



Audit Committee Charter

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Audit Committee Charter

Vanachai Group Public Company Limited and Subsidiaries

Vanachai Group Public Company Limited and its subsidiaries ("the Company" or "Vanachai Group") recognize that the Audit Committee is an essential Board Committee responsible for supporting the Board of Directors in overseeing financial reporting, internal control, internal audit, external audit, legal and regulatory compliance, related-party transactions, whistleblowing, non-compliance management, and governance integrity.

As a leading company in the wood-based panel, substitute wood, and value-added building material industry, Vanachai Group operates in a business environment that requires robust financial discipline, reliable reporting, strong internal control, effective audit oversight, responsible procurement, traceable raw material management, transparent transactions, regulatory compliance, product responsibility, environmental and safety controls, digital system reliability, and stakeholder confidence.

The Board of Directors has therefore established the Audit Committee ("the Committee") to act independently in reviewing and providing assurance over the adequacy, effectiveness, reliability, and integrity of the Company's governance, control, audit, compliance, and reporting processes. The Committee shall perform its duties with independence, objectivity, professional skepticism, due care, confidentiality, and accountability to the Board of Directors and shareholders.

This Charter sets out the purpose, composition, qualifications, term of office, authority, duties, responsibilities, meetings, reporting, performance evaluation, and review process of the Audit Committee. It also supports alignment with Vanachai Group's policy architecture, corporate governance framework, enterprise risk management system, sustainability framework, FTSE Russell ESG indicators, GRI Standards, applicable laws, accounting and auditing standards, and relevant expectations of shareholders, investors, regulators, employees, customers, suppliers, communities, and other stakeholders.

1) Objectives

This Charter is established to:

- Define the role, authority, duties, and responsibilities of the Audit Committee.
- Support the Board of Directors in overseeing the accuracy, completeness, reliability, transparency, and timeliness of financial reporting and other material disclosures.
- Review the adequacy and effectiveness of internal control, internal audit, governance, compliance, and risk-related control processes.
- Oversee the independence, appointment, remuneration, performance, and scope of work of the external auditor.

- Strengthen confidence in the Company's financial statements, audit process, disclosure controls, and governance practices.
- Support the review of related-party transactions, connected transactions, and transactions that may involve conflicts of interest.
- Oversee whistleblowing, complaint handling, investigation, corrective action, and follow-up of significant non-compliance matters.
- Support the prevention and detection of fraud, corruption, misconduct, internal control weaknesses, inaccurate reporting, and improper transactions.
- Ensure that audit and control processes are suitable for Vanachai Group's business model, manufacturing operations, supply chain, export exposure, raw material sourcing, subsidiaries, digital systems, and sustainability reporting direction.
- Support public disclosure and traceability for relevant FTSE Russell ESG indicators, GRI Standards, SET / SEC requirements, and other recognized governance and reporting expectations.

2) Alignment with Relevant Policies, Standards, and Operating Frameworks

This Charter is aligned with the Company's governance, risk management, ethics, compliance, internal control, financial reporting, and sustainability framework, including:

- Board of Directors Charter
- Corporate Governance Policy
- Audit Committee Charter
- Risk Management and Corporate Governance Committee Charter
- Nomination and Remuneration Committee Charter
- Executive Committee Charter
- Enterprise Risk Management Policy
- Corporate Code of Business Ethics
- Supplier Code of Conduct
- Anti-Corruption Policy
- Conflict of Interest Policy
- Gifts and Hospitality Policy
- Insider Information Policy
- Information Disclosure Policy
- Confidentiality Policy
- Information Technology and Cybersecurity Policy
- Business Continuity Management Policy
- Supply Chain Management Policy
- Sustainable Procurement Policy
- Sustainable Wood Sourcing Policy

- Tax Policy
- Human Rights and Labor Policy
- Occupational Health, Safety and Working Environment Policy
- Environmental Policy
- Climate Change Policy
- Biodiversity Policy
- Sustainable Development Policy
- Whistleblowing and Complaint Handling Process
- Vanachai Sustainability Framework: FOREST | FUTURE | TOGETHER
- Vanachai Integrated Materiality and Risk Assessment: V-IMRA

This Charter also supports alignment with relevant external standards and frameworks, including:

Relevant External Standards and Frameworks

- Public Limited Companies Act
- Securities and Exchange Act
- Requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission
- Principles of Good Corporate Governance for Listed Companies
- Thai Financial Reporting Standards
- Thai Standards on Auditing
- International Financial Reporting Standards, where applicable
- COSO Internal Control Framework
- COSO Enterprise Risk Management Framework
- ISO 31000 Risk Management
- ISO 37001 Anti-Bribery Management Systems
- GRI Standards
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures
- TCFD Recommendations
- OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

GRI Relevant GRI Standards

- GRI 2-9 – Governance structure and composition
- GRI 2-12 – Role of the highest governance body in overseeing the management of impacts
- GRI 2-13 – Delegation of responsibility for managing impacts
- GRI 2-14 – Role of the highest governance body in sustainability reporting

