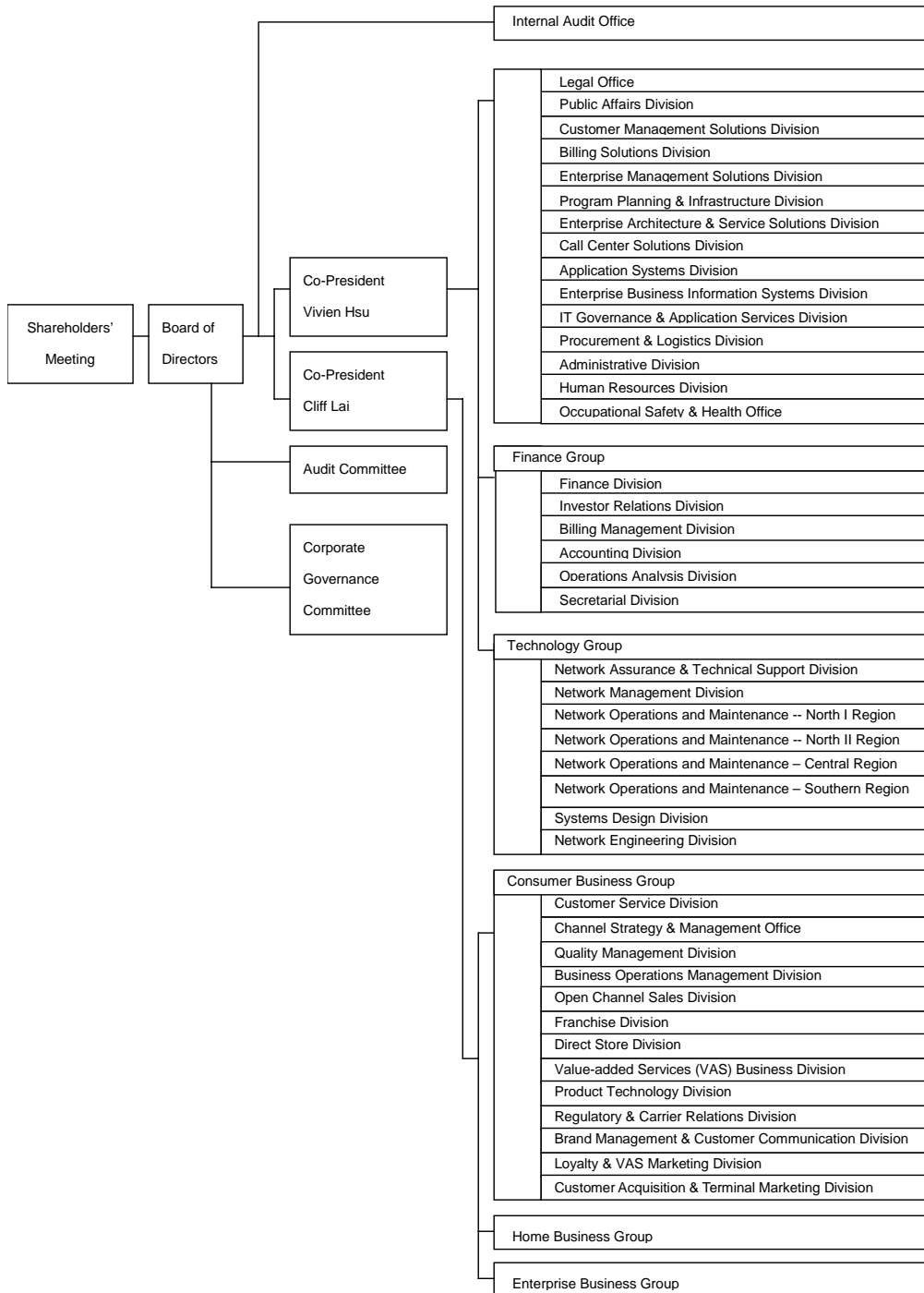


Chapter 2 Organization and Corporate Governance

ORGANIZATION

Organization Chart



Divisional Scope of Responsibilities

Division		Scope of responsibilities
	Internal Audit Office	Audit of the Company and its subsidiaries Monitoring and examining the effectiveness and efficiency of the Company's internal control system
	Legal Office	Legal counsel, company litigation and legal document review
	Public Affairs Division	Promotion and management of corporate image Media communication, news agenda setting and crisis management Planning and execution of corporate social responsibility strategies Planning and maintenance of Company's official and internal as well as TWM Foundation's websites
	Customer Management Solutions Division	Front-end customer management solutions Channel services, commission, and performance solutions Order management system solutions Enterprise management information systems
	Billing Solutions Division	Billing systems operation and development
	Enterprise Management Solutions Division	Data warehouse, customer relations management and network management solutions
	Program Planning & Infrastructure Division	Systems and network infrastructure construction and operation management Security and internet data center (IDC) construction and operation
	Enterprise Architecture & Service Solutions Division	TWM's customer care application systems Enterprise resource planning (ERP) and human resources solutions
	Call Center Solutions Division	Call center infrastructure and operation management solutions
	Application Systems Division	Corporate external website and e-commerce systems Service-oriented architecture and enterprise service bus system (SOA/ESB) Fixed network application systems and IT infrastructure Integrated intranet working portal
	Enterprise Business Information Systems Division	Enterprise business sales and billing systems operation and development
	IT Government & Service Division	IT governance and enterprise architecture Software development process Technical project management Foundation architecture Common assets development and software/tools management
	Procurement & Logistics Division	Procurement policy and system planning Handling of procurement-related activities Suppliers evaluation and management Contract negotiation and signing
	Administrative Division	Office machinery and equipment management General and administrative affairs coordination Base station administration and related expense payments
	Human Resources Division	Staffing, compensation, training and employee relations coordination
	Occupational Safety & Health Office	Occupational safety and health management Site area safety management Environmental protection management Workplace health promotion
	Finance Group	Finance Division
Investor Relations Division		Timely disclosure of the Company's operating and financial status, management strategy, future business plans and developments to investors Communication between the Company and investors
Billing Management Division		Billing, receivables collection and settlement Credit check and risk management
Accounting Division		Accounting-related affairs Tax planning and execution
Operations Analysis Division		Divisional operating performance analysis, financial forecasting and annual budget review
Secretarial Division		Board meeting facilitation and corporate share registrar management Company seal custodian Receipt/Transmission of corporate documents Corporate registration affairs
Technology Group	Network Assurance & Technical Support Division	Mobile network technical support Fixed network technical support IP-based network technical support Network quality assurance
	Network Management Division	24-hour supervision of mobile and fixed system network operations and maintenance Technical support for network operations and customer issues Management of network quality and critical events
	Network Operations and Maintenance -- North I, North II, Central and Southern Regions	2G/3G network construction, expansion, operation, maintenance and optimization, including core transmission and radio networks Fixed network construction, expansion, operation, maintenance and optimization
	Systems Design Division	Planning and design for core, radio, IP and transmission network system of mobile and fixed network Development of new technologies and verification testing of network elements
	Network Engineering Division	Mobile telecom and fixed network business infrastructure budget, control and management Supervision of outsourced engineering and construction projects Management of cables and conduits in government agencies Fixed network service management, project evaluation and coordination
Consumer Business Group	Customer Service Division	Customer service and call center management Telemarketing sales and retention

	Quality Management Division	Cross-function business process improvement and management Customer service quality measurement and monitoring; hosting service quality committee Information security policy making and procedure maintenance; hosting information security management system committee
	Channel Strategy & Management Office	Channel strategy planning and performance management Sales planning and store management Training and point-of-sale system administration
	Business Operations Management Division	Front-end sales/service operation process planning and implementation Back-end resource management and channel performance award management Sales channel logistics and service fulfillment
	Open Channel Sales Division	Open channel development and business execution
	Franchise Division	Supervision of franchisees' product promotion, distribution and customer service
	Direct Store Division	Product sales and customer service at company stores
	Value-added Services (VAS) Business Division	Overall VAS business management and product quality assurance Business strategy setting, product planning, development and management Platform integration and device customization
	Product Technology Division	Technical consultation and solution analysis for VAS products and CPE technologies Solutions design, systems development and delivery for VAS products and marketing promotion VAS platform operation, administration and maintenance
	Regulatory & Carrier Relations Division	Regulatory matters, government relations and inter-carrier relations
	Brand Management & Customer Communication Division	Management of brand identity, strategic development, integrated marketing communication, and implementation of ad campaigns Execution of store signage/interior design and cost control Company websites integration and operation, e-marketing implementation, including online sales and services
	Loyalty & VAS Marketing Division	Planning and implementation of retention strategy Development and implementation of plans to raise customer loyalty, stimulate usage rate, and lower churn rate Launch of prepaid cards and value-added services marketing campaigns Customer behavior analysis and market surveys
	Customer Acquisition & Terminal Marketing Division	Strategy development and execution to attract new customers Strategy implementation to promote and develop customized and promotional handsets, smartphones, netbooks, data cards and accessories Rate plan design and marketing
Home Business Group		Household integrated and innovative digital convergence services, including video (CATV/DTV), broadband internet access (cable modem/FTTx), and wireless voice Implementation of integrated technology solutions for development of new products and VAS to increase video and broadband internet access penetration rate and overall revenue Expansion of two-way optical network to broaden coverage and ensure better internet access quality and stable cable signal
Enterprise Business Group		Strategy development and business analysis Channel development, sales and customer loyalty management Enterprise ICT integration and bundled products, marketing campaign, operation and execution Enterprise customer services and billing matters Inter-carrier relations and international business (including international roaming) plan and implementation

Board of Directors and Executive Management

Board of Directors

The board of directors, acting on behalf of the Company's shareholders, is charged with the task of supervising the management team. The board, elected and approved during the AGM on June 13, 2008, includes four independent directors, which more than fulfill current regulations requiring public companies to have at least two independent directors. The Audit Committee, composed entirely of independent directors, replaced board supervisors. Information on the Company's Fifth Board of Directors is detailed below:

