



# **Indorama Ventures Public Company Limited**

## **Audit Committee Charter**

*(As approved by the Board of Directors Meeting No.5/2009 dated September 18, 2009, and  
Adopted at the Audit Committee Meeting No.1/2009 dated September 23, 2009)*

*Revision 1*

*(As approved in the Board of Directors Meeting No.2/2015 dated February 20, 2015)*

*Revision 2*

*(As approved in the Board of Directors Meeting No.2/2016 dated February 19, 2016)*

# **Audit Committee Charter**

## **1. Objectives of the Audit Committee**

The Audit Committee is a Committee of the Board of Directors which assists the board of directors in fulfilling its oversight responsibilities for the financial reporting process, maintaining suitable, effective, and well-recognized internal control and audit process, the company's process for monitoring compliance with laws and regulations and the code of conduct and any other tasks as designated by the Board of Directors.

## **2. Composition of the Audit Committee**

- 2.1 The Audit Committee shall consist of at least three (3) independent members.
- 2.2 At least one (1) committee member must have sufficient knowledge and experience to review the reliability of the financial statements.

## **3. Appointment**

- 3.1 The Board of Directors or the shareholders meeting shall appoint members of the Audit Committee, who must be independent directors of the company.
- 3.2 When the term of service of a committee member expires or there is any circumstance causing any committee member to be unable to hold office until expiration of the term of service, thus reducing the number of the committee members to less than three (3) persons, the Board of Directors' meeting should appoint new committee member(s) to fill the vacancy(ies) within three (3) months from the date of vacancy(ies) in the Committee, to ensure continuity of the performance of work of the Audit Committee.
- 3.3 The Board of Directors shall select one (1) member of the Audit Committee to be Chairman of the Audit Committee.
- 3.4 A Secretary to the Audit Committee shall be appointed to assist the Audit Committee in performing work pertaining to the summoning of meetings, preparation of agendas, and delivery of supporting documents for the meetings and keeping of minutes.

## **4. Vacating from Office**

- 4.1 Vacating from office means termination of directorship, or expiration of the prescribed term of service, or resignation, or removal.
- 4.2 In the case that any committee member wishes to resign before the expiration of his term of service, he should give a notice thereof to the company one (1) month in advance together with reason there for so that the Board of Directors' can consider appointing another director who is fully qualified to replace the resigning member. The company shall also report such resignation to the Stock Exchange of Thailand

4.3 In the case that any committee member is removed before the expiration of his term of service, the company shall report such removal together with the grounds for such removal to the Stock Exchange of Thailand immediately. The committee member who is removed may also give explanation of the grounds for such removal to the Stock Exchange of Thailand.

## **5. Term of Service**

5.1 The term of service of a committee member shall be two (2) years from the date of appointment.

5.2 A committee member may be re-appointed for additional terms as the Board of Directors' may think fit.

## **6. Qualifications of the Audit Committee Members:**

A committee member must possess full qualifications according to the criteria as follows:

- (a) Being an independent director with full qualifications as per the definition of independent directors as specified by the notification of the Capital Market Supervisory Board and definition of independent director as per the charter of the Board of Directors.
- (b) Having sufficient knowledge and experience to conduct the duty as an audit committee member.

## **7. Duties and Responsibilities of the Audit Committee**

7.1 The Audit Committee has the duties as delegated by the company's board of directors as follows:

- 1. to review the company's financial reporting process to ensure that it is accurate and adequate;
- 2. to approve the quarterly financial statements before the same are published;
- 3. to review annual financial statements for the approval of the Board of Directors;
- 4. to approve the quarterly Management Discussion and Analysis (MD&A) report & review the annual Management Discussion and Analysis (MD&A) report and recommending the same to the Board of Directors;
- 5. to review the company's internal control system and internal audit function to ensure that they are suitable and efficient, to determine an internal audit department's independence, as well as to approve the appointment, transfer and dismissal of the head of internal audit;

6. to review the company's compliance with the law on securities and exchange, the regulations of the Stock Exchange of Thailand, and the laws relating to the company's business;
7. to recommend, the selection, nomination and dismissal of an independent person/entity to be the company's auditor, and to propose such person/ entity's remuneration, as well as to attend a non-management meeting with the independent auditor at least once a year;
8. to review the connected transactions, or the transactions that may lead to conflicts of interest, to ensure that they are in compliance with the laws and the regulations of the Stock Exchange of Thailand, and are reasonable and for the highest benefit of the Company;
9. to approve the New Connected Transactions which are required to be approved by the Audit Committee as per SEC/SET regulations and Connected Transaction Policy of the company
10. to review and ensure disclosure in the company's annual report, an Audit Committee's report which must be signed by the Chairman of the Audit Committee and consist of at least the following information:
  - (a) an opinion on the accuracy, completeness and credibility 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 on securities and exchange, the regulations of the Stock Exchange of Thailand, or the laws relating to the company's business;
  - (d) an opinion on the suitability of an auditor;
  - (e) an opinion on the transactions that may lead to conflicts of interests;
  - (f) the number of the Audit Committee meetings, and the attendance at such meetings by each committee member;
  - (g) an opinion or overview of comments received by the Audit Committee from its performance of duties in accordance with the charter; and
  - (h) other transactions which, according to the Audit Committee's opinion, should be known to the shareholders and general investors.
11. Review the measures taken by the Company for countering the anti corruption and bribe as part of good Corporate Governance as per the guidelines of Thai Institute of Directors Association.

12. To engage external agencies for professional opinions, if required.

13. Perform any other act as assigned by the company's board of directors, with the approval of the Audit Committee

7.2 The Audit Committee is responsible to the Board of Directors according to the duties assigned by the Board of Directors, while the responsibilities for all activities of the company towards third persons are still vested in the entire Board of Directors.

## **8. Meetings of the Audit Committee**

8.1 Agenda: An agenda of each meeting should be clearly determined in advance, and documents supporting the meeting should be delivered to the Audit Committee for a reasonable period in advance in order to provide time for consideration of the matters or the request of additional supporting information.

### 8.2 Frequency of Meetings

(a) Meetings of the Audit Committee should be held at least four (4) times a year.

(b) The Chairman of the Audit Committee may convene a special meeting of the Audit Committee if there is a request from a committee member, internal auditor, external auditor or Chairman of the Board of Directors, in order to consider the issues which must be jointly discussed.

### 8.3 Attendance

(a) The members of the Audit Committee should endeavor to attend every meeting of the Audit Committee. The quorum for a meeting is more than half of the total members of the Audit Committee.

(b) The Audit Committee may, as it considers appropriate, request directors, management or other members of the company, the internal auditor or the external auditor to attend its meeting to discuss any particular matter.

(c) The Audit Committee may invite to its meeting, or otherwise meet with legal counsel and other advisors when it is considered necessary and appropriate to discuss matters which have or may have material impact on the company's activities or financial statement.

### 8.4 Voting

The minutes of meetings must specify the names of members and persons attending, and any member of the Audit Committee who has any interest in a matter shall refrain from expressing an opinion or voting on such matter.

8.5 Minutes: The Secretary to the Audit Committee shall prepare the minutes of meetings which must be submitted to the Audit Committee.

**9. Reporting of the Audit Committee:**

The Audit Committee shall, report on its activities to the Board of Directors, to the Shareholders in the Annual Report, and to the Authorities as required by law.