- GRI 2-15 – Conflicts of interest
- GRI 2-16 – Communication of critical concerns
- GRI 2-23 – Policy commitments
- GRI 2-24 – Embedding policy commitments
- GRI 2-25 – Processes to remediate negative impacts
- GRI 2-26 – Mechanisms for seeking advice and raising concerns
- GRI 2-27 – Compliance with laws and regulations
- GRI 205-1 – Operations assessed for risks related to corruption
- GRI 205-2 – Communication and training about anti-corruption policies and procedures
- GRI 205-3 – Confirmed incidents of corruption and actions taken
- GRI 206-1 – Legal actions for anti-competitive behavior, anti-trust, and monopoly practices
- GRI 207-1 / 207-2 / 207-3 – Tax approach, tax governance, and stakeholder engagement on tax matters, where applicable
- GRI 308-1 / 308-2 – Supplier environmental assessment, where reviewed as part of internal control or supplier risk oversight
- GRI 414-1 / 414-2 – Supplier social assessment, where reviewed as part of internal control or supplier risk oversight

Relevant FTSE Russell ESG Indicators

The following FTSE Russell ESG indicators are included as a traceability reference for this Charter. The Company should claim or refer to each indicator only where the related content is publicly disclosed and applicable to the Company's FTSE Russell assessment scope.

Audit Committee Composition, Expertise, Meetings, and Disclosure

- GCG46 – Fully non-executive Audit Committee or Audit Board, with at least half independent members or all independent members
- GCG44 – Financial expertise on the Audit Committee, including at least one independent financial expert or a majority of independent financial experts, where applicable
- GCG09 – Disclosure of Board Committees and their charters, terms of reference, or equivalent documents
- GCG10 – Disclosure of the number of Board and committee meetings per annum
- GCG11 – Disclosure of attendance rates of Board and committee members
- GCG49 – Disclosure and nature of fees paid to the auditor, including separate disclosure of audit and non-audit fees and whether audit fees exceed non-audit fees in the last fiscal year

Conflicts of Interest, Related-Party Transactions, and Shareholder Protection

- GCG07 – Board oversight of conflicts of interest and related-party transactions
- GCG26 – Disclosure of voting results, where relevant to shareholder approval of transactions or auditor appointment
- GCG22 – Shareholders’ right to vote on director appointments and dismissals, where relevant to appointment of Audit Committee members through the Board structure and public governance disclosures

Risk Management, Internal Control, Non-Compliance, and Whistleblowing

- GRM02 – Senior responsibility for risk and appropriate separation of risk oversight from internal audit or equivalent functions
- GRM04 – Use of external standards or reporting frameworks to inform the Company’s risk management system and reporting transparency
- GRM08 – Corporate-wide approach to non-compliance, including investigation, follow-up, and reporting of substantiated incidents
- GRM20 – Confidential or anonymous whistleblowing mechanism for breaches of Company codes or policies by staff and external stakeholders

Anti-Corruption, Fraud, and Ethical Conduct

- GAC05 – Confidential or anonymous whistleblowing mechanism for staff covering corruption and bribery
- GAC09 – Corruption risk assessment for Company operations, where the Audit Committee reviews the adequacy of related internal controls, audit findings, or investigation outcomes
- GAC10 – Procedures for operations assessed as high corruption risk, where internal audit or control reviews are conducted
- GAC11 – Corruption risk assessment, control procedures, and communication with intermediaries, contractors, or agents, where audit review covers third-party controls.

Financial Reporting, ESG Data, and Sustainability Disclosure Support

Where applicable to the Company’s operations and public disclosures, this Charter may also support governance and control review related to:

- ESG data control and audit readiness
- Climate-related financial information controls under IFRS S1 / IFRS S2
- Environmental, health and safety, supply chain, and human rights data control where included in public reporting
- Internal control over sustainability reporting and ESG evidence traceability

3) Scope

This Charter applies to:

- The Audit Committee
- The Board of Directors and relevant Board Committees
- Directors, independent directors, non-executive directors, executives, and senior management
- Internal Audit and functions supporting audit, control, compliance, investigation, financial reporting, sustainability reporting, and governance
- Finance, Accounting, Legal, Compliance, Risk Management, Sustainability, Procurement, Human Resources, Information Technology, Safety, Environment, Operations, and other relevant functions
- Subsidiaries, business units, factories, offices, and operating sites of the Company
- External auditors, advisors, investigators, and external experts engaged by the Company or the Committee
- Suppliers, contractors, service providers, agents, intermediaries, and third parties where their activities may create material control, compliance, financial reporting, audit, or reputational risk for the Company
- Processes relating to financial reporting, internal control, internal audit, external audit, compliance monitoring, whistleblowing, investigation, related-party transactions, connected transactions, non-compliance, fraud, corruption, information security, tax governance, and sustainability data control

4) Definitions

- **Committee** means the Audit Committee of Vanachai Group Public Company Limited.
- **Board of Directors** means the highest governance body of the Company appointed by shareholders or by the Board in accordance with applicable laws, the Company's Articles of Association, and the Board of Directors Charter.
- **Independent Director** means a director who meets the independence qualifications prescribed by applicable laws, regulations, the Stock Exchange of Thailand, the Securities and Exchange Commission, the Company's governance requirements, and the Board of Directors Charter.
- **External Auditor** means the independent auditor appointed by the shareholders' meeting to audit or review the Company's financial statements.
- **Internal Audit** means the independent assurance function responsible for reviewing and evaluating the adequacy and effectiveness of governance, risk management, internal control, compliance, and operational processes.

