

Audit Committee Charter

Samart Telcoms Public Company Limited

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Audit Committee Charter

1. Objectives

The Audit Committee is a sub-committee of the Board of Directors organized as an important tool or mechanism required of business to ensure the Company's good corporate governance. The Audit Committee as an independent committee can mitigate burden of the Board of Directors and increase flexibility in management function. The Audit Committee can express its straight opinion on financial reports and internal control systems, and accommodate discussion and consultation between management and external auditor with a view to managing possible risks and ensuring complete and correct disclosure in financial reports according to applicable standards and regulations in order that such reports are credible. The main objectives of the establishment of an Audit Committee are to create efficiency in the business operations and add value to the Company as follows:

1. Increase reliability and creditability of financial reports.
2. Increase duty of care of the Board of Directors in discharging its responsibility regarding:
 - Financial reports
 - Selection of appropriate accounting policies
 - Financial Management
 - Internal control systems and Internal audit
 - Compliance with applicable regulations and relevant laws
 - Management and control of business risk
 - Selection of an external auditor including the assessment of its performance
3. Mitigation of the Board of Directors' burden by delegation of duties pertaining to financial reporting, internal control and internal audit to the Audit Committee. As a result, the Board of Directors would have more opportunity to address various matters in depth and become more efficient in the areas of management.
4. Improvement of duties and process of the internal and external audit and increase of efficiency in the communication among the Board of Directors, internal and external auditors.
5. Accommodation of formal meetings between the Board of Directors and financial management.
6. Reinforcement of independence of internal auditors and internal audit department to enable them to present straight opinions that will give rise to more efficient operations.
7. Encouragement of the preservation of independence of external auditor and provision of framework to enable the external auditor to present straight opinions in case that the conflict with management may arise.
8. Improvement of quality of the internal audit reports.
9. Strengthening of role and authority of outside directors.
10. Assurance of the directors' understanding of the defined scope of audit.

2. Composition of the Audit Committee

1. The Board of Directors are responsible for the appointment of the Audit Committee. At least 3 persons with full qualifications as specified in the announcement of the Stock Exchange of Thailand.
2. The Audit Committee must be independent director and at least one member must be knowledgeable in the field of accounting or finance, and be consistently knowledgeable of events affecting the changes in financial reporting.
3. The Board of directors shall select one member of the Audit Committee to be the Chairman of the Audit Committee.

4. In case the term of the audit committee member is terminated or there is any circumstance causing any member to be unable to hold the remained term, thus making the number of the Audit Committee members lower than 3 persons, the Board of Directors and/or the shareholders' meeting should appoint new member to replace the vacancy immediately or not later 3 months from the date of vacancy in the Committee to ensure continuity of the Audit Committee.
5. Chief of internal audit department shall be assigned as secretary to the Audit Committee to assist the Audit Committee in performing work pertaining to summoning of meetings, preparation of agendas, delivery of supporting documents for the meeting and keeping of minutes.

3. Terms of the Audit Committee

Term of the Audit Committee member is 3 years. All members shall be in post no longer than 3 terms except getting a unanimous approval from the Nominating & Compensation Committee and the Committee ensures that the extra term will not cause or impact to the independent of such director before proposal for further approval of the Board of Directors.

4. Qualifications of the Audit Committee

1. Holding shares not more than 3 percent of paid-up capital of the Company, affiliated companies, associated companies or related companies including the shares held by related persons.
2. Does not take part in the management of the Company, affiliated companies, associated companies, related companies or major shareholder of the Company and not being employee, staff member or adviser who receives a regular salary from the Company, affiliated companies, associated companies, related companies or major shareholder of the Company.
3. Has no business relation and no direct or indirect benefit or interest in finance and management of the Company, affiliated companies, associated companies, related companies or majority shareholder of the Company at least 1 year before the appointment as a director.
4. Not being a related person or close relative of any member of management or majority shareholders of the Company.
5. Not be appointed as a representative to safeguard interest of the Company's directors, majority shareholders or shareholders who are related to the Company's majority shareholders.
6. Perform his duty and feel free to give opinions or report work performance as required by the Board of Directors of the Company, without any influence or control by management or majority shareholders of the Company including any related person or relatives of such parties.

5. Duties and Responsibilities of the Audit Committee

5.1 Duties of the Audit committee

1. Review the Company's financial statement to ensure its accuracy and adequacy.
2. Ensure that the Company has an efficient internal control and internal audit.
3. Ensure that the Company has complied with regulations of SEC/SET and any other related regulations.
4. Review, comment and ensure that all connected transactions and any conflict of interest have been complied with the regulations and fully disclosed.

5. Nominate appropriated persons with remuneration for further consideration and approval of the Board of Directors and shareholders for the appointment of the Company's auditors.
6. Provide the Audit Committee report for further disclose in the annual report.
7. Consider any other activities as assigned by the Board of Directors.

5.2 Responsibilities of the Audit Committee

The audit committee is responsible to the Board of Directors according to the duties and responsibilities assigned by the Board of Directors, while the responsibilities of all activities of the Company towards third parties are still vested in the entire Board of Directors.

