

Charter for the Internal Audit
Alpha Capital Partners Group Company Limited

1. Objectives

This Internal Audit Charter was prepared for the purpose of defining mission, scope of work, authority and responsibility of the internal audit department of Alpha Capital Partners Group Public Company Limited (the Company), including the internal audit department within the Company and/or the internal audit professionals that are hired from outside). The purposes of this Internal Audit Charter are to allow the Company's board of directors, sub-committees, executives and employees to gain understanding about objectives, scope of authority and responsibility of those in charge of internal audit as well as to be a source of reference for performing of internal control assessment by the Company's internal auditor. This is to ensure that the Company could fulfil its business missions and objectives effectively and efficiently, that sound and efficient internal control system is established within the Company and that the function of internal audit is performed independently and conforms to the guidelines as prescribed by the Stock Exchange of Thailand and standards of internal audit professional conduct. This will allow the internal audit function to provide support to good corporate governance system within the Company and job performing by the audit committee for the best interest of the Company.

2. Definition

"Internal audit" is the group of activities to provide confidence as well as fair and independent consulting with the aim to add value to and improve business operations of an organization. This would help evaluation and improvement of the Company's risk management procedures, risk control and risk governance on an orderly basis.

3. Mission

The mission of the internal audit is to provide independent and fair consulting and confidence to management to ensure that the Company's business operation is transparent and in line with good corporate governance practices under sound internal control system. This is to ensure that the Company's information system is reliable and it has run business in accordance with applicable rules and regulations efficiently and effectively to add its organizational value.

The function of internal audit plays an important role in helping the Company to achieve the defined objectives by evaluation and improvement of risk management system efficiency and effectiveness, internal control system and good corporate governance system within the organization on an orderly basis. Key missions of the internal audit include the followings:

- (1) To assist the board of directors, the audit committee and management in monitoring of job performing of each relevant department within the Company, subsidiaries and associate companies;

- (2) To evaluate sufficiency, efficiency and effectiveness of internal control, risk management and governance systems of the Company, subsidiaries and associate companies as well as to analyze and provide fair and independent opinion and recommendations to ensure that:
 - Preparation and disclosure of the Company's financial and accounting data is reliable, accurate and timely in accordance with sound corporate governance practices;
 - Operation of the Company conforms to the policy as assigned by the board of directors, applicable rules and regulations as well as the defined operating plans and procedures; and
 - A sound fixed-asset inventory system is instituted.
- (3) To promote operational efficiency within all departments in the Company, the subsidiaries and the associate companies as follows:
 - Enhancement of operational efficiency and effectiveness; and
 - Implementation of mechanisms to prevent potential illegal activities, fraud and leakage.

4. Line of Command

- (1) The internal audit function is under the supervision and shall report directly to the audit committee. Internal audit director shall act as the head of the internal audit function. The Company could hire an outside internal audit professional to act as the internal audit head;
- (2) The audit committee has the authority to appoint, transfer, remove and determine remuneration of internal staffs or outside internal audit professional who acts as the internal audit head in accordance with the Company's policy, business budget and operating plan;
- (3) Head of internal audit shall have the authority to appoint, transfer, remove, appraise job performance of internal audit staffs in accordance with the Company's policy, budget and operating plan after proposing this for consideration by the audit committee and seeking for final approval by the CEO;
- (4) Head of internal audit shall prepare and propose business budget of the internal audit function for final approval by management after a consideration by the audit committee.

