

# THE THAI INSURANCE PUBLIC COMPANY LIMITED

## Charter of the Audit Committee

### Objectives

The Audit Committee was established for assisting and supporting the Board of Directors in supervision and control the correctness of the financial report, the efficiency of the internal control system and compliance with laws, regulations and morals in order to lead to the good corporate governance.

### Structure of the Audit Committee

The Board of Directors or the Shareholders Meeting shall appoint the Audit Committee at least 3 members and appoint the Chairman of the Audit Committee from such appointed members. The members of the Audit Committee shall be the independent directors of the Company, having the qualifications in accordance with those determined by the supervisory authorities of the Company as well as by the Company.

The Audit Committee shall appoint one of the appropriate Company's staff to be a secretary to the Audit Committee.

### Independence

Apart from the determined qualification, the Audit Committee shall be able to independently express their opinions or report to the Company as assigned, regardless of any benefit either relating to property or position and duty. The Audit Committee shall not be influenced by any person or group of persons and there shall be no event that is able to demand the members of the Audit Committee not to express their actual opinion. The Audit Committee shall consist of all independent members.

### Term of Office and Retirement

1. The term of office of the members of the Audit Committee shall be along with the term of the directors of the Company.
2. The member of the Audit Committee shall retire from the rotation director, resignation or removal or lacking of qualifications of the members of the Audit Committee.

### Meeting Agendas

1. Audit Committee meeting is required to be held at least 4 times per annum. Additional meetings may be called as necessary.
2. The quorum necessary for the Audit Committee's meeting shall not be less than a half of the number of members.
3. The Audit Committee may invite the management, internal auditor, auditor or the relevant person to such agenda to attend the meeting and request for any information as necessary and appropriate.
4. The agendas and the documents accompanying the meeting shall be prepared and presented to the Audit Committee at least 1 week in advance prior to the meeting (except for the emergency or necessary case) and the secretary of the Audit Committee shall record the minute of the meeting.

### Authorities and Responsibilities

The Audit Committee shall have the authorities and responsibilities to perform any such act and thing which are under the following authorities and responsibilities:

1. To invite the management or any of the Company's staff to attend the meeting and clarify, express his/her opinion or demand such persons to deliver any documents as requested and necessary.
2. In performing the Audit Committee's duties, if it is found that or is in doubt that there are any of the following item or matter that might cause material adverse effect to the financial status and the operational result of the Company, the Audit Committee shall report to the Board of Directors in order to improve or alter such matter within the period considered appropriate by the Audit Committee:
  - (1) Conflict of interest;
  - (2) Fraud or having material abnormality or incorrectness in the internal control system;

- (3) Violating the laws regarding the Securities and Stock Exchange of Thailand, regulations of the Stock Exchange of Thailand or any other laws governing the business of the Company.

If the Board of Directors or management of the Company fails to improve or alter such matters within such required period, any member of the Audit Committee may report such matter to the office of the Securities Exchange Commission or the Stock Exchange of Thailand.

3. To consider and propose the auditor selected from the independent auditor as well as remuneration thereof to the Board of Directors for approval by the Shareholder Meeting and assess the auditor's performance.
4. To consider the other service of the auditor apart from audit work provided to the Company and to determine remuneration thereof.
5. To consider and resolve in the case where there is any contradiction between the management and the auditor in relation to the financial report.
6. To consider and control the related transaction or the transaction that might have conflict of interest in accordance with the applicable laws and regulations.
7. To consider and approve the appointment, removal, transfer or termination and to consider granting gratuities to head of the Internal Audit Office.
8. To find the external advisor or professional to provide recommendation, advice or opinion as the Audit Committee deems appropriate.
9. To attend the meeting and confer with the auditor without the attendance of the management.

### **Roles and Responsibilities**

#### **1. Financial Report**

- To correctly and sufficiently review the financial report;
- To consider the completeness of the information acknowledged by the Audit Committee and to assess the appropriateness of the accounting principles applied in the financial report;
- To inquire the management and auditor with respect to the audit result, material risk relating to the financial report and a plan to reduce such risks;
- To review the internal control with regard to the preparation process of the balance sheet with the auditor and internal auditor;
- To review the report of the financial report of the Board of Directors in order to present in the annual report.

#### **2. Internal Control**

- To review for allowing the Company to have the risk management and internal control system and the appropriate and efficient internal audit;
- To review for allowing the Company to have the internal control system on the appropriate information technology system and the guidelines of communication of the importance of the internal control and risk management throughout the Company;
- To review the line of authority and performance of the Internal Audit's staff as to whether they have independence in reporting and expressing their opinion;
- To review to ensure that the recommendations relating to the internal control made by the internal auditor and the auditor are implemented by the management;
- To review the auditor's report in assessing the internal control system and the regulations relating to the investment in order to submit to the Office of Insurance Commission and propose such comment to the management for improvement.

#### **3. Internal Audit**

- To review and approve the charter of the Internal Audit Office, annual operation plan as well as personnel and resource is necessary for performance;
- To review the activities and performance of the Internal Audit Office and to supervise to ensure that the Internal Audit Office can perform its duties independently;
- To review the effectiveness of the internal audit as to whether the performance according to the internal audit standard is made.

#### 4. Compliance

- To regularly consider the amended laws and other regulations that cause effect to operation of the Company;
- To review any found matter made by the supervisory authorities of the Company, any result of alteration as well as to report to the Board of Directors;
- To review the effectiveness of the system concerning the compliance with the laws and regulations and the result of alteration in case of incompliance.

#### 5. Compliance with the Morality and Ethics of the Management and Staffs


- To review for ensuring that the business morality, ethics and the policy preventing the conflict of interest have been made in writing and acknowledged by all management and staffs;
- To promote the compliance with the morality, ethics and the policy preventing the conflict of interest.

#### 6. Other Duties

- To perform any matter as assigned by the Board of Directors;
- To regularly review and assess the Charter of the Audit Committee and request for the amendment approval from the Board of Directors;
- To prepare the corporate governance report of the Audit Committee for disclosing in the Company's annual report as required by the Stock Exchange of Thailand, which such report is executed by the Chairman of the Audit Committee;
- To review, consider and control the related transaction or the transaction that might have the conflict of interest in accordance with the applicable laws and regulations;
- The members of the Audit Committee shall continuously and regularly develop and strengthen their knowledge in relation to the responsibilities of the Audit Committee.

Which become effective from February 18<sup>th</sup>, 2009.



Signed  Chairman of the Board of Directors  
Mr. Kavi Ansvananda

Signed  Chairman of the Audit Committee  
Mr. Thamnu Thammongkol