



CHARTER OF THE INTERNAL AUDIT DEPARTMENT

Neo Corporate Public Company Limited

Charter of the Internal Audit Department

1. Main objectives

The Internal Audit Department is established to support the Board of Directors, the Audit Committee, and the management in supervising the operations of various departments of the Company and the subsidiary company. That is to support the operations of the Company and the subsidiary company to achieve their established objectives. To do so, the Internal Audit Department provides independent, objective, and knowledgeable risk-based assurance and advisory services with an approach that focuses on promoting and adding values. The Internal Audit Department also improves the operational efficiency by applying systematic requirements and methods to evaluate and improve the effectiveness of the risk management process, internal control, corporate governance, and compliance with laws, rules, and other regulations.

2. Missions

- (1) To provide effective internal audit services that are valuable to the Company.
- (2) To provide consultations to the executives to improve the efficiency and effectiveness of the operations in the risk management process, internal control, and corporate governance.
- (3) To encourage corporate governance in accordance with the standards for the professional practice of internal auditing.

3. Qualifications of internal auditors

An internal auditor must have at least the following qualifications:

- (1) An internal auditor must have the knowledge, skills, experience, and abilities that are necessary for performing the tasks assigned.
- (2) An internal auditor must have knowledge about the laws, regulations, notifications, orders, and other knowledge relating to internal auditing and the Company's operations.
- (3) An internal auditor must have knowledge about the operations, risk management, internal control, and corporate governance of the Company.
- (4) An internal auditor must be professionally independent.

4. Ethics of internal auditors

Internal auditors must adhere to and abide by four principles of ethics as set out below:

(1) Integrity

All internal auditors must demonstrate integrity in their performance of all tasks assigned. This would be the basis for building trust and making the internal auditors' judgments reliable.

Rules of practice

- (1.1) Internal auditors must perform their duties with honesty, diligence, and sense of responsibility.

- (1.2) Internal auditors must comply with the laws and disclose information as required by the law and the profession.
- (1.3) Internal auditors must not knowingly participate in activities that are against the law or actions that may be detrimental to the internal auditing profession or the Company.
- (1.4) Internal auditors must respect and promote the Company's legal and ethical objectives.

(2) Objectivity

Internal auditors must demonstrate professional objectivity in collecting, evaluating, and communicating information about activities or processes being examined. Internal auditors must objectively evaluate the relevant circumstances without allowing bias or other people to influence the evaluation.

Rules of practice

- (2.1) Internal auditors must not participate in any activities or relationships which impair or may impair their impartial and unbiased evaluations, including any actions or relationships which conflict against the Company's interest.
- (2.2) Internal auditors must not accept any compensation which impairs or may impair their professional judgments.
- (2.3) Internal auditors must disclose all information that has become known to them, which omission to do so would cause a distorted the reporting on audit result.

(3) Confidentiality

Internal auditors must respect the value and the rights of the data subjects with respect to the information that they obtain, and must not disclose the information without appropriate authorization, unless otherwise required by law or profession.

Rules of practice

- (3.1) Internal auditors must be careful when using the information obtained in the course of their duties and must protect such information.
- (3.2) Internal auditors must not use the obtained information for their personal benefit or for anything which is contrary to the law, or legitimate and ethical objectives of the Company.

(4) Competency

Internal auditors should use their knowledge, skills, and experience that are necessary for their performance of internal audit tasks.

Rules of practice

- (4.1) Internal auditors must perform duties in their areas of knowledge, skills, and experience, and should not accept or perform the tasks that they have no knowledge or competency of, unless they receive advice or are supported to have sufficient knowledge and ability to perform the auditing tasks.
- (4.2) Internal auditors must perform duties with care, diligence, and caution as a professional ought to do.

(4.3) Internal auditors must perform internal audit tasks, adhering to the standards and guidelines for internal audit profession of the Internal Audit Association of Thailand.

(4.4) Internal auditors must continuously develop and improve expertise, effectiveness, and quality of services.

