

## (Translation)

- **Purposes of Internal Audit**

Purposes that AVerMedia TECHNOLOGIES, Inc. establishes the internal audit:

1. Inspecting and evaluating the defect of internal control system and operating efficiency and providing improvement suggestion to make sure that internal control system continuously and effectively executes. Also, it acts as the basis of amending internal control system, assists the Board of Directors and managers to execute their responsibilities.
2. Internal audit is risk management-oriented to improve and control effectiveness of each process and assist the managements to achieve the Incorporation's goal.

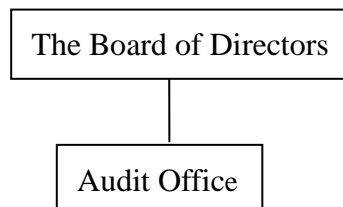
Purposes that AVerMedia TECHNOLOGIES, Inc. establishes the internal control system:

Promoting the Incorporation's healthy operation to make sure that the Incorporation completes effectiveness and efficiency of operating (profit, performance, guarantee asset...etc), reliability of financial reporting, and accordance of relevant regulations.

- **Internal Audit Organization**

Internal audit department belongs to the Board of Directors and equip with two full-time internal audit personnel according to the scope of the Incorporation, business condition, demand for management and other relevant regulations. Appointing of internal audit director shall be effective after the one-half approval of the Board of Directors and report to the governmental authority-in-charge for reference by Internet Information System.

Organization Chart



- **Internal Audit Arrangement**

1. Auditing scope
  - (1) Reviewing the reliability and integrity of finance and operating information.
  - (2) Overseeing and estimating the internal procedures of all organization and obtaining perfect internal control under the consideration of cost and effectiveness.
  - (3) Accordance of policy, plan, procedure, regulation and laws.
  - (4) Overseeing the measures of protecting asset to make sure safety and value of asset.
  - (5) Suggesting improvement and renewal of every procedure.
  - (6) Operating or completion of project-planning.
2. Auditing object

All parts of the Incorporation and its subsidiaries all over the world.
3. Auditing measures
  - (1) There are two types of audit: regular audit and special project audit. The regular audit

shall conduct by the audit personnel according to yearly audit plan of risk estimation and submit as the audit report.

Special project audit shall conduct under the appointment of management or its authorized proxy according to practical situation. This audit process needs to report as audit report or other forms.

- (2) Executing audit process shall propose audit program in accordance with respective audit case and set up the audit items, time, procedures and methods then make as process draft.
- (3) When audit personnel execute their duties, all parts of the Incorporation shall closely cooperate. Besides, when the any documents are needed, the audited department shall not reject or conceal.
- (4) When the audit is over, audit personnel shall fully communicate with the audited department. If necessary, obtain the improvement plan, complete date of the audited department, and the audit personnel shall trace the improvement condition.
- (5) Audit report shall be objective, simple, clear, constructive and timely.

- **Self-inspection Operations**

To implement the system of Incorporation Self-Supervision and Self-Assessment as well as immediately adapt to the change of circumstance for adjust the plan and execution of internal control system, every year, after self assessment by all parts, all parts shall turn the report to the audit department to collect and report to General Manager and Chairman as the basis of assessing the effectiveness of the Incorporation's internal control system.