

Glow Energy Public Company Limited

Annex 6

**Internal Control Assessment performed
by Board of Directors**

Internal Control Assessment performed by Board of Directors**Section 1: Control Environment****1. Demonstrates commitment to integrity and ethical values**

Board of Directors and Managements in every level clearly demonstrate to employees the expectations of stakeholders with regards to “business ethic” of the Company.

Question	Yes	No
1.1 Company issues, in writing, guideline and correspond penalize measures with regards to		
1.1.1 Code of conducts for Management and employees	✓	
1.1.2 Guideline prohibiting Management and employees to conduct in activities that may result in conflict of interest to Company’s business, including engagement in corruption that may adversely affect the Company.	✓	
1.1.3 Penalize measures in case of breach of above guidelines	✓	
1.1.4 Review of such guidelines and penalize measures	✓	
1.2 Company arranges communication of guidelines and penalize measures as described in 1.1, i.e. communicating during orientation session of new employees, and having employees acknowledge in writing every year that the code of conduct is communicated to all employees and outsourced service providers.	✓	

2. Exercises of oversight responsibility

Board of directors is independent from management and administrative duties.

Question	Yes	No
2.1 Board of directors enforces the Company to establish clear and measurable business objectives as guideline for Management and employees.	✓	
2.2 Board of directors duly review business targets, including consideration on possibility to achieve such targets and reasonableness in compensation scheme that will not adversely lead to inappropriate business practices (for example: unrealistic sale target leads to manipulated sale report)	✓	

3. Establishes structure, authority, and responsibility

Board of directors and Management consider organization structure, segregation of duty, and reporting lines in order to have effective oversight of business. Executive Management are responsible for ensuring that the internal control is performed as the Company’s target.

Question	Yes	No
3.1 Company has appropriate organization structure to support business administration of Management, and to cause effective internal control, i.e. have segregation of key duties, allow internal control function to directly report to the Audit Committee and to have clear reporting lines, etc.	✓	

4. Demonstrates commitment to competence

Policy and practice of the Company reflect expectation on knowledge and competency of Management and employees in achieving goals and objectives of the Company, through training and development program, as well as retention of competence Management and employees.

Question	Yes	No
4.1 Company has policy to develop competency of Management and employees and to retain competence ones with the Company.	✓	
4.2 Company has succession plan to ensure continuity of effective business engagement.	✓	

5. Enforce accountability

Board of directors and Management establish clear communication on expected performance and responsibility of employees, including key performance indicators and appropriate remuneration scheme.

Question	Yes	No
5.1 Company recruits and retains competence employees by:		
5.1.1 Establishing knowledge, skill set, and experience required for each positions.	✓	
5.1.2 Issuing written job description of each position and communicate to each employee for clear understanding of role and responsibility of each position.	✓	
5.1.3 Factoring-in integrity and ethic of candidate recruited, i.e. having appropriate background check (especially on positions that involve payment, settlement, and handling of important information).	✓	
5.1.4 Authority and responsibility are delegated based on demonstrated competence, knowledge, and experience.	✓	
5.1.5 Evaluating and remunerating as per performance and work responsibilities.	✓	
5.1.6 Training employee on knowledge and skill required for their work responsibilities.	✓	

Section 2: Risk Assessment**6. Specifies relevant objectives**

The Company has a process for assessment of risks to achieve its objectives covering all types of risks.

Question	Yes	No
6.1 Board of Directors/Risk Management Committee considers and approves risk management policies.	✓	
6.2 Company communicates risk management policy and procedure to all employees and reinforces in practice, in order to establish a strong organization culture that engagement of all employees in managing risks is essential for Company	✓	
6.3 Company considers factors that may affect its business in all aspects/perspectives	✓	

7. Identifies and analyze risk

Company identifies and analyzes internal and external risk factors that may hinder Company in achieving its business goals, including possibility of them to occur and mitigation measures.

Question	Yes	No
7.1 Company considers and assesses risks in relation to internal and external factors., from all functions/department, and derive in appropriate monitoring and management policy. Example Internal Factor: People, Resources, Innovation, Marketing, Operation, and Financial. External Factor: Politics, Economy, Social, Technology, Environment, and Legal.	✓	
7.2 Company analyzes likelihood and impact of the risk factors to occur and prioritize them.	✓	
7.3 Company has related plans or other actions deemed necessary to address the risks.	✓	

8. Assesses Fraud risk

Company identifies the likelihood of fraud risk, i.e. fraudulent reporting, breaching of policies, or breaching code of conduct. Company establishes guideline to handle/mitigate such incidents.

