



The Charter of the Audit Committee

This charter has been prepared for the Audit Committee of Principal Capital Public Company Limited to understand in summary about objectives, scope of authorities, duties and responsibilities of the Audit Committee, so that the company's operations shall be in accordance with laws, objectives and the company's regulations as well as the resolution of the shareholders' meetings that conform with the laws with integrity, honesty and caution to save the company's interests. The charter shall be review at least once a year. Therefore, the Charter of the Audit Committee that was announced on November 15, 2006 has been canceled and this Charter shall become effective since from March 25, 2015, with an aim to inform the scope of authorities, duties and responsibilities of the Audit Committee.

Objectives

The Audit Committee views as proper to formulate the Charter of the Audit Committee to gather the information on composition, duties, responsibilities and the implementation guidelines required by the Stock Exchange of Thailand that in line with good governance guidelines, to ensure all operations are effective, efficient and transparent as well as to be an important mechanism to support the responsible functions of the Board of Directors in overseeing the company's operations sufficiently and providing opinions independently and fairly. Those help to ensure the confidence and the reliability of all stakeholders, by reviewing the accuracy and the reliability of the financial statements, internal control system, internal audit and risk management as well as monitoring the operations to be in accordance with related laws, rules, regulations, directions and policies.

The composition

- The Board of Directors shall appoint members of the Board of Directors to be the Audit Committee.
- The Audit Committee shall be composed of a Chairman of the Audit Committee and at least 2 members. All members must be independent directors.
- The Audit Committee must be qualified and not possessing the prohibited characteristics prescribed under the law governing securities and stock market as well as stock exchange of Thailand.

- At least one member must have knowledge, understanding and experience in accounting or finance so that he/she can review the financial statements' reliability
- The Audit Committee is able to appoint an appropriate employee to act as a secretary of the Audit Committee.

The Office Term

1. The Audit Committee's members have the office term of three years.
2. The Audit Committee's members shall retire from the office upon the following conditions
 - The end of office term,
 - Death
 - Resignation
 - Dismissal by the resolution of the Board of Directors.
3. The Audit Committee's members who retire upon the end of office term may be reappointed by the Board of Directors.
4. A member who wishes to resign must tender his or her resignation to the Chairman of the Board of Directors and must get an approval from the meeting of the Board of Directors.
5. If a member vacates the office with a reason other than the end of office term, the Board of Directors shall appoint a replacement who is qualified within 90 days. In this regard, a person who shall replace the vacancy can only take the title for the remaining period of term.

Scope of Authorities, Duties and Responsibilities

1. Review the accuracy and adequacy of the Company's financial reports by cooperating with the external auditor and the management who responsible for preparing both quarterly and annual financial reports. The Audit committee may suggest the auditor to review or examine any transactions that deem necessary and important during the auditing period, to ensure that the financial reports have been prepared completely and accurately in accordance with the generally accepted accounting principles, including there is adequate, complete and reliable disclosures.
2. Review the compatibility of information in the financial reports with information in other reports such as Management Discussion and Analysis (MD&A) in the annual report.

3. Acknowledge from the management regarding the lawsuits in court, future obligations and other claims (if any) and review if those issues have been disclosed completely in the financial reports.

4. Review the process of providing information of the management to analysts and other medias to ensure that those information compatible with information making available to the public.

5. Review the Company's internal control system and internal audit to ensure that there are appropriate, efficient and effective internal control process, good governance process and risk management process by reviewing jointly with the external and internal auditors.

6. Review the company's risk management to ensure that the company can manage risk at an appropriate level.

7. Monitor the progress of the management's action regarding an appropriateness of the internal control relating to electronic system such as accessing to information, storing information and processing information.

8. The Audit Committee may ask for consultations from an independent external consultant or a professional expert regarding auditing operations as necessary. The company shall be responsible for any expenses incurred.

9. Review the company's compliance with the laws governing securities and exchange, the regulations of Securities Exchange of Thailand and other laws related to the company's businesses.

10. Consider, select, propose the appointment and propose the remuneration of the Company's external auditor, by taking into account the reliability, the sufficiency of resources and the auditing workload, the experiences of assigned staffs responsible in auditing the company, auditing skill training and the rotation of an auditor who is responsible for auditing, reviewing and expressing an opinion to the company's financial statements. In case of auditing for 5 consecutive financial years, the Audit Committee must consider to change an auditing firm or at least, in case of the same audit firm, to change an external auditor who shall sign to certify the financial statements as well as the external auditor's independence.

11. Consider, select, propose the appointment and propose the termination of an independent person to perform duties as the Company's internal auditor as well consider to approve the remuneration of the internal auditor, including approve and evaluate annual internal audit plan in order that the audit plan is prepared in accordance with the company's type and level of risks and internal control skill training.

12. Review the internal process regarding the channels for whistle blowing and compliant, the investigation process on any circumstances reported by the external auditor where the external auditor found that a director, an executive or other persons responsible for the Company's operations, are suspected of committing an offense under the Securities and Exchange Act. The Committee shall report the results of the preliminary investigation to the Office of the Securities and Exchange Commission and the external auditor within 30 days from the date reported by the external auditor.

13. Consider the disclosure of information in case of connected transactions or transactions of potential conflicts of interest and ensure its accuracy and completeness.

14. Perform other tasks requested by the Board and the Audit Committee, such as review financial management and risk management policies, review the compliance with the business ethics of the company's management in major reports that shall be available to the public as required by law, which are Management Discussion and Analysis, etc.