Title	Name	Date elected	Term expires	Shareholding when elected		Current shareholding		Spouse/minor's shareholdings		Education and experience	Current position(s) in the Company and other companies	Officer, director, or supervisor is a spouse or consanguineous within two degrees		
				Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman	Fu-Chi Venture Corp. Representative: Richard Tsai	2008.06.13	2011.06.12	4,849,515	0.128	6,387,515 *100,142,154	0.168 *2.635	5,651,663	0.149	MBA, Stern School, New York University Chairman, Fubon Securities Co., Ltd.	Vice Chairman, Fubon Financial Holding Co., Ltd. Chairman, Fubon Life Insurance Co., Ltd. Vice Chairman, Taipei Fubon Commercial Bank Co., Ltd. Chairman, Taiwan Fixed Network Co., Ltd.	Vice Chairman	Daniel Tsai	Brother
Vice Chairman	Fu-Chi Venture Corp. Representative: Daniel Tsai	2008.06.13	2011.06.12	4,849,515	0.128	6,387,515 *96,644,434	0.168 *2.543	5,088,967	0.134	LL.B., National Taiwan University LL.M., Georgetown University Chairman, Fubon Insurance Co., Ltd. Chairman, Fubon Land Development Co., Ltd.	Chairman, Fubon Financial Holding Co., Ltd. Chairman, Taipei Fubon Commercial Bank Co., Ltd.	Chairman	Richard Tsai	Brother
Director	TCC Investment Co., Ltd. Representative: Cliff Lai (Note1)	2009.09.19	2011.06.12	222,774,179	5.861	222,774,179 *11,611	5.861 *0.000	-	-	EMBA, National Chengchi University MS in Electrical Engineering, North Carolina State University, USA Researcher, AT&T Laboratories Vice President, Tecom Co., Ltd. Vice President, Mobitai Communications Co., Ltd. President, Reach and Range, Inc. Senior Vice President, Taiwan Fixed Network Co., Ltd. CEO, Fu Yang Media Technology Co., Ltd. Senior Vice President and Chief Business Officer, Taiwan Mobile Co., Ltd. Senior Vice President and Chief Operating Officer of Consumer Business Group, Taiwan Mobile Co., Ltd.	Co-President, Taiwan Mobile Co., Ltd. Director, Taiwan Fixed Network Co., Ltd. Chairman, Taiwan Teleservices & Technologies Co., Ltd. Chairman and President, Taiwan Super Basketball Co., Ltd. Chairman, Win TV Broadcasting Co., Ltd. Director, Taiwan Cellular Co., Ltd. Director, Taipei New Horizons Co., Ltd. Director, TWM Communications (Beijing) Co., Ltd. Director, Taiwan Kuro Times Co., Ltd. Director and President, TFN Media Co., Ltd. Chairman, Union Cable TV Co., Ltd. Chairman, Yeong Jia Leh Cable TV Co., Ltd. Chairman, Phoenix Cable TV Co., Ltd. Chairman, Globalview Cable TV Co., Ltd. Director, Wealth Media Technology Co., Ltd. Director, Taiwan Internet Association (TWIA) Director, Taiwan Network Information Center (TWNIC)	-	-	-
Director	TCC Investment Co., Ltd. Representative: Vivien Hsu	2009.09.19	2011.06.12	222,774,179	5.861	222,774,179 *None	5.861 *None	-	-	MBA, University of New South Wales, Sydney, Australia MBA, National Chengchi University Executive Vice President and Chief Financial Officer, KG Telecom Co., Ltd. President and CEO, Lambda Net Co., Ltd. President and CEO, KGEEx.com Co., Ltd. President and CEO, KG Satellite Communication Co., Ltd. Chief Financial Officer, Cathay Financial Holdings Co., Ltd. Senior Vice President and Chief Financial Officer, Taiwan Mobile Co., Ltd. Senior Vice President and Chief of Staff, Taiwan Mobile Co., Ltd. Chairman, Taiwan Tele-Shop Co., Ltd. Senior Consultant and Acting President, Taiwan Fixed Network Co., Ltd.	Co-President, Taiwan Mobile Co., Ltd. Director and President, Taipei New Horizons Co., Ltd. Director, Taiwan Fixed Network Co., Ltd. Director, Taiwan Teleservices & Technologies Co., Ltd. Director and President, Taiwan Cellular Co., Ltd. Director and President, TCC Investment Co., Ltd. Director and President, TFN Union Investment Co., Ltd. Director, Union Cable TV Co., Ltd. Director, Yeong Jia Leh Cable TV Co., Ltd. Director, Phoenix Cable TV Co., Ltd. Director, Globalview Cable TV Co., Ltd. Chairman and President, Wealth Media Technology Co., Ltd. Supervisor, Win TV Broadcasting Co., Ltd. Supervisor, Taiwan Kuro Times Co., Ltd. Supervisor, TFN Media Co., Ltd.	-	-	-

Title	Name	Date elected	Term expires	Shareholding when elected		Current shareholding		Spouse/minor's shareholdings		Education and experience	Current position(s) in the Company and other companies	Officer, director, or supervisor is a spouse or consanguineous within two degrees		
				Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director	Fu-Chi Venture Corp. Representative: Victor Kung	2008.06.13	2011.06.12	4,849,515	0.128	6,387,515 *None	0.168 *None	-	-	MA in Economics and MBA in Finance, New York University Executive Vice President, Walden International Investment Group Executive Director, Citicorp Capital Asia Ltd. Director of Direct Investments, AIG Investment Corp.	Director and President, Fubon Financial Holding Co., Ltd. Director, Fubon Insurance Co., Ltd. Director, Taipei Fubon Commercial Bank Co., Ltd. Director, Fubon Asset Management Co., Ltd. Director, Fubon Life Insurance Co., Ltd. Director, Fubon Bank (HK) Limited Vice Chairman, Haixia Capital Management Co., Ltd. Supervisor, Fubon Venture Capital Consulting Co., Ltd. Supervisor, Fubon Financial Holding Venture Capital Co., Ltd. Supervisor, Fubon Multimedia Technology Co., Ltd.	-	-	-
Independent Director	Jack J.T. Huang	2008.06.13	2011.06.12	-	-	-	-	-	-	LL.B., National Taiwan University LL.M., Northwestern University S.J.D., Harvard University	Partner-in-charge, Jones Day Taipei Director, Yulon Motor Co., Ltd. Independent Director, WPG Holdings Ltd. Independent Director, Systex Corp. Independent Director, Chinatrust Financial Holding Co., Ltd.	-	-	-
Independent Director	Tsung-Ming Chung	2008.06.13	2011.06.12	-	-	-	-	-	-	BBA, National Taiwan University MBA, National Chengchi University CPA, ROC CPA, Connecticut, USA Partner, T.N. Soong & Co. Instructor, Department of Accounting, National Chengchi University	Chairman and CEO, Dynapack Technology Corp. Independent Director, Chroma ATE, Inc. Director, Far Eastern International Commercial Bank Director, Unity Opto Technology Co., Ltd.	-	-	-
Independent Director	Wen-Li Yeh	2008.06.13	2011.06.12	-	-	-	-	-	-	Department of Architecture, Chung-Yuan Christian University MA and Ph.D. candidate, University of Paris EMBA Studies, University of California, Berkeley Planner, Council for Economic Planning and Development under the Executive Yuan Managing Director, United Pacific International Inc. President, United Communications Managing Director and Vice Chairman, United Advertising Co. Chairman, Carat-United Media Services (Taiwan) Ltd. Chairman, Aegis Media Taiwan	Chairman, Aegis Media Greater China	-	-	-
Independent Director	J. Carl Hsu	2008.06.13	2011.06.12	-	-	-	-	-	-	BSEE, National Taiwan University Ph.D. and MS in Computer Science, UCLA Senior Executive, AT&T, Bell Labs and Lucent Technologies Communications Software Group Professor, National Tsing Hua University in Taiwan, Peking University and others	Professor, Peking University and other universities Board member of Rogers Corp., USA	-	-	-

