



Sammakorn Public Company Limited

(Internal Audit Charter)

Approved by the Audit Committee Meeting No. 8/2024

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Sammakorn Public Company, Limited

Internal Audit Charter

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The Board of Directors emphasizes the importance of strengthening the internal control system and the effective internal audit system by encouraging employees at all levels to recognize the importance of and compliance with regulations appropriate to the operation and to improve the quality of employees' ability to effectively supervise, control, review and evaluate their work performance.

The Audit Committee of Sammakorn Public Company, Limited (hereinafter referred to as the "Company") has established an internal audit unit by hiring an external company (hereinafter referred to as the "Internal Audit Unit") to perform internal audit duties. It has appointed an internal person to be the liaison with the hired company. The Audit Committee put together this Internal Audit Charter with the following information to make sure that the internal audit is run independently and that different departments understand and work together. This will make the overall benefits more aligned and help the work of management and the Audit Committee more effectively.

1. Definitions

Internal auditing refers to the process of providing confidence and objective and independent consultation to add value and improve the organization's operations to achieve its goals and objectives by systematically assessing and improving the efficiency of the risk management process, controls, and governance. The internal auditor is the one who performs the analysis, provides suggestions, and consults from the internal audit process.

2. Objectives

This Internal Audit Charter has been prepared with the purpose of defining the mission, the scope of operation, duties and responsibilities, powers of audit, international standards for the professional performance of internal audit, independence and reporting of audit results of the Company's Internal Audit Unit, as well as provision of consultation, suggestions and useful guidelines to be able to effectively achieve the goals.

3. Scope and Authority of Operations

The Internal Audit Unit has a scope of operations to ensure that the risk management system, internal control system and corporate governance processes of the Company and its subsidiaries are adequate, appropriate and effective in accordance with the objectives set forth as follows:

- 3.1 Assurance Services is a fair examination of evidence for independent evaluation in the risk management process, controls and good corporate governance process. The internal auditor must perform their work with care and diligence by professional standards.
- 3.2 Ensure that the operation of various departments can achieve the objectives and goals set by the Company in an effective, efficient, economical and cost-effective manner.

- 3.3 Assess the adequacy, efficiency and effectiveness of internal controls and risk management, governance of all operational activities, information technology systems, fraud risk control and management measures.
- 3.4 Ensure that financial and non-financial information is complete, accurate and reliable.
- 3.5 Maintain assets and use resources effectively, efficiently and economically, as well as reduce the chance of leading to corruption.
- 3.6 Ensure the proper implementation of policies, standards, work procedures, the Company's rules and regulations and applicable laws.
- 3.7 Provide advice to executives and various departments regarding governance, risk management and internal control.
- 3.8 Assess the adequacy of internal controls, risk management, governance of information technology systems and fraud risk control of subsidiaries and/or related companies.
- 3.9 Consulting services are the provision of advice and related services in the nature and scope of work in accordance with the mutual agreement with the Company to add value and improve the Company's operations. Consulting activities include counseling, advice, facilitation, operational process design and training.

4. Independence

- 4.1 The chain of command of the Internal Audit Office is directly under the Audit Committee. The internal audit must be independent. The internal auditor reports directly to the Internal Audit Office Manager and the Internal Audit Office Manager reports directly to the Audit Committee.
- 4.2 Audit activities must be carried out independently in terms of the scope of the audit, procedures, duration and content of the report in order to ensure that the operation of the audit work is effective, achievable and in accordance with the planned audit plan.
- 4.3 The internal auditor and the Internal Audit Office Manager are not responsible for nor involved in any other operations of the Company other than those related to internal audit or any activities that may affect the independence and objectivity of the internal auditor.
- 4.4 The Internal Audit Office Manager and the internal auditor must be independent and have no conflict of interest in the audited activities to ensure the objectivity of their duties, including not auditing the work they have performed in management or performance within the period of one year before the audit.
- 4.5 If independence is affected either by facts or by demonstrated behavior, the internal auditor must disclose details of the impact to the Internal Audit Office Manager and report to the Audit Committee.
- 4.6 The Internal Audit Office Manager must have a sufficiently high status, at least equivalent to the Chief Executive Officer of other important entities in order to carry out the work effectively.