5. Scope of works and duties of the Internal Audit Department

The Internal Audit Department has the duty to develop, audit, review, and oversee the risk management and internal audit systems of the Company and the subsidiary company in accordance with the audit plan approved by the Audit Committee to strengthen the confidence that the Company and its subsidiary company have a good and efficient internal control system. Its duty is also to identify and assess the risks of the organization, establish risk prevention and management measures, and oversee to ensure compliance with applicable laws and requirements.

The Internal Audit Department must report directly to the Audit Committee on the efficiency review of the risk management and internal audit systems, covering various aspects including operations, compliance control, risk management, and attention on unusual transactions. That includes the following actions:

- (1) The Internal Audit Department must set goal, direction, mission, scope, and guideline of internal auditing to support and ensure that the management and the operations of the Company and its subsidiary company are in line with the Company's strategies and risk management.
- (2) The Internal Audit Department must prepare the annual audit plan and propose the audit plan and necessary resources to the management and the Audit Committee for review and approval. In this regard, if there are any amendments to the approved annual audit plan, the revised audit plan must be proposed to the Audit Committee for consideration and approval, and it must be presented to relevant persons.
- (3) The Internal Audit Department must provide consultations to the management and the Audit Committee on the determination of risk prevention and management measures to improve the risk management process, the internal control, and the corporate governance.
- (4) The Internal Audit Department must review and assess the adequacy and effectiveness of the risk management and internal control of the Company and its subsidiary company with respect to various operation systems that have a significant impact on the operations and the information technology systems to ensure circumspect and appropriate internal control. The Internal Audit Department must also ensure that the Company and its subsidiary company have and/or develop their internal control systems to always be efficient, appropriate, and adequate.
- (5) The Internal Audit Department must review the internal audit systems involving the preparation of financial reports and account recording methods to ensure they follow the policies and operating procedures prescribed by the Company.
- (6) The Internal Audit Department must review the compliance with the principles of corporate governance, provide suggestions in establishing corporate

governance systems, and help provide opinions in prescribing clear rules and criteria.

- (7) The Internal Audit Department must review to ensure that the disclosure of information on connected transactions or transactions that may have a conflict of interest, including asset acquisition and disposal transactions, comply with the laws and requirements of the Capital Market Supervisory Board, the Office of the Securities and Exchange Commission, and the Stock Exchange of Thailand. This is to ensure that such transactions are reasonable and for the best interest of the Company.
- (8) The Internal Audit Department must accept whistleblowing or complaints regarding violations of laws, corruption, violations of regulations, or unethical actions of employees and executives, irregularities in financial reports, defective internal control systems, including matters that affect the benefits and reputation of the Company and its subsidiary company.
- (9) The Internal Audit Department must meet with the executive(s) of the department being subject to the audit to explain the purposes and scope of the audit and discuss and exchange opinions on the facts and discovered errors including corrective measures before presenting the same in the report of internal audit result.
- (10) The Internal Audit Department must prepare the report on the internal audit result in writing with a summary of key issues and suggestions, guidelines for rectification and improvement as discussed with the executive(s) of the audited department to propose the same to the Audit Committee for consideration and submit to the management and relevant executives.
- (11) The Internal Audit Department must arrange for an annual quality assessment of internal audit operations at least once a year and report the result of such assessment to the Audit Committee for acknowledgment and use the assessment result to improve the internal audit operations for better quality and compliance with the internal auditing standards.
- (12) The Internal Audit Department must evaluate the organization's use of resources to ensure efficiency and cost-effectiveness. It must also review the appropriateness of the recording, using, and maintenance of assets and verify that the assets actually exist and ensure that assets are used for the maximum benefits with adequate protections against damages.
- (13) The Internal Audit Department must provide trainings and develop auditors to have sufficient knowledge, skills, and experience for professional practice.
- (14) The Internal Audit Department must monitor the advancement of modern technologies that serve as good practice guidelines related to audit tasks and affect the Company's operations.
- (15) The Internal Audit Department must coordinate with external auditors for the benefit of determining the scope of internal auditing to ensure its efficiency and effectiveness.
- (16) The Internal Audit Department must carry out other tasks related to internal audit as assigned by the Audit Committee or carry out other tasks as necessary. However, such tasks must not cause the operations of the Internal Audit

Department to lack independency and objectivity with respect to the audited activities.

