

Internal Audit

The design, implementation, and internal audit of the company's internal control system are handled in accordance with the guidelines and relevant laws and regulations of the internal control system established by the public issuing company.

1. Purpose of internal audit

The purpose of internal audit is mainly to inspect and evaluate the deficiencies of the internal control system and measure the efficiency of operations, and provide timely improvement suggestions to ensure the continuous and effective implementation of the internal control system and assist the board of directors and management to fulfill their responsibilities.

2. Organization of internal audit

- A. The internal audit unit is directly under the board of directors to maintain its detached and independent status.
- B. The company assigns qualified and appropriate number of full-time internal auditors according to the company's size, business situation, management needs and relevant laws and regulations.
- C. The appointment and removal of the internal audit supervisor must be approved by the audit committee and submitted to the board of directors for resolution.
- D. The qualifications of internal auditors meet the statutory qualifications, and the continuous training has reached the required number of hours.

3. Operation of internal audit

- A. The internal auditors uphold the spirit of detachment and independence, perform their duties in an objective and impartial position, and do their due professional attention. The audit supervisor reports the audit business to the audit committee on a regular basis and attends the report of the board of directors.
- B. The company's internal audit business is based on the results of the risk assessment to prepare an annual audit plan, clearly specifying the audit items, time, procedures and methods. Auditors conduct regular and project audits on a regular or irregular basis. The audit results are attached to work papers and related materials to prepare audit reports for review to ensure that the company's internal control system can be continuously and effectively implemented.

- C. Each unit within the company regularly evaluates the effectiveness of the internal control system every year. The self-assessment supervisors of each unit conduct internal control system design and implementation effectiveness assessment based on internal control risks, and then the internal audit unit reviews the self-assessment reports of each unit, and the improvement of internal control deficiencies and abnormal matters found by the audit unit as a result. The main basis for the board of directors and general manager to evaluate the effectiveness of the overall internal control system and issue a statement on the internal control system.
- D. The internal auditors discovered the internal control system's findings and internal audit system declarations, self-assessment and accountant's ad hoc review of the internal control system's deficiencies and anomalies, which were actually disclosed in the audit report and reported in the report. Afterwards, follow-up reports are made quarterly to ensure that relevant units have taken appropriate improvement measures in a timely manner. After the audit report and follow-up report are reviewed, they should be submitted to the audit committee for review before the end of the month following the completion of the audit project and report to the board of directors on the inspection situation of internal auditors on a quarterly basis. If an internal auditor finds major violations or the company is at risk of major damage, he immediately makes a report and reports, and notifies the board of directors and the audit committee.