal Audit Department.
- 4.14 Appoint, dismiss, transfer, or terminate the employment of the Head of the Internal Audit Department.
- 4.15 The Audit Committee has the authority to engage professional consultants, subject to the Board's sign-off, to provide independent opinions on matters as and when necessary. The expenses incurred shall be absorbed by the Company and the hiring process shall follow the Company's rules and regulations regarding such matter.
- 4.16 Perform any other tasks as required by laws or assigned by the Board. In conducting businesses under the scope of its duties and authority, the Audit Committee is vested with the authority to invite or instruct the management or department heads or employees to provide opinions, participate in meetings, or submit any document as it deems relevant and necessary.

- 4.17 Conduct an annual self-assessment of according to the assessment process established by the Audit Committee and report the assessment results to the Board.

5. Meeting

5.1 Number of meetings

5.1.1 Audit committee shall have meeting at least 4 times a year.

5.1.2 Chairman of audit committee may call special meeting if there are requested from members, external auditor or chairman of the board to consider some issues which need to be discuss.

5.2 Attendance

5.2.1 Quorum of meeting of audit committee shall consist of at least half of members, chairman of audit committee preside chair of the meeting.

5.2.2 When chairman of the committee is not in the meeting or he cannot perform his duty, member of the committee shall choose other member preside the meeting for him.

5.2.3 Audit committee shall invite management or related person join the meeting for discussion.

5.3 Voting

5.3.1 The meeting resolution shall be solved with majority votes of members attending the meeting. One member has one vote, if the votes are equal, chairman shall preside his vote as decisive vote. Secretary of the meeting has no right to vote.

5.3.2 Member who has conflict of interest shall not cast his vote and give opinion.

5.4 Minutes of the meeting

5.4.1 Secretary of the meeting or assigned person is responsible for taking minute of meeting.

6. Report

6.1 Audit committee shall provide report which shall be signed by chairman of the committee and disclose in annual report.

6.2 When audit committee has any suspicious or doubts at following transactions which may significantly effect on financial report and operational performance, they shall report to board of directors to correct and improve within specific time of agreement;

6.2.1 Conflicts of interest transaction,

6.2.2 Fraud or unusual or major impaired on internal control system,

6.2.3 Laws and notification violation of Stock Exchange of Thailand and relevant laws.

6.3 If the correction is not made at agreed time without reasonable explanation, audit committee shall report directly to Security and Exchange Commission of Thailand and Stock Exchange of Thailand.

7. Performance

Audit committee shall evaluate themselves their performance and the obstacle that interfere their duty and may not be reasons that they could not achieve objectives in setting the committee to board of directors every years.

8. Compensation

The Board of Directors shall determine the remuneration for the Chairman of the Audit Committee. And the Audit Committee as deemed appropriate.

This 2nd Amendment Charter was approved by the Board of Directors of FN Factory Outlet Public Company Limited, effective from 8 March 2022 onwards.

Announced on 8 March 2022



(Mr. Pricha Songwatana)

Chairman of the Board of Directors