**Illustrative Reports**

**ICFR Operating Status Report** **by CEO**

1. In case no material weakness exists

|  |
| --- |
| To the Shareholders, Board of Directors, and Auditor (Audit Committee) of xxx Company  We, as the Chief Executive Officer (or President, etc which means the representative director of the company) and the Internal Accounting Manager of xxx Company (“the Company”), assessed operating status of the Company’s Internal Control over Financial Reporting(“ICFR” ) for the year ending December 31, 20xx.  Design and operation of ICFR is the responsibility of the Company’s management, including the Chief Executive Officer and the Internal Accounting Manager (collectively, “We”, “Our” or “Us”).  We evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information.  We used the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting (name of the framework in case different one was used)’ established by the Operating Committee of Internal Control over Financial Reporting in Korea (the “ICFR Committee”)’ as the criteria for design and operation of the Company’s ICFR. And we conducted an evaluation of ICFR based on the ‘Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting’ (name of standard in case a different standard was used)’ established by the ICFR Committee.  Based on our assessment, we concluded that the Company’s ICFR is designed and operated effectively as of December 31, 20xx, in all material respects, in accordance with the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting *(name of framework in case different framework is used)*.  We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.  <Attachment>   * Implementation status of remediation plans of material weaknesses reported in previous year   *[Date]*  *[Name]* (Signature)  Chief Executive Officer  *[Name]* (Signature)  Internal Accounting Manager |

b. In case material weakness(es) exists

|  |
| --- |
| To the Shareholders, Board of Directors, and Auditor *(Audit Committee)* of xxx Company  We, as the Chief Executive Officer *(or President, etc which means the representative director of the company)* and the Internal Accounting Manager of xxx Company (“the Company”), assessed operating status of the Company’s Internal Control over Financial Reporting (“ICFR”) for the year ending December 31, 20xx.  Design and operation of ICFR is the responsibility of the Company’s management, including the Chief Executive Officer and the Internal Accounting Manager (collectively, “We”, “Our” or “Us”).  We evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information.  We used the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting (name of the framework in case different one was used)’ established by the Operating Committee of Internal Control over Financial Reporting in Korea (the “ICFR Committee”)’ as the criteria for design and operation of the Company’s ICFR. And we conducted an evaluation of ICFR based on the ‘Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting’ (name of standard in case a different standard was used)’ established by the ICFR Committee.  Based on our assessment, the Company’s ICFR is not effectively designed and operated as of December 31, 20xx in accordance with the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting’ (na*me of framework in case different framework is used)*’ due to the following material weakness(es);  <description of material weakness(es)>  <remediation plans for material weakness(es)>  We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.  <Attachment>   * Implementation status of remediation plans for material weaknesses reported in previous year   *[Date]*  *[Name]* (Signature)  Chief Executive Officer  *[Name]* (Signature)  Internal Accounting Manager |