However, the Managing Director and executives at all levels must support the operations of the Internal Audit Office to achieve the duties and objectives of the audit in the best interests of the Company and must not instruct nor take any actions that would hinder or reduce the independence of the internal auditor's work.

5. Qualifications

An internal auditor must have at least the following qualifications:

- 5.1 Have the knowledge, skills and competencies necessary to perform the assigned duties.
- 5.2 Know the laws, rules, regulations, notifications and orders related to the Company's operations.
- 5.3 Have knowledge of operations, risk management, internal control and good corporate governance.

6. Obligations and Responsibilities

The Internal Audit Unit is responsible for the scope of work assigned to it by reporting directly to the Audit Committee on the results of the evaluation of the effectiveness of the internal control system and risk management system, including important matters, improvement guidelines and corrective plans. In addition, it must report on the performance, implementation of the plans and coordination with other regulatory departments in the Company. Internal Audit Units at all levels have the following responsibilities:

- 6.1 Assess the adequacy and effectiveness of work processes, information technology systems, internal control processes, activities and risk management under the prescribed audit mission and scope of work at least once a year.
- 6.2 Verify the accuracy and reliability of financial information and compliance with rules, laws, regulations, procedures, policies, notifications and directives related to the Company's operations.
- 6.3 Prepare an internal audit report, including recommendations, methods and measures for improvements and corrections and a report on key issues related to the internal control process of the Company's activities. This report must include cases where the audit is assigned to subsidiaries, associated companies or related companies, as well as guidelines for improving the process in that activity.
- 6.4 Perform the audit work with due care in accordance with the audit standards by defining the scope of work according to the objectives of the internal audit and gathering sufficient evidence. However, the implementation of the established audit guidelines does not guarantee that fraud will be discovered and the internal auditor does not focus on the operation to find fraud, but the internal auditor must have knowledge and understanding of the risk factors for fraud and prevention guidelines.
- 6.5 Provide advice, consultations and recommendations on methods or measures for improvement or correction to the management and audited departments on governance, risk management, internal control and internal audit to ensure effectiveness, efficiency, economy, anti-corruption and good corporate governance. The decision to proceed is at the discretion of the management and audited entities.
- 6.6 The internal auditor must follow up on the work performance according to the recommendations in the audit report to ensure the correct implementation of the activities.
- 6.7 Assess risks and internal controls related to information technology as a result of services provided by third parties and verify the accuracy and effectiveness of information technology in relation to financial reports and internal controls.
- 6.8 Report to the Audit Committee on the facts, impact on the scope, quality of reporting and potential risks when it is found that the internal audit operation does not comply

- with the internal audit professional standards. If the Audit Committee accepts this restriction, the results of the discussion must be documented in writing.
- 6.9 The internal auditor must comply with the Code of Conduct and the Internal Audit Professional Standards.
 - 6.10 Review reports that may have conflicts of interest, the potential for corruption and the effectiveness of fraud risk management within the company.
 - 6.11 Continuously develop and train the internal auditor's knowledge, skills and abilities to ensure that the performance of duties is in the best interests of the Company.
 - 6.12 The Internal Audit Office Manager must arrange for an appropriate review of the quality of the internal audit work as appropriate and an independent external evaluation at least every five years and report the results of the quality evaluation of the internal audit work to the Audit Committee.
 - 6.13 The Internal Audit Office Manager must prepare an annual audit plan and adequacy of necessary resources to propose it to the Audit Committee for consideration and approval and present it to the Board of Directors for acknowledgment.
 - 6.14 The annual audit plan approved by the Audit Committee must be followed.
 - 6.15 The Internal Audit Office Manager is the Secretary of the Audit Committee responsible for meeting appointments, preparation of agenda and meeting documents.
 - 6.16 Perform other internal audit-related tasks as assigned by the Audit Committee and/or perform other tasks assigned by the Managing Director with the approval of the Audit Committee, without affecting the efficiency and effectiveness of internal audit operations.

