

WINNERGY MEDICAL PUBLIC COMPANY LIMITED

Charter of Internal Audit

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1. Objective of This Charter

Winnergy Medical Public Company Limited (“**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) are aware of the importance of complying with the principles of good corporate governance and for the Company's directors, as well as executives and employees at all levels of the Company to understand the objectives, roles, duties, and responsibilities of the Internal Audit Department of the Company. This also includes the operational guidelines of the Internal Audit Department of the Company in evaluating efficiency and adequacy of the internal control system, corporate governance, risk management system, and enhancement and development of the Company's work system for efficiency, along with supervising the operations of the Group to achieve the goals and for maximum benefit to the Group.

The Internal Audit Department aims to assist employees at all levels of the Group to be able to perform duties efficiently and effectively, as well as supporting the establishment of an appropriate, sufficient, and efficient internal control system, with improvements to continually increase operational efficiency by analyzing, evaluating, suggesting, and advising to support the operators at all levels of the Group.

2. Description

Internal Audit” means a fair and independent review of the management system within the Assurance Services and Consulting Services to add value and improve overall organizational operations and help the Group to achieve their objectives by evaluating and improving the effectiveness of the risk management process, system control, and systematic supervision.

“Review” means a review or inspection of operations, procedures, conditions, events, or transactions.

“**Group**” means Winnergy Medical Public Company Limited and its subsidiaries.

“**Audit Committee**” means the Audit Committee of the Company.

“**Independence**” means the freedom in performance of duties, expressing opinions, or reporting freely according to the assigned missions without regard to any interest in relation to property or position, and not under the influence of any individual or group of individuals. This includes not having any situation that will force an individual the inability to perform his/her duties and express opinions as he/she should, as well as the definition as stipulated in the Audit Committee's Good Practice Guidelines established by the Stock Exchange of Thailand, Item 5 on Independence.

“**Company**” means Winnergy Medical Public Company Limited

“**Internal Auditor**” means an employee under the Internal Audit Department which is responsible for the internal audit of the Group.

“**Executive**” means the Chief Executive Officer, or the person holding the first four positions after the Chief Executive Officer, and shall include persons holding management positions in the accounting or finance at the level of department manager or equivalent.

“**Internal Audit Department**” means the unit responsible for internal audit of the Group.

“**Head of Internal Audit**” means the person in charge of the Internal Audit Department of the Group.

“**Audited Unit**” means a unit according to the organizational structure of the Group that the Internal Audit Department performed an audit.

3. Objective of Internal Audit

- 3.1 To focus on reviewing and assessing the adequacy of the internal control system of the Group's operating processes by providing suggestions and consultations that are beneficial to the operation process of the Group at all levels so that they can perform their duties effectively, as well as encouraging the process of Good Corporate Governance.

3.2 To provide reasonable assurance that significant risks are identified and assessed to lead to a good internal control system, under the economical and cost-effective use of resources in accordance with the target policy of the Group.

4. **Line of Authority**

In the practice of internal auditing, the Internal Audit Department reports directly to the Audit Committee, and in the practice of general administration, the Internal Audit Department reports directly to the Chief Executive Officer of the Company.

5. **Scope of Work**

The Internal Audit Department of the Company has a scope of work to ensure that the risk management system, internal control system, and the corporate governance process of the Group have been provided sufficiently, efficiently, and in accordance with the intended purpose in the following matters:

5.1 **Operating Audit** is the inspection of plans and projects of the Audited Unit according to the purpose and targets or work standards set with efficiency, effectiveness, and economy. The output and results are in accordance with the objectives and goals from the appropriate indicators, considering the sufficiency and the effectiveness of activities, risk management, and internal control of the Audited Unit.

5.2 **Financial Audit** is a verification of the accuracy and reliability of various financial data and figures, along with accounting and financial reports, which covers the protection of assets and evaluate the adequacy of the internal control system of various work systems to ensure that the information recorded in the accounts, reports, registers, and other documents are accurate and complete and are verifiable, sufficient to prevent leakage, or loss of various properties.

5.3 A **Compliance Audit** is an inspection of the operations of various departments within the organization whether they comply with both external and internal requirements such as laws, regulations, orders, standards, policies, plans, and methods according to the resolution of the Board of Directors.

- 5.4 **Information Technology Audit** is performed to ensure the accuracy and reliability of work systems and data obtained from computer processing, including data access systems for improvement, and data security including cybersecurity.
- 5.5 **Management Audit** is an inspection of various aspects of management of the Audited Unit that there is a management system for planning, control, evaluation, and performance related to budget management, financial management, supplies and property management, including management in various areas that are appropriate and consistent with the mission of the Company in accordance with the management principles and principles of good governance in terms of trust, responsibility, fairness and transparency.
- 5.6 **Investigate special cases related to Internal Audit as assigned by the Board of Directors and the Audit Committee** in addition to what is specified in the annual Special Audit, for example, in case there is a reasonable suspicion that there will be misconduct that has occurred or acts that imply corruption, violation of the law, then the investigation will be performed to obtain preliminary information for consideration of the actions of those directly involved.

