

Report of the Audit Committee

Dear Shareholders,

The Audit Committee of Smart Telcoms Public Company Limited comprises of three independent qualified committee members as follows: Mr. Vichai Pokasamrit, Chairman of the Audit Committee, General Sumpun Boonyanun and Miss Rapeepan Luangaramrut, committee members and Mr. Somchai Bunsupaporn as Secretary. All members possess adequate qualifications for their posts specified by the Audit Committee Charter and in accordance with the Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand regulations and best practice guidelines.

The Audit Committee operates independently and performs its duties and responsibilities as assigned by the Board of Directors in overseeing the corporate governance and the internal control systems to ensure that the Company's business operations are carried out for the interests of its shareholders and other stakeholders and that the Management execute their duties with integrity, and in accordance with the Company's policies. The Audit Committee conducted 4 meetings in 2022. To discuss and share opinions with management, external auditors and internal auditors on matters related to the meeting agenda which was summarized below:

- 1. Review of interim and annual financial statements** as of 2022, in consultation with management and external auditors. The Audit Committee's opinion was that the financial statements were correct adhering to the general acceptable accounting principles and promptly disclose for the benefit of shareholders, investor and users of such statements for the purpose of making informed investment decisions.
- 2. Review the operation information together with its internal control systems** and their efficacy towards ensuring that the Company's business was efficiently and effectively conducted in the pursuit of achieving performance goals. In 2022, based on the COSO Framework, (The Committee of Sponsoring Organizations of the Tread way Commission), the Audit Committee reviewed internal audit reports. Assessment results regarding effectiveness of internal controls and risk management systems disclosed that there are no significant deficiency, have appropriate asset safeguarding, correct, complete and reliable information disclosure. In addition, the Audit Committee evaluated the internal control system in compliance to the Practice of the Securities and Exchange Commission. They commend that the Company possesses good internal control system monitoring the operations of its subsidiaries adequately, appropriately and efficiently.
- 3. Review of internal audit**, by considering the mission, scope of work, duties and responsibilities, independency, manpower and budget of the Internal Audit Division. Reviewed and approved the amendment of the Internal Audit Charter as appropriate, up to date and in compliance with the internal audit practice manual of the Stock Exchange of Thailand. Approval of 2023's audit plans that linked on the internal control evaluation basis and covering crucial working systems of the Company. The Audit Committee also commend that the Company had an internal control was adequate, appropriate and effective. Also have developed the audit quality in personnel training and audit work on par with international standard for the Professional Practice of Internal Auditors.

4. Review the Charter of the Audit Committee The Audit Committee has reviewed and approved the Company's Audit Committee Charter as appropriate, up to date and in compliance with the rules and guidelines of governance principles, good business and regulations of the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.

5. Reviewed connected transactions, or transactions that may lead to conflicts of interest. This is to ensure that they were in compliance with the laws, rules and regulations prescribed by the Capital Market Supervisory Board of the Securities and Exchange Commission and other regulatory bodies and were reasonable and for the highest benefit of the Company.

The Audit Committee concluded, that the aforementioned transactions that were conducted by Management was fair, without conflict of interest maximizing the benefit to the Company and shareholders on an arm's length basis and under normal commercial terms. Therefore, the resolution came to propose that to the Board of Directors' Meeting for approval and disclosure to Stock Exchange of Thailand.

6. Establishing a self assessment for Audit Committee member and the Audit Committee annually in compliance with Best Practice Guideline for Audit Committee. The evaluation result revealed that the Audit Committee's performance is completely fulfilled according to its Charter and complied with the good principles, effectively enhancing the good corporate governance.

7. Conducted the Report of the Audit Committee's Activities to the Board of Directors for acknowledgement for every Audit Committee meetings and provided useful management performance recommendation, which were subsequently adopted. To comply with Best Practice Guideline for Audit Committee and Regulations of the Stock Exchange of Thailand.

8. Consider appointing the External Auditors and their Remuneration for the year 2022 to be proposed to the Board of Directors to ask for approval of Annual Shareholder's Meeting for the year 2022, which the Audit Committee considered the performance, independency and remuneration and concluded to propose appointing Ms. Siriwan Suratepin, Certified Public Accountant Registration number 4604, Mrs. Sarinda Hirunprasurtwutti, Certified Public Accountant Registration number 4799, or Miss. Kamontip Lertwitworatop, Certified Public Accountant Registration number 4377 of EY office Limited to serve as the Company's external auditors for the year 2022, with the remuneration of 2,800,000 Baht. The Audit Committee has the opinions regarding the external auditors as follows:

- Based on past performance, the external auditors performed their duties with knowledge, professional competency, independency in performing their duties, and giving recommendations regarding internal control system and various risks.
- The proposed remuneration was approximately 2,800,000 Baht equal to the year of 2021.
- There was compliance with Regulation of the Office of the Securities and Exchange Commission (SEC) with regards to the changing of the financial statements signatory external auditor every 7 years.
- The external auditors had no relation with the Company and subsidiaries.

The Audit Committee performed its duties and responsibilities with appropriate knowledge, ability, carefulness and sufficient independence. The Audit Committee had full access to all pertinent information from management, employees and associated parties. Furthermore, the Audit Committee gave comments and recommendations which were beneficial to all of the Company's stakeholders.

In summary, the Audit Committee had fulfilled the responsibility of the Audit Committee Charter that was approved by the Board of Directors and found that the Board of Directors, Management, and Executive Directors all performed ethically with the intent to conduct their job functions professionally and in pursuit of the Company's performance goals. Furthermore, it has been concluded that the Company was fully committed to effective Corporate Governance. The Company disclosed financial and operation information correctly, had appropriate and effective internal control and audit; risk management, complied with laws, regulations and obligations, disclosed the connected transactions correctly and performed duties in compliance with the Good Corporate Governance principles, with transparency and reliability. Also developed operation systems to be more qualified and fit with the changing business environment on a continuing basis.



(Mr. Vichai Pokasamrit)
Chairman of the Audit Committee