- **Internal Control** means policies, procedures, systems, approvals, segregation of duties, records, reviews, monitoring, and other mechanisms designed to support reliable reporting, legal compliance, operational efficiency, asset protection, fraud prevention, and risk mitigation.
- **Financial Reporting** means financial statements, accounting records, management accounts, disclosures, notes to financial statements, and other financial information disclosed to shareholders, regulators, investors, creditors, and stakeholders.
- **Sustainability Reporting Control** means controls over ESG data, sustainability performance information, climate-related information, environmental data, safety data, supplier data, human rights data, and other non-financial information included in public disclosures.
- **Related-Party Transaction** means any transaction between the Company and a connected person or related party as defined by applicable laws, SET / SEC requirements, accounting standards, and the Company's policies.
- **Conflict of Interest** means a situation where personal, family, financial, business, or other interests may influence, or appear to influence, objective decision-making or the best interest of the Company.
- **Whistleblowing** means reporting suspected misconduct, breaches of laws, regulations, Company policies, the Code of Business Ethics, corruption, fraud, conflicts of interest, human rights concerns, environmental or safety issues, financial reporting concerns, or other unethical conduct through channels designated by the Company.
- **Non-Compliance** means failure to comply with applicable laws, regulations, permits, contractual obligations, Company policies, Board resolutions, ethical standards, or internal procedures.

5) Composition of the Committee

5.1 Appointment

The Audit Committee shall be appointed by the Board of Directors or the shareholders' meeting, as required by applicable laws, regulations, the Company's Articles of Association, and Board resolutions.

5.2 Number of Members

The Committee shall consist of at least three members. All Committee members shall be independent directors and non-executive directors, unless applicable laws or regulations prescribe a stricter requirement.

5.3 Independence

- Committee members shall meet independence criteria prescribed by applicable laws, the Capital Market Supervisory Board, the Stock Exchange of Thailand, the

Securities and Exchange Commission, and the Company's governance requirements.

- Committee members must be able to exercise independent judgment and must not have relationships or interests that may impair, or appear to impair, their objectivity in performing audit oversight duties.

5.4 Financial and Accounting Expertise

- At least one Committee member shall have sufficient knowledge and experience in accounting, finance, financial reporting, internal control, auditing, or other relevant areas to review the reliability of financial statements and audit matters.
- The Committee should collectively possess appropriate knowledge and experience in finance, accounting, audit, internal control, risk management, compliance, governance, business operations, ESG reporting, information technology, and the Company's industry context.

5.5 Chairperson of the Committee

- The Board of Directors shall appoint one Committee member as Chairperson of the Committee. The Chairperson shall be an independent director and should have appropriate leadership capability, financial literacy, audit understanding, governance experience, and ability to lead the Committee effectively.
- The Chairperson is responsible for leading Committee meetings, setting the direction of Committee discussions, ensuring that agenda items are considered effectively, and reporting key matters to the Board of Directors.

5.6 Secretary of the Committee

- The Committee may appoint a Committee Secretary or assign the Internal Audit function, Company Secretary, Compliance function, or other relevant function to serve as the Committee Secretary.
- The Committee Secretary shall support meeting arrangements, agenda preparation, circulation of meeting materials, preparation of minutes of meeting, follow-up of resolutions, recordkeeping, and coordination with management, Internal Audit, external auditors, and relevant functions.
- The Committee Secretary may also support governance documentation, audit follow-up records, whistleblowing case tracking, internal control documentation, related-party transaction documentation, and disclosure coordination, as assigned by the Committee.

6. Qualifications of Committee Members

Committee members shall have the qualifications required by applicable laws, SET / SEC requirements, the Company's Articles of Association, and this Charter.

Committee members should have the following qualifications:

- Independence, integrity, objectivity, accountability, and ability to exercise professional judgment.
- Knowledge, understanding, or experience in accounting, finance, audit, internal control, risk management, compliance, governance, law, information technology, sustainability reporting, or other relevant areas.
- Understanding of the Company's business, products, production process, value chain, export markets, subsidiaries, supply chain, raw material sourcing, industry context, and key stakeholders.
- Ability to review financial statements, accounting policies, significant estimates, internal control issues, audit findings, compliance matters, related-party transactions, and material risks.
- Understanding of fraud risk, corruption risk, conflicts of interest, whistleblowing, non-compliance, and investigation processes.
- Awareness of ESG-related controls, climate-related financial information, sustainability reporting, and audit readiness for non-financial disclosures where relevant.
- Ability to devote sufficient time to meetings, review of materials, private meetings with auditors, follow-up actions, and other responsibilities assigned by the Board of Directors.

7) Term of Office and Vacation of Office

7.1 Term of Office

- Committee members shall hold office for a term of three years, or for the period determined by the Board of Directors. The term of Committee members should be aligned with the term of directorship where applicable.
- Committee members who retire by rotation may be reappointed if the Board of Directors considers that they continue to possess appropriate qualifications, independence, experience, and suitability.

