

The Charter of Internal Audit
Global Power Synergy Public Company Limited

In order to ensure the independence of audit activity, to conform the practical guidelines, and also follow the requirements of The Security Exchanges of Thailand's policy (SET), as well as to be the practical standardize in the area of Internal Audit to fully efficiently support of "The Audit Committee (AC) of Global Power Synergy Public Company Limited", there are the charter shaped the Internal Audit agreement as following matters:

- Item 1 This charter is titled as "The charter of Internal Audit"
- Item 2 This charter is effective from 13 July 2017 onwards
- Item 3 "The charter of Internal Audit of Global Power Synergy Public Company Limited Announced Date on 27 November 2016" is cancelled

Chapter 1

General Provision

- Item 4 In this charter
 - "Company" means "Global Power Synergy Public Company Limited"
 - "The Board of Directors" means "The Board of Directors of Global Power Synergy Public Company Limited"
 - "The Audit Committee" means "The Audit Committee of Global Power Synergy Public Company Limited"
 - "Chief Executive Officer (CEO)" means "President and Chief Executive Officer of Global Power Synergy Public Company Limited" or Deputy Director acting President and Chief Executive Officer and including the person whom assigned authority by President and Chief Executive Officer
 - "Management" means "The Management of Global Power Synergy Public Company Limited whom ranked as the second authority next to President and Chief Executive Officer" such as middle manager upwards
 - "Officer" means "Officer and employee during probation of Global Power Synergy Public Company Limited"
 - "Internal Audit" means "The responsibilities formed by Global Power synergy Public Company Limited's committee to create the highest company's confidence and credibility in term of the

process of internal control activity, corporate governance, risk management, and governance control system. With sufficient knowledge and experience, The Audit Committee would contribute to the governance of business being the fairly consult and freely resolve the matter issues for enhancing company's highest value. It acts as the important matter that can drive the operational procedure to achieve company's goal dramatically"

"Auditee" means "A group of department categorized by Global Power Synergy Public Company Limited including a group of Subsidiary company, joint venture company, and/or other related companies"

"Chief of Auditee" means "The supervisor of auditee section"

"Internal Audit Department" means "Corporate Internal Audit of Global Power Synergy Public Company Limited"

"Chief of Internal Audit" means "The supervisor of Internal Audit department of Global Power Synergy Public Company Limited"

"Internal Auditor" means "Officer of Corporate Internal Audit who is responsible in scope for internal audit"

"Assurance Service" means "To fairly audit and review the evidence and assessment independently in governance procedure, risk management, and organizational internal control; particularly with the financial credibility, operation procedure, the security system, and the mission of making due diligence"

"Consultancy Service" means "The mission in giving advisory and guidance service for client and the scope of service will be discussed and made agreement together with clients. The main objectives are to add value of and improve the hole of risk management, internal control, and governance control with no bond as the management authority"

"Conflict of Interest" means "Any operational processes or relationship that causes company's loss of profit due to the operator who lacks of impartial and unfair in duty"

Item 5 Chief of Internal Audit should keep regulation in shape of charter and perform as the following matters:

5.1 issue the way of administrative and management by follow this charter

5.2 analyze the occurred problem according to this charter

Item 6 Internal auditor while performing should meet the Internal Audit regulation sharply

Chapter 2

Ethics of Internal Auditor

Item 7 Internal Auditor must hold the ethics of license for Internal Audit to ensure compliance's confidence and fairly in all processes; risk management, internal control, and governance control. For shaping fairness, Ethics contains 4 key factors:

7.1 Integrity

All of Internal Auditor must have their integrity in the area of audit to create people's trust and to be get highest reliability

7.1.1 work with integrity, diligent, and responsibility

7.1.2 work by legal and expose information as any rules, regulations, and profession identified

7.1.3 not be relevant with any actions which is illegal or not be demoralizing related organization or profession