* Personal shareholding

Note 1: TCC Investment Co., Ltd. appointed Cliff Lai as representative, taking over Harvey Chang's duties on November 30, 2010.

1. Major shareholders of TWM's institutional investors

As of January 31, 2011

Institutional investor	Major shareholders
Fu-Chi Venture Corp.	Richard Tsai (50.20%), Mei-Hui Ueng Tsai (49.75%), Cheng Ru Tsai (0.05%)
TCC Investment Co., Ltd.	Taiwan Cellular Co., Ltd. (100%)

2. Major shareholders of companies mentioned on the right hand side of the table above

As of January 31, 2011

Company	Major shareholders
Taiwan Cellular Co., Ltd.	Taiwan Mobile Co., Ltd. (100%)

3. Independence criteria of directors

As of January 31, 2011

Name	Over five years of experience in business, finance, legal and/or other areas related to the Company's business	Independence criteria (Notes)										No. of public companies in which he or she also serves as an independent director
		1	2	3	4	5	6	7	8	9	10	
Richard Tsai	V						V	V		V		0
Daniel Tsai	V						V	V		V		0
Cliff Lai	V			V	V	V		V	V	V		0
Vivien Hsu	V			V	V			V	V	V		0
Victor Kung	V	V		V	V		V	V	V	V		0
Jack J.T. Huang	V	V	V	V	V	V	V	V	V	V	V	3
Tsung-Ming Chung	V	V	V	V	V	V	V	V	V	V	V	1
Wen-Li Yeh	V	V	V	V	V	V	V	V	V	V	V	0
J. Carl Hsu	V	V	V	V	V	V	V	V	V	V	V	0

"V" denotes meeting the conditions specified above

Criterion 1: Not an employee of the Company or its affiliated companies

Criterion 2: Not a director or supervisor of the Company's affiliated companies

Criterion 3: Neither a shareholder that directly or indirectly owns more than 1% of the Company's outstanding shares, nor one of the Company's top 10 individual shareholders

Criterion 4: Not a spouse or a relative within second degree by affinity, or within five degrees by consanguinity to any person specified in criteria 1 to 3

Criterion 5: Neither a director, supervisor, or employee of an entity that directly and/or indirectly holds more than 5% of the Company's shares, nor one of the Company's top five shareholders

Criterion 6: Not a director, supervisor, manager, or shareholder owning more than 5% of the outstanding shares of certain companies that have financial or business relationship with the Company

Criterion 7: Not an owner, partner, director, supervisor, manager, or spouse of any of the aforementioned, of any sole proprietorship, partnership, company, or institution that provided financial, commercial, legal consultation, and other services to the Company or its affiliates within the past year

Criterion 8: Not a spouse or relative within second degree by affinity to other directors

Criterion 9: Not in contravention of Article 30 of the Company Law

Criterion 10: Not an institutional shareholder or its representative pursuant to Article 27 of the Company Law