7.2 Vacation of Office

A Committee member shall vacate office upon:

- Completion of term
- Death
- Resignation
- Vacation of directorship
- Loss of independence or qualifications required for Audit Committee membership

- Removal by resolution of the Board of Directors or shareholders' meeting, as applicable
- Possession of prohibited characteristics under applicable laws or regulations
- Occurrence of any circumstance that makes the member unsuitable or unable to perform duties appropriately

7.3 Replacement

- If a Committee position becomes vacant before the end of the term, the Board of Directors shall appoint a qualified independent director as replacement within the period required by applicable laws and regulations.
- The replacement member shall hold office for the remaining term of the member replaced, unless otherwise determined by the Board of Directors or applicable laws.

8) Duties and Responsibilities

The Audit Committee shall have the following duties and responsibilities.

8.1 Financial Reporting and Disclosure Review

8.1.1 Financial Statements

Review the Company's quarterly and annual financial statements to ensure that they are accurate, complete, reliable, timely, and prepared in accordance with applicable financial reporting standards, laws, and regulatory requirements.

8.1.2 Accounting Policies and Estimates

Review significant accounting policies, accounting judgments, estimates, assumptions, changes in accounting standards, and significant financial reporting issues that may materially affect the Company's financial statements.

8.1.3 Significant Financial Matters

Review significant matters affecting financial reporting, including revenue recognition, cost of sales, inventory valuation, impairment, related-party transactions, provisions, contingent liabilities, taxation, foreign exchange, financial instruments, capital expenditure, asset acquisition or disposal, and other material transactions.

8.1.4 Vanachai-Specific Financial Reporting Areas

Review financial reporting risks and controls relevant to Vanachai Group's business, including:

- Raw material procurement and inventory valuation
- Production cost allocation and manufacturing efficiency
- Biomass, solar energy, energy cost, and utility-related accounting
- Export revenue, foreign exchange exposure, and trade terms

- Customer credit risk and receivable impairment
- Supplier, contractor, and logistics cost controls
- Capital expenditure for machinery, factories, technology, and environmental projects
- Environmental obligations, legal provisions, and contingent liabilities
- Product quality claims, warranty exposure, and customer claims
- Tax compliance and tax risk management
- Cybersecurity or ERP incidents affecting financial reporting

8.15 Disclosure Controls

Review whether material financial information and related disclosures are accurate, complete, balanced, transparent, and not misleading before submission to the Board of Directors or disclosure to shareholders, regulators, investors, and the public.

8.16 Sustainability and ESG Data Control

Support the review of internal controls over sustainability and ESG data where such data is included in public reporting, regulatory reporting, or investor communication. This may include climate-related data, greenhouse gas emissions, energy use, water use, waste, safety performance, supplier information, human rights data, and other material sustainability indicators.

8.2 Financial Reporting and Disclosure Review

8.2.1 Internal Control Framework

Review the adequacy and effectiveness of the Company's internal control system to ensure that it supports reliable reporting, compliance with laws and regulations, operational efficiency, asset safeguarding, fraud prevention, and risk management.

8.2.2 Control Environment

Review the Company's control environment, including governance structure, segregation of duties, approval authority, accounting controls, operational controls, IT controls, compliance controls, and ethical culture.

8.2.3 Manufacturing and Operational Controls

Review internal control matters relevant to Vanachai Group's operations, including procurement, raw material receipt, inventory control, production planning, quality control, maintenance, logistics, sales, credit control, warehouse management, fixed assets, environmental controls, safety controls, and contractor management.

8.2.4 Digital and ERP Controls

Review the adequacy of controls over information systems that support financial reporting, production planning, procurement, inventory, sales, logistics, and management reporting, including access controls, authorization controls, data integrity, cybersecurity, backup, change management, and business continuity.

8.2.5 Control Deficiencies

Review significant internal control deficiencies, management responses, corrective action plans, responsible persons, target completion dates, and follow-up results.

8.2.6 Fraud Prevention and Detection

Review the adequacy of controls designed to prevent and detect fraud, misappropriation, falsification of records, unauthorized transactions, conflict-of-interest transactions, corruption, and misuse of Company assets.

8.3 Internal Audit**8.3.1 Independence of Internal Audit**

Oversee the independence, authority, resources, and objectivity of the Internal Audit function. Internal Audit shall have sufficient access to records, personnel, systems, operating sites, subsidiaries, and relevant information necessary to perform its duties.

8.3.2 Internal Audit Charter and Plan

- Review and approve, or recommend approval of, the Internal Audit Charter, annual internal audit plan, audit scope, audit methodology, staffing, budget, and resource adequacy.
- The internal audit plan should be risk-based and should consider the Company's strategy, business model, operating sites, subsidiaries, material risks, audit findings, compliance issues, ESG-related controls, whistleblowing cases, and emerging risks.

8.3.3 Internal Audit Results

Review internal audit reports, significant findings, root causes, management responses, corrective actions, and closure status.

8.3.4 Follow-up of Audit Findings

Monitor whether management implements corrective actions in a timely and effective manner. Significant overdue issues shall be escalated to management, the Audit Committee, and the Board of Directors as appropriate.

