



Report of the Audit Committee



PTT Plc.'s present Audit Committee is made up of three knowledgeable independent directors, chaired by Police General Rungroj Sangkram, Mr. Krishna Boonyachai, and Associate Professor Dr. Chayodom Sabhasri serving as members. Serving as secretary to this committee is Mr. Chayagorn Leangruenrom, Executive Vice President, Office of Corporate Audit, in place of Mr. Chadil Chavanalikhikorn, Senior Executive Vice President, Organization Effectiveness and Corporate Governance from November 1, 2022.

In 2022, the Committee executed its Board-assigned duties and those under its own charter, which agreed with SEC's best practices. It reviewed and advocated PTT's corporate governance, together with adequate risk management and internal control system. It ensured PTT's emphasis on being a transparent organization with efficient and effective internal audit activity, while aligning corporate goals, and enhancing the internal audit quality, the journey of Office of Corporate Audit to be a trustworthy partner for sustainable long-term value creation for PTT with due regard for satisfying stakeholders' expectations.

1. Advocated the elevation of the corporate governance, risk management, internal control, and compliance processes, with a focus on raising awareness of employees' careful and thoughtful actions, implementing Carrot and Stick incentive concept, including the review of rules and regulations related to the contextual operation together with the cautious supervision of operations in accordance with internal control process. Both short-term and long-term tangible measures and guidelines were defined to prevent the possibility of Non-compliance.



2. Encouraged management to focus on operational safety standards and cybersecurity as well as providing suggestions to the management to closely monitor global economic trends and carefully consider investments by adopting tools or indicators to manage both short-term and long-term risks, including critical early warning indicators to ensure that PTT operates professionally by appropriate and prompt monitoring and managing relevant risks.

3. Assigned a policy for strengthen PTT Group's internal audit quality to efficiently, effectively, and credibly accommodate stakeholders' expectations by focusing on performance audit practices and increasing the role of advisory that create more value for PTT and PTT Group. The Committee encouraged internal auditor professional certification and personnel development as well as improving the internal audit processes by applying more technology in internal audit activity.

In 2022, the Committee held 18 meetings, with all three members participating in all meetings.

Summary of Performance

1. Review of Financial Reports:

The Committee reviewed quarterly and annual financial reports together with consolidated financial reports with the Management, the Office of Corporate Audit, and the External Auditor. It asked the External Auditor about the accuracy and completeness of financial reports, adjustment of material account entries and accounting projections affecting such reports, adequacy, and suitability of account recording, audit scope, information disclosure that was accurate, complete, and adequate, as well as its own freedom. All these elements ensured that the preparation of financial reports abided by legal requirements as well as accounting standards under generally accepted accounting principles that were credible and timely, and that adequate information was disclosed for users' benefit.

2. Review of Risk Management Process:

In conjunction with the Management, the Committee regularly reviewed the efficiency and effectiveness of the risk management process as well as the policy, action plans, and risk management approach that affect PTT Group's operations. It also provided advice for process improvement and prompt actions for unforeseen events.

3. Review of Internal Control Process:

The Committee reviewed PTT's internal control with the Office of Corporate Audit every quarter by examining its operation, resource consumption, stewardship of properties, prevention or reduction of errors or damage, losses, waste, or potential of fraud, the credibility of financial reports, including compliance with laws, regulations, and Cabinet resolutions. No significant problems or material shortcomings were detected. This year's assessment outcomes of internal control against SET's best practices and the Ministry of Finance's Internal Control Standards for Government Agencies, B.E. 2561 (2018), according to PTT management, were that PTT had indeed designed adequate and appropriate control mechanisms, with ongoing compliance.

4. Review of Governance Process:

The Committee reviewed the process of compliance with applicable laws and regulations, business protocols, related party transactions or those with potential conflicts of interest and connected transactions among PTT Group to ensure sensible conformance to normal business terms. The Committee also reviewed the complaint handling and whistleblowing process.

5. Review of the Implementation According to the State Enterprise Assessment Model (SE-AM) of the State Enterprise Policy Office, Ministry of Finance:

The Committee reviewed PTT's operating process according to the SE-AM together with the Office of Corporate Audit and related agencies per year, covering eight Core Business Enablers i.e. corporate governance and leadership, strategic planning, risk management and internal control, stakeholder and customer management, digital technology, human capital management, knowledge management and innovation management, and internal audit by monitoring the implementation of relevant observations/ recommendations to ensure that PTT's operating process complied with the SE-AM, with continuous improvement.

6. Monitoring of Internal Audit Activity:

The Audit Committee reviewed the Office of Corporate Audit's strategic plan, annual and long-term audit plans, including audit results and performance according to the plans. To this end, it advised and monitored corrective actions for significant aspects of good governance and adequate internal control. It considered amending the internal audit charter. Also reviewed were the KPIs, the Office's budget adequacy, personnel, independence of the Office, and the annual merit consideration for the Executive Vice President heading the Office for further presentation to the Board. The Committee also supervised continuing quality assurance and improvement program of the Office of Corporate Audit.

7. Maintaining the quality of the Audit Committee:

The Committee reviewed its own charter and assessed its own performance as a group and as individuals (self-assessment and cross-assessment) against SET's best practices to ensure efficient and fruitful performance. Overall assessment result was "good", and action plans for performance improvement were set. The Committee reported its performance outcomes to the Board every quarter.

8. Appointment of the External Auditor for 2023:

The Committee considered and endorsed the auditor from EY Office Company Limited to be the External Auditor of PTT for 2023 for the Board's concurrence and the shareholders' approval at the 2023 AGM, together with its audit fees. The Committee also met exclusively with the External Auditor on one occasion in absence of PTT management to discuss the audit scope, guidelines, and plans together with its performance freedom and comments with a focus on accurate, complete, and adequate presentation of data.

In summary, the Audit Committee executed its charter duties and responsibilities with due competence, care, prudence, and independence while providing comments and advice for the equitable benefit of all stakeholders. Its view is that PTT's financial statements are accurate, credible, and align with generally accepted accounting standards. In addition, PTT practiced compliance with applicable laws and business obligations, together with good governance, adequate risk management and internal control, conformance to rules along with efficient and effective internal audit activity.

Police General Rungroj Sangkram
Chairman of the Audit Committee