

Charter of the Audit Committee

S Hotels and Resorts Public Company Limited

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1. Objectives

The Board of Directors of S Hotels and Resorts Public Company Limited (the “Company”) No. 1/2019 resolved to adopt the Charter of the Audit Committee to determine its scope of powers and duties of the Audit Committee. This is one of the good corporate governance mechanisms to create confidence among stakeholders in the Company’s efficient internal audit and internal control systems. The Audit Committee has been established to prevent conflicts of interests and to provide guidelines for the operations of the Audit Committee as well as to provide the Board of Directors, executives and the Management with the understanding about the Audit Committee’s scope of operations.

2. Composition

The Audit Committee’s composition is as follows:

2.1 There must be no less than three independent directors.

2.2 Committee members must have suitable skills and expertise to perform the assigned missions. At least one member must have the sufficient knowledge, understanding or experience in accounting or finance to be able to review the credibility of the financial statements.

2.3 The Board of Directors or the shareholders’ meeting or the Audit Committee shall select and appoint one member of the Audit Committee as Chairman of the Audit Committee.

The Audit Committee shall consider appointing a secretary of the Audit Committee to assist its operation in making meeting appointment, preparing meeting agenda, delivering meeting supplemental documents and keeping meeting minutes.

3. Qualifications

The Audit Committee must be trustworthy, well accepted and capable of devoting sufficient time to the performance of its duties. Committee members must have the following qualifications:

3.1 General qualifications

- (a) Hold no more than 0.5 percent of all the voting shares of the Company, its parent company, subsidiary, associate company, major shareholders or the Company's controlling person. This shall include the number of shares held by related parties.
- (b) Not being or having been an executive member, employee, officer, advisor with paid regular salary or the Company's controlling person, its parent company, subsidiary, associate company, same-level subsidiary, major shareholder or the Company's controlling person, unless such positions have ended for at least two years prior to the date of appointment to the Audit Committee. Such prohibited characteristic does not apply to independent directors who used to be a civil servant or advisor to a government unit who is a major shareholder or controlling person of the Company.
- (c) Not being a person who is related by blood or by legal registration as the father, mother, spouse, sibling and child of such person and spouse of a child of other directors, executives, major shareholders, controlling persons or a person to be nominated as director, executive or controlling person of the Company or its subsidiary.
- (d) Not having or had business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or the Company's controlling person in a manner that may interfere with the person's independent judgement. Not being or having been a significant shareholder or the controlling person of a person who has a business relationship with the Company, its parent company, subsidiary, associate company, major shareholder or the Company's controlling person, unless such relationships have ended at least two years prior to the date of appointment to the Audit Committee. Not having any interest or stake, whether directly or indirectly, in the financial and administrative affairs of the Company, its subsidiary, associate company or being a person with a conflict that may cause him/her to lack independent judgement. The said business relationship shall include regular business transactions, rental or lease of real estate, transactions related to assets or services or the granting or receiving of financial assistance in the forms of a loan, guarantee, collateral asset and similar acts, which result in the Company or its party to a contract being subject to indebtedness payable to the other party in the amount of three percent of the Company's net assets or 20 million baht or more, whichever amount is lower. Calculation of such indebtedness shall be in accordance with the calculation method of the value of related party transaction under the Notification of the Capital Market

Supervisory Board regarding the Rules on Execution of Related Party Transactions, *mutatis mutandis*.

In calculating such indebtedness, the burden of debt shall include the indebtedness incurred during a period of one year before the date that a business relationship is incurred with the same person.

- (e) Not being or having been an auditor of the Company, its parent company, subsidiary, associate company, majority shareholder, or controlling person of the Company or a juristic person with possible conflict. Not being a significant shareholder, controlling person, or partner of the audit firm which employs the auditor for the Company, its parent company, subsidiary, associate company or the controlling person of his/her affiliated company. This shall apply unless such characteristics have ended not less than two years prior to the date of appointment to the Audit Committee.
- (f) Not being or having been a provider of professional services, including serving as a legal or financial advisor who receives service fee of more than two million baht per year from the Company, its parent company, subsidiary, associated company, major shareholders, the Company's controlling person. Not being a significant shareholder, controlling person or partner of a professional service provider, which shall apply unless such characteristics have ended for not less than two years prior to the date of appointment to the Audit Committee.