8.3.5 Appointment and Performance of Head of Internal Audit

Consider the appointment, transfer, dismissal, performance evaluation, remuneration, independence, and resource adequacy of the Head of Internal Audit or equivalent position, in accordance with applicable governance practices and Board approval requirements.

8.3.6 Private Meetings with Internal Audit

Meet privately with Internal Audit without management present at least annually, or more frequently where necessary, to discuss audit findings, independence, resource constraints, obstruction, sensitive matters, or concerns requiring Committee attention.

8.4 External Audit**8.4.1 Appointment of External Auditor**

Review and recommend to the Board of Directors the appointment, reappointment, rotation, removal, and remuneration of the external auditor for submission to the shareholders' meeting for approval.

8.4.2 Independence and Qualifications

- Review the independence, qualifications, professional capability, experience, audit quality, and regulatory status of the external auditor.
- The Committee shall consider whether the external auditor has any relationship, service, fee arrangement, or circumstance that may impair independence or create the appearance of impaired independence.

8.4.3 Audit Scope and Plan

Review the external audit scope, audit plan, key audit matters, materiality, audit approach, significant risks, timeline, and coordination with Internal Audit and management.

8.4.4 Audit Findings

Review external audit findings, management letters, significant deficiencies, internal control observations, financial reporting issues, audit adjustments, unadjusted differences, and management responses.

8.4.5 Non-Audit Services

Review and approve, or recommend approval of, non-audit services provided by the external auditor to ensure that such services do not impair auditor independence.

8.4.6 Audit and Non-Audit Fees

Review audit fees and non-audit fees paid to the external auditor and support transparent disclosure of such fees in accordance with applicable laws, regulatory requirements, and relevant governance expectations.

8.4.7 Private Meetings with External Auditor

Meet privately with the external auditor without management present at least annually, or more frequently where necessary, to discuss audit matters, management cooperation, audit independence, significant findings, control concerns, financial reporting risks, or sensitive issues.

8.5 Legal and Regulatory Compliance

8.5.1 Compliance Oversight

Review the Company's compliance with applicable laws, regulations, permits, licenses, SET / SEC requirements, accounting standards, tax obligations, environmental requirements, safety requirements, labor requirements, data protection laws, trade regulations, customs requirements, and other material obligations.

8.5.2 Material Compliance Matters

Review significant compliance incidents, regulatory enquiries, disputes, fines, penalties, litigation, investigations, and matters that may materially affect the Company's financial position, operations, reputation, or disclosures.

8.5.3 Corrective Actions

Monitor corrective actions, preventive measures, management responses, responsible persons, and closure status for material compliance matters.

8.5.4 Regulatory Reporting

Review whether regulatory reporting and public disclosures relating to material compliance matters are accurate, complete, timely, and consistent with applicable requirements.

8.6 Related-Party Transactions and Conflicts of Interest

8.6.1 Review of Related-Party Transactions

Review related-party transactions, connected transactions, and transactions that may involve conflicts of interest to ensure that they are reasonable, transparent, fair, conducted on normal commercial terms, and in the best interest of the Company and shareholders.

8.6.2 Compliance with SET / SEC Requirements

Ensure that related-party transactions and connected transactions are considered, approved, and disclosed in accordance with applicable laws, SET / SEC requirements, accounting standards, the Company's Articles of Association, and Company policies.

8.6.3 Interested Persons

Ensure that directors, executives, or persons with an interest in a transaction do not participate in the consideration or approval of such transaction, except where permitted by applicable laws and good governance practices.

8.6.4 Documentation and Disclosure

Review supporting documentation, transaction rationale, pricing basis, fairness, approval process, and disclosure of related-party transactions.

8.6.5 Recurring Transactions

Review recurring related-party transactions or normal business transactions with related parties to ensure that they remain reasonable, transparent, and consistent with approved principles.

8.7 Whistleblowing, Complaint Handling, and Investigations**8.7.1 Whistleblowing Channels**

Review the adequacy, accessibility, confidentiality, and effectiveness of whistleblowing and complaint channels for employees and external stakeholders.

8.7.2 Audit Committee Channel

Ensure that stakeholders may report significant concerns relating to financial reporting, internal control, fraud, corruption, conflicts of interest, misconduct, non-compliance, or unethical conduct to the Audit Committee or through channels designated by the Company.

8.7.3 Protection Against Retaliation

Review whether whistleblowers, complainants, witnesses, and persons cooperating in investigations are protected from retaliation, harassment, demotion, dismissal, discrimination, punishment, or other adverse treatment when reporting in good faith.

8.7.4 Investigation Oversight

Oversee significant investigations, particularly matters involving fraud, corruption, senior management, financial reporting, internal control, legal compliance, related-party transactions, or reputational risk.

8.7.5 Corrective Action and Remediation

Review investigation outcomes, root causes, corrective actions, disciplinary measures, legal action, remediation, and recurrence prevention measures.

8.7.6 Reporting to the Board

Report significant whistleblowing cases, investigation outcomes, and unresolved matters to the Board of Directors as appropriate.

8.8 Anti-Corruption, Fraud, and Ethical Conduct

8.8.1 Anti-Corruption Controls

Review the adequacy and effectiveness of internal controls relating to anti-corruption, anti-bribery, gifts and hospitality, facilitation payments, donations, sponsorships, conflicts of interest, procurement, sales, customs, government dealings, and third-party engagement.

