

Internal Control and Risk Management

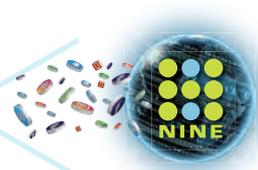
Since the Board of Directors focuses on the internal control system continuously, the internal control then covers finance, practices course, compliance with the applicable laws, rules and regulations. In addition, it includes the effective traceability and balancing mechanisms adequately to protect and safeguard the company's assets. The Internal Audit is responsible for monitoring the performance of the departments to ensure that they perform accurately and precisely in accordance with the regulations. In addition, the Audit Committee is responsible for overseeing and regulating the company's internal control system to comply with the policies and programs assigned by the Board of Directors, and in accordance with the rules required by the Stock Exchange of Thailand (SET), and the Securities and Exchange Commission (SEC).

Directors on internal control

In the Company's Board of Directors' Meeting No. 1/2019, all three members of the Audit Committee attended the meeting on February 13, 2019. The Board of director evaluated the internal control system of the company by asking the management and the audit committee about the Internal control assessment system with Internal Control Framework: COSO 2013 which was reviewed and approved by Audit Committee. Moreover, Audit Committee gain information from internal audit reports to conclude that the internal audit suitably and efficiently as per internationally accepted procedures and standards by reviewing in 5 different aspects as follows:

1. Organization and Environment

The company designates its business goals that are definite and measurable, and reviews the possibility of the goals set forth periodically. Employee remuneration is determined reasonably based on the performance of individual employees each year. The organizational structure includes a division of the line authority explicitly. It also includes the Business Ethics and the Code of Conduct to make sure that all executives and employees adhere as wok instructions in compliance with standard and integrity, including the caring of stakeholders and the compliance with the statutory provision which is bound to all employees strictly.



2. Risk Management

The company assesses the potentials risks that may affect its operations. The Board of Directors' Meeting consists of Chief Executive Officer/Managing Director, Senior Director, and the related Line Directors. Risk management includes evaluating the risks factors and consequences that may arise, including planning, implementation and monitoring of operations.

3. Operational Control

The company has established policies and procedures for different units of works, including financial transactions, purchase and hiring, and general administration. It is responsible for assigning in writing the authority and limits of approval of the different levels of the executives clearly. The duties on bookkeeping, information, and safeguarding of assets are separately apart. On the approval of the transactions of the company and the shareholders, directors and related parties, the company is aware of the best interests of the company and is considered as transactions made with the outsiders.

4. Information and communications

The company provides information technology and communication channels, both inside and outside the organization as appropriate, so that all parties involve can receive the information accurately, completely, timely, as well as the adequate important information that can be used to support a decision-making.

5. Monitoring System

The company has pursued on monitoring and the internal control regularly. The Internal Audit Department monitors and reviews the performance of employees in the different departments, and reported to the Board of Directors and executives, and if the defects are identified significantly, it shall be reported and take corrective action within a reasonable period.

Chief Internal Auditor

Mr. Yutthapol Charoenrat is Chief Internal Auditor; the Audit Committees agreed that the Chief Internal Auditor must be qualified to perform the functions effectively because he is knowledgeable, skillful and experienced to carry on auditing functions, with well-understanding of the activities and operations of the company. Besides, in the case of the appointment, removal and transfer of the Chief Internal Auditor, it must be approved by the Audit Committees.