6. Meetings of the Audit Committee

6.1 Agenda

The secretary to the Audit Committee shall prepare invitation to the Audit Committee meeting. Each Meeting should be clearly determined date, time, place and agenda, and documents supporting the meeting should be delivered to the Audit Committee and attendants for a reasonable period in advance in order to provide time for consideration of the matters or request of additional supporting information. The Audit Committee should hold meeting to consider the matters assigned as follows:

1. To consider financial statements and relevant financial reports, accounting principles and procedures, compliance with accounting standards, existence of business, change in significant accounting policies including reasons of the management concerning determination of accounting policies before submission to Board of Directors for disclosure to shareholders and investors.
2. To consider adequacy and appropriateness of internal control system and internal audit.
3. To review the annual audit plan of the Company and jointly evaluate results of the audit with internal auditor to ensure that such audit plan will increase efficiency of business operation and lead to revelation of fraud or weaknesses in the internal control.
4. To consider the problems and limitations faced by any internal auditor during an audit and review performance of the internal auditor.
5. To consider the problems and limitations faced by the external auditor during an audit and review of the financial statements as well as any recommendations from the external auditor.
6. To discuss with the internal auditor and external auditor any steps that are planned for a review of the company's electronic data processing procedures and controls, and to inquire as to the specific security programs needed to guard against computer fraud or misuse from within or from without the company.
7. To consider and review the transactions that may lead to any conflicts of interest, such as any connected transactions of the company, etc.
8. To monitor the procedures in place to ensure that the company is in compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand and any other reporting requirements or any other relevant legislations concerning the business.
9. To perform any other functions assigned by the company's board of directors.
10. To consider developing self-assessment programs in order to obtain feedback on the committee's performance and any operations assigned by the board of directors.

6.2 Frequency of Meetings

The Audit Committee shall convene the meeting at least 4 times a year depended on situation and necessary to ensure achievement of the works assigned.

6.3 Attendances

The Audit Committee should invite external auditor and internal auditor to present their works, and may invite director or related executive to attend the meeting when it is necessary and appropriate.

6.4 Voting

The resolution of the meeting shall be supported by majority vote.

6.5 Minutes

The secretary to the Audit Committee shall prepare the minute of meetings which must be submitted to the Audit Committee and the Board of Directors in order to provide the Board of Directors with information about the activities of the Audit Committee on a timely basis. The minutes should also be presented to the internal auditor and the external auditor in order for the committee to inform them formally that there are areas which require its special attention.

7. Reporting of the Audit Committee

The audit committee has the duty and the responsibility to report the operation of the committee and any duties assigned by the Board of Directors. The report is essentially an informational report for the Board of Directors, the shareholders, and the investors, which should convey the independent opinion of the committee. The Board of Directors must ensure that the management is fulfilling its stewardship accountability and must consider the equitable benefit of the shareholders as a whole.

7.1 Reporting to the Board of Directors.

1. Report on regular activities so that the Board of Director is kept informed of the Audit Committee's activities.
 - Minutes of the Audit Committee which clearly specify opinion of the Audit Committee on various matters.
 - Summary report of activities during the year.
 - Report concerning comments on financial report, internal audit, and internal audit process.
 - Other reports which should be disclosed to the Board of Directors.
2. Immediate report on the findings so that the Board of Directors can seek a solution on a timely basis.
 - Report on conflicts of interests.
 - Suspected or presumed fraud or irregularity or material defect in the internal control system.
 - Suspected infringement the Securities and Exchange Act, requirements of the Stock Exchange of Thailand, or laws related to the Company's businesses.
 - Other reports which should be disclosed to the Board of Directors.

7.2 Reporting to the Authorities.

If the Audit Committee has reported about anything which has material impact on the financial condition and results of operation to the Board of Directors and has discussed with the Board of Directors and the management that any rectification is necessary, upon completion of the period of time mutually fixed if the Audit Committee finds that such rectification has been unreasonably ignored, any or all member of the Audit Committee may report such finding to the Office of the Securities and Exchange Commission or the Stock Exchange of Thailand.

7.3 Reporting to the Shareholders and General Investors.

Report on activities carried out during the year according to the duties and responsibilities delegated by the Board of Director; which shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report as the following details:

1. Comment on the accuracy, completeness and credibility of the preparation process and disclosure of information in the Company's financial report.
2. Comment on the adequacy of the Company's internal control system.
3. Ground to believe that the Company's auditor nominated by the Audit Committee is suitable.
4. Comment on the compliance with the Securities and Exchange Act, requirements of the Stock Exchange of Thailand, or laws related to the Company's businesses.
5. Any other report which should be made to the shareholders and general investors within the scope of duties and responsibilities assigned by the Board of Directors.

8. Evaluation of the Audit Committee

To ensure that the performance of work of the Audit Committee is efficient and meets the objectives, the Audit Committee shall evaluate its performance by providing Audit Committee Self-Assessment, or other appropriate mechanism in order to use the results of the evaluation for improving the performance of work to achieve higher efficiency and the objectives intended for.