



KCE Electronics Public Company Limited

Internal Audit Charter

Internal Audit Charter

KCE Electronics Public Company Limited

Content

	Page
1. Definition	1
2. Objectives	2
3. Ethics for internal auditors	2
4. Independence	5
5. Assurance services	5
6. Advisory services	6
7. Audit authority	6
8. Duties and responsibilities	7
9. Audit procedures	8
10. Reporting and follow-up of audit findings	8
11. Quality assessment	9

Internal Audit Charter

1. Definition

"The Company"	is KCE Electronics Public Company Limited and the subsidiaries
"Audit Committee"	is The Company's Audit Committee
"Senior management"	is The highest level of executive management of an organization that is ultimately accountable to the Board for executing the organization's strategic decisions, typically a group of persons that includes the Chief Executive Officer or Head of the organization. For example, Chairman of the Executive Board, Executive Vice Chairperson, President and Chief Executive Officer, Deputy Managing Director, Assistant of President and Chief Executive Officer, Deputy Assistant of President and Chief Executive Officer, Senior Vice President, Group Vice President, Vice President and Assistant Vice President, or equivalent positions
"Employee"	is The Company's employees
"Audited Unit"	is The units, as defined by the Company's organizational structure, that are subject to audit
"Head of Audited Unit"	is The department's Vice President and/or section manager of the audited unit
"Internal Audit Function"	is A professional individual or group responsible for providing an organization with assurance and advisory services including the Company's Internal Audit Unit
"Internal Auditor"	is Employees in the internal audit unit who are responsible for performing internal audit duties
"Chief Audit Executive"	is The leadership role responsible for effectively managing all aspects of the internal audit function and ensuring the quality performance of internal audit services in accordance with Global Internal Audit Standards. The specific job title and/or responsibilities may vary across organizations such as Assistant Vice President of Internal Audit
"Internal auditing"	is An independent, objective assurance and advisory service designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the

	effectiveness of the processes, governance, risk management and control
"Assurance services"	is Services through which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational or performance and technology engagements. Internal auditors may provide limited or reasonable assurance, depending on the nature, timing and extent of procedures performed
"Advisory services"	is Services through which internal auditors provide advice to an organization's stakeholders without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products; providing forensic services; providing training; and facilitating discussions about risks and controls. "Advisory services" are also known as "Consulting services"

2. Objectives

Internal Audit charter is established to define the authority, responsibilities, organizational status, reporting relationships, scope of work, types of services and other requirements of the internal audit unit. It specifies key aspects of the internal audit function, including the objectives of internal auditing, adherence to international auditing standards, authority and responsibilities (including the scope and types of services to be provided), the duties and expectations of the Board, the support from management for the internal audit unit and its organizational position and reporting relationships. The head of the internal audit unit shall discuss the proposed charter with the Board and senior management to ensure it accurately reflects their understanding and expectations of the internal audit function.

3. Ethics for internal auditors

Internal auditors must conduct themselves and perform their duties in accordance with ethics and professionalism, following these principles;

1. Demonstrate Integrity

- Internal auditors must perform their work with honesty and professional courage.
- Internal auditors must be truthful, accurate, clear, open and respectful in all professional relationships and communications. Internal auditors must not make false statements. Internal auditors must disclose

all material facts known to them that, if not disclosed, could affect the organization's ability to make well-informed decisions.

- Internal auditors must understand, respect, meet and contribute to the legitimate and ethical expectations of the organization and must be able to recognize conduct that is contrary to those expectations.
- Internal auditors must not engage in or be a party to any activity that is illegal or discreditable to the organization or the profession of internal auditing or that may harm the organization or its employees.
- Internal auditors must abide by the laws and regulations relevant to the industry and jurisdictions in which the organization operates including making disclosures as required.
- If internal auditors identify legal or regulatory violations, they must report such incidents to individuals or entities that have the authority to take appropriate action, as specified in laws, regulations and applicable policies.

