

Bangkok Lab and Cosmetic Public Company Limited
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(Translation)

Management Document of Bangkok Lab Cosmetic BLCP 10-024

Internal Control and Internal Audit Policy

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(Translation)



Bangkok Lab and Cosmetic Public Company Limited
Internal Control and Internal Audit Policy

Approved by *Assist. Prof. Dr. Wanchai Sutananta*

(Chairman of the Board of Directors)

Based on the Resolution of the Board of Directors Meeting

No. 7/2025 on November 10, 2025

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Internal Control and Internal Audit Policy

Internal control and internal audit are fundamental tools that help ensure effective and efficient management, enabling the achievement of defined strategies, objectives, or goals. The directors or senior executives of the organization are responsible for establishing adequate and appropriate internal control and internal audit systems that align with the nature and size of the business and adhere to good corporate governance principles.

Bangkok Lab and Cosmetic Public Company Limited focuses on maintaining strong internal control and internal audit systems by implementing internal control principles according to the guidelines and framework of the COSO Internal Control – Integrated Framework (COSO: The Committee of Sponsoring Organizations of the Treadway Commission). This internationally standardized internal control approach serves as a guideline for the Company's internal controls. Risk-based audit principles are also used to examine and evaluate the Company's internal control system.

Internal Control and Internal Audit Policy

The Company recognizes the importance of internal control and internal audit as crucial foundations for conducting business successfully and growing steadily and sustainably. Therefore, it has established an effective and efficient internal control and internal audit system that is sufficient and appropriate for the nature and size of the work or environment to ensure that various departments in the Company comply with relevant rules, regulations, and policies; provide reliable, accurate, and complete reports; and conduct operations effectively and efficiently. The Company prioritizes loss or damage prevention and corrective actions over investigations after incidents of loss or damage occur.

The Company has appointed an independent internal auditor who reports to the Audit Committee to assist the Audit Committee and the Board of Directors in ensuring that the Company's core operations and key activities are conducted effectively and efficiently, with sufficient rigor to meet established guidelines, thereby ensuring comprehensive internal controls and internal audits. The Company adheres to the following 5 components of internal control:

1. Control Environment

- 1.2 Determine the organizational structure, chain of command, and division of responsibilities clearly.
- 1.3 Define strategies, policies, goals, directions, and business plans of the company, as well as overseeing governance in accordance with the established strategies and goals
- 1.4 Establish a guideline for ethics and the code of business conduct for the Company and its employees to guide executives, employees at all levels, and all relevant parties in their appropriate conduct.
- 1.5 Establish policies, regulations, and various rules of the Company to serve as principles and guidelines for operations and to prevent damage or omission in operations.
- 1.6 Prepare job descriptions to ensure that employees understand their roles and responsibilities.
- 1.7 Organize training and development programs to enhance the knowledge, abilities, skills, and experience of personnel.

2. Risk Assessment

The Company prioritizes risks that are undesirable, uncertain incidents. If such incidents occur, they can cause damage. Therefore, the Company requires all departments to assess the risks inherent in their operations and implement controls to maintain those risks at an acceptable level through continuous and regular risk assessments. The Company's internal audit will concentrate on risk-based audits by assessing the risks associated with various tasks and identifying high-risk tasks for audit planning purposes. This approach will enhance the effectiveness and efficiency

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of the audits.

3. Control Activities

The Company will establish adequate, appropriate, effective, and efficient internal control activities, focusing on preventive, investigative, corrective, and substitute control measures. These activities will help minimize potential damage and errors and achieve the objectives of internal control, such as establishing policies, plans, budgets, procedures, and methods of operation, as well as organizational structure, division of duties, and delegation of approval authority. Directors, executives, and employees at all levels must cooperate and strictly adhere to the rules, regulations, and announcements.

4. Information and Communication

- 1.8 The Company will use sufficient and necessary information that must be accurate, clear, easy to understand, and current.
- 1.9 The Company will provide communication between executives and operators or among departments to ensure understanding and coordination of operations by holding regular employee meetings.
- 1.10 The Company will ensure the secure backup of information that is sufficient for internal audits.

5. Monitoring

The Company will conduct regular monitoring, reviewing, and evaluation of internal controls by independent evaluators who are not involved with the work or departments, such as internal auditors, and will report to the Audit Committee and management of the Company. If there are weaknesses in the procedures or controls, it is the responsibility of management to systematically and continuously identify control measures and resolve those issues.

Policy Review

The Internal Control and Internal Audit Policy will be reviewed and assessed for adequacy and appropriateness annually.

The Internal Control and Internal Audit Policy was approved by the Board of Directors' Meeting No. 7/2025 on November 10, 2025, effective from November 11, 2025, onward.