6. **Rights, Duties, and Responsibilities of the Internal Audit Department**

6.1 Rights of the Internal Audit Department

- (1) The Internal Audit Department is free to audit as it sees fit in accordance with the professional practice of internal auditing.
- (2) The Internal Audit Department has access to information, documents, assets, and employees of the Group in connection with the performance of the audit as necessary and appropriate to support internal audit purposes and have the right to request the audited unit to provide information and clarifications on the matter undertaking the internal audit.
- (3) The Internal Audit Department has the right to treat all documents and information received during the audit with prudence, the same done by the responsible officer.
- (4) Employees and executives of the Group must cooperate in activities related to auditing, providing information, answering clarifications, and providing relevant documents to internal auditors upon a reasonable request from the Internal Audit Department.

6.2 Duties and Responsibilities of the Internal Audit Department

- (1) Prepare the Annual Internal Audit plan by considering the Risk-based Methodology to present to the Audit Committee for approval, including regularly presenting the audit results and audit activities.
- (2) Inspect the performance of all departments within the Group to achieve the plan and consider whether they have been operated according to the plan, policy, goals, objectives of the organization, and related regulations and laws. This includes giving advice that can improve work efficiency, as well as following whether improvements have been made in accordance with the above recommendations and performing auditing under special projects assigned by the Company's management and/or requests or orders of the Audit Committee.

However, the Internal Audit Department does not have the authority to set policies, work protocol, and internal control system or modify the internal control system. This duty is under the responsibility of the relevant executives. The internal auditor's duty is only to give advice.

- (3) Formulate goals, directions, missions, scope, and guidelines for internal audits to support administration and operations in various fields of the Group to be consistent with the direction, mission, goals, and policies of the Company, as well as the suggestions or opinions of the Audit Committee. This includes the Company's budget system.
- (4) Coordinate with audited units for the executives of the units to be audited participate in providing information and suggestions to make the audit results useful, including following on inspection results whether it complies with the recommendations in the audit report and giving advice to the executives of the audited units. This is to make improvements of the audited unit according to the recommendations in the audit report of the internal auditors to continuously enhance quality of the management and improve efficiency of the operational processes.
- (5) Once verification is complete, the Head of Internal Audit Department must arrange a closing meeting to summarize the audit results with the executives of the audited units (Exit Conference) to clarify, discuss, or exchange opinions on facts and flaws audited, including

corrective measures before presenting in the audit report to the Chief Executive Officer and the Audit Committee.

- (6) Evaluate the risk management system and the adequacy of the internal control system of the audited unit, covering the related information technology systems to suggest measures, internal control, and appropriate risk management. This is to add value and improve the operation of the audited unit, for example, by improving the operational process to maximize the use of limited resources, etc.
- (7) Investigate the companies of the Group to effectively comply with the Anti-Corruption Policy and prepare an internal audit plan to cover processes that may pose a risk of corruption to ensure that the Company's internal control is effective, as well as promoting and raising awareness on risk assessment, creation of a preventive work system, and inspection.
- (8) Prepare an audit report by describing the purpose, scope of inspection, flaws under inspection, important risk issues, including suggestions and guidelines for improvement that can be implemented, and present such report to the Audit Committee for acknowledgement and opinion.

Moreover, from time to time, if there is a discovery that affects the Group and there is an urgent need, the Head of Internal Audit Department may be required to make a verbal report or submit only part of the report first, for the Audit Committee and the Board of Directors to be informed and order for corrections before more losses would be incurred.
- (9) Support operations and provide necessary information to the Audit Committee and the Company's management in relation to auditing.
- (10) Follow up on the implementation of the recommendations in the audit report and liaising with the audited unit as well as giving advice on the corrections.
- (11) Provide consulting services by giving advice which are generally available upon request of a specific client. The nature and scope of the consulting service will depend on the agreement with the client. In providing consulting services, internal auditors must exercise reasonable professional prudence in performing their consulting activities, maintain fairness, and not take the role of the executives or decision-makers.

- (12) Develop personnel of the Internal Audit Department in terms of knowledge, skills, expertise, and other abilities necessary to sufficiently perform their assigned duties, both on professional and business context, including support for related professional certification.
- (13) Perform duties with independence, fairness, honesty, knowledge, ability, expertise, and prudence as a professional, including displaying good relations and communication skills, good attitude towards colleagues and audited units, as well as being responsible for self-development in continual learning to have sufficient knowledge and ability to perform accordingly.
- (14) Perform other activities as assigned by the Company's Executive Board, the Company's Chief Executive Officer, and/or the Company's Audit Committee.

7. Code of Conduct for Internal Auditors

Internal auditors must perform their duties by adhering to the ethics of professional internal audit practitioners, as they have been entrusted with fair conviction in risk management, control, and governance. These ethics consist of four main elements as follow:

7.1 Integrity

All internal auditors must show integrity in the performance of their duties, which is the basis of building confidence and trust in all activities performed by internal auditors and make their judgment reliable with the following principles of practice:

Practice

- (1) Perform their duties with integrity, diligence, and sense of responsibility.
- (2) Obey the law and disclose information as required by law and profession.
- (3) Respect and support the legitimate and ethical objectives of the organization.
- (4) Do not intentionally engage in activities that are against the law or conduct that could be detrimental to the profession of internal auditing or the organization.

7.2 Equity

Internal auditors must demonstrate professional equity in gathering, evaluating, and communicating information about activities, or audited processes. Internal auditors shall evaluate relevant situations objectively, impartially, and without prejudice or other person who has influence over the assessment. The principles of practice are as follows:

Practice

- (1) Does not participate in activities or any relationship that may lead to a conflict of interest or deteriorate the performance of duties as assigned fairly.
- (2) Disclose important facts which otherwise may cause the audit report to be distorted or conceal illegal acts.
- (3) Gather information, assess relevant situations objectively, impartially, and without participation in deteriorated activities or relationships.
- (4) Does not accept any compensation that may cause injustice in the use of professional judgment.

7.3 Confidentiality

Internal auditors are those who respect their values and the rights of the information they have been informed of and must not disclose information without authorization from the authorized person directly designated by the Company unless otherwise required by law or professional practice. The principles of practice are as follows:

Practice

- (1) Respect the value and rights of the owners of the information they received and do not disclose information without proper authorization.
- (2) Be cautious in using and maintaining information obtained during the performance of duties.
- (3) Does not seek benefits from the information obtained from performing duties for personal benefit or for any purpose that is against the law or contrary to legitimate purposes and ethics.

7.4 Competency

Internal auditors must apply the knowledge, skills, and experience necessary to perform internal auditing tasks. The principles of practice are as follows:

Practice

- (1) Perform their duties using the knowledge, skills, and experience necessary to perform auditing.
- (2) Perform duties with care and prudence as a professional should do.
- (3) Continuously develop their potential, expertise, efficiency, effectiveness, and quality in performing their duties.

8. Independence and Equity

8.1 Auditing activities, scope of the audit, procedures, duration, and content of the audit report must be independent of any other influences to perform the auditing efficiently, achieve goals, and comply with the audit plan that has been set.

8.2 The Internal Audit Department is independent from any entity other than the internal audit function. The internal auditors are free to express opinions and report with fairness according to the standards for the professional practice of internal auditing. They must not be involved in the day-to-day operations and avoid participating in activities related to the work to be audited, since this may affect the independence and honesty in the performance of the Internal Audit Department. **Internal auditors must not have direct responsibility or authority for any activity within the engagement being reviewed.**

8.3 Internal auditors must have an impartial attitude in performing their duties based on justice, impartiality, equity, and avoiding conflicts of interest.

8.4 In order to promote and support the increase in risk awareness and control, internal auditors should be involved in new product development and operational processes. But to enable internal auditors to maintain their independence and objectivity, while participating in any meeting, internal auditors

are limited in their capacity as consultants only and must not endorse the risks and risk control systems which are the direct responsibility of the respective management departments.

9. Standards for the Professional Practice of Internal Audit

The work of the Internal Audit Department must comply with the internal audit profession standards of the Association of Internal Auditors of Thailand, and employees of the Internal Audit Department at all levels must maintain their conduct and performance by adhering to regulations and company policy and complying with international standards for the practice of internal auditing profession as well as the code of conduct of internal auditors.

10. Reporting of Inspection and Tracking of Results

- 10.1 The Head of Internal Audit or the person assigned must prepare an internal audit report for each audit to present to the executives of the audited units, including sending a copy of the audit report to the Audit Committee and the Executive Committee of the Company to acknowledge and provide opinions.
- 10.2 By reporting the above inspection results, the Head of Internal Audit or the person assigned may summarize the statement or guidelines for resolving issues in the findings and reviewer's suggestion, including determining the period for complete correction/improvement, including any clarifications for any recommendations not specified. Employees of the Internal Audit Department at all levels must follow the results of the audit on important aspects of the findings and recommendations within a reasonable period.
- 10.3 Important observations detected and summary of inspection results, including issues that cannot be resolved within the time specified in the audit report will be presented to the Chief Executive Officer, Audit Committee, and the Board of Directors.

11. Revision

The Internal Audit Department will review and assess the adequacy of this charter every year, and if it is deemed appropriate to make changes, it will be presented to the Audit Committee for approval.

This Charter of Internal Audit has been approved by the Audit Committee Meeting No. 5/2022
on 9 November 2022 and is effective from 9 November 2022 onwards.

Announced on 9 November 2022

(Mrs. Kwantieda Wattanaworakijkul)

Chairman, Audit Committee

Winergy Medical Public Company Limited

(Mr. Nanthiya Darakananda)

Chairman, Executive Committee

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