8.8.2 Fraud Risk

Review fraud risk exposure and controls in areas such as procurement, vendor selection, payments, expense claims, inventory, sales, credit, cash management, assets, financial reporting, and data handling.

8.8.3 Corruption Risk Assessment

Support oversight of corruption risk assessment by reviewing audit findings, control weaknesses, investigation outcomes, and management actions related to corruption risk.

8.8.4 Third-Party Controls

Review internal controls over suppliers, contractors, agents, intermediaries, distributors, customs brokers, advisors, and service providers where third-party conduct may create fraud, corruption, compliance, or reputational risk for the Company.

8.8.5 Training and Awareness

Review, where relevant, whether anti-corruption, ethics, whistleblowing, internal control, and compliance requirements are communicated and supported by appropriate training or awareness activities.

8.9 Risk Management, Internal Control, and ESG Control Interface

8.9.1 Risk Management Coordination

Coordinate with the Risk Management and Corporate Governance Committee, management, and Internal Audit to understand material risks, risk mitigation plans, audit priorities, and control implications.

8.9.2 Internal Audit Review of Risk Management

Review Internal Audit's independent assessment of the adequacy and effectiveness of risk management and internal control processes where included in the audit plan.

8.9.3 Separation of Roles

Support clear separation between risk ownership, risk management oversight, and internal audit assurance to maintain independence, objectivity, and effective checks and balances.

8.9.4 ESG and Sustainability Reporting Controls

Review, where relevant, the adequacy of internal controls over ESG and sustainability data included in public disclosures, including climate-related information, environmental performance, safety data, supplier data, human rights data, and governance indicators.

8.9.5 Climate-Related Financial Information

Support management and the Board in strengthening controls over climate-related financial information, including assumptions, estimates, data sources, documentation, and disclosure readiness under relevant standards.

8.9.6 Supply Chain and Responsible Sourcing Controls

Review audit findings or control issues related to supplier assessment, sustainable procurement, wood sourcing traceability, supplier non-compliance, contractor controls, and third-party risk management where such matters are included in the audit plan or escalated to the Committee.

8.10 Tax Governance and Responsible Tax Practices**8.10.1 Tax Compliance**

Review the adequacy of controls over tax compliance, tax reporting, tax payments, tax documentation, and tax risk management.

8.10.2 Tax Risk

Review significant tax risks, disputes, assessments, penalties, uncertain tax positions, transfer pricing matters, and tax-related disclosures where material.

8.10.3 Responsible Tax Conduct

Support the Company's commitment to responsible tax practices, including accurate reporting, compliance with applicable laws, appropriate documentation, and avoidance of aggressive tax practices inconsistent with business substance.

8.11 Reporting and Disclosure Oversight**8.11.1 Audit Committee Report**

Prepare or review the Audit Committee report for inclusion in the Annual Report, Form 56-1 One Report, or other public disclosure channels in accordance with applicable requirements.

8.11.2 Public Governance Disclosure

Support disclosure of the Committee's composition, qualifications, financial expertise, meeting frequency, attendance, activities, key responsibilities, and Charter in the Annual Report, Sustainability Report, website, or other appropriate public communication channels.

8.11.3 FTSE Russell and ESG Assessment Traceability

Support the Company's ability to provide clear evidence and location of public disclosures for relevant FTSE Russell ESG indicators and other ESG assessments, especially in relation to audit committee independence, financial expertise, auditor fees, internal control, whistleblowing, related-party transactions, non-compliance management, and audit oversight.

8.11.4 Accuracy and Consistency of Disclosures

Review whether audit-related, financial, governance, and control-related disclosures are accurate, complete, consistent, traceable, and aligned with underlying records, Board decisions, audit findings, and regulatory requirements.

8.12 Other Responsibilities

The Committee shall also have the following responsibilities:

- Review and provide recommendations on any audit, financial reporting, internal control, compliance, investigation, auditor, or related-party transaction matter assigned by the Board of Directors.
- Request information, documents, evidence, records, reports, audit findings, compliance reports, investigation reports, or other relevant information from management and relevant functions.
- Invite directors, executives, department heads, employees, Internal Audit, external auditors, advisors, experts, or relevant persons to attend meetings to provide information, clarification, or opinions.
- Consider engaging independent advisors, legal counsel, forensic specialists, audit experts, valuation experts, or other professionals in accordance with the Company's procedures where specialized advice is necessary.
- Report the Committee's activities, key findings, recommendations, and matters requiring attention to the Board of Directors regularly or as required.
- Perform any other duties assigned by the Board of Directors.

9. Authority of the Committee

The Committee has authority, within the scope delegated by the Board of Directors and applicable laws, to:

- Review financial statements, financial disclosures, audit findings, internal control reports, compliance reports, whistleblowing reports, related-party transactions, and significant investigation results.