15. Perform other tasks requested by the Board of Directors under the approval of the Audit Committee. In this regard, the management shall report and present related information and documents to the Audit Committee in order to support assigned operations of the Audit Committee.

16. Prepare the Audit Committee's reviewing report to be signed by the Chairman of the Committee and disclosed in the company's annual report. It must contain an opinion on the accuracy, completeness and reliability of the preparation process and the information disclosure in the company's financial reports as well as an opinion on the adequacy of the company's internal control system.

17. Report the Audit Committee's operations to the Board regularly, at least once in each quarter.

18. A newly appointed member should be provided with necessary information in order to perform the duties as a member of the Audit Committee, by accessing to related documents and discussing with the management, the external auditor and the internal auditor so as to understand those related issues.

19. Review and improve the Charter of the Audit Committee at least once a year or as necessary in order to be updated and suitable with the organizational environment, and present it to the Board of Directors for approval.

20. Arrange self-assessment at least once a year and present the assessment result to the Board of Directors.

The Meetings

1. There must be more than half of the Audit Committee's members attend the Audit Committee' meeting as a quorum.

2. Each member shall have one vote. A member who has a conflict of interest on any agenda being considered in the meeting, such member must leave the meeting during that agenda and shall not provide any opinions or vote on such agenda. The resolution can be made by majority vote and the Audit Committee's secretary shall have no right to vote. If votes are equal, the chairman of the meeting shall vote as additional vote as to be decided vote.

3. The Chairman of the Audit Committee shall also be the chairman of the meeting. In case where the Chairman of the Audit Committee is absent or unable to perform the duty, other committee members attending the meeting can select one member to be a substitute chairman of the meeting.

4. The Audit Committee shall hold the meeting at least once in each quarter. A committee member shall attend the meeting by himself/herself. Except in an emergency case that any member is unable to join the meeting, he/she can join the meeting via video conference or teleconference.

5. When the Chairman of the Audit Committee considers that it is an emergency case to get the resolution of the Audit Committee, but the number of members attending the meeting does not constitute a quorum, the Chairman of the Audit Committee is able to choose the circular resolution by circulating the document to each member for voting or voting through video conference system or teleconference system. In this regard, the record of the Audit Committee's resolution shall be prepared in document and each member shall sign in the document as a reference.

6. During the Audit Committee's meeting, the management or executives or related employees or the external auditor may be invited to the join the meeting, to provide the opinions or to submits any related documents/information as necessary and proper to any specific agendas. The meeting's materials shall be prepared and sent to the members before the meeting and the Audit Committee's secretary shall record and prepare the minute of the meeting.

7. Arrange the meeting with the external auditor, without the management's participation, at least once a year.

8. Send the invitation letter to the members for not less than 7 days prior to the meeting date, except in an emergency case, the invitation shall be by other methods or the meeting date shall be set earlier than normal.

Criteria for the recruitment and the appointment of an independent director, including the qualifications as follows;

Recruiting the person who has knowledge and ability in compliance with the minimum requirements of the Securities Exchange of Thailand (SET) and Securities and Exchange Commission (SEC)'s regulation, as the followings;

1. Shall not hold shares exceeding 1% of all shares with voting rights of the company, the parent company, subsidiary, associated company, major shareholder or entity with controlling authority, including shares held by related persons of such independent director.

2. Shall neither be nor have ever been a director with management authority, employee, staff member, advisor who receives a salary or is an entity with controlling authority of the Company, its subsidiary, associated company, major shareholder or entity with controlling authority.

3. Shall not be a person related by blood or legal registration as father, mother, spouse, sibling, or child of an executive, major shareholder, an entity with controlling authority, or person to be nominated as director, executive or entity with controlling authority of the company, its subsidiary, or associated company.

4. Shall neither have nor have ever had a business relationship with the company, its parent company, subsidiary, associated company, major shareholder or entity with controlling authority, in such a manner that may interfere with his/her independent judgment, and neither is nor has ever been a significant shareholder or entity with controlling authority of any person having a business relationship with the company, its parent company, subsidiary, associated company, major shareholder or entity with controlling authority.

5. Shall not be nor have ever been an auditor of the company, its parent company, subsidiary, associated company, major shareholder or entity with controlling authority, and not be a significant shareholder, entity with controlling authority, or partner of an audit firm which employs auditors of the company, its parent company, subsidiary, associated company, major shareholder or entity with controlling authority.

6. Shall not be nor have ever been a provider of any professional services including legal advisor or financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiary, associated company, major shareholder or entity with

controlling authority, and not be a significant shareholder, entity with controlling authority or partner of the provider of professional services.

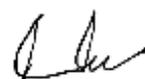
7. Shall not be a director appointed as representative of the Board of Directors, major shareholder or shareholder who is related to a major shareholder of the Company.

8. Shall not engage in any businesses in the same nature and in competition with the business of the company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of all shares with voting rights of another company which engages in business in the same nature and in competition with the business of the company or its subsidiary.

9. Shall not have any other characteristic which prevents him/her from expressing opinion freely on the operation of the company.

Following appointment as an independent directors qualified according to all items 1-9 specified above, he or she may be assigned by the Board of Directors to make collective decisions involving the business of the company, the parent company, subsidiary, associated company, a major shareholder or an entity with controlling authority.

Announced on the date March 24, 2015



Dr.Pongsak Viddayakorn (M.D.)

Chairman of the Board

Principal Capital Public Company Limited