7. Reporting and Follow-up

- 7.1 Report the performance of the quarterly audit plan to the Managing Director and the Audit Committee, the progress of the internal audit performance, a summary of the key issues found from the interim audit, the results of monitoring the implementation of the recommendations of the audited departments and other related issues.
- 7.2 Report to the Audit Committee on new trends and practices in internal audits.
- 7.3 Reporting is usually made in writing. It must clarify the objectives, the scope of the audit, detected defects, recommendations, or corrections. In the event of urgent cases that may cause damage to the Company or for the benefit, a verbal report must be made first to each level of management concerned.
- 7.4 Reporting the audit results to the management of the audited department must be accurate and complete. The report should be prepared and presented promptly within a period of seven days after the closing date of the audit meeting.
- 7.5 In case of detection or suspicion of any transaction or action that may cause serious damage to the Company's performance, any conflict of interest, corruption, abnormal transactions or major deficiencies in the internal control system, it must be reported immediately to the Audit Committee and the Managing Director.
- 7.6 The Internal Audit Office Manager must report to the management and the Audit Committee on the objectives, powers and responsibilities for the performance of the Audit Office and the adequacy and suitability of its resources at least once a year. This includes important issues related to governance, risks, internal controls and key issues requested by the management or the Audit Committee to report every quarter.

7.7 The Internal Audit Office Manager must discuss with the management and the Audit Committee as appropriate before presenting important reports to external agencies.

Moreover, the Internal Audit Unit is responsible for following up on the results of the audit on the issues detected and any recommendations within a reasonable period of time.

8. Rights of the Internal Audit Office

8.1 The Internal Audit Office Manager and the Internal Auditor have the right to:

- Receive cooperation from all departments in accessing all aspects of information, including information, as well as receiving cooperation in inquiring and clarifying matters that have been investigated in the implementation of their responsibilities.
- Fully and independently meet with the Audit Committee.
- Allocate resources, determine the frequency of operation, select an activity or issue, determine the scope of the audit and use audit techniques as appropriate to achieve the established audit objectives.
- Receive support for personnel and budget to perform audit work and other services from both inside and outside the Company to support internal audit work to be efficient and effective.

8.2 The Internal Audit Office Manager and the Internal Auditor do not have the right to:

- Perform any operational duties other than internal audit duties in the Company, its affiliated companies, associated companies and related companies.
- Prepare or approve accounting transactions, financial reports and non-financial reports in addition to the normal checklist.
- Supervise the performance of other employees who are not at the Internal Audit Office, except for employees who are assigned to be part of the audit work or are assistant auditors.
- Formulate policies, work procedures and internal control or correct the internal control of the audited entities.
- Participate in the activities or operations of the audited entity.
- Develop the system, determine methods for preparing information or certify the accuracy of the work system to be inspected. This duty is under the responsibility of the relevant management department. The auditors are only responsible for giving advice and recommendations.

9. Qualifications and Appointment

The appointment of the Internal Audit Office's Chief Executive Officer and internal auditors will be based on knowledge, professional skills and appropriate experience in internal audit operations. Basic qualifications are as follows:

- 9.1 Have a minimum of a bachelor's degree.
- 9.2 Have the knowledge, skills and abilities necessary to perform the assigned duties.
- 9.3 Know the laws, rules, regulations, work procedures, policies, announcements and orders related to the Company's operations.
- 9.4 Know the Company's operations and be able to assess risks and internal controls.