5. Scope of Work

The internal audit's scope of work is clearly defined to ensure sound, sufficient and efficient risk management system, internal control and corporate governance procedures are instituted within the Company in accordance with the followings:

- (1) Risk identification, risk evaluation and risk management are appropriately performed;
- (2) Financial, managerial and operational data are accurately, reliably and timely prepared;

- (3) Operation of the Company conforms to applicable rules and regulations;
- (4) Sound and efficient managerial resources and operational asset procurement, with sound asset custody system;
- (5) Efficient and utilization of the Company's assets and resources, with appropriate prevention of fraud and corruption;
- (6) Evaluation of accuracy and reliability of various job functions / systems including IT system security to ensure appropriate and efficient internal control mechanisms are instituted;
- (7) To observe, audit, and review and perform other tasks as assigned by the board of directors, the audit committee, the executive committee or the CEO with the aim to identify potential operational error and fraud;
- (8) To monitor to ensure all projects are completed in accordance with the defined objective (s);
- (9) To monitor to ensure all internal control procedures and activities are continuously improved; and
- (10) If independence of job performing by the internal audit function is impacted, this shall be reported directly to the Audit Committee.

6. Scope of Duties and Responsibilities

The internal audit function shall be responsible for performing of internal audit tasks of the Company in accordance with the Company's policies, reporting internal audit results to the audit committee and providing summary of internal audit results to the CEO. The internal audit shall report internal control and risk management system evaluation results, seek for appropriate corrective actions, liaise with different departments in implementing suggested corrective actions and monitoring corrective action implementation measures. Scope of duties and responsibilities are as follows:

- (1) To define objectives, goals, scope of responsibility and operating guidelines of the internal audit function;
- (2) To prepare and amend the annual audit plan based on the risk-based methodology as well as recruitment plan and annual budget for endorsement by the audit committee and notification by the CEO;
- (3) To evaluate sufficiency of the Company's internal control system to ensure the audit committee and executives that adequate internal control mechanisms are instituted within the Company and risk is appropriately managed;
- (4) To conduct internal control assessment as planned as well as to perform special tasks as assigned by the audit committee and/or management from time to time;

- (5) To report internal audit assessment result and progress in rectifying internal control deficiencies (if any). In case any special arises, the internal audit function shall immediately report this to management.
- (6) To report internal audit assessment result, progress in rectifying internal control deficiencies (if any) as well as necessary recommendations to the internal auditee. The internal audit function shall provide the Company with necessary data analysis, evaluation, recommendation and consulting to the Company in accordance with internal auditor professional standards, especially in terms of adequacy and effectiveness of accounting, financial and operational control effectiveness, to the board of directors, the audit committee and management;
- (7) To monitor to ensure that identified internal control deficiencies are rectified;
- (8) To provide necessary support and data in the area of internal audit and rules and regulations applicable to the Company's operation to the audit committee and management; and
- (9) To conduct an internal audit to ensure that the Company's business operation conforms to anti-corruption policy, operating guidelines, approval authority as well as applicable rules and regulations.
- (10) To continuously develop and provide necessary training to internal audit staffs to upgrade their professional and business knowledge, skill, expertise and capability and to obtain a professional certificate;
- (11) To monitor, examine, supervise and evaluate adequacy of internal control system and mechanisms of each department to ensure that they are in line with the policy to prevent conflict of interest. Such policy shall be reviewed and amended (if necessary) at least once a year;
- (12) To coordinate with outside parties such as the external auditor to achieve the objectives of financial statements auditing and relevant regulatory bodies to ensure internal audit effectiveness and reduction of job redundancy;
- (13) To provide necessary consulting, recommendation and alternative ways in improving internal control system, risk management and good corporate governance practices to management and the internal auditee;
- (14) To provide necessary data regarding rules, laws and issues that may affect the Company's operational effectiveness as well as potential operational deficiencies that may give rise to operational risks to the audit committee and management; and
- (15) To perform other tasks as assigned by the audit committee or management from time to time apart from carrying out the annual internal audit plan.