- Request information, documents, evidence, records, explanations, and access to personnel, systems, sites, subsidiaries, and relevant third parties as necessary for the Committee's duties.
- Invite management, Internal Audit, external auditors, advisors, experts, legal counsel, or relevant persons to attend meetings or provide clarification.
- Meet privately with Internal Audit, external auditors, management, or relevant functions without other parties present.
- Review and recommend appointment, remuneration, rotation, removal, and independence of the external auditor.
- Review and approve, or recommend approval of, the Internal Audit plan, resources, independence, and performance.
- Provide recommendations to management on corrective actions, control improvements, compliance improvements, investigation follow-up, and prevention of recurrence.
- Escalate significant or urgent matters to the Board of Directors, the Risk Management and Corporate Governance Committee, or other relevant Board Committees as appropriate.
- Seek independent professional advice where necessary, subject to the Company's procedures and approvals.
- Take any other necessary and appropriate action to fulfill the Committee's responsibilities under this Charter.

10. Meetings

10.1 Meeting Frequency

The Committee shall hold meetings at least four times per year, normally before the approval or review of quarterly and annual financial statements. Additional meetings may be convened where necessary, particularly where there are significant audit findings, financial reporting matters, internal control deficiencies, compliance matters, whistleblowing cases, related-party transactions, auditor matters, or urgent issues requiring timely consideration.

10.2 Quorum

A quorum shall consist of at least one-half of the total number of Committee members.

10.3 Calling of Meetings

The Chairperson of the Committee shall call meetings of the Committee. If the Chairperson is unable to attend or perform duties, the attending Committee members may appoint one member to act as chairperson of the meeting.

10.4 Meeting Notice and Materials

The Committee Secretary or assigned function shall circulate the meeting notice, agenda, and supporting documents within a reasonable period before the meeting to allow Committee members sufficient time for review.

10.5 Voting

Resolutions of the Committee shall be passed by a majority vote of members attending the meeting and entitled to vote. Each member shall have one vote. In the event of a tie, the chairperson of the meeting shall have an additional casting vote.

10.6 Interested Members

A Committee member who has an interest in a matter under consideration shall disclose such interest and abstain from voting on that matter. Where appropriate, the interested member should not participate in the discussion.

10.7 Attendance of Relevant Persons

The Committee may invite directors, executives, department heads, employees, Internal Audit, external auditors, advisors, experts, or other relevant persons to attend meetings to provide information, clarification, or opinions.

10.8 Private Sessions

The Committee shall hold private sessions with the external auditor at least annually without management present. The Committee may also hold private sessions with Internal Audit, management, or other relevant persons where necessary.

10.9 Minutes of Meeting

The Committee Secretary or assigned function shall prepare accurate and complete minutes of meeting, maintain records, and follow up on resolutions, action items, and recommendations of the Committee.

11. Reporting and Disclosure**11.1 Reporting to the Board of Directors**

The Committee shall report its activities, key findings, recommendations, financial reporting matters, internal control matters, audit findings, external auditor matters, compliance matters, whistleblowing cases, related-party transactions, and other significant issues to the Board of Directors regularly or as required.

11.2 Reporting of Significant or Urgent Matters

If the Committee identifies significant or urgent matters relating to financial reporting, internal control, fraud, corruption, legal compliance, external auditor independence, related-party transactions, whistleblowing, investigation, non-compliance, ESG data control, or matters that may materially affect the Company, shareholders, investors, stakeholders, reputation, financial condition, operations, or

legal compliance, the Committee or its Chairperson should report the matter to the Board of Directors promptly.

11.3 Audit Committee Report

The Committee shall prepare or review the Audit Committee report for inclusion in the Annual Report, Form 56-1 One Report, or other required public disclosure channels. The report should reflect the Committee's composition, meetings, attendance, activities, opinions, and key areas of oversight in accordance with applicable requirements.

11.4 Public Disclosure

- The Company may disclose the role, responsibilities, composition, financial expertise, meeting frequency, attendance, key activities, Charter, auditor appointment, auditor fees, and other relevant audit governance information in the Annual Report, Sustainability Report, website, or other appropriate communication channels.
- Such disclosure shall consider accuracy, completeness, transparency, relevance, confidentiality, personal data protection, and applicable laws and regulations.

12. Performance Evaluation of the Committee

The Committee shall arrange an evaluation of its performance at least once per year and report the evaluation results to the Board of Directors.

The evaluation may cover:

- Fulfillment of duties under this Charter
- Adequacy of Committee composition, qualifications, independence, and financial expertise
- Effectiveness of meetings and participation of Committee members
- Quality of agenda, documents, discussion, and recommendations
- Effectiveness of financial reporting review
- Effectiveness of internal control oversight
- Effectiveness of internal audit oversight
- Effectiveness of external audit oversight
- Effectiveness of compliance, whistleblowing, and investigation oversight
- Effectiveness of related-party transaction review
- Effectiveness of follow-up on audit findings and corrective actions
- Quality and timeliness of reporting to the Board of Directors
- Opportunities to improve the Committee's processes, governance role, and overall effectiveness

The results of the evaluation should be used to improve the Committee's performance, meeting process, reporting quality, audit oversight, and governance effectiveness.