Management Team

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Co-President	Cliff Lai	2011.01.01	11,611 / 0.000	- / -	EMBA, National Chengchi University MS in Electrical Engineering, North Carolina State University, USA Researcher, AT&T Laboratories Vice President, Tecom Co., Ltd. Vice President, Mobitai Communications Co., Ltd. President, Reach and Range, Inc. Senior Vice President, Taiwan Fixed Network Co., Ltd. CEO, Fu Yang Media Technology Co., Ltd. Senior Vice President and Chief Business Officer, Taiwan Mobile Co., Ltd. Senior Vice President and Chief Operating Officer of Consumer Business Group, Taiwan Mobile Co., Ltd.	Director, Taiwan Fixed Network Co., Ltd. Chairman, Taiwan Teleservices & Technologies Co., Ltd. Chairman and President, Taiwan Super Basketball Co., Ltd. Chairman, Win TV Broadcasting Co., Ltd Director, Taiwan Cellular Co., Ltd. Director, Taipei New Horizons Co., Ltd. Director, TWM Communications (Beijing) Co., Ltd. Director, Taiwan Kuro Times Co., Ltd. Director and President, TFN Media Co., Ltd. Chairman, Union Cable TV Co., Ltd. Chairman, Yeong Jia Leh Cable TV Co., Ltd. Chairman, Phoenix Cable TV Co., Ltd. Chairman, Globalview Cable TV Co., Ltd. Director, Wealth Media Technology Co., Ltd. Director, Taiwan Internet Association (TWIA) Director, Taiwan Network Information Center (TWNIC)	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Co-President	Vivien Hsu	2011.01.01	- / -	- / -	MBA, University of New South Wales, Sydney, Australia MBA, National Chengchi University Executive Vice President and Chief Financial Officer, KG Telecom Co., Ltd. President and CEO, Lambda Net Co., Ltd. President and CEO, KGEx.com Co., Ltd. President and CEO, KG Satellite Communication Co., Ltd. Chief Financial Officer, Cathay Financial Holdings Co., Ltd. Senior Vice President and Chief Financial Officer, Taiwan Mobile Co., Ltd. Senior Vice President and Chief of Staff, Taiwan Mobile Co., Ltd. Chairman, Taiwan Tele-Shop Co., Ltd. Senior Consultant and Acting President, Taiwan Fixed Network Co., Ltd.	Director and President, Taipei New Horizons Co., Ltd. Director, Taiwan Fixed Network Co., Ltd. Director, Taiwan Teleservices & Technologies Co., Ltd. Director and President, Taiwan Cellular Co., Ltd. Director and President, TCC Investment Co., Ltd. Director and President, TFN Union Investment Co., Ltd. Director, Union Cable TV Co., Ltd. Director, Yeong Jia Leh Cable TV Co., Ltd. Director, Phoenix Cable TV Co., Ltd. Director, Globalview Cable TV Co., Ltd. Chairman and President, Wealth Media Technology Co., Ltd. Supervisor, Win TV Broadcasting Co., Ltd. Supervisor, Taiwan Kuro Times Co., Ltd. Supervisor, TFN Media Co., Ltd.	-	-	-
Vice President	C.A. Chuang	2003.12.01	5,927 / 0.000	- / -	MBA, International Institute for Management Development, Switzerland MS in Industrial Education, National Taiwan Normal University Manager, Human Resources Department, China Steel Corp. Vice President, TransAsia Telecommunications Inc.	None	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Vice President	Ariel Hwang	2004.03.01	- / -	- / -	EMBA, National Taiwan University LL.M., National Taipei University LL.B., National Taiwan University Judge, Taoyuan District Court, Taiwan Judge, Banciao District Court, Taiwan Judge, Taipei District Court, Taiwan Judge, Taiwan High Court	Supervisor, Taipei New Horizons Co., Ltd. Supervisor, Union Cable TV Co., Ltd. Supervisor, Yeong Jia Leh Cable TV Co., Ltd. Supervisor, Phoenix Cable TV Co., Ltd. Supervisor, Global View Cable TV Co., Ltd. Supervisor, Wealth Media Technology Co., Ltd. Legal Consultant, Fubon Financial Holding Co., Ltd. Legal Consultant, Taiwan Fixed Network Co., Ltd.	-	-	-
Vice President	Jay Hong	2004.05.06	70,000 / 0.002	- / -	EMBA, National Sun Yat-Sen University Engineering Supervisor, Engineering Division, Nan Ya Plastics Corp. Director, Procurement Division, TransAsia Telecommunications Inc. Vice President, Customer Service Division, TransAsia Telecommunications Inc. Vice President, Direct Store Division, Taiwan Mobile Co., Ltd. President, Taiwan Teleservices & Technologies Co., Ltd.	None	-	-	-
Vice President	Andrew Wong	2003.12.01	764 / 0.000	- / -	MBA, George Washington University Manager, Johnson, Bassin & Shaw Manager, MCI Communications Vice President, Far EasTone Telecommunications Co., Ltd.	President, Taiwan Kuro Times Co., Ltd.	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Vice President	James Chang	2004.09.17	181,205 / 0.005	- / -	MS in Computer Science, University of Illinois at Chicago District Manager, AT&T Laboratories Senior Delivery Manager, IBM Global Services Senior Director, TBCommerce Network Corp. Director, AT&T Laboratories	None	-	-	-
Vice President	Daphne Yang	2010.01.04	- / -	- / -	M.A. in Theatre Production, University of Hull, UK Strategic Planning Manager, JWT Advertising Agency Strategic Planning Director/Business Development Director, D'Arcy Advertising Agency General Manager, Senses Strategic Network Vice President, Acquisition & Terminals Marketing Division, Taiwan Mobile Co., Ltd. President, Nanjing Xing-gi Real Estate Development Co., Ltd.	Director, Taiwan Super Basketball Co., Ltd. Director, Taiwan Kuro Times Co., Ltd.	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Finance Group									