7.1.4 respect and support the legal intention and work ethics of organization

7.2 Objectivity

Internal Auditor must show their objectivity as professionally in the field of assessment and public communication. Any activities or process should be audited by auditors themselves with formally neutral and with no justification. As well as, working with no third party to interfere or out of control

7.2.1 Internal Auditor should not have any association that affects their mind morality partial or biased as the result of organization conflict of interest

7.2.2 Internal Auditor should not allowed to accept any bribery that might influence the judgment or conduct of auditor in the position of trust

7.2.3 All the facts and information need to be exposed by auditors, if not, the audit report would be distorted the truth

7.3 Confidentiality

Because of accepting input information from any resource, Internal Auditor will show respect people's value and right, and will keep information in secret for unauthorized power to expose Unless, the legal or profession is identified other practice

7.3.1 Cautiously analyze and maintain the input data during in process

7.3.2 The input data are not allowed to use for personal interest or any method which break the rule or do against the legal objective and company's policy

7.4 Competency

Internal Auditor apply well-round knowledge, useful skill, and essential experience for internal audit practice; otherwise, those who are unknowledgeable and incompetence have not the permission to operate in the scope of audit work. Unless, those will be given useful advises or be shaped in competence good enough for operate.

7.4.1 operate activity or subject in the part of having knowledge and having previous experience

7.4.2 operate with holding universal standard practice of internal audit profession, additionally holding the procedure of internal audit as the main point

7.4.3 develop proficient skill and process, efficient result and high-quality of work continuously and frequency

Chapter 3

Scope of work, Capability and Responsibility

Item 8 Internal Audit Department is responsible for auditing process of company, subsidiary company, and/or related company

Item 9 Internal Audit Department is responsible for

9.1 set objective, goal, scope of work, and practice work including manpower plan and annual budget for internal audit department

9.2 create annual audit plan of next fiscal year/calendar year and long-term audit plan and proposed to Audit Committee for consideration. As well as operate according to annual audit plan that be approved by Audit Committee

9.3 Auditing control

In order to build company's reliability along with company's goal, auditor would be responsible in all process as follow:

9.3.1 review efficient and effective good corporate governance, risk management, and internal audit control in order to evaluate company's value and performance as well as to create appropriate company's culture

9.3.2 review correctness and reliability of financial and non-financial report, legality, policy, announcement, article of association, article of corporation, including related information technology

9.3.3 examine conflict of interest list, possibility of corruption, and evaluating effectiveness of organization management in part of risk management that might have possibility of internal corruption. It might include the risk in operational level of procedure as well.

9.4 Risk management

9.4.1 assess risk, internal control, good corporate governance, and all kind of audit that is the result of third party action. Additionally, check correctness and effectiveness of information about financial report and internal control

9.5 Governance Processes

9.5.1 review code of conduct for business, executive manager, and staff

9.5.2 corporate with governance organization department, risk management department, and internal audit department in order to propose significant issue to Audit Committee

9.6 Responsibility for other organization

In order to give any advises of good governance processes, risk assessment, internal control, internal audit, and operational control for other company such as subsidiary company, joint venture company, or related company, Chief of Internal Audit has to create action plan, report, and collect all documents involved in summary and comment of work procedure entirely. Additionally, has to set the role and responsibility of each department clearly, it is useful to make general commitment about functional identification of each audit teams, if it is possible

9.7 Consultancy service

Internal Audit plays a role of consultancy for Audit Committee, Management and Auditee in term of good corporate governance, risk management, and internal control

9.8 Support internal audit department of subsidiary company, joint venture company, and other related company in the way of practice and operation as the same line as parent company. Regularly, internal audit department should arrange the meeting for discussion in plan, knowledge exchange, and corporate internal audit with other department of subsidiary company, joint venture company, and other related company

9.9 Consideration relevant complaints channel for reporting to Audit Committee

9.10 Responsibility for other duties that be assigned by Management along with Audit Committee' approval; hence, it should not affect inefficient and ineffective in scope of internal audit
Item 10: to achieve Internal Audit's objective and engagement. Furthermore, Internal Auditor has right to audit as following:

9.10.1 Accessibility to meet source of information, asset, and staff which is sufficient to audit as scope of work and identified obligation, including database in computer system

9.10.2 Freely meet up with Audit Committee

9.10.3 Pick up some issues and shape scope of audit and also find appropriate technique to audit in order to achieve audit's goal

9.10.4 That additional manpower support for auditing and other services both internal and external organization is to encourage Internal Auditor area with effectiveness and efficiency

If unexpected case occurs, Chief of Internal Audit has authority to hire external audit expertise to work for auditing in company, subsidiary company, joint venture company, and/or related company; However, employment process should be follow organization practical policy

9.10.5 Internal audit has right about information requirement, description or explanation, and document submission from auditee

Chapter 4

Independence and Objectivity

Item 10 Internal audit department needs to report auditing process to Audit Committee and report administrative management to Chief Executive Officer

Item 11 Internal Auditor must not carry out audit job if it might affect independence of Internal Auditor i.e

- Internal Auditor become part of administrative management or was officer of Auditee in the last one year
- Internal Auditor has any relevant in business relationship with auditee, such as customer, partner, creditor/debtor , including has any conflict of interest direct and indirectly in financial and administrative that might have conflict and impact to Auditors' independence
- Internal Auditor is relatively and has other relationship connection with Management and officer of auditee which might impact auditor's independence

Item 12 Be assigned by Management to operate organization within management team and project management team, internal audit must be specified the role as consultancy for advising about internal control. This is to ensure that it will not influence Internal Auditor's independence and objectivity

Item 13 Be assigned by Management to have other operational responsibility, Chief of Internal Audit must be considered and approved by Audit Committee or another committee which is formed for

consideration of independence and objectivity. This is to ensure that it will not influence independence and objectivity of Internal Auditor

Item 14 In case that any constraints might affect unsuccessful purpose of audit plan and activity, Chief of Internal Audit need to prepare written report in order to explain detail of constraints directly to Audit Committee

Item 15 Internal Auditor will report such an impact that might affect independence and objectivity, as well as report conflict of interest to senior management proceeding audit fieldwork for assurance any complaint review or corruption occurrence that may affect company

Item 16 If External Auditor examine and evaluate for assurance, any complaint review or corruption occurrence that may affect company as well as exposure conflict of interest, they must limit scope and objective of audit plan specifically

Chapter 5

Professionalism and Guidance Principles

Item 17 Internal Auditor must have efficient knowledge, skill, and other essential competency as assigned activity. To achieve mission of internal auditing and to be professionalism need to follow the guidance as follow:

17.1 Chief of Internal Audit will ask for any advisory or collaboration within expertise in company in order to considerate external expertise to assist internal auditing in specific area in case that Internal Auditor becomes inadequate or under-qualified

17.2 Internal Auditor must have efficient knowledge and capable of examine and evaluate the level of risk that might occur corruption as well as of control information. However, it is not necessary that Internal Auditor must be expert as responsible officer

17.3 Internal Auditor must deny any relevant to giving advisory or asking for advisory in case that Internal Auditor is lack of knowledge and capability in consulting and advisory mission, no matter partial or all of mission.

Chapter 6

Quality Assessment

Item 18 Internal Auditor will have arrangement for quality assessment from auditee after exit meeting based on audit activity in order to continuously improve and develop auditing system become more efficient

Item 19 Internal Auditor will have annual arrangement for self-assessment as approval of Audit Committee, Good Corporate Governance and conforming with the Definition of internal auditing and the Standards. This is to ensure that audit activity remain efficient and effective as organization's state goals and objectives. In addition, Reporting Management and Audit Committee for the result of assessment, matters, or obstacle, including reviewing audit plan

Item 20 Internal Auditor will have arrangement auditing management assessment and audit activity assessment from expertise who is external and independent at least once in five years. Then, Reporting Management and Audit Committee for the result of audit assessment

