

**Charter of Internal Audit****Phol Dhanya Public Company Limited**

This charter is prepared with the objectives of communicating roles, mission, powers and responsibilities, scope of work and operative directions of the Internal Audit Department, to executives, management and operators at all levels, which can be summarized as follows:

**1. Definitions**

“**Company**” means Phol Dhanya Public Company Limited.

“**Internal Auditing**” means an independent and fair assurance and consulting activity designed to add value and improve the operations of the Company and its subsidiaries. It helps the Company accomplish its goals and objectives by bringing a systematic approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

“**Internal Audit Department**” means a work unit responsible for the Internal Auditing of the Company.

“**Evaluated Unit**” means a work unit responsible for the Company’s operations.

**2. Mission**

The Internal Audit Department has a mission to provide consulting and assurance services on an independent and fair basis to add value and improve the operations of the Company and its subsidiaries. The Internal Audit Department helps the Company accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal control, and governance processes.

### 3. Scope of Work

The scope of work of the Internal Audit Department has been established to ensure that the risk management, internal control and governance processes of the Company and its subsidiaries are adequate and functioning in the manner designated to ensure:

- 3.1 risks are appropriately identified, evaluated and managed;
- 3.2 significant financial, managerial and operational information is accurate, reliable and timely;
- 3.3 employee performances and actions comply with the rules and policies including the relevant laws and regulations;
- 3.4 the Company acquires its resources and assets economically, uses them efficiently, and controls and protects them adequately;
- 3.5 programs, plans and objectives are achieved; and
- 3.6 quality improvement is fostered continually in all processes and control activities.

In auditing, the Internal Audit Department takes part in proposing improvements to management control and opportunities for improving profitability and the organization's reputation and image.

### 4. Responsibility & Accountability

The Director of the Internal Audit Department has the responsibility to report to the management and the Audit Committee on the effectiveness evaluation of its internal audit and the risk management systems as well as other important matters. It is also the Director's responsibility to identify improvement measures and revision plans and report the result of its performance and implementation, and collaborate with other supervisory units in the Company.

The Director of the Internal Audit Department and the internal auditors have the following duties:

- 4.1 Develop an annual audit plan, using appropriate risk-based methodology, and submit that plan to the management and the Audit Committee for approval.

**Phol Dhanya Public Company Limited**

- 4.2 Implement the annual audit plan, and carry out any special projects requested and/or instructed by the management and the Audit Committee.
- 4.3 Report the audit results including any progress of the performance in comparison with the plan.
- 4.4 Support and provide information necessary for the operations of the Audit Committee and the managements that relates to an audit work.
- 4.5 Encourage the Internal Audit's personnel to acquire adequate professional and business knowledge and skills, as well as to obtain relevant professional certification.
- 4.6 Collaborate with the internal auditors of the subsidiaries, government agencies and external certified auditors.
- 4.7 Review the operation to ensure compliance with the anti-corruption policy Including guidelines Authority Rules, regulations and company regulations.
- 4.8 Review information technology management and security measures for information technology systems
- 4.9 Carry out any other activities which may be assigned.

## **5. Authority**

- 5.1 The Director of the Internal Audit Department and the internal auditors have received approval and authority to have access to information, work systems and personnel of the Company, which are related to the performance of their audit duties and are deemed appropriate and necessary. Executives at all levels in the organization are obligated to give their support to enable the performance of the Internal Audit Department's duties to achieve the established audit objectives and the maximum benefits of the Company.
- 5.2 Any document and information received or known by the auditors from their auditing scope shall be kept confidential and shall not be disclosed.

## 6. Standard of Practices

Internal auditors shall conduct themselves properly and perform their operations in accordance with the Company's rules and policies. They shall also follow the relevant professional standards and ethics.

## 7. Independence

The Director of the Internal Audit Department shall report administrative works to the Chief Executive Officer and functional works to the Audit Committee.

The audit activities must be independent of any influence on the scope of audit, procedures, timeframe, and contents of the report. The purpose is to enable the performance of the audit duties to proceed efficiently and achieve the objectives in line with the audit plan which has been drawn up.

The Director of the Internal Audit Department and the internal auditors are not responsible for carrying out any regular duties other than the audit duties. In the case that they are assigned to perform other duties than the audit duties, it shall be deemed that they have not performed such duties in capacity of an internal auditor and they should omit from auditing the work unit responsible for such duties during one-year period after completing such duties.

## 8. Reporting

It is the Director of the Internal Audit Department or the entrusted person's duty to prepare and issue an audit report for each field to the management of Evaluated Units including an executive summary for each audit report to the Chief Executive Officer and the Audit Committee.

The Director of the Internal Audit Department or the entrusted person may summarize the explanations or revision plans prepared by the Evaluated Unit in response to the findings and recommendations of the auditor, and the timeframe for revision including any other explanations for unidentified recommendations.

**Phol Dhanya Public Company Limited**

In the case where an audit report does not specify any explanation or revision plan of the Evaluated Unit, the relevant management or unit shall provide a revision plan in writing within 30 days from the date of receipt of the report.

Internal auditors shall be responsible for monitoring contentious issues and tracing implementation according to their recommendations within a proper time period.

This Charter was reviewed by the resolution of the Audit Committee's meeting No. 2/2023, on 17 February 2023.

It is hereby announced that this Charter has become effective from 18 February 2023 onwards.

.....

(Miss Siriporn Ninklum)

Internal Audit Supervisor

.....

(Mr. Boonchai Suwanvutthiwat)

Chief Executive Officer

.....

(Mr.Noppadol Dheerabutrpongkul)

Chairman of Audit Committee