



## **Charter of the Internal Audit Office**

### **SCG PACKAGING PUBLIC COMPANY LIMITED**

This Charter is made for the purposes of setting the missions, scope of work, authorities and accountabilities including operational guidelines and practices of the Internal Audit Office, SCG Packaging Public Company Limited, and making the Board of Directors, the Management Committee and all levels of employees of SCG Packaging understand in summary of the following issues:

#### **Missions**

The mission of the Internal Audit Office is to foster, safeguard, and protect the value of the organization by providing risk-based assurance in a fair manner and offering suggestions.

#### **Definitions**

Tasks of the Internal Audit Office includes rendering assurance services and consulting services independently and fairly to add value and improve operation of companies in SCG Packaging. The Internal Audit Office contributes business operations in SCG Packaging to meet their defined objectives by assessment and improvement of the effectiveness and efficiency of the risk management system, internal control and corporate governance process by using appropriate method and program.

#### **Duties and accountabilities**

Duties of the Internal Audit Office include the following areas:

##### **Governance, risk management, compliance and internal control**

1. Auditing the financial reports that they are conducted in accordance with Thai Financial Reporting Standard and international as well, having operational process and supporting document correctly, completely, transparently and reliably, disclosing sufficient information in the notes to the financial statements, considering impacts from the changes of accounting standard and selecting accounting policy to the Audit Committee.
2. Auditing connected transactions, acquisition or disposing of assets or transactions probably incurring conflicts of interest to be in compliance with applicable laws and regulations of The Securities and Exchange Commission and the Stock Exchange of Thailand.

3. Assessing the risk management system and motivating companies in SCG Packaging to perform risk management internationally, capable to identify significant risks and manage them efficiently, have appropriate risk index including risk warning signal and auditing the correctness and effectiveness of work procedure, risk management, control, governance and security of information and communication network that they are efficient and comply with international standard.
4. Assessing the efficiency of promotion and building awareness, reviewing risk assessment, internal control, creation of preventive work system, auditing, and providing suggestions for setting forth preventive measures and guidelines, as well as reviewing self-assessment form on anti-corruption measures to be in compliance with governing agents such as Thai Private Sector Collective Action Against Corruption (CAC), Institute of Directors Association (IOD) and the National Anti-Corruption Commission.
5. Auditing work process that it is conducted according to good corporate governance.
6. Auditing control and compliance process according to applicable laws on securities and stock exchange market, regulations, rules and other laws related to the Company's business.
7. Assessing the internal control system to assist the companies in SCG Packaging in conducting their significant business activities with appropriate internal control system to prevent substantial damage and assessing overall internal control system of the audited companies under COSO 2013 internal control framework.
8. Auditing frauds and complaints according to rules and regulations under relevant laws and defining guidelines for remedy and fraud prevention.
9. Defining and developing preventive system and audit method to promote preventive operation of the companies in SCG Packaging for the benefits and value added increasing of the organization by meeting the objectives and targets effectively and efficiently and compliance with the company's rules and regulations, laws on securities and stock exchange market and other relevant laws.

### **Others**

10. Proposing the Audit Committee to consider the appointment of the Company's auditor and its remuneration, coordinate with the auditor for the exchange of information relevant to the audit and meet with the auditor without management at least once a year.
11. Preparing the Audit Committee's Report for the Chairman of the Audit Committee to consider and sign before disclosing in the Company's Annual Report.

12. Proposing the Audit Committee to consider and approve budgets and manpower of the Internal Audit Office.
13. The Director of the Internal Audit Office is responsible to find the independent opinion from other profession advisors in case if it is necessary for the benefits of considering and providing comments to the operation of the Company at the Company's expenses.
14. Arranging for the annual performance assessment of the Audit Committee and its members.
15. Reviewing the Charter of the Internal Audit Office for alignment with the Charter of the Audit Committee and regularly submit the Charter of the Internal Audit Office for the Audit Committee's consideration at least once a year.
16. Any other work as required by laws or assigned by the Board of Directors or the Audit Committee.