Chapter 7

Annual Audit Plan and Long Term Audit Plan

Item 21 Chief of Internal Audit has responsibility to engage annual audit plan and long term audit plan based on corporate risk-based profile. The internal audit plan will be identified auditing process ,assessment of efficiency and effectiveness about Corporate Governance, risk review and adjust the plan, as necessary, in response to changes in the organization's business, risks management and internal control system

Item 22 Internal Auditor will consult audit plan to Management for additional recommendation and manpower, then report audit plan to Audit Committee for review and approval at fiscal year of company and propose audit plan to The Board of Directors for information orderly

Item 23 Internal Auditor need to review audit plan during the year based on environment changing and corporate risk. Chief of Internal Audit will review and adjust the audit plan annually as appropriate and then report to Audit Committee for approval and to The Board of Directors for information

Chapter 8

Manpower Development and Training

Item 24 Chief of Internal Audit will consider resource requirement and qualification of Internal Audit position be comparing with scope of work and number of auditing tasks

Item 25 Chief of Internal Audit has authorized to nominate appoint dominate and removal, including internal audit fee conforming with company policy and requirement

Item 26 Chief of Internal Audit will strongly support and encourage Internal Auditor in order to develop its knowledge, skill and competency by anticipating and joining seminar course and training continuously

Chapter 9

Relationship with Audit Committee

Item 27 Chief of Internal Audit must meet every meeting of Audit Committee unless some circumstance that might not have permission

Item 28 Chief of Internal Audit must report the result of auditing activity directly to Audit Committee at least once per quarterly

Chapter 10

Relationship with Management, External Auditors and Governance Organization

Item 29 Chief of Internal Audit will cooperate with Management, Risk Department, Chief of Auditees, External Auditor and other relevant Governance Organization in order to set out audit plan and to cover all risk appetite of company that will reduce redundancy in auditing process

Chapter 11

Planning and Auditing Process

Item 30 Internal Auditor follow and perform auditing work as annual audit plan by using a risk-based methodology that pass Audit Committee approval. There are steps of Auditing process as follow:

- 30.1 Set out role of each Internal Auditor and timeline of auditing process
- 30.2 Conduct initial information and data base
- 30.3 Assess risk-based methodology at activity level in order to lay out scope of auditing and audit program

Chapter 12

Audit Report and Follow-up Issues

Item 31 Constraints of Prepare and report audit finding as follow:

- 31.1 After audit process is finished, Internal Auditor must present audit finding to Chief of Internal Audit in order to inform issues. Then, Internal Auditor arrange meeting to summary the

issues that be found and invite Management and other relevant auditees for exchange idea, audit confirmation and finding solutions together including recommendation of corrective action

31.2 Prepare and report audit finding to Management after exit meeting within scope of audit timeline. A written report will be expose the finding and fact and include scope of audit work, specific finding, corrective action taken, recommendation of auditors and management's response

31.3 Prepare by summarizing key audit issues and recommendation of auditors and report to Audit Committee for approval at least once per quarterly, then audit result will be also communicated to The Board of Directors

31.4 Prepare result of annual auditing process to present Management, Audit Committee and The Board of Directors

Item 32 In case when Internal Auditor has detected any unusual action against regulation, policy, norm, declaration, or official letter of company, Chief of Internal Audit will consider to report and inform Audit Committee and also communicate with The Board of Directors orderly

In case when Internal Auditor has detected any unusual action that might has an impact to company or any unusual internal control, Chief of Internal Audit immediately report and inform Audit Committee and also communicate with The Board of Directors orderly

Item 33 Internal Auditor must specify follow-up system on engagement findings and recommendation and it will also be reported to Audit Committee for information once as per quarterly. This is to ensure that Management realize audit finding and take corrective action effectively or they might accept risk level by untaken auditors' recommendation. However, follow-up issues should be examined by main responsible auditees and Internal Auditor before being reported

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Chairman of Audit Committee