

# Sanko Diecasting (Thailand) Public Company Limited

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## Internal Audit Charter

This charter is established to define the mission, scope of work, responsibilities, authority of the audit, as well as the guidelines and procedures for conducting internal audits within the company. The purpose is to ensure that the board of directors, management, and employees at all levels have a clear understanding of the internal audit function, as outlined below:

### Mission

The internal audit function has the mission of providing independent and objective consulting and assurance services to add value to the organization and improve the company's internal control systems. The internal audit function helps the company achieve its objectives by evaluating and enhancing the effectiveness and efficiency of the risk management system, internal control system, and corporate governance system through systematic and structured methodologies.

### Structure of Internal Audit

The company's internal audit function will employ certified internal auditors (CIA) from external sources to perform internal audit duties. The Audit Committee is responsible for selecting independent internal auditors, approving the internal audit plan, and determining appropriate compensation for the auditors. The internal auditors report the audit results to the Audit Committee and senior management of the company.

### Scope of Work

The internal audit function has a defined scope of work to ensure that the company's risk management system, internal control system, and corporate governance processes are adequately and effectively established in line with the company's objectives. This includes:

- Identifying risk factors, assessing risks, and managing risks appropriately.
- Ensuring that financial, administrative, and operational information is accurately, reliably, and timely prepared.
- Ensuring that the company's business operations and practices comply with relevant policies, regulations, and laws.
- Ensuring that resources and assets are acquired economically and adequately safeguarded.
- Ensuring that the company's resources and assets are used efficiently and cost-effectively.
- Ensuring that plans and projects are implemented in accordance with their objectives.
- Ensuring continuous quality improvement in all control processes and activities.

## **Roles and Responsibilities**

The internal auditor is responsible for the company's internal audit function in accordance with the company's policies and regulations. The auditor reports audit results to the Audit Committee and summarizes the findings for management. The auditor evaluates the effectiveness of the internal control system and risk management system, identifies areas for improvement, and coordinates with various departments to enhance the efficiency of the system. The detailed responsibilities are as follows:

1. Prepare an annual internal audit plan based on risk factors (Risk-based Methodology) for approval by management and the Audit Committee.
2. Conduct audits in accordance with the approved plan, including special projects assigned by the Audit Committee and management.
3. Report audit results, including progress against the planned audit schedule.
4. Follow up on the implementation of recommendations by the auditees.
5. Support the Audit Committee and management by providing necessary information related to audits and relevant regulations.
6. Coordinate with the company's external auditors to ensure the financial audit objectives are met.
7. Provide consulting services to management on risk management planning and internal control system improvements.
8. Perform other duties as assigned.

## **Authority of the Audit**

The internal auditor is authorized to access company data, systems, and personnel as necessary and appropriate for the audit. All levels of management are required to support the internal auditor in fulfilling their duties and achieving the audit objectives for the benefit of the company.

Any documents or information obtained or known during the audit process will be kept confidential and not disclosed to any unauthorized person, except as required by law.

## **Professional Standards**

The internal auditor must adhere to the company's policies and regulations, as well as professional standards (Standards of Practice) and relevant ethical guidelines.

## **Audit Procedures**

1. Audit various departments of the company according to the audit plan to assess compliance with plans, policies, objectives, and relevant regulations and laws.

2. Upon completion of the audit, the internal auditor will hold an exit conference with the management of the audited department to discuss findings, exchange opinions on identified issues, and agree on corrective actions before finalizing the audit report.
3. The audit report will be documented in writing, explaining the audit objectives, scope, identified issues, recommendations for improvement, and the auditee's comments.
4. The internal auditor will follow up on the implementation of recommendations by the audited departments and provide guidance for corrective actions.
5. The internal auditor must maintain independence, neutrality, and act with integrity, honesty, and ethics.

### **Reporting Audit Results**

The audit report will cover the audit objectives, scope, background information on the audited activities, audit findings, corrective actions by the auditee, recommendations by the auditor, and the auditee's comments.

The internal audit report is the property of the company and the internal auditor. Any request to view or use the audit report for external reference must be approved by the company's authorized senior management.

After the exit conference, the audit report will be distributed to the relevant parties as follows:

- The Chief Executive Officer will receive one copy of the audit report.
- The audited department will receive one copy of the audit report.
- The Audit Committee will be informed of the audit results during their quarterly meetings.

The internal auditor will follow up on the implementation of recommendations and report the follow-up results to the Audit Committee, ensuring that management has effectively implemented the recommendations or that senior management has accepted the risks of not implementing them.

This Internal Audit Charter was approved for review by the Audit Committee on May 15, 2024.

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**Chairman of the Audit Committee**