Organization and Operation of Internal Auditing

Purpose of internal auditing

Internal auditing is to audit all operations and make recommendations for improvement in order to provide reasonable assurance on the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance, safeguard of assets security, etc.); reliability, timeliness, transparency and compliance with relevant standards in terms of reporting; and compliance with relevant laws and regulations.

Organization of internal auditing

The Company's Internal Auditing Division reports directly to the Board and is assigned with full-time auditors. The division has a total of four persons including an auditing head and auditors.

Appointment and Dismissal of Internal Auditors

The appointment, dismissal, evaluation, and compensation of the Company's internal auditors are performed based on the rules of the "Personnel Recruitment Procedure", "Performance Appraisal Regulations" and "Application Rules for Resignation." Their evaluation is performed twice every year. The above-mentioned appointment, dismissal, evaluation, and compensation actions will be submitted to the Chairman of the Board for review and approval. The above-mentioned rules have been disclosed in the Company's internal regulations zone.

Execution process of internal auditing

1. The annual audit plan is formulated based on the risk assessment outcomes. It includes items to be audited on a monthly basis and is approved by the Board.
2. Deficiencies and abnormalities identified during an audit are communicated with the audited units. Follow-up reports are prepared quarterly to ensure the adoption of appropriate improvement measures in a timely manner.
3. The auditing head would attend the Board meetings to report significant audit items and improvements on deficiencies.
4. Audit reports and follow-up reports are submitted to supervisors and independent directors for reviews before the end of the following month after the completion of audit items. They are also communicated via phone or email during normal course of business.
5. Audit plans and details are regularly communicated with certified public accountants. Updates on laws and regulations as well as accounting standards are communicated when the need arises.
6. The Company has established an internal control system in compliance with laws and regulations and formulated internal auditing implementation rules to audit and assess the effectiveness of the system's design and execution. The scope covers all operations and subsidiaries of the Company.
7. The internal auditing unit reviews the self-assessment reports performed by each unit and use them as well as the improvement status of deficiencies and abnormalities in

internal control identified by the auditing unit as the main reference for the internal control statement.

Communication among Independent Directors, internal Audit Supervisors and accountants

The independent directors and the internal audit supervisors contact each other by E-mail, telephone or through meeting at any time as necessary, and make internal audit reports at quarterly audit committee meetings. In case of significant anomalies, meetings will be convened at any time, enabling a diverse and smooth communication channels. Each month, the internal audit supervisor of Accton delivers a summary report on the verifying deficiency and rectification tracking of the previous month to the Independent Directors for review. The Independent Directors will then respond or comment based on the content of the report. In the absence of the presence of the management and the property management unit, the independent directors and the internal audit supervisors contact shall convene a communication meeting at least once a year.

Communications between independent directors and the internal audit supervisors are summarized as follows:

Meeting Date	Issues communicated with internal audit supervisor	Recommendation from Independent Directors
2024.03.07	(Individual meeting between the audit supervisor and independent directors) ●Internal audit execution report of Q4 2023. ●Issuance of the Company's "Statement on Internal Control System" for the year 2023.	The proposal was reviewed and approved by the Audit Committee and then submitted to the Board of Directors, with no objections from the independent directors.
2024.03.29	(Individual meeting between the audit supervisor and independent directors) ●Review on the implementation report of the internal audit.	The proposal was reviewed and approved by the Audit Committee and then submitted to the Board of Directors, with no objections from the independent directors.
2024.05.09	(Individual meeting between the audit supervisor and independent directors) ●Internal audit execution report of Q1 2024.	The proposal was reviewed and approved by the Audit Committee and then submitted to the Board of Directors, with no objections from the independent directors.
2024.06.21	(Individual meeting between the audit supervisor and independent directors) ●Review on the implementation report of the internal audit.	The proposal was reviewed and approved by the Audit Committee and then submitted to the Board of Directors, with no objections from the independent directors.
2024.08.08	(Individual meeting between the audit supervisor and independent directors) ●Internal audit execution report of Q2 2024. ●Amendments to the Company's internal control system.	The proposal was reviewed and approved by the Audit Committee and then submitted to the Board of Directors, with no objections from the independent directors.

2024.09.26	(Individual meeting between the audit supervisor and independent directors) ●Review on the implementation report of the internal audit.	The proposal was reviewed and approved by the Audit Committee and then submitted to the Board of Directors, with no objections from the independent directors.
2024.11.07	(Individual meeting between the audit supervisor and independent directors) ●Internal audit execution report of Q3 2024. ●Discussion of the internal audit annual plan for 2025. ●Addition to the Company's internal control system.	The proposal was reviewed and approved by the Audit Committee and then submitted to the Board of Directors, with no objections from the independent directors.

The Company's CPAs not only report the audits or reviews of the financial statements to the independent directors, but also communicate the latest financial and taxation laws and regulations and the corresponding measures in response to the impact. The independent directors and the accountants may communicate with each other at any time as needed. They shall communicate with each other by e-mail, telephone, or in person. In the absence of the presence of the management and the property management unit, the independent directors and the CPAs shall convene a communication meeting at least once a year.

The communications between the independent directors and the accountants are shown in the following table:

Meeting Date	Communication with CPAs	Recommendation from Independent Directors
2024.03.07	(Individual meeting between CPA and independent directors) ●Discussion of the audit status of the 2023 financial statements, including any audit questions or difficulties, and the response of the management.	Independent directors approved the proposal in favor without objection.
2024.05.09	●Discussion the outcome of the review of the 2024 Q1 financial statements, including any audit questions or difficulties, and the response of the management.	Independent directors approved the proposal in favor without objection.
2024.08.08	●Discussion the outcome of the review of the 2024 Q2 financial statements, including any audit questions or difficulties, and the response of the management.	Independent directors approved the proposal in favor without objection.
2024.11.07	●Discussion the outcome of the review of the 2024 Q3 financial statements, including any audit questions or difficulties, and the response of the management.	Independent directors approved the proposal in favor without objection.
2025.03.13	(Individual meeting between CPA and independent directors) ●Discussion of the audit status of the 2024 financial statements, including any audit questions or difficulties, and the response of the management.	Independent directors approved the proposal in favor without objection.

內部稽核組織及運作

內部稽核之目的

內部稽核工作為查核各作業項目並提出建議改善事項，以對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標的達成，提供合理的確保。

內部稽核之組織

本公司內部稽核處直屬董事會，配置專任稽核人員，主管及其所屬稽核人員共計四人。

內部稽核人員任免

本公司內部稽核人員之任免、考評、薪資報酬係依據「人員招募晉用作業規範」、「員工績效考核管理辦法」、「員工離職管理作業規範」之規定辦理，其考評每年執行二次，前述任免、考評及薪資報酬係依簽核流程簽報至董事長核定，前述相關辦法已揭露於本公司內部規章專區。

內部稽核執行情形

1. 年度稽核計畫依風險評估結果擬訂，包括每月應稽核之項目，並經董事會通過。
2. 對於評估所發現之內部控制制度缺失及異常事項與受查單位溝通，並按季作成追蹤報告以確定已及時採取適當之改善措施。
3. 稽核主管列席董事會，報告查核重要事項及缺失改善情形。
4. 稽核報告及追蹤報告於稽核項目完成之次月底前交付獨立董事查閱，平日亦以電話或電子郵件進行溝通。
5. 定期與會計師溝通稽核計畫及查核內容，或不定期溝通法令及財會準則更新之相關規定。
6. 遵循法令建立內部控制制度，並訂有內部稽核實施細則，查核及評估內部控制制度之設計及執行的有效性，範圍包含公司各項作業及子公司。
7. 內部稽核單位覆核各單位所執行的自行評估報告，併同稽核單位所發現之內部控制缺失及異常事項改善情形，作為出具內部控制聲明書之主要依據。

獨立董事與內部稽核主管溝通情形

獨立董事與內部稽核主管平時視需要隨時以電子郵件、電話、或會面方式相互聯繫，並於每季的審計委員會會議中作內部稽核報告，如有重大異常事項時可隨時召集會議，溝通管道多元且暢通；本公司內部稽核主管每月就前月份查核缺失及改善補正追蹤情形彙總報告交付獨立董事核閱，獨立董事視報告之內容給予回應或意見，及在無管理階層及業管單位在場時，每年至少與獨立董事就內部稽核暨內部控制制度執行情形等事項召開乙次溝通會議。

獨立董事與內部稽核主管溝通事項如下表：

會議日期	與內部稽核主管溝通事項	獨立董事建議
113.03.07	【稽核主管與獨立董事進行單獨會談】 ●112 年第 4 季內部稽核業務執行報告。 ●出具本公司 112 年度「內部控制制度聲明書」案。	審計委員會審閱或核准通過後，提報至董事會，獨立董事並無反對意見。
113.03.29	【稽核主管與獨立董事進行單獨會談】 ●審閱內部稽核業務執行報告。	審計委員會審閱或核准通過後，提報至董事會，獨立董事並無反對意見。
113.05.09	【稽核主管與獨立董事進行單獨會談】 ●113 年第 1 季內部稽核業務執行報告。	審計委員會審閱或核准通過後，提報至董事會，獨立董事並無反對意見。
113.06.21	【稽核主管與獨立董事進行單獨會談】 ●審閱內部稽核業務執行報告。	審計委員會審閱或核准通過後，提報至董事會，獨立董事並無反對意見。
113.08.08	【稽核主管與獨立董事進行單獨會談】 ●113 年第 2 季內部稽核業務執行報告。 ●修正本公司內部控制制度。	審計委員會審閱或核准通過後，提報至董事會，獨立董事並無反對意見。
113.09.26	【稽核主管與獨立董事進行單獨會談】 ●審閱內部稽核業務執行報告。	審計委員會審閱或核准通過後，提報至董事會，獨立董事並無反對意見。
113.11.07	【稽核主管與獨立董事進行單獨會談】 ●113 年第 3 季內部稽核業務執行報告。 ●討論民國 114 年內部稽核年度計劃。 ●新增本公司內部控制制度。	審計委員會審閱或核准通過後，提報至董事會，獨立董事並無反對意見。

獨立董事與簽證會計師溝通情形

本公司簽證會計師除針對財務報告之查核或核閱情形向獨立董事報告外，當有最新之財稅法令新知也會傳達及相關影響之因應措施，平時獨立董事與會計師間得視需要隨時以電子郵件、電話、或會面方式相互聯繫，及在無管理階層及業管單位在場時，獨立董事與簽證會計師至少每年召開乙次溝通會議。

獨立董事與會計師溝通事項如下表：

會議日期	與簽證會計師溝通事項	獨立董事建議
113.03.07	【會計師與獨立董事進行單獨會談】 ●討論民國 112 年度財務報表查核情況，包含任何查核的問題或困難以及經營階層的回應。	獨立董事同意通過，無反對意見。
113.05.09	●討論民國 113 年第 1 季財務報表審閱情況，包含任何查核的問題或困難以及經營階層的回應。	獨立董事同意通過，無反對意見。
113.08.08	●討論民國 113 年第 2 季財務報表審閱情況，包含任何查核的問題或困難以及經營階層的回應。	獨立董事同意通過，無反對意見。
113.11.07	●討論民國 113 年第 3 季財務報表審閱情況，包含任何查核的問題或困難以及經營階層的回應。	獨立董事同意通過，無反對意見。
114.03.13	【會計師與獨立董事進行單獨會談】 ●討論民國 113 年度財務報表查核情況，包含任何查核的問題或困難以及經營階層的回應。	獨立董事同意通過，無反對意見。