In the case where a person appointed by the Board of Directors as an independent director, who has or having had business relationship or provided professional service for a fee exceeding the amount prescribed in (d) or (f), the Company shall be exempted from prohibited business relationship or business with professional service fees exceeding the prescribed amount. The Company must present the Board of Director's opinion that according to Section 89/7 of the Securities and Exchange Act B.E. 2535 (and amended) appointment of such person does not affect his/her performance and independent judgement. The Company must disclose the following information in the invitation letter to a shareholders' meeting for the agenda on the appointment of an independent director(s):

- (1) Nature of the business relationship or professional service that disqualified such person from the appointment.
- (2) Reason and necessity for the retaining or appointing of such person as an independent director.
- (3) Opinion of the Audit Committee on the proposed appointment of such person as an independent director.

For the purpose of (e) and (f), the term "partner" shall mean a person assigned by an audit firm or a provider of professional services to affix signature on the audit report or the professional service report (as the case may be) on behalf of the said juristic person.

- (g) Not being a Committee member appointed to represent the interest of the Board of Directors, major shareholders or shareholders who are related to the major shareholders. Such person must be able to give independent opinion or report on his/her assigned mission without having to let any thought of interest restrict him/her from giving independent opinion as it should be.
- (h) Not undertaking any business of the same nature and in significant competition with the business of the Company or its subsidiary, or not being a significant partner in a partnership or an executive member, employee, staff, advisor earning regular salary or holding more than one percent of all voting shares in a company undertaking a business of the same nature or in significant competition with the business of the Company or its subsidiary.
- (i) Not having any other characteristics that may prevent a person from expressing independent opinions on the Company's operations.
- (j) The Audit Committee must act as the Company's independent directors with the qualifications prescribed by the Securities and Exchange Commission Thailand ("SEC").

3.2 Specific qualifications

- (a) Not being a member who is assigned by the Board of Directors to make decision on the business conduct of the Company, its parent company, subsidiary or associate company, same-level subsidiary, major shareholders or the Company's controlling person.
- (b) Not being a member of the parent Company, its subsidiary or same-level subsidiary which are listed registered companies.

4. **Appointment, terms of office and leave of office**

4.1 Appointment

- (a) The Board of Directors or the shareholders' meeting shall appoint independent directors and members of the Audit Committee who must be directors of the Company.
- (b) The Board of Directors or shareholders' meeting or the Audit Committee shall select and appoint one member of the Audit Committee as the Chairman.
- (c) Upon expiration of the term of office of an Audit Committee member or when there is a cause for a member of the Audit Committee to leave office before expiration of the term, resulting in the Committee having less than three members. It is the duty of the Board of Directors or shareholders' meeting to appoint a person who has the required qualifications and none of the prohibited characteristics as a

replacement member within three months of the date that there is insufficient number of Committee members to ensure continuity of performance. The replacement member shall hold office for the remaining period of the member whom he/she replaces.

4.2 Terms of office

The Audit Committee shall hold office for a term of three years each, which coincide with the Board of Directors' term of service. Upon expiration of the term of office members of the Audit Committee may be reappointed as deemed suitable by the Board of Directors, but the combined terms of office shall not exceed nine years. The outgoing members who leave office upon expiration of the term of service shall remain acting members to perform their function until a replacement member is appointed, except in the case where he/she is not reappointed as member of the Board of Directors.

4.3 Leave of office

Members of the Audit Committee shall leave office upon

- (a) Expiration of the term of office
- (b) No longer a member of the Board of Directors
- (c) Resignation
- (d) Death
- (e) Being removed from office by a resolution of the Board of Directors of the shareholders' meeting
- (f) Lack the qualifications for a member or an independent director of the Audit Committee under this Charter or under the criteria of the Securities or Stock Commission Thailand.
- (g) Being removed by a court order.

Resignation of members of the Audit Committee while being in office can be done by submitting a resignation letter and reason for resigning to Chairman of the Audit Committee at least one month in advance. The Chairman shall present it to the Board of Directors for consideration and authorization and send a copy of the resignation letter to the SEC for acknowledgement. The Board of Directors shall consider and appoint another person who has all the qualifications to replace the resigning member.

In the case where a member of the Audit Committee resigns or leave office before the expiration of his/her term of office, the Company shall immediately notify the Stock Exchange of Thailand. The Committee member who resigns or is removed from office can give reasons for doing so to the Securities and Exchange Commission Thailand.

5. Meetings

- 5.1 The Audit Committee shall regularly hold a meeting at least every three months to consider the quarterly/annual financial statements and other matters within its authority. There shall be joint meetings between external and internal auditors and the Management to review the financial statements every three months and report it to the Board of Directors or to consider cases of related party transaction or transaction relating to the acquisition or disposal of assets by the Management based on suitability and reasonability of transaction as well as maximum benefit to the Company to ensure compliance with criteria for related party transaction or transaction relating to the acquisition or disposal of assets as prescribed and notified by the Stock Exchange of Thailand.
- 5.2 In inviting members to meetings of the Audit Committee, Chairman of the Audit Committee or the Secretary of the Audit Committee, under the Chairman's directive, shall sent a letter of meeting appointment to members of the Audit Committee at least seven days before the appointed meeting date, except in case of urgency and necessity where the meeting invitation may be sent by other methods or the meeting date may be set earlier. The meeting agenda for each meeting should be clearly determined in advance and the meeting supplemental documents should be sent to members of the Audit Committee and meeting participants for a reasonable period in advance to allow them sufficient time to consider the agenda or to call for additional supplemental documents.
- 5.3 Meetings of the Audit Committee can be held via electronic media in accordance with the criteria, procedures and requirements prescribed by the laws. Moreover, meeting invitation letter and supplemental documents can be sent via an electronic mail and copies of the letter and documents must be kept as evidence, which can be executed in the form of electronic data.
- 5.4 No less than half of the members of the Audit Committee must be present at a meeting to constitute a meeting quorum.
- 5.5 In the case where the Chairman of the Audit Committee is busy with other missions and cannot attend a meeting, the attending members of the Audit Committee shall choose among themselves one member to preside over the meeting.
- 5.6 The final decision of the meeting shall be decided by a simple majority. In case of an equity of votes, the Chairman of the meeting shall have an additional vote as the casting vote.
- 5.7 Members of the Audit Committee who have a stake the matter being considered at a meeting of

the Audit Committee is prohibited from presenting opinions and casting a vote in such matter.

5.8 The Secretary of the Audit Committee or a person assigned by the Audit Committee Meeting shall prepare meeting minutes, which must be approved by the Audit Committee. Chairman of the Audit Committee shall report meeting outcomes to the Board of Directors' meeting for acknowledgement of the Audit Committee's activities.

5.9 The Audit Committee can invite related parties, namely, the Company's director, the Management, executives, lawyers, external lawyers or officers of the Company, mother company and subsidiary company to attend a meeting and/or other related parties to consult, explain or answer any queries at a meeting.

6. Duties and responsibilities

6.1 To review and ensure that the Company has prepared accurate and adequate financial reports in accordance with the financial statement standards. Collaborate with external auditor(s) and the executives responsible for the preparation of both the quarterly and annual financial statements. The Audit Committee may suggest that the auditor(s) reviews or examines any item that it deems important and necessary during an audit of the Company's accounts.

6.2 To review suitability and effectiveness of the internal control and internal audit systems. Consider freedom of the internal audit unit and approve appointment, transfer, termination consideration of the head of the internal audit unit or any other units responsible for the Company's internal audit, and encourage compliance of the internal audit unit's operations with the professional standard for internal auditing in terms of suitability and adequacy of audit resources.

6.3 To review the Company's compliance with the laws on securities and stock exchange, requirements of the Stock Exchange of Thailand and the Capital Market Supervisory Board and/or the laws on the businesses of the Company and its subsidiary, including a review of compliance of subsidiary and associate companies with the criteria and policy on the regulation and management of subsidiary company and associate companies operating key businesses.

6.4 The Audit Committee should hold meetings to consider its assigned tasks as follows:

(a) Consider relevant financial statements and financial reports, accounting principles and

practices, compliance with the accounting standards, business continuity, major accounting policy changes, including the Management's reasons for formulating specific accounting policies before presenting them to the Board of Directors for dissemination to shareholders and general investors.

