

※ Internal Audit

Chia Chang's Internal Audit function is an independent unit that reports directly to the Board of Directors. Besides informing the Board during its ordinary meetings, it briefs the Chairman and the CEO on a monthly and on as needed basis.

The charter of Internal Audit is to review the internal controls in the company's processes and to report on those controls with respect to the adequacy, effectiveness, and efficiency of their design as well as their actual functioning on day-to-day basis. All parts of the company and its subsidiaries are open for review by Internal Audit.

The majority of the audit work is executed according to an annual plan, which needs to be approved by the Board of Directors. Such plan will take into account risks that have been identified. Special audits or reviews are conducted as needed. The combination of the regular audits and the special projects provide management with feedback on the functioning of the internal control system; it gives management an additional channel to learn about existing or possible future weaknesses in the system, and addresses them in a timely manner.

The company supplements the review activities by Internal Audit with documented self-assessments by the departments and operational units. Internal Audit sees to it that these activities do take place, and reviews the submissions to ensure the quality of the process. There is one full time employee dedicated to Internal Audit.

In August 109, the company formulated the 「Rules for appointment and dismissal 、 evaluation 、 salary and remuneration of internal auditors」 . Appointment 、 dismissal 、 evaluation and salary of internal auditors , Signed by the audit supervisor to the chairman of the company for approval. The evaluation is carried out at least once a year. The rules has been disclosed in the company's important regulations webpage.