Question	Yes	No
8.1 Company engages in: 8.1.1 Assessing fraud risk by using both external and internal information, including	✓	

information from financial statements and related information.	✓	
8.1.2 Reviewing assessment above.	✓	
8.1.3 Establishing anti-fraud policies and procedures to prohibit individual fraud incident(s) to become systematic fraud.	✓	
8.1.4 Reviewing policies and procedures above.	✓	
8.2 Company communicates policies and procedures to all employees for acknowledgement and compliance.	✓	

9. Identifies and analyzes significant change

Company identifies and analyzes significant changes that may hinder it from achieving goals/objectives, as part of risk assessment process.

Question	Yes	No
9.1 Company engages in:		
9.1.1 Monitoring changes that may result to be risk factors process	✓	
9.1.2 Adopting risk mitigation process	✓	
9.1.3 Review the processes above	✓	
9.2 Company communicates risk management policy to related employees and reinforces in practice.	✓	
9.3 Company monitors compliance of risk management policy	✓	

Section 3: Control Activities

10. Select and develops control activities

Company develops internal control activities to cope with risk factors, in order to mitigate risks, hindering company to achieve its goals/objectives, to acceptable level.

Question	Yes	No
10.1 Company engages in:		
10.1.1 Establishing the policy and procedures, in writing, on activities related to finance, procurement, and general management, by setting clear authorization limits, scope, and approval process of each management level in order to prevent fraud (i.e. setting approval limit of management in each level, setting investment approval process, setting vendor selection process, setting procurement documentation process, setting inventory/tools/equipment management process, etc.)	✓	

10.1.2 Reviewing policy and procedures above	✓	
10.2 Company engages in:		
10.2.1 Segregating duties, to enhance check-balance and transparent procedures, as follow:		
(1) Authority to approve transactions	✓	
(2) Authority to record transactions (accounting and information technology)	✓	
(3) Authority to manage assets	✓	
10.2.2 Reviewing segregation of duties above	✓	
10.3 Company updates the records of major shareholder, directors, Management, and their related persons in order to monitor and update related party transactions or the transactions that might have conflict of interest.	✓	
10.4 Company engages in:		
10.4.1 Establishing process in reporting, reviewing, and approving transactions/contracts that bind Company	✓	
10.4.2 Reviewing process above.	✓	
And in case of executed related party transactions that may expose Company to long-term obligations (i.e. sale contracts, financial support, and guarantee obligation), Company monitors compliance to terms and conditions of executed transactions, throughout tenor of transactions.		

11. Selects and develops general control over technology

Management considers using proper information technology system, with sufficient control over integrity and safety of information, to administer business of Company.

Question	Yes	no
11. Company engages in:		
11.1.1 Managing access to information, whether in electronic or non-electronic form, i.e. setting authorization level to usage and edit of information, setting restricted area of information, setting classification level of information, etc. And communicating to employees with regards to laws and regulations related to information/information system, i.e. Official Information Act, laws related to electronic transactions/computer-related crime, in order to prevent misconduct.	✓	
11.2 Review process above.	✓	

12. Deploys through policies and procedures

Company includes the control activities in policies and procedures, to enhance cautiousness of employees.

Question	Yes	No
12.1 Company engages in:		
12.1.1 Monitoring transactions with major shareholders, directors, Management, and related persons, to ensure compliance with related approval requirements, i.e. regulations of Stock Exchange of Thailand, Securities Exchange Commissioner Office, etc., including profiteering against interest of Company.	✓	
12.1.2 Reviewing process above.	✓	
12.2 Company approves to engage in transaction by persons with no conflict of interests	✓	
12.3 Company considers transactions for the benefit of the Company and on arm's length basic.	✓	
12.4 Company monitors the operations of its subsidiaries/affiliates, and provides clear direction to persons appointed by Company to be director of subsidiaries/affiliates.	✓	
12.5 Company engages in:	✓	
12.5.1 Monitoring compliance to relevant laws and regulations, in order to reduce operational and reputational risk	✓	
12.5.1 Reviews process above.	✓	
12.6 Company engages in:	✓	
12.6.1 Reviewing of activities that may cause breach of laws and regulations	✓	
12.6.2 Setting mitigation measures to avoid reoccurrence of such breach	✓	
12.7 Company engages in:	✓	
12.7.1 Setting the business contingency plan(BCP) and disaster recovery plan (DCP)	✓	
12.7.2 Reviewing of such plan	✓	

Section 4: Information and Communication

13. Use relevant information

Company uses information, from internal and external sources, for analysis and as database for future utilization.