**ICFR Evaluation Report by the Auditor (Audit Committee)**

a. In case no material weakness exists

|  |
| --- |
| To the Shareholders and Board of Directors of xxx Company  I, as the auditor, *[or “*The Audit Committee (or “We”)”, *for the companies having Audit Committee instead of the Auditor]* of xxx Company (“the Company”), assessed operating status of the Company’s Internal Control over Financial Reporting (“ICFR”) for the year ending December 31, 20xx.  Design and operation of ICFR is the responsibility of the Company’s management, including the Chief Executive Officer *(or President, etc. which means the representative director of the company)* and the Internal Accounting Manager, and I am(we are, *in case of Audit Committee*) responsible for management and supervision of ICFR.  I (*or* We*, in case of Audit Committee)*, based on the ICFR Operating Status Report presented by the Chief Executive Officer and the Internal Accounting Manager, evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a financial statement misstatement to ensure preparation and disclosure of reliable financial information, and whether the Company’s ICFR contributes to preparation and disclosure of reliable financial information in substance.  I (*or* “We”*, in case of Audit Committee)* also reviewed whether the ICFR Operating Status Report contains any untrue statement of a fact, or omits to state a fact necessary to be presented therein, and whether remediation plans of management can contribute to improve the Company’s ICFR in substance.  The Company used the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting (name of the framework in case different one was used)’ established by the Operating Committee of Internal Control over Financial Reporting in Korea (the “ICFR Committee”)’ as the criteria for design and operation of the Company’s ICFR.  I (or “We”, in case of Audit Committee) conducted our assessment of ICFR based on the ‘Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting’ established by the ICFR Committee.  In my (*or* “our”*, in case of Audit Committee)* opinion, the Company’s ICFR is designed and operated effectively, in all material respects, as of December 31, 20xx in accordance with the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting (name of framework in case different framework is used)’.  <Attachment>   * Recommendations; * When the Auditor (*or* “Audit Committee”) concludes that the Company’s ICRF does not substantially contributes to preparation and disclosure of reliable financial information, recommendations for improvement opportunities; * The Auditor’s (*or* “Audit Committee’s”) conclusion on whether the ICFR Operating Status Report contains any untrue statement of a fact, or omits to state a fact necessary to be presented therein, and corrective actions taken, if any; * Alternatives when the Auditor (*or* “Audit Committee”) concludes that the remediation plans presented in management’s ICFR Operating Status Report does not contribute to improve the Company’s ICFR.   Date  *[Name]* (Signature)  Auditor  (*or, [Name])* (Signature)  Audit Committee Chairperson |

b. in case a material weakness(es) exists

|  |
| --- |
| To the Shareholders and Board of Directors of xxx Company  I, as the auditor, *[or “*The Audit Committee (or “We”)”, *for the companies having Audit Committee instead of the Auditor]* of xxx Company (“the Company”), assessed operating status of the Company’s Internal Control over Financial Reporting (“ICFR”) for the year ending December 31, 20xx.  Design and operation of ICFR is the responsibility of the Company’s management, including the Chief Executive Officer *(or President, etc. which means the representative director of the company)* and the Internal Accounting Manager, and I am(we are, *in case of Audit Committee*) responsible for management and supervision of ICFR.  I (*or* We*, in case of Audit Committee)*, based on the ICFR Operating Status Report presented by the Chief Executive Officer and the Internal Accounting Manager, evaluated whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a financial statement misstatement to ensure preparation and disclosure of reliable financial information, and whether the Company’s ICFR contributes to preparation and disclosure of reliable financial information in substance.  I (*or* “We”*, in case of Audit Committee)* also reviewed whether the ICFR Operating Status Report contains any untrue statement of a fact, or omits to state a fact necessary to be presented therein, and whether remediation plans of management can contribute to improve the Company’s ICFR in substance.  The Company used the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting (name of the framework in case different one was used)’ established by the Operating Committee of Internal Control over Financial Reporting in Korea (the “ICFR Committee”)’ as the criteria for design and operation of the Company’s ICFR.  I (or “We”, in case of Audit Committee) conducted our assessment of ICFR based on the ‘Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting’ established by the ICFR Committee.  In my (or “our”, in case of Audit Committee) opinion, the Company’s ICFR is not effectively designed and operated, in all material respects, as of December 31, 20xx in accordance with the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting (name of framework in case different framework is used)’ due to the following material weakness(es);  <description of material weakness(es) and remediation plans >  <Attachment>   * Recommendations; * When the Auditor (*or* “Audit Committee”) concludes that the Company’s ICRF does not substantially contributes to preparation and disclosure of reliable financial information, recommendations for improvement opportunities;   The Auditor’s (*or* “Audit Committee’s”) conclusion on whether the ICFR Operating Status Report contains any untrue statement of a fact, or omits to state a fact necessary to be presented therein, and corrective actions taken, if any;  Alternatives when the Auditor (or “Audit Committee”) concludes that the remediation plans presented in management’s ICFR Operating Status Report does not contribute to improve the Company’s ICFR.  Date  *[Name]* (Signature)  Auditor  (*or, [Name])* (Signature)  Audit Committee Chairperson |