

# Organization and Operation of Internal Auditing

## Organization

Internal audit department is under and responds directly to Board of Directors. Currently, Internal Auditing unit has one Internal Auditor.

## Duty

The duty of Internal audit unit is to assist the board of directors and managers in inspecting and reviewing defects in the internal control systems as well as measuring operational effectiveness and efficiency, and shall make timely recommendations for improvements to ensure the sustained operating effectiveness of the systems and to provide a basis for review and correction.

## Operation

All activities of internal auditing are in compliance with "Regulations Governing Establishment of Internal Control Systems by Public Companies"

- Internal control systems cover all operational activities (9 transaction cycles and other non-transaction cycles), and implement the annual audit plans including matters to be audited monthly.
- All audit results will be formulated in the audit report, then present it to Chairman and Supervisors and Independent directors'.
- All departments will conduct self-inspections of internal control systems once a year, internal audit department review the self-inspection reports prepared by all departments and subsidiaries, and submit the self-inspection reports
- The internal audit officer attends and delivers reports during board of directors meeting.
- Defects and irregularities of the internal control systems discovered in inspection will follow up on the matters and prepare follow-up reports on a regular basis.
- Submit relevant subjects to FSC that are mandatory required (Annual audit plan, auditor's information, execution of previous year's annual audit plan, corrections of defects and irregularities of the internal control system).