

The Responsibilities and Operations of Internal Audit

The Company's internal audit function reports directly to the Board of Directors. A Chief Auditor and audit agents are appointed, responsible for conducting audits and evaluations of the Company's internal control system to assess its effectiveness.

Audit results and recommendations are reported regularly to assist management in improving operations and to promote sound corporate governance.

1. Appointment, Dismissal, and Evaluation of Audit Personnel

- Appointment and dismissal of audit personnel shall be approved by the Audit Committee and resolved by the Board of Directors.
- The appointment, dismissal, evaluation, and remuneration of internal auditors shall be handled in accordance with relevant Company regulations subject to approval by the Board of Directors.
- The performance and remuneration of internal auditors shall be evaluated at least once a year.

2. Audit Implementation and Reporting Mechanism

- The audit work plan shall be executed in accordance with the annual audit plan approved by the Board of Directors, and risk assessments shall be conducted to evaluate the effectiveness of internal controls. The results shall be submitted in audit reports.
- Internal auditors shall, on a quarterly basis, prepare follow-up reports on improvements of deficiencies and report the status to the Board of Directors and the Audit Committee.
- If significant deficiencies or irregularities are found in internal controls. Auditors shall promptly notify the Audit Committee and the Board of Directors, and follow improvement measures until they are properly implemented.

3. Internal Control System Evaluation

- Each subsidiary and unit of the Company shall conduct periodic self-assessments of the implementation of internal control systems and prepare self-assessment reports.
- Based on the results of these self-assessments, the Chief Auditor shall prepare an internal control system statement for review by the Audit Committee and Board of Directors.
- The Chief Auditor shall assist the Board of Directors and management in evaluating the effectiveness of the overall internal control system and insure continuous improvement of the Company's governance framework.

4. Scope and Functions of Audit

- The scope of audit covers all operational activities of the Company and its subsidiaries.
- Through audit activities, management is provided with timely information on deficiencies or potential risks. Corrective actions, improvements, and preventive measures are carried out for issues identified in audits. A follow-up mechanism is established, and improvement results are reported to management.