13. Targets and Performance Indicators

The Company may monitor the effectiveness of the Committee through the following indicators:

Category	Target / KPI	Monitoring Frequency	Responsible Unit
Committee composition	Audit Committee members meet independence and non-executive requirements	Annually or when changes occur	Board of Directors / Company Secretary
Financial expertise	At least one Committee member has accounting, finance, or audit expertise	Annually or when changes occur	Board of Directors / Company Secretary
Committee meetings	Committee meetings are held at least four times per year	Annually	Committee Secretary
Committee attendance	Committee members attend meetings in accordance with Company expectations	Each meeting	Company Secretary
Financial reporting review	Quarterly and annual financial statements are reviewed before Board approval or disclosure	Quarterly / Annually	Audit Committee / Finance
Internal control review	Adequacy and effectiveness of internal control are reviewed	At least annually	Audit Committee / Internal Audit
Internal audit plan	Risk-based internal audit plan is reviewed and approved or recommended	Annually	Audit Committee / Internal Audit
Internal audit findings	Significant findings and corrective actions are monitored to closure	Ongoing	Internal Audit / Process Owners
External auditor appointment	External auditor appointment, independence, performance, and remuneration are reviewed	Annually	Audit Committee / Finance
Private meeting with external auditor	Private meeting with external auditor without management present is held	At least annually	Audit Committee
Auditor fee disclosure	Audit and non-audit fees are reviewed for public disclosure where applicable	Annually	Finance / Company Secretary

Category	Target / KPI	Monitoring Frequency	Responsible Unit
Related-party transactions	Related-party and connected transactions are reviewed according to applicable requirements	When transactions occur / Annually	Audit Committee / Company Secretary / Finance
Whistleblowing and complaints	Significant whistleblowing cases and complaints are reviewed and monitored	Ongoing / As needed	Audit Committee / Internal Audit / Compliance
Non-compliance management	Substantiated non-compliance cases have corrective actions and follow-up status	Ongoing	Internal Audit / Compliance / Process Owners
Anti-corruption control review	Audit findings or control issues relating to corruption risk are reviewed	At least annually or as needed	Audit Committee / Internal Audit / Compliance
IT and cybersecurity controls	Key IT and cybersecurity control findings are reviewed where material	Annually or as needed	Internal Audit / IT
ESG data controls	ESG and sustainability data controls are reviewed where material to public reporting	Annually or as needed	Sustainability / Internal Audit / Finance
Committee reporting	Committee activities and key matters are reported to the Board of Directors	Regularly / As required	Committee Chairperson / Committee Secretary
Committee evaluation	Committee performance evaluation is conducted	At least annually	Committee Secretary / Board of Directors
Charter review	This Charter is reviewed and updated to align with laws, standards, risks, policies, and stakeholder expectations	At least every 2 years or when significant changes occur	Audit Committee / Company Secretary

14) Review and Continuous Improvement

This Charter shall be reviewed at least every 2 years, or earlier if there are material changes in laws, regulations, accounting standards, auditing standards, corporate governance standards, Board structure, business strategy, risk profile, internal control requirements, ESG reporting expectations, stakeholder expectations, or Company policies.

The review shall consider:

- Results of Committee performance evaluation
- Changes in Audit Committee composition, independence, financial expertise, and qualifications
- Financial reporting issues and external auditor observations
- Internal audit findings and internal control improvement recommendations
- Significant whistleblowing cases, investigations, non-compliance cases, and corrective actions
- Related-party transaction review results
- Changes in SET, SEC, FTSE Russell, GRI, IFRS, TFRS, TCFD, or other relevant expectations
- Changes in Vanachai Group's strategy, risk profile, sustainability priorities, business model, operating sites, subsidiaries, and digital systems
- Lessons learned from audits, incidents, complaints, fraud cases, control failures, or regulatory enquiries
- Feedback from directors, executives, Internal Audit, external auditors, shareholders, investors, and stakeholders

Any amendment to this Charter shall be submitted to the Board of Directors, or the authorized approving body as determined by the Company, for approval and shall be communicated to relevant parties.

15) Revision History of the Audit Committee Charter

Version	Date	Charter Owner	Approved by	Key Changes / Important Notes
1.0	11 November 2024	Audit Committee / Company Secretary / Internal Audit	Board of Directors	Established and issued the first Audit Committee Charter to define the purpose, composition, qualifications, term of office, duties and responsibilities, authority, meetings, reporting, financial reporting review, internal control oversight, internal audit oversight, external auditor oversight, related-party transaction review, compliance oversight, and performance evaluation of the Committee.
2.0	10 August 2026	Audit Committee / Company Secretary / Internal Audit / Finance Function / Compliance Function / Sustainability Function	Board of Directors	Upgraded the Charter into an investor-grade governance document tailored to Vanachai Group's business and policy architecture. The revised version strengthens oversight of financial reporting, internal control, internal audit, external audit, external auditor independence, audit and non-audit fee disclosure, related-party transactions, conflicts of interest, whistleblowing, investigations, non-compliance management, anti-corruption controls, fraud risk, tax governance, IT and cybersecurity controls, ESG data controls, sustainability reporting audit readiness, and relevant FTSE Russell / GRI / IFRS S1-S2 / TCFD expectations.

This Charter has been approved and issued for acknowledgement and implementation by the Audit Committee, the Board of Directors, management, Internal Audit, Finance, Compliance, Sustainability, relevant functions, and all parties involved in the Company's audit, internal control, reporting, and governance processes.