

## Taiwan Futures Exchange Corporation Statement on INTERNAL CONTROL

February 22, 2024

Based on the self-assessment of Company's internal control system for year 2023, we declare that:

1. The establishment, implementation and maintenance of an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system, designed to provide reasonable assurance with respect to the effectiveness and efficiency of business operations (including profitability, performance and safeguarding of assets), reporting that encompass reliability, timeliness, transparency, or other terms as set forth by regulators, recognized standard setters, or the Company's policies and their compliance with relevant rules and regulations.
2. An internal control system, no matter how well designed, has inherent limitations and therefore can provide only reasonable assurance with respect to the accomplishment of the above goals. Furthermore, because of changing conditions and circumstances, the effectiveness of an internal control system may vary over time. Notwithstanding, the internal control system of the Company contains self-oversight mechanisms, and actions are taken to correct deficiencies as they are identified.
3. The Company examined the design and effective implementation of its internal control system according to the criteria prescribed in "Guidelines for Establishment of Internal Control Systems by Securities and Futures Related Organizations" (called the "Guidelines" below) promulgated by the Securities and Futures Bureau, Financial Supervisory Commission. The "Guidelines" divide internal control into five constituents in line with the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each constituent contains several criteria. Please refer to the "Guidelines" for details.
4. The Company has evaluated the design and effectiveness implementation of its internal control system in accordance with the above criteria.
5. Based on the results of assessment, the Company believes within the stated time frame, that the design and implementation of its internal control system (including comprehensive implementation of information security) as of December 31, 2023, consisting of the effectiveness and efficiency of business operations, reporting that encompass reliability, timeliness, transparency, or other terms as set forth by regulators, recognized standard setters, or the Company's policies and the compliance of relevant rules and regulations, except for the items listed in the appendix, are effective and reasonably assure the achievement of the aforementioned goals.
6. Any false representation or concealment in this Statement shall be subjected to legal consequences as stipulated in Articles 115 of the Futures Trading Act.
7. This Statement has been approved by the Board of Directors at the meeting held on February 22, 2024, with no objections from directors.

Taiwan Futures Exchange Corporation

Mr. Tzu-Hsin Wu  
Chairman

*Wu Tzu-Hsin*

Mr. Chien-Lung Chou  
Chief Executive Officer

*Chien-Lung Chou*

Ms. Li-Pao Lin  
Chief Internal Auditor

*Lin Li-Pao*

Mr. Hsi-Chi Chen  
Chief Information Security Officer

*Hsi-Chi Chen*

## 附 件

臺灣期貨交易所股份有限公司  
內部控制制度應加強事項及改善計畫

(基準日：112年12月31日)

應加強事項	改善措施	預計完成改善時間
無	無	無

註：請詳列遭主管機關處警告（含）以上或罰鍰新臺幣24萬元以上之處分；另併請詳列受主管機關檢查發現資訊安全缺失之改善情形。

## Appendix

Taiwan Futures Exchange Corporation  
Enhancement and Improvements of Internal Control System

(Baseline Date: December 31, 2023)

Items for Enhancement	Improvement Measures	Estimated Time of Completion
N/A	N/A	N/A

Note: Please list in detail the sanctions imposed by the competent authority including warnings, disciplinary actions, administrative fines of greater than or equal to NT\$240,000, and the improvement of information security deficiencies inspected by the competent authority.