- (b) Consider the Company's internal control and internal audit.
 - (c) Consider and review the Company's annual audit plans, collaborate relevant audit plans, conduct joint evaluation of the audit outcomes with the internal auditor and auditor. The Audit Committee should enquire about the scope of planned audit to ensure that such audit plan will enable detection of frauds or shortcomings of the internal control system.
 - (d) Conduct joint consideration with the internal auditor regarding problems or limitations detected during an audit. Review the internal auditor's performance.
 - (e) Conduct joint consideration with the auditor on the problems or limitations arising from an audit of financial statements.
 - (f) Conduct joint consideration with the internal auditor and auditor to ensure that there are plans for a review of the methods and control of electronic data processing in place. Enquire about specific safety projects to prevent computer fraud or abuse by the Company's officers or a third party.
 - (g) Consider and review transactions that may constitute a conflict of interest such as the Company's related party transactions.
 - (h) Comply with the laws on securities and stock exchange and/or other relevant laws.
 - (i) Perform any other tasks assigned by the Board of Directors.
- 6.5 Consider, select, propose appointment or removal of an independent person as the Company's auditor and determine the auditor's remunerations. Hold joint meetings with the auditor without the Management being present at least once a year to acknowledge quarterly review of financial statements, results of the annual financial statement audit, and discuss possible problems and obstacles found during the cost of the auditor's performance.
- 6.6 Consider related party transactions or transactions that may cause a conflict of interests.

Consider the transaction requirements and termination when they materially deviate from the requirements of previously determined transactions. Consider acquisition or disposal transactions of the Company and its subsidiary for compliance with the laws and SET's requirements to ensure that such transactions are reasonable and create maximum benefits to the Company. If the Audit Committee does not have the required expertise for the consideration of potential related party transactions or other transactions, the Company shall engage an independent expert or the Company's auditor to provide opinions on related party transactions or said transactions to supplement the consideration and/or decision of the Board of Directors.

6.7 Review, assess, and monitor the risk management results from the Risk Management Committee.

6.8 Review Charter of the Audit Committee at least once a year and present it to the Board of Directors for approval.

7. Scope of power

7.1 Perform any tasks assigned by the Board of Directors with the approval of the Audit Committee.

7.2 Obtain independent opinion from other professional consultant as deemed necessary in order to effectively perform the duties specified in the Charter at the Company's expenses. Such hiring shall be in accordance with the Company's rules and practices.

7.3 Have the power to call for information from work units of the Company and its subsidiary for additional consideration. It includes the power to invite executives, the Management, supervisors, officers or related persons to attend a meeting to clarify data and the power to deliver and provide relevant data within the scope of power assigned by the Board of Directors.

7.4 Perform any other tasks as prescribed by the law or the task that will be prescribed in the future.

8. Reporting

8.1 Prepare its performance report for submission to the Board of Directors at least once a year.

8.2 Prepare the Audit Committee's reports and disclose them in the Company's annual report. Such reports must be signed by Chairman of the Audit Committee and consist of at least the following information:

(a) Opinions on the accuracy, completeness and reliability of the Company's financial reports.

- (b) Opinions on the adequacy of the Company's internal control system.
- (c) Opinions on the compliance with SEC's laws, SET's regulations or related business laws.
- (d) Opinions on the suitability of the auditor.
- (e) Opinions on transactions that may cause conflicts of interests.
- (f) Number of the meetings held and meeting attendance of each Audit Committee member.
- (g) Overall opinions or observations on the Audit Committee's performance of duties in accordance with the charter.
- (h) Other transactions that should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Board of Directors.

8.3 Regularly report the Audit Committee's activities to the Board of Directors for acknowledgement.

8.4 During the performance of its duties, if the Audit Committee found or had doubts about the existence of the following transactions or actions which may have material impact on the Company's financial position and performance:

- (a) Transactions causing conflicts of interest;
- (b) Frauds or irregularities or significant deficiencies in the internal control system;
- (c) Violation of the laws on securities and stock exchange, SET's regulations or related business laws.

The Audit Committee shall report to the Board of Directors for improvement or correction within the period that the Audit Committee deems appropriate. If the Board of Directors or the executives do not improve or correct the issue within the prescribed period, any member of the Audit Committee may report said transactions or actions to the Securities and Exchange Commission Thailand or to the Stock Exchange of Thailand.

8.5 In the event where there are changes to the Audit Committee's duties, the Company must notify the resolution on such changes and prepare a name list and scope of operations being changed in the form prescribed by SEC and submit it to SET within three working days of the date on which such changes took place, in accordance with the methods specified in SET's regulations on electronic reporting.

9. Performance evaluation

There shall be an annual self-assessment of the Audit Committee's performance with the assessment results presented to the Board of Directors.

Announced on 23 February 2021

-Mr. Sompong Tantapart-

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(Mr. Sompong Tantapart)

Chairman of the Board of Directors

S Hotels and Resort Public Company Limited