10. Relationship between the Internal Audit Office and the Audit Committee

- 10.1 The Internal Audit Office Manager must prepare an internal audit plan for the next year to propose it to the Audit Committee for consideration and approval and present it to the Board of Directors for acknowledgment. If during the year the annual internal audit plan is updated, the Internal Audit Office Manager proposes an updated plan to the Audit Committee for consideration and approval and submits it to the Board of Directors for acknowledgment.
- 10.2 In the event that an internal audit is conducted on a matter that requires the knowledge and competence of experts, the Internal Audit Office Manager must propose to the Audit Committee to propose to the Board of Directors to consider hiring experts at the Company's expense. The commissioning process must comply with the Company's regulations.
- 10.3 The Internal Audit Office must prepare a charter for internal audit to be consistent with the scope of responsibility for the Company's operations, which must be approved by the Audit Committee. The appropriateness of this charter must be reviewed at least once a year.
- 10.4 The Internal Audit Office must arrange an annual self-assessment according to the form approved by the Audit Committee to ensure that the operation of the Internal Audit Office is efficient and effective as prescribed. The results of the evaluation, problems and obstacles, including plans to improve operations, must be reported to the Managing Director and the Audit Committee for acknowledgment.
- 10.5 The Audit Committee must propose an appointment, transfer, removal, promotion and evaluation of the work of the Internal Audit Office Manager to the Board of Directors for consideration with the Managing Director's opinions.
- 10.6 The Internal Audit Office Manager should discuss with the Audit Committee the audit results in cases where a resolution cannot be found with the management to find ways for further actions.
- 10.7 The Internal Audit Office Manager, as the Secretary of the Audit Committee, must attend every meeting of the Audit Committee. Unless the Audit Committee is of the opinion that the Internal Audit Office Manager should not attend the meeting only on a specific agenda, the reasons for not being allowed to attend the meeting must be recorded in writing in the minutes of the meeting.
- 10.8 The Internal Audit Office Manager should have a specific discussion with the Audit Committee without the management at least once a year.
- 10.9 The Internal Audit Office Manager can meet with the Audit Committee at any time, particularly with the Chairman of the Audit Committee, to report on the performance or discuss various issues, as appropriate.
- 10.10 The Internal Audit Office Manager must confirm the independence of the Internal Audit Office to the Audit Committee at least once a year.
- 10.11 In case a third party performs internal audit duties and/or provides other services at the same time, the Internal Audit Office Manager must present it to the Audit Committee for approval to determine whether or not there is an impact on independence and objectivity. If the third party performing several types of work is allowed to perform internal audit work, the person must disclose the details of such operations in writing.

11. Relationship between the Internal Audit Office and the Management

- 11.1 The Internal Audit Office Manager must organize discussions with senior executives and executives of relevant audited departments to prepare audit plans so that internal audits cover risky issues in all activities.
- 11.2 The Internal Audit Office Manager must present an annual audit plan, management and resource plan, an annual budget plan, and the Internal Audit Charter to the Managing Director for approval before being submitted to the Audit Committee for approval.
- 11.3 The Managing Director must not assign others to supervise and command the Internal Audit Office on behalf of the Internal Audit Office Manager and must not assign the Internal Audit Office Manager to act in other positions.
- 11.4 In general administration, the Internal Audit Office shall report directly to the Managing Director, except for the appointment, transfer, removal, promotion and performance evaluation of the Internal Audit Office Manager, which must be submitted by the Audit Committee to the Board of Directors for consideration, with the Managing Director's opinions. However, the Managing Director may not appoint an internal auditor to act in another position or perform other duties at the same time.
- 11.5 The Managing Director must allocate personnel and resources to ensure that the performance of the duties of the Internal Audit Office is appropriate and consistent with the workload and complexity of the Company's activities.
- 11.6 If there is any doubt or assumption that there may be corruption or that there will be a search for corruption, the decision to involve third parties in the search or investigation is the responsibility of the administrators of the audited department. If the Internal Audit Office Manager deems that the management of the audited department or the senior executive has not acted appropriately, the Internal Audit Office Manager should report to the Audit Committee immediately.