### **Scope of Audit**

The Internal Audit Office is responsible to internal audit work in SCG Packaging, its subsidiaries and joint ventures under the management of SCG Packaging. Other companies are audited as assigned by the Audit Committee or the top executives or when irregular circumstances are encountered in order to assure that the risk management system, internal control and corporate governance of SCG Packaging are sufficient, efficient and meet the objectives. Moreover, the Internal Audit Office has contributed to offering all round improvements such as administration control, profit raising opportunity as well as the corporate reputation and image as follows:

1. Identification of risk factors, risk assessment and appropriate risk management;
2. Appropriate and efficient internal audit by:
  - 2.1 Having information on finance, administration and significant operation which are correct, reliable and on time;
  - 2.2 Performing the work in compliance with policies, standards, regulations, including relevant laws and rules;
  - 2.3 Performing the work effectively and efficiently;
  - 2.4 Procuring assets economically and effectively and maintaining them sufficiently.

### **Audit Authorities**

The Director of the Internal Audit Office and the audit officers are authorized and have its authorities to access information, work system and personnel of the Company related to performing the audit as necessary and appropriate. It is the duty of the management at all levels in SCG Packaging to support the work of the Internal Audit Office to meet the objectives of the audit and gain utmost benefits to SCG Packaging.

Any document and information received or known by the audit officers will be kept confidentially and will not be disclosed to any other party without permission from relevant authorized party unless the disclosure is required by laws.

### **Report and Follow-up**

1. The Director of the Internal Audit Office has the duties to control and manage that the audit has been performed according to the audit plan and arrange for the audit reports to be presented to the management of the audited company and present the summary reports to the Management Committee of SCG Packaging and the Audit Committee. As for the administration work, the Director of the Internal Audit Office reports to CFO, SCG Packaging Public Company Limited.
2. The Director of the Internal Audit Office is responsible to define and control the audit result follow-up system and build preventive work system.

### **Independence and Fairness**

1. Performing the audit activities including scope of audit, process, timeline and content of the audit report must be independent from any influence so that the audit performance is efficient and meets objectives and audit plan.
2. The Director of the Internal Audit Office and the audit officers must have neutral attitude, not unfair, not bias and avoid conflicts of interest.
3. The Director of the Internal Audit Office and the audit officers should omit from auditing the work they have been responsible previously. Providing the assurance to the tasks responsible in the previous year of the audit officers could be considered as a cause of fairness deterioration.
4. In case the independence or fairness is deteriorate, the causes of such deterioration should be disclosed in detail as appropriate to concerned parties. The manner of the disclosure depends upon the causes of such deterioration.

### **Qualifications of Internal Audit Officer**

1. Having knowledge, competency, and expertise in operational audit.
2. Having knowledge, and understanding of good corporate governance, risk management, laws, regulations, rules, and orders; having knowledge in control and audit technique in IT is required for IT Audit Officer.

3. Developing knowledge, professional competency, efficiency and quality of internal audit work continuously.
4. Having good relationship, courteous, open-mind, and providing recommendation beneficial to SCG Packaging and in compliance with international standard.
5. Being independent and having no interest in the subject to be audited.

### **Code of Ethics**

Internal auditors must perform their duties in accordance with the Internal Auditor Code of Ethics, comprising:

1. Integrity
2. Objectivity
3. Confidentiality
4. Competency
5. Transparency

### **Standards for the Professional Practice of Internal Auditing**

Internal Auditor shall perform its duties according to the International Standards for the Professional Practice of Internal Auditing.

This Charter has been approved by the Meeting of the Audit Committee No. 4/2022 on September 27, 2022.

**Announced on September 27, 2022.**

*-Signed by-*

**(Mrs. Kaisri Nuengsigkapan)**  
**Chairman of the Audit Committee**