2. Maintain Objectivity

- Internal auditors must maintain professional objectivity when performing all aspects of internal audit services. Professional objectivity requires an impartial and unbiased mindset. Internal auditors must be aware of and manage potential biases.
- Internal auditors must recognize and avoid or mitigate actual, potential and perceived impairments to objectivity. Internal auditors must avoid conflicts of interest and must not be unduly influenced.
- Internal auditors must not accept any tangible or intangible item, such as a gift, reward or favor that may impair objectivity.
- When performing internal audit services, internal auditors must refrain from assessing specific activities for which they were previously responsible. Objectivity is presumed to be impaired if an internal auditor provides assurance services for an activity for which the internal auditor had responsibility within the previous 12 months.
- The Chief Audit Executive must establish methodologies to address impairments to objectivity. Internal auditors must discuss impairments and take appropriate actions according to relevant methodologies.
- If internal auditors become aware of an impairment that may affect their objectivity, the Chief Audit Executive must discuss the impairment with the management of the activity under review, the Board, and/or senior management and determine the appropriate actions to resolve the situation.

3. Demonstrate Competency

- Internal auditors must possess or obtain the competencies to perform their responsibilities successfully. Internal auditors must possess or develop knowledge of the IIA's Global Internal Audit Standards.

Internal auditors must engage only in those services for which they have or can attain the necessary competencies.

- Internal auditors are responsible for continually developing and applying the competencies necessary to fulfill their professional responsibilities. Additionally, the Chief Audit Executive must ensure that the internal audit function collectively possesses the competencies to perform the internal audit services or must obtain the necessary competencies.
- Internal auditors must maintain and continually develop their competencies. Internal auditors must pursue continuing professional development including education and training. Internal auditors who have attained professional internal audit certifications must follow the continuing professional education policies and fulfill the requirements applicable to their certifications.

4. Exercise Due Professional Care

- Internal auditors must plan and perform internal audit services in accordance with the Global Internal Audit Standards. The internal audit function's methodologies must be established, documented and maintained in alignment with the Standards.
- Internal auditors must follow the Standards and the internal audit function's methodologies when planning and performing internal audit services and communicating results.
- If laws or regulations prohibit internal auditors/the internal audit function from conforming to any part of the Standards, conformance with all other parts of the Standards is required and appropriate disclosures must be made. When internal auditors are unable to conform to a requirement, the Chief Audit Executive must document and communicate a description of the circumstance, alternative actions taken, the impact of the actions and the rationale.
- Internal auditors must exercise due professional care by assessing the nature, circumstances and requirements of the services to be provided. Internal auditors must exercise professional skepticism when planning and performing internal audit services.

5. Maintain Confidentiality

- Internal auditors must follow the relevant policies, procedures, laws and regulations when using information. The information must not be used for personal gain or in a manner contrary or detrimental to the organization's legitimate and ethical objectives. This includes maintaining confidentiality, protecting the privacy of information and ensuring information security as required by the organization and the internal audit unit.
- Internal auditors must be aware of their responsibilities for protecting information and demonstrate respect for the confidentiality, privacy and ownership of information acquired when performing internal audit services or as the result of professional relationships.

- Considerations specifically relevant to the internal audit function include:
 - Custody, retention and disposal of engagement records
 - Release of engagement records to internal and external parties
 - Handling of, access to, or copies of confidential information when it is no longer needed
- Internal auditors must not disclose confidential information to unauthorized parties unless there is a legal or professional responsibility to do so.
- Internal auditors must manage the risk of exposing or disclosing information inadvertently.

4. Independence

- 4.1 The Chief Audit Executive must confirm to the Board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment.
- 4.2 The Chief Audit executive must document in the Internal Audit Charter the reporting relationships and organizational positioning of the internal audit function.
- 4.3 The Chief Audit Executive must discuss with the Board and senior management any current roles that have the potential to impair the internal audit function's independence. The Chief Audit Executive must advise the Board and senior management of the types of safeguards to manage actual, potential or perceived impairments.
- 4.4 When the Chief Audit Executive's non-audit responsibilities are temporary, assurance for those areas must be provided by an independent third party during the temporary assignment and for the subsequent 12 months. Also, the Chief Audit Executive must establish a plan to transition those responsibilities to management.
- 4.5 If the governing structure does not support organizational independence, the Chief Audit Executive must document the characteristics of the governing structure limiting independence and any safeguards that may be employed to achieve this principle.