Senior Vice President and Chief Financial Officer	Rosie Yu	2011.01.01	- / -	- / -	BA, National Taiwan University Executive Vice President, China Securities Co., Ltd. General Manager, Citicorp International Securities Ltd., Taipei Branch General Manager, Credit Lyonnais Securities (Asia) Ltd., Taipei Branch President, Global Investment Holdings Co., Ltd. Chairman, Global Investment Advisory (HK) Ltd.	Director, Union Cable TV Co., Ltd. Director, Yeong Jia Leh Cable TV Co., Ltd. Director, Phoenix Cable TV Co., Ltd. Director, Globalview Cable TV Co., Ltd. Supervisor, Taiwan Cellular Co., Ltd.	-	-	-
Vice President	Ruth Liaw	2006.05.15	- / -	- / -	MBA, National Chengchi University Partner, Arthur Andersen & Co. Chief Financial Officer, Arima Computer Corp.	Director, Taiwan Cellular Co., Ltd. Supervisor, Taiwan Teleservices & Technologies Co., Ltd. Supervisor, TCC Investment Co., Ltd. Supervisor, TFN Union Investment Co., Ltd. Supervisor, Union Cable TV Co., Ltd. Supervisor, Yeong Jia Leh Cable TV Co., Ltd. Supervisor, Phoenix Cable TV Co., Ltd. Supervisor, Globalview Cable TV Co., Ltd.	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Technology Group									
Vice President and Acting Chief Technology Officer	HS Wang	2011.01.01	241 / 0.000	702 / 0.000	Ph.D. in Electrical and Computer Engineering, Rutgers, State University of New Jersey Lecturer/Assistant Professor, Information Engineering Department, Chinese University of Hong Kong Vice President, Mediatec Corp. Vice President, First International Telecom	Director, Taiwan Super Basketball Co., Ltd. Director, Union Cable TV Co., Ltd. Director, Yeong Jia Leh Cable TV Co., Ltd. Director, Phoenix Cable TV Co., Ltd. Director, Globalview Cable TV Co., Ltd. Director, Wealth Media Technology Co., Ltd.	-	-	-
Vice President	Techi Juan	2002.05.21	103,960 / 0.003	1,017 / 0.000	MS in Electronics Engineering, University of Missouri, Columbia Engineer, Lucent Technologies Telecommunications Taiwan Co., Ltd. Technical Manager, Asia Pacific Intellectual Property Association Senior Director, Taiwan Mobile Co., Ltd.	None	-	-	-
Vice President	Egon Chen	2004.02.16	93,509 / 0.002	- / -	BS in Electronics Engineering, Tamkang University Director, Suretone Telecom, Inc. Senior Director, Taiwan Fixed Network Co., Ltd. Vice President, Howin Technologies Corp.	None	-	-	-
Vice President	Chien Chen	2004.02.16	- / -	- / -	EMBA, National Taiwan University Manager, Siemens Telecommunication Systems Ltd. Director, Suretone Telecom, Inc. Vice President, Taiwan Fixed Network Co., Ltd. Vice President, Howin Technologies Corp.	None	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Consumer Business Group									
Vice President and Deputy Chief Operating Officer	Jeff Ku	2005.06.06	13,604 / 0.000	- / -	EMBA, National Taiwan University MBA, University of Wollongong, Australia Director, Far EasTone Telecommunications Co., Ltd. Vice President, Taiwan High Speed Rail Corp.	Director, TWM Communications (Beijing) Co., Ltd.	-	-	-
Vice President	Jerry Chu	2003.12.01	460,000 / 0.012	- / -	MBA, University of Toronto, Canada LL.B., Department of Law, National Taiwan University Director, Finance Management Division, KG Telecommunications Co., Ltd. Director, Business Process Management Division, KG Telecommunications Co., Ltd. Director, Revenue Assurance Division, KG Telecommunications Co., Ltd. Vice President, Quality Director, Corporate Banking, Citibank, N.A., Taipei Branch Vice President, CitiService Head, Corporate Banking, Citibank, N.A., Taipei Branch Vice President, Senior Country Operations Officer, Operations and Technology Head, Global Transaction Service, Citibank, N.A., Taipei Branch	Director and President, Taiwan Teleservices & Technologies Co., Ltd. Supervisor, Taiwan Fixed Network Co., Ltd.	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Vice President	Sean Hsieh	2003.12.08	273,774 / 0.007	- / -	BS in Business Administration and Sociology, Fu Jen Catholic University, University of Texas, Austin Account Supervisor, Bozell CCAA Group Account Director, Series DMB&B Communications Marketing and Sales Manager, PUMA North Asia Ltd., Taiwan Branch Marketing Director, TransAsia Telecommunications, Inc. Vice President, TransAsia Telecommunications, Inc. Vice President, Enterprise Solution and Channel Sales, Taiwan Mobile Co., Ltd.	None	-	-	
Vice President	Simon Wang	2004.10.11	101,204 / 0.003	- / -	EMBA, National Taiwan University BS in Telecommunications Engineering, National Chiao Tung University Manager, Technology & Quality Division, Philips Electronics Industry Co., Ltd. General Manager, Philips Optel Division Corp. General Manager, Fu Shing Can & Metal Manufacturing Co., Ltd. General Manager, ICAN Manufacturing Co., Ltd. Director, Teco Optical Electronics Co., Ltd. Factory Manager, Yeti Electronics Co., Ltd. Executive Vice President, TransAsia Telecommunications Inc.	None	-	-	

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Vice President	Paul Huang	2008.01.21	221,487 / 0.006	- / -	MS in Computer Science, Bradley University, USA Supervisor, Siemens Telecommunication Systems Ltd. Account and Project Manager, Nortel, Taiwan Branch Vice President, Business Development, Hong Kong Telecom, Taiwan Branch Vice President, Sales and Services, Far Eastone Telecommunications Co., Ltd. Vice President, Business and Operations, Far Eastern Electronic Toll Collection Co., Ltd.	None	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Enterprise Business Group									
Senior Vice President and Chief Operating Officer	George C. Chou	2007.11.26	231,955 / 0.006	- / -	MS in Mathematics, Colorado State University, USA Business Development Manager, Siemens Telecommunication Systems Ltd. Special Assistant to the President, Siemens Telecommunication Systems Ltd. Managing Director, Siemens Nixdorf Information Systems Ltd., Taiwan Branch General Manager, PCCW (formerly Hong Kong Telecom) Director of Taiwan Operations, PCCW Vice Chairman and CEO, Taiwan Telecommunication Network Services Co., Ltd. CEO, Fu Yang Media Technology Co., Ltd. Senior Consultant, Taiwan Mobile Co., Ltd. Chairman, North Coast Cable TV Co., Ltd. Chairman, Yeong Jia Leh Cable TV Co., Ltd. Chairman, Union Cable TV Co., Ltd. Chairman, Phoenix CATV Co., Ltd. Chairman, Globalview CATV Co., Ltd. Chief Operating Officer, Taiwan Fixed Network Co., Ltd.	President, Taiwan Fixed Network Co., Ltd. Director, Taiwan Teleservices & Technologies Co., Ltd. Director, TWM Communications (Beijing) Co., Ltd. Director, Taiwan Acceptance Co., Ltd.	-	-	-

Title	Name	Effective date	Shareholding / %	Spouse/ minor's shareholding / %	Education and experience	Current position(s) in other companies	Manager, director, or supervisor is a spouse or consanguineous within two degrees		
							Title	Name	Relationship
Vice President	Joseph Yang	2007.11.09	90,801 / 0.002	- / -	BS in Transportation Management, National Chiao Tung University Advisory Systems Engineer, Systems Engineer, IBM Taiwan Technical Manager, Central and South Branch, IBM Taiwan Solution Director, Finance Industry, IBM Taiwan Sales Director, Finance Industry, IBM Taiwan Vice President for Sales, Eastern Broadband Telecom Chief Operating Officer, Eastern Broadband Telecom Senior Vice President, Asia Pacific Telecom Group Chief Marketing Officer, Asia Pacific Telecom Group Product Director, Asia Region, High Tech Computer	None	-	-	-

Compensation to directors and management executives

1. Compensation to directors

Unit: NT\$

Title		Chairman	Vice Chairman	Director		Director	
Name		Fu-Chi Venture Corp.	Fu-Chi Venture Corp.	TCC Investment Co., Ltd.		TCC Investment Co., Ltd.	
Representative		Richard Tsai	Daniel Tsai	Cliff Lai (Note 1)	Harvey Chang	Vivien Hsu	
Director's compensation	Cash compensation (A)	Stand-alone	-	-	-	-	
		Consolidated	-	-	-	-	
	Retirement pay (B)	Stand-alone	-	-	-	-	
		Consolidated	-	-	-	-	
	Earnings paid as compensation to directors (C)	Stand-alone	5,968,952	4,476,713	2,984,476	2,984,476	
		Consolidated	5,968,952	4,476,713	2,984,476	2,984,476	
	Professional fee (D)	Stand-alone	180,000	100,000	-	120,000	100,000
		Consolidated	333,000	208,000	45,000	318,000	349,000
A+B+C+D as a % of net profit		Stand-alone	0.0445%	0.0331%	0.0225%	0.0223%	
		Consolidated	0.0456%	0.0339%	0.0242%	0.0241%	
Employee profit sharing	Performance-based salary (E)	Stand-alone					
		Consolidated					
	Retirement pay of employees (F)	Stand-alone					
		Consolidated					
	Earnings paid as bonus to employees (G)	Stand-alone	Cash bonus				
			Stock bonus				
		Consolidated	Cash bonus				
			Stock bonus				
Employee stock option granted (H)	Stand-alone						
	Consolidated						
A+B+C+D+E+F+G+H as % of net profit		Stand-alone					
		Consolidated					
Compensation from investees other than subsidiaries			-	-	6,000	6,000	
Other allowances							

Note 1: TCC Investment Co., Ltd. appointed Cliff Lai as representative, taking over Harvey Chang's duties on November 30, 2010.

Unit: NT\$

Title			Director	Independent Director	Independent Director	Independent Director	Independent Director	Total	
Name			Fu-Chi Venture Corp.	Jack J.T. Huang	Tsung-Ming Chung	Wen-Li Yeh	J. Carl Hsu		
Representative			Victor Kung						
Director's compensation	Cash compensation (A)	Stand-alone	-	-	-	-	-	-	
		Consolidated	-	-	-	-	-	-	
	Retirement pay (B)	Stand-alone	-	-	-	-	-	-	
		Consolidated	-	-	-	-	-	-	
	Earnings paid as compensation to directors (C)	Stand-alone	2,984,476	4,476,713	4,476,713	4,476,713	4,476,713	37,305,945	
		Consolidated	2,984,476	4,476,713	4,476,713	4,476,713	4,476,713	37,305,945	
	Professional fee (D)	Stand-alone	120,000	390,000	430,000	340,000	340,000	2,120,000	
		Consolidated	120,000	390,000	430,000	340,000	340,000	2,873,000	
A+B+C+D as a % of net profit	Stand-alone	0.0225%	0.0352%	0.0355%	0.0348%	0.0348%	0.2852%		
	Consolidated	0.0225%	0.0352%	0.0355%	0.0349%	0.0349%	0.2908%		
Employee profit sharing	Performance-based salary (E)	Stand-alone						145,744,993	
		Consolidated						145,761,593	
	Retirement pay of employees (F)	Stand-alone						324,000	
		Consolidated						324,000	
	Earnings paid as bonus to employees (G)	Stand-alone	Cash bonus						29,489,176
			Stock bonus						-
		Consolidated	Cash bonus						29,489,176
			Stock bonus						-
Employee stock option granted (H)	Stand-alone						-		
	Consolidated						-		
A+B+C+D+E+F+G+H as a % of net profit	Stand-alone						1.5554%		
	Consolidated						1.5614%		
Compensation from investees other than subsidiaries			-	-	-	-	-	12,000	
Other allowances								2,510,176	

2. Range of compensation to directors

Since 1) no net loss was reported for two consecutive years, 2) none of the directors' holdings fell below requirements for three consecutive months in the most recent year, and 3) no director or supervisor having an average ratio of share pledging over 50% in any three months for the most recent year, the Company discloses compensation to directors by range of compensation:

Range of compensation to directors	Name of directors			
	Director's compensation		Director's compensation + employee profit sharing	
	On a stand-alone basis	On a consolidated basis	On a stand-alone basis	On a consolidated basis
NT\$0~NT\$1,999,999	Richard Tsai, Daniel Tsai, Harvey Chang, Cliff Lai, Vivien Hsu, Victor Kung	Richard Tsai, Daniel Tsai, Harvey Chang, Cliff Lai, Vivien Hsu, Victor Kung	Victor Kung	Victor Kung
NT\$2,000,000~NT\$4,999,999	Jack J.T.Huang, Tsung-Ming Chung, Wen-Li Yeh, J. Carl Hsu	Jack J.T. Huang, Tsung-Ming Chung, Wen-Li Yeh, J. Carl Hsu	Jack J.T. Huang, Tsung-Ming Chung, Wen-Li Yeh, J. Carl Hsu	Jack J.T. Huang, Tsung-Ming Chung, Wen-Li Yeh, J. Carl Hsu
NT\$5,000,000~NT\$9,999,999	TCC Investment Co., Ltd.	TCC Investment Co., Ltd.	TCC Investment Co., Ltd.	TCC Investment Co., Ltd.
NT\$10,000,000~NT\$14,999,999	Fu-Chi Venture Corp.	Fu-Chi Venture Corp.	Fu-Chi Venture Corp., Cliff Lai, Vivien Hsu	Fu-Chi Venture Corp., Cliff Lai, Vivien Hsu
NT\$15,000,000~NT\$29,999,999	-	-	Richard Tsai, Daniel Tsai	Richard Tsai, Daniel Tsai
NT\$30,000,000~NT\$49,999,999	-	-	-	-
NT\$50,000,000~NT\$99,999,999	-	-	-	-
NT\$100,000,000 and above	-	-	Harvey Chang	Harvey Chang
Number of total	12	12	12	12

3. Compensation to supervisors:

Not applicable

4. Compensation to management executives

Unit: NT\$

Title and name	Co-President, Cliff Lai; Co-President, Vivien Hsu; Chief Operating Officer of the Enterprise Business Group, George C. Chou; Chief Financial Officer, Rosie Yu; Acting Chief Technology Officer, H.S. Wang; Vice President, C.A. Chuang; Vice President, Ariel Hwang; Vice President, Jay Hong; Vice President, Daphne Yang; Vice President, Andrew Wong; Vice President, James Chang; Vice President, Ruth Liaw; Vice President, Tech Juan; Vice President, Egon Chen; Vice President, Chien Chen; Deputy Chief Operating Officer of the Consumer Business Group, Jeff Ku; Vice President, Sean Hsieh; Vice President, Jerry Chu; Vice President, Paul Huang; Vice President, Simon Wang; Vice President, Joseph Yang		Executives who have resigned or transferred to affiliated companies	Total	
Salary (A)	Stand-alone	91,532,332	71,868,603	163,400,935	
	Consolidated	91,532,332	71,868,603	163,400,935	
Pension (B) (Note 1)	Stand-alone	2,153,745	213,900	2,367,645	
	Consolidated	2,153,745	213,900	2,367,645	
Performance-based salary (C)	Stand-alone	54,787,157	21,838,334	76,625,491	
	Consolidated	56,353,032	22,893,934	79,246,966	
Employee profit sharing (D)	Stand-alone	Cash	39,336,616	24,866,845	64,203,461
		Stock	-	-	-
	Consolidated	Cash	39,336,616	24,866,845	64,203,461
		Stock	-	-	-
A+B+C+D as a % of net profit	Stand-alone	1.36%	0.86%	2.22%	
	Consolidated	1.37%	0.87%	2.24%	
Employee stock options	Stand-alone	-	-	-	
	Consolidated	-	-	-	
Compensation from investees other than subsidiaries		-	-	-	
Other allowances	Stand-alone	1,526,264	983,912	2,510,176	
	Consolidated	2,270,162	1,713,382	3,983,544	

Note 1: The Company's contribution to employee's pension account, not actual amount paid.

Note 2: Names of managers and their employee bonus distribution were the same as the table above.

5. Range of compensation to management executives

Range of compensation to executives	Name of management executives	
	2010	
	On a stand-alone basis	On a consolidated basis
NT\$0~NT\$1,999,999	-	-
NT\$2,000,000~NT\$4,999,999	Vice President, Daphne Yang	Vice President, Daphne Yang
NT\$5,000,000~NT\$9,999,999	Chief Financial Officer, Rosie Yu; Acting Chief Technology Officer, H.S. Wang; Vice President, C.A. Chuang; Vice President, Ariel Hwang; Vice President, Jay Hong; Vice President, Andrew Wong; Vice President, Ruth Liaw; Vice President, Tech Juan; Vice President, Egon Chen; Vice President, Chien Chen; Deputy Chief Operating Officer of the Consumer Business Group, Jeff Ku; Vice President, Sean Hsieh; Vice President, Jerry Chu; Vice President, Paul Huang; Vice President, Simon Wang; Vice President, Joseