

## Report of the Audit Committee 2022

Global Green Chemicals Plc's Audit Committee consists of three independent directors who are experts with knowledge, expertise, and diverse experience in law, accounting, finance, information technology and business administration. The directors command sufficient knowledge and experience in accounting and finance to review the credibility of financial statements. The committee also commands the composition and qualifications required by the announcements of the Capital Market Supervisory Board and SET. The Chairman of the Audit Committee does not serve on other sub-committees. The Vice President, Internal Audit, serves as secretary to the committee.

The Audit Committee independently executes its Charter duties in line with the laws, rules, best practices, and current situations, and approved by the Board annually to ensure that the Company and its subsidiaries comply with the CG Code and focus on sustainable development in line with applicable laws and requirements. It also ensures that the Company commands sufficient and effective risk management and internal-control practices. The Audit Committee continues to forge confidence and value-added to GGC and to the stakeholders' best interests.

The Audit Committee seriously and continually advised GGC it to value advocacy of the compliance process more for more robust and efficient compliance. It also advised GGC's operations to align more with the sustainability management code. Incidentally, the Office of the SEC sent a letter to the Chairman of the Audit Committee, requesting clarification about a shareholder's complaint that a GGC executive might have breached the Securities and Exchange Act. The Audit Committee took this seriously and meticulously as well as transparently reviewed facts about this complaint. It responded to the Office of the SEC that no offense had been committed by the executive as claimed by the complainant. The office acknowledged the response without making additional observations.

In 2022, the Audit Committee held 10 meetings, seven of which had been planned and three were requested special meetings to deliberate key activities. All meetings were attended by all members of the committee, with highlights given below.

### 1. Review of financial statements

The Audit Committee examined key information of the quarterly and annual financial statements and the consolidated financial statements of the Company and its subsidiaries. It reviewed material issues, special items, and received clarification from the external auditor and management to ensure accurate, complete, and credible financial statements, prepared in accordance with financial report standards, including sufficient disclosure of supplementary data, and beneficial to users. Hence, the Company approved these financial statements, reviewed and audited by the external auditor, who expressed no material observations.

Further, the Audit Committee held an exclusive meeting with the external auditor, without management and Internal Audit, to discuss independently the latter's access to audit data, review of material information in the preparation of financial statements and disclosure of information in compliance with financial report standards. The statements and disclosure were beneficial to users, key audit matters, and independence in performing duties. In this context, the external auditor reported management's cooperation for the review and auditing of the financial statements. No significant remarks were made, and no suspicious behavior was detected.

### 2. Review of risk management process

The Audit Committee followed up on information of corporate risk management, covering the implementation of risk mitigation plans and risk management framework in various areas set by the Company for efficient risk mitigation. This report on the risk management performance was regularly submitted by GGC to the Risk Management Committee, which was responsible for specific and regular supervision according to the defined period to ensure

that the Risk Management Committee could make recommendations to duly improve the process and to be ready to cope with unforeseen circumstances. The review of risk management in the work process according to the audit report of Internal Audit was to ensure the Company's efficient risk management with responsible personnel and appropriate support measures.

### 3. Review of internal-control system

The Audit Committee reviewed the Company's self-assessment findings according to internal-control adequacy under SEC's assessment form. It also reviewed internal-control practices together with Internal Audit on audit outcomes under the risk-based audit plan. No significant issues or deficiencies were found that could affect corporate goal achievement. It was reasonable to believe that the Company commanded an internal-control system that was sufficient and suitable for business operations and capable of supporting corporate goal attainment.

### 4. Review of corporate governance practices

The Audit Committee monitored to ensure that the complaint-handling process was efficient and effective by acknowledging the sumMarchy report of GGC's whistleblowing. Further, the Audit Committee advised the Company to propose the non-audit services for the committee's approval to ensure that the external auditor's services would not affect the independence of the audit, which was a good practice in promoting transparency of auditing and certifying the Company's financial statements.

### 5. Oversight of internal audit

The Audit Committee set the internal audit policy by specifying job description, qualifications of the independence of Internal Audit, and a guideline framework for efficient and effective internal audit practices in accordance with the duties and responsibilities, and international standards, including the annual review of the Internal Audit charter, taking into account the independence and efficiency of Internal Audit's operation to build trust among stakeholders. The Committee also approved the annual internal audit plan embracing key risks and supporting GGC's business plans, considered the audit report, and provided recommendations and monitored corrective actions to ensure corporate governance and development of GGC's more efficient internal control. Moreover, the Committee promoted Internal Audit's freedom under the best practices of listed companies. The Audit Committee, in conjunction with the Managing Director, reviewed the annual performance of the Vice President, Internal Audit, against the KPIs formulated by itself under GGC's performance assessment criteria.

In 2022 the Audit Committee approved the restructuring and manpower of Internal Audit to ensure consistency and growth in line with GGC's long-term strategic plan and enable Internal Audit to maintain its capability of quality auditing, foster confidence among stakeholders, and create value for GGC. The Audit Committee supervised GGC's internal audit operation to ensure that GGC can maintain quality against international standards. The committee monitored the findings of internal-audit risk assessment against GGC's RCSA project. The assessment findings largely agreed with the QAR assessment against international internal-audit practices. It was concluded that GGC's internal audit—embracing annual planning, individual project audit planning, site audit operation, audit findings reporting, and monitoring of corrective actions at the auditor's recommendation—was of an international standard.

### 6. Review of compliance practices

The Audit Committee reviewed and commented on GGC's engagement in related-party transactions, both acquisition and sale, or those with potential conflicts of interest to ensure compliance with laws and SET's requirements so that such transactions were reasonable, fair, transparent, and in the best interests of the Company and shareholders,

and that disclosure of information might be thorough. The Audit Committee was informed through the external auditor's report that the disclosure of information on connected transactions was complete, without any anomalous items found.

The Audit Committee reviewed the audit report by Internal Audit and found no law infringement or that of regulations with potential impacts on the Company. In addition, the Audit Committee received no report from the external auditor, third parties, or management's information disclosure indicating the Company's infringement of business laws that could significantly affect itself.

## 7. Appointment of the external auditor and audit fees

The Audit Committee considered, selected, and proposed the appointment and the audit fees of the Company's external auditor, based on independence, qualifications, skills, knowledge, competence, business experience (which were acceptable and under good criteria), and the independence of the external auditor, according to the code of ethics for professional accountants, and SEC's regulations, including appropriate audit fees. The Audit Committee proposed to the Board to seek approval from the AGM for the appointment of KPMG Phoomchai Audit, Ltd. (KPMG) as GGC's external auditor for 2022 and the audit fees.

## 8. Audit Committee's quality assurance

The Audit Committee regularly reported its performance outcomes to the Board for acknowledgment quarterly and annually. At the end of each year, the Audit Committee conducted group and individual self-assessment and reported the findings for the Board's acknowledgment and useful recommendations on its execution of duties. Moreover, the Audit Committee was regularly informed of the Company's operations in support of the Committee's efficiency.

The Audit Committee's overall opinion was that GGC commanded financial reports that were accurate and credible under generally acceptable accounting principles. These reports disclosed adequate data and benefited users of financial statements. The Company complied with applicable business laws, corporate governance, risk management practices, and an adequate and effective internal-control system. In addition, Internal Audit successfully executed its plans and conformed to the international scope of the internal audit profession with commitment to the code of conduct and independence, thus enabling the unit to fully support the Audit Committee's duties and generating value added for the Company.

In summary, the Audit Committee performed its duties and responsibilities as specified under the Audit Committee Charter by applying knowledge, capability, caution and prudence, and with sufficient independence, as well as providing opinions and suggestions, taking into account the equitable treatment of all stakeholders and to their utmost interests. In performing its duties, the Audit Committee received excellent cooperation from the Board, management, the external auditor, Internal Audit, and all parties involved.

On behalf of the Audit Committee



**(Professor Dr. Kumchai Jongjakapun)**  
Chairman of the Audit Committee