12. Relationship between the Internal Audit Office and Auditors and Other Regulatory Organizations

- 12.1 Coordinate with the auditor so that they can understand the plan and determine the scope of the internal audit that is mutually beneficial to the Company.
- 12.2 If the internal auditor is required to work together with auditors from other organizations, such as internal auditors of affiliated companies, associated companies, and/or related companies, the roles and responsibilities of each party should be clearly defined and signed by the Audit Committee of each party. There should also be an agreement on the utilization of operations of either party.
- 12.3 Coordinate with other agencies related to internal audit, including the Institute of Internal Auditors Thailand, Federation of Accounting Professions and other regulatory organizations to exchange information with each other.
- 12.4 The Internal Audit Office Manager must establish guidelines for requesting audit results from the audit performance of other regulatory organizations to determine and consider material issues that arise or may arise and report them to the Audit Committee.

13. Disclosure of Conflicts of Interest

- 13.1 If independence or objectivity is affected by facts or visible behavior, internal auditors must disclose details of the impact to the Internal Audit Office Manager and report to

relevant persons, such as the Audit Committee, Managing Director, executives, audited departments, etc.

- 13.2 Each internal auditor must disclose conflicts of interest that may arise from the audit performance to the Internal Audit Office Manager in the event that they have performed the activities assigned to conduct the audit, including personal relationships with the executives or employees in the activities.

14. Code of Ethics of Auditors

The Internal Audit Office has established a code of ethics for the practice of the internal audit profession as follows:

- 14.1 Integrity: Internal auditors must work with honesty to ensure reliable performance. The important guidelines are
- Perform the duties with integrity, diligence and responsibility for their duties.
 - Comply with the law and disclose what should be disclosed by law or by profession.
 - Do not participate in or be involved in any act or activity that will lead to the disrepute of the internal audit profession and the Company to which they belong.
 - Respect and support all activities of the Company that are legal and ethical.
- 14.2 Objectivity: Internal auditors must demonstrate the highest level of professional objectivity. Internal auditors must collect, evaluate and communicate information about the activities or operating procedures being audited in all aspects and not allow any influence, regardless of one's own or others' interests, to affect decision-making or the use of judgment. The important guidelines are
- Do not engage in any activity or relationship that will or is expected to diminish the exercise of fair discretion. Engagement means engaging in activities or relationships that may lead to conflicts of interest in the Company.
 - Do not accept any items that may affect the use of professional discretion and decision-making.
 - Report significant facts that have been informed. Failure to disclose such information in this report may result in discrepancies in the audit results.
- 14.3 Confidentiality: Internal auditors must respect the value and ownership of the data they have received and not disclose it without valid permission unless there is a legal necessity or professional obligation that makes it necessary to disclose that information. The important guidelines are
- Use and protect the data obtained from the audit with caution and prudence.
 - Do not use the information obtained from the audit for personal gain or in any case that is against the law or causes damage to the legitimate objectives of the Company.
- 14.4 Competency: Auditors must have the necessary knowledge, skills and experience to perform internal audit work. The important guidelines are
- Accept only work that they deem to have the necessary knowledge, skills and experience to be able to complete the work successfully.
 - Perform internal audits following the Standards for the Professional Practice of Internal Auditing.

- Committed to improving their abilities, always enhancing the expertise and quality of the work they provide to the service.

15. Professional Practice Standards

In performing duties, internal auditors must use the internal audit manual prepared by the Internal Audit Office as a guideline for correct work performance according to international standards for professional practice in internal auditing.

16. Review

The Company requires the Internal Audit Charter to be reviewed regularly at least once a year or when changes are made.

Note: This Charter was considered and approved by the Audit Committee Meeting No. 8/2024 on December 17, 2024 and shall come into force from December 17, 2024 onwards.