7. Internal Audit Authority and Independence

- (1) Head of internal audit and audit staffs are authorized and empowered to get access to data, system and relevant staffs for performance of internal audit tasks as necessary and appropriate. Management at every level shall provide necessary supports to aid the internal audit function in performing their internal audit tasks for the best benefit of the Company;
- (2) Documents and data that the internal audit function obtains or acknowledges from their duty performing shall be kept confidential. It shall not be disclosed to any other persons without a permission from management unless being legally required to do so;
- (3) Head of internal audit shall report administrative issues within the internal audit function to the CEO and internal audit results to the audit committee;
- (4) Internal audit activities, scope of internal audit, procedures, timeframe and content of an internal audit report shall be independently prepared and presented to Audit Committee to ensure internal audit effectiveness and to achieve internal audit objectives;
- (5) Head of internal audit as well as internal audit staffs shall not be assigned to perform any other tasks that are beyond the scope of internal audit tasks. They must perform their tasks independently with no potential conflict of interest in the activities they conduct an audit. Thus, they shall not be involved in conducting an internal audit for the business activities they used to work for or involve with within the period of one year prior to internal audit commencement or those the internal audit head deems that their independence in performing internal audit tasks will be impacted;
- (6) Internal audit staffs shall disclose to head of internal audit any issues that may impact their independence in performing an internal audit task. In this regard, internal audit staffs shall report head of internal audit any issues that may give rise to conflict of interest prior to their internal audit commencement.
- (7) An outside internal audit professional shall disclose and report any issue that may give rise to conflict of interest prior to their job performing commencement.
- (8) The internal audit function is allowed to hire an outside internal audit specialist to carry out an internal audit task if necessary.

8. Standards of Professional Conduct

Performing of internal audit task shall be carried out in accordance with standards of practices of internal audit as prescribed by the association of internal auditor. Internal audit staffs shall strictly adhere to ethics of internal auditors.

9. Professional Development

- (1) Internal audit staffs are urged to develop their business and professional knowledge, skill and capability which are necessary for performing their tasks. They are urged to take necessary exam to obtain an internal audit professional certificate.
- (2) The internal audit function will arrange for an internal audit performance evaluation by the auditee using a questionnaire.

10. Reporting and Monitoring of Internal Audit Result

- (1) Head of internal audit or any assigned internal audit staff shall prepare and submit an internal audit report to executives of each internal auditee. A copy of such report shall be sent to the audit committee or the CEO as well.

Head of internal audit or the assigned internal audit staff may prepare and submit a summary of such report which includes a short description of all identified issues and necessary recommendations to resolve such issues, tentative timeframe to rectify the issues as well as other necessary recommendations.

- (2) To prepare and submit an internal audit report which summarizes the identified internal audit issues and recommendations to the audit committee for their endorsement and to the CEO for acknowledgement.
- (3) To prepare an annual internal audit performance report which will be proposed to the board of directors, the audit committee and the CEO.
- (4) In case the internal audit function finds or is suspicious that there is any violation of applicable rules and regulations, operational procedures, notifications or instructions related to the Company's business operation, head of internal audit shall report about this to the audit committee and the CEO.
- (5) In case the internal audit function finds or is suspicious that there is a transaction or action that may materially damage the Company's business or that may give rise to conflict of interest or there is any abnormal transaction or any material deficiency in its internal control system, head of internal audit shall immediately report about this to the CEO prior to proposing about this to the board of directors.
- (6) Internal audit staffs shall monitor progress in rectification of internal control deficiencies.

11. Internal Audit Performance Evaluation

1. The internal audit function shall arrange for an internal audit performance evaluation by the internal auditee every time after the internal audit task is complete.

2. The internal audit function shall arrange for an annual self-evaluation based on the self-evaluation questionnaire as approved by the audit committee. Self-evaluation by the internal audit function must be carried out in accordance with good practices and standards of internal audit professional conduct to ensure their internal audit practices are efficiently and effectively performed. In the meantime, internal audit results are effectively communicated to the CEO and the audit committee.

The Board of Directors considered and approved this Internal Audit Charter in Board of Directors' Meeting No. 7/2022, which was held on 4 November 2022. The Charter for the Internal Audit shall come into force as from 4 November 2022.

A handwritten signature in black ink, appearing to read 'C. Nacson', is written over a horizontal dashed line.

(Mr. Christopher Michael Nacson)

Chairman of the Board of Directors

Alpha Capital Partners Group Company Limited