

9. Internal Control and Related Transactions

9.1 Internal Control

Internal Control and Risk Management

I.C.C. International Plc. adheres to teamwork spirit, based on transparency and good corporate governance, which have been the company's management philosophy for many years. This has proven to be one of the key factors in maintaining effective internal control systems.

The Audit Committee attended and reported the audit result to the Company Board of Directors at the 12/2564 Board of Directors Meeting on 18 February 2022, whereby the Board assessed the corporate internal control system on the basis of information from corporate management and the auditors' report. A summary of the findings concluded that in the assessment of the corporate internal control system which consists of the five elements: control environment, risk management, control measures, information technology and communication and monitoring, the board concurred with the opinion of the Audit Committee that the corporate internal control system is adequate and appropriate.

Chief of Internal Auditor

Since 2004, the company has appointed an outside party, Dharmniti Internal Audit Co., Ltd., as consultant to oversee the quality of internal auditing and control, in the interests of self-improvement and in response to the ever-changing internal and external environment. Dharmniti Internal Audit Co., Ltd. has assigned Miss Somcharee Kawkomdee as an internal auditor.

The Audit Committee has scrutinized the qualifications of Dharmniti Internal Audit Co., Ltd. and Miss Somcharee Kawkomdee and found that they are suitably qualified for this task because of their independent standing and 12 years of experience in internal auditing of businesses with the same nature as the company's.

Detail of Internal Auditor Chief as in the attachment 3 page 202 in this from 56-1 One Report

For better efficiency in auditing, the company has mandated that the internal auditor coordinate with the Secretary of the Audit Committee who is responsible for the Internal Audit Unit, reporting directly to the Audit Committee on a quarterly basis.

Dharmniti Internal Audit Co., Ltd. has coordinated closely with the company's Internal Audit Unit to submit and discuss the audit results with the President and Executive Chairman before reporting in writing to the Audit Committee every quarter. This is aimed at exchanging views and opinions for further internal audit works especially the issues regarding the control of sales management to ensure consistency and promotion of the company's business which has become more diversified and complicated. Emphasis continued to be placed on development of information technology in support of internal auditing process in line with the company's business development plan according to the new Enterprise Resource Planning (ERP) and the Paper Usage Decreasing Plan. For operations in 2021, Dharmniti Internal Audit Co., Ltd., as the company's internal audit consultant, reported that I.C.C. International Plc. had adequate and appropriately effective Internal Control Systems.

Organization and Environment

The company's organizational nature and environment enable management to implement actions efficiently and effectively, with clear set objectives in business operations, whereby performance can be clearly followed up and evaluated and managed on the basis of good corporate governance and fairness, mainly taking into consideration fairness to customers.

Risk Management

The Risk Management Committee, comprising Mr. Amorn Asvanunt as Chairman, and Mr. Thamarat Chokwatana, Ms. Munchusa Terapongpipat, Ms. Yauwaluk Namakorn, Mr. Yothin Suvannakate, Mr. Viritpol Chaithavornsathien, Jerapat Charoenchaikorn Ph.D. as members, and Mrs. Duangrudee Milintanggul as member and secretary, reported progress in risk management for the Year 2021 to the Audit Committee.

In 2021, the Accounting & Finance Division and the Information Technology Division already proceeded with systems modification of the Enterprise Resource Planning (ERP) in the application of the improved work process as database in further top-up for the effective and efficient usage of the new ERP system according to risk management evaluation in order to improve efficiency and effectiveness of the company's work processes, core operation systems, which covered strategic, operational, as well as fraud and corruption risks in order to enhance the company's preparedness in the face of changing internal and external situations, as well as in line with shifting competitive and marketing trends, with the objective to bolster sustainability of its business. Moreover, improving work system regarding the personal data control has also added into consideration in order for the Company to comply with Personal Data Protection Act which will become effective in 2022.

Control of Administrative Operations

I.C.C. International Plc. provides a clear and written delegation of authority and financial approval limit for each level of the management. In conducting transactions with major shareowners, directors, management executives or other related parties, the company has adhered strictly to the official procedures and regulations.

For clarity of personnel's legal obligations, the company has issued sets of regulations for strict adherence by employees in accordance with the corporate rules and related laws concerning corporate governance policies, business ethics and employee ethics.

The Audit Committee, together with the Vice President of Accounting and Finance, have carefully scrutinized on the basis of transparency twenty-one inter-related transactions, including the anticipated benefits in line with market situation and conflicts of interests of related parties, prior to proposing them to the Board of Directors for approval.

During the year, the Board of Directors developed the policy that management report periodically through executive summaries on significant and binding transactions that were carried out by authorized staff, with a view to fostering good corporate governance and providing better risk management.

Whereas the Company has announced its intention to become a member of the Private Sector Collective Action Coalition against Corruption: CAC and has been renew certified as member of Thailand's Private Sector Collective Action Coalition against Corruption on 4 November 2019. It is noted that in 2021, the Company has not received any complaint or report of any alleged or suspected acts of corruption via any of the channels provided.

Furthermore, the Board of Directors and the management team have motivated and enforced the operational discipline of employees in compliance with legal and regulatory procedures, as well as the principles of good corporate governance as stipulated by the Stock Exchange of Thailand and Securities and Exchange Commission.

Information Technology and Data Communication Systems

The company always provides sufficient and comprehensive information to the Board of Directors to consider in the meetings and sets meeting dates well in advance.

The company has set clear objectives in writing for business operations, with systematic monitoring and solution directions, in case operations deviate from targets.