5. Assurance services

Types of assurance services are divided into the following categories;

- 5.1 **Financial Assurance:** This involves examining and providing assurance on financial data and figures, accounting information and financial reports to ensure that items are presented accurately, completely, appropriately and reliably. It also includes evaluating the internal controls of accounting and financial systems to determine whether they are sufficiently robust and adequate, since accounting and financial systems are considered key factors affecting the quality of an entity's financial and accounting information.
- 5.2 **Control Assurance:** This involves examining and providing assurance on an organization's internal control system to determine whether the established policies and procedures help achieve

management's objectives regarding the reliability of financial reporting, the efficiency and effectiveness of operations and compliance with applicable laws and regulations.

- 5.3 **Information Technology:** This involves examining and providing assurance on the information technology used in operations by collecting and evaluating evidence to determine the reliability of information, the safeguarding of assets, the protection of confidentiality, the efficient and effective use of resources and the security of computer-based information systems.
- 5.4 **Compliance:** This involves examining and providing assurance on whether the various operations of the entity are carried out in compliance with internal and external rules, regulations and requirements.
- 5.5 **Operation:** This involves examining to ensure that the operations or procedures of various departments within the organization are carried out efficiently, with resources used economically and effectively, enabling the entity to achieve its established objectives and goals.

6. Advisory services

Advisory services involve providing advice and are generally offered only when requested by the organization's stakeholders. These services do not provide assurance and do not involve performing management's responsibilities. The nature and scope of advisory services depend on the agreement with the relevant stakeholders. There are 2 parties involved in advisory services: (1) the internal auditors, who act as the consultants and (2) the stakeholders, who are the individuals or groups seeking the consultation. In providing advisory services, internal auditors should offer advice impartially.

7. Audit authority

Internal auditors have the authority to perform their duties as follows:

- 7.1 Access raw data, records, information, personnel and tangible assets necessary for carrying out the responsibilities of the internal audit unit without limitation.
- 7.2 Conduct examinations of financial instruments, assets, information technology systems and various activities including books, accounts, supporting accounting documents, correspondence and related reports, with prior notification given to the head of the audited unit.
- 7.3 Make copies, duplicate and collect essential documents and evidence required for consideration and evaluation of the matters under review.
- 7.4 Interview, inquire or request that the audit recipients complete questionnaires/assessment forms to provide information and explanations related to the matters being audited.

8. Duties and responsibilities

The internal audit unit is responsible for auditing the Company's internal systems, with the following duties and responsibilities:

- 8.1 Define the objectives, goals, scope of responsibilities and operating guidelines of the internal audit unit and prepare the annual manpower plan, training plan and budget plan.
- 8.2 Develop long-term audit plans and annual audit plans based on the risk levels of activities, prioritize internal audit activities in alignment with the Company's objectives and present the plans to the Audit Committee for review and approval.
- 8.3 Evaluate the adequacy of the Company's internal control system to provide assurance to the Audit Committee and senior management that activities are sufficiently and appropriately controlled to manage risks at an acceptable level.
- 8.4 Review, assess and provide recommendations to improve the Company's operational processes related to risk management, internal control and corporate governance.
- 8.5 Conduct audits of various work processes in accordance with the annual audit plan approved by the Audit Committee and the policies assigned by the Audit Committee.
- 8.6 Report audit findings along with recommendations to the audited unit for corrective actions and report the results to the Audit Committee and senior management.
- 8.7 Follow up on audit findings to ensure that responsible parties have taken corrective actions to address identified deficiencies.
- 8.8 Provide consulting services by offering creative and useful insights to the Audit Committee, senior management and heads of audited units regarding risk management, internal control and corporate governance.
- 8.9 Examine and review operations to ensure compliance with Anti-Fraud & Corruption Policy, guidelines, authorities, procedures, laws and regulatory requirements.
- 8.10 Coordinate with other auditing entities such as external auditors and relevant regulatory organizations to enhance audit efficiency and reduce redundancy in operations.
- 8.11 Develop internal audit personnel to acquire sufficient knowledge, expertise, skills and other competencies necessary to perform assigned duties in both professional and business areas including supporting the attainment of relevant Professional Certifications.
- 8.12 Perform other tasks related to internal auditing beyond the annual audit plan, as assigned by senior management and the Audit Committee.

9. Audit procedures

- 9.1 Audit the Company's various departments according to the Audit Schedule and Audit Plan to assess whether operations have been carried out in accordance with the Company's plans, policies, goals and objectives as well as relevant procedures and laws.
- 9.2 Upon completion of the audit, the head of the internal audit unit must hold a closing meeting with the head of the audited unit to explain, discuss and exchange views regarding the facts and deficiencies identified, including corrective measures before presenting them in the audit report.
- 9.3 Prepare a written audit report that explains the objectives and scope of the audit, identifies the deficiencies found and provides recommendations for corrective actions and improvements.
- 9.4 The internal audit unit must follow up on the implementation of recommendations in the audit report, coordinate with the audited parties and provide guidance to ensure corrective actions are properly carried out.
- 9.5 The head of the internal audit unit must develop audit personnel to have sufficient knowledge, skills and experience to effectively carry out various audit assignments.
- 9.6 Internal auditors must perform their duties with honesty and integrity, uphold ethical standards, maintain good interpersonal relationships, remain impartial, exercise appropriate discretion and have a positive attitude toward colleagues.

10. Reporting and follow-up of audit findings

- 10.1 Internal auditors prepare audit reports summarizing key findings, actual or potential impacts, significance and recommendations for the head of the audited unit upon completion of the audit so that head of the audited unit can promptly implement improvements to the internal control system.
- 10.2 The head of the internal audit unit reports audit results, summarizing key findings and recommendations to senior management and the Audit Committee at least once per quarter.
- 10.3 In cases where the audit results reveal deficiencies, the following actions shall be taken:
 - 10.3.1 In cases of minor deficiencies caused by non-compliance with established work procedures, the internal auditor shall inform an employee of the audited unit to correct the deficiencies and subsequently follow up to ensure that corrective actions have been implemented.
 - 10.3.2 In cases of deficiencies caused by non-compliance with established work procedures that could potentially cause significant damage to the Company, the head of the internal audit unit shall immediately inform the head of the audited unit and senior management, provide recommendations, coordinate and follow up on the audited unit's corrective actions and report the matter to the Audit Committee at the earliest opportunity.
 - 10.3.3 In cases of deficiencies resulting from the audited unit not having systems aligned with the Company's policies, the head of the internal audit unit shall inform the head of the audited unit to correct the deficiencies and report the matter to senior management.
- 10.4 If the head of the audited unit disagrees with the findings or recommendations of the internal auditor or the head of the internal audit unit, the head of the internal audit unit shall present the matter to


senior management for consideration. If disagreements persist, the head of the internal audit unit shall escalate the matter to the Audit Committee for review and guidance, which the relevant units must then implement.

- 10.5 If the audit results indicate circumstances reasonably suspected to involve fraud, the head of the internal audit unit shall report the findings along with supporting evidence to senior management for action according to the Company's procedures and inform the Audit Committee.
- 10.6 The head of the internal audit unit must establish a system to follow up on audit report recommendations within 30 days and report the follow-up results to ensure that the audited unit has implemented corrective actions effectively. All audit findings and follow-up results must be reviewed and approved by the head of the audited unit and relevant parties before the report is finalized.

11. Quality assessment

- 11.1 The head of the audited unit shall evaluate the quality of the audit work after each audit is closed in order to make improvements and enhance the efficiency of the processes.
- 11.2 The Chief Audit Executive must develop and conduct internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and progress toward performance objectives.
- 11.3 The Chief Audit Executive must develop a plan for an external quality assessment and discuss the plan with the Board. The external assessment must be performed at least once every 5 years by a qualified, independent assessor or assessment team. The requirement for an external quality assessment may also be met through a self-assessment with independent validation.

This Internal Audit charter is effective from 11 November 2025 onwards.



(Mr. Paitoon Taveebhol)
Chairman of the Audit Committee



(Mr. Bancha Ongkosit)
Chairman of the Board of Directors



(Miss Chayanee Chaidetkhajorn)
Assist Vice President – Internal Audit