6. Scope of powers

- (1) The Internal Audit Department is free to audit as it deems appropriate in accordance with the standards for the professional practice of internal auditing.
- (2) The Internal Audit Department has the right to request access to all operations to audit assets and activities of the Company, including relevant information, contracts, and report documents of the departments that are subject to the audit to the extent necessary for its performance of audit tasks.
- (3) The Internal Audit Department may request that the people subject to the audit and the relevant persons covering both executives and employees of the Company, to provide information, documents, and explanations on the matters being audited. The executives and employees of the department subject to the audit must fully cooperate and facilitate the audit.
- (4) The Internal Audit Department may recruit experts in related fields from within and outside the Company to assist in performing audit tasks.
- (5) The Internal Audit Department may allocate resources, determine the frequency, determine the content, determine the scope, and consider the use of various techniques as necessary for auditing in order to achieve the objectives of internal auditing.

7. Responsibilities

The Internal Audit Department is responsible for functional reporting with regard to internal auditing, to the Audit Committee on the following matters:

- (1) The Internal Audit Department must present the evaluation result of the adequacy, efficiency and effectiveness of the risk management process, internal control, and corporate governance of the departments that are within the scope of internal audit.
- (2) The Internal Audit Department must present to the Audit Committee the report and information on the key issues found from auditing including providing suggestions to the Audit Committee for improvement of unsolved issues in the previous report and other key relevant issues.
- (3) The Internal Audit Department must present the report on audit result, the risks and the suggestions to the department subject to the audit for their rectification and improvement.
- (4) The Internal Audit Department must present information on the implementation status of recommendations/suggestions in the audit result report and the results of the implementation of the annual audit plan, including the adequacy and appropriateness of the resources of the Internal Audit Department as well as problems and obstacles in work, movement, and new practices in internal auditing, to the Audit Committee for consideration.

The Company's executives must be responsible for the risk management and the implementation and improvement of internal control with respect to the duties under their responsibility as well as the implementation of the plan with respect to such matter.

In this regard, the Internal Audit Department has the duty of administrative reporting to the management. That is to report on day-to-day operations, such as allocation of personnel and resources of the Internal Audit Department, etc.

8. Independence and objectivity

The Internal Audit Department must operate independently with no conflict of interest from the activities in the audited department. That is internal auditors should not audit the duties and works with respect to which they were responsible for designing the system or participated in performing such work.

Moreover, the Internal Audit Department's performance of works must be free from the influence of the management or any persons in determining the scope of audit, audit work, and offering opinions in the audit, to achieve the objectives of the audit. The Internal Audit Department must honestly report the audit result without any bias and undermining cause. The Internal Audit Department must be able to communicate directly with the Audit Committee with no restrictions. The internal auditors and the head of the Internal Audit Department must have no responsibility nor participate in the performance of other works which are not related to internal audit or any other activities which may affect the independency and objectivity of the internal auditors including the following activities:

- (1) Performing duties related to the operations outside the scope of internal audit tasks;
- (2) Being a member of any board/committee of an affiliated organization or agency;
- (3) Preparing or approving accounting transactions or financial reports;
- (4) Controlling, overseeing the performance of works by employees of other departments other than the Internal Audit Department, except for the case where the employees in other departments are assigned to perform the tasks which are part of the auditing operations.

Internal auditors must disclose the conflict of interest that may arise from performing audit tasks, including the case where the independence of internal auditors may be affected. Internal auditors must disclose such information to the Audit Committee.

9. Review and modification of the charter

The head of the Internal Audit Department and the Audit Committee must review this Charter of the Internal Audit Department at least once a year to ensure that it corresponds to the current circumstances and must propose any necessary amendments or modifications to the Board of Directors for consideration and approval.

This Charter of the Internal Audit Department is effective from 31 August 2023 onwards.

(Mr. Wutthichai Tankuranand)
Chairman of the Audit Committee
Neo Corporate Public Company Limited

(Mr. Virapan Pulges)
Chairman of the Board of Directors
Neo Corporate Public Company Limited