Question	Yes	No
13.1 Company provides sufficient information to Board of Directors for decision making, i.e. details of agenda proposed for consideration, background and rationale, impacts to Company, alternatives, etc.	✓	
13.2 Company submits meeting invitation, agenda, and sufficient supporting documents to Board of Directors in advance, at least for the period required by laws/regulations.	✓	
13.3 Company prepares minutes of Board of Directors meeting with details being sufficient to proof duties fulfillment of the Board of Directors, i.e. record of discussion issues, opinions, notices, opinions of directors who disagree with proposed agenda, etc.	✓	
13.4 Company engages in		
13.4.1 systematic and appropriate filing of accounting documents	✓	
13.4.2 addressing audit issues/concerns raised by external accounting auditor (if any)	✓	
13.5 Board of Directors consider whether accounting policies implemented by Management is in accordance with generally accepted accounting practices, appropriate to nature of Company's businesses, and not create misleading of performance reported.	✓	

14. Communicates internally

Internal communication is efficient, enhances effective internal control, results in frequent report from top Management to Board of Directors, and treats information received from whistle-blowers with sufficient confidentiality.

Question	Yes	No
14.1 Company provides to Board of Directors/Audit Committee access to information sources being necessary for conducting/completing their works, i.e. assign contact persons for requesting information (including information from both external and internal auditor), clarifying of information as requested by Board of Directors, having informal discussion between Board of Directors and Management in addition to formal Board meeting.	✓	
14.2 Company establishes confidential/special communication channel for internal whistle-blower to safely provide information in relation to fraud and corruption.	✓	

15. Communicates externally

Company has effective communication with external organizations and stakeholders, and conveys such communication internally for effective business engagement.

Question	Yes	No
15.1 Company has communication channel with		
15.1.1 Stakeholders, i.e. having contact persons, investor relations, complaint center, call center for handling complaints and suggestions.	✓	
15.1.2 Regulatory bodies, i.e. having dedicated function to communicate with regulatory bodies	✓	
15.2 Company establishes confidential/special communication channel for external whistleblower to safely provide information in relation to fraud and corruption	✓	

Section 5: Monitoring Activities**16. Conducts ongoing and/or separate evaluations**

Company continuously monitor and evaluate to ensure effectiveness of internal control, in order to determine whether the system of internal controls continues to be relevant and able to address changes.

Question	Yes	No
16.1 Management provides, as required by the Board of Directors, report on performance of Company with comparison to established performance indicators.	✓	
16.2 Company monitors compliance of Management and employees regarding business ethics and conflict of interest issues, i.e. monitoring and reporting to CEO from each department on compliance issues, or assigning internal audit department to monitor and report to Audit Committee.	✓	
16.3 Company has assessment on compliance of internal control system/ policies and procedures, (self-assessment or independent assessment by internal auditor)	✓	
16.4 Company reassesses risks or reviews and revises internal control system in accordance to changes in external factors or business objectives.	✓	
16.5 Internal audit reports are reported directly to Audit Committee, to ensure that the	✓	

internal auditor performs the audit independently and generates straightforward reporting.		
16.6 Company supports the internal auditor to perform audits in accordance with the International Standards for the Professional Practice of Internal Auditing (IIA).	✓	

17. Evaluates and communicates deficiencies

Company has timely and effective communication on deficiencies discovered, in order to ensure timely response and mitigation.

Question	Yes	No
17.1 Company has timely corrective actions, if significant deviation of performance to goals/objectives are found.	✓	
17.2 Company has reporting policy as follows:		
17.2.1 Immediate report from Management to Board of Directors in case of significant/serious fraud, breach of laws, and misconduct that may seriously affect reputation of the Company	✓	
17.2.2 Report to Board of Director on significant business misconduct, and corrective actions/mitigation plans (despite whether such actions/plans already executed or not) in an appropriate period.	✓	
17.2.3 Report on progress of corrective/mitigation actions	✓	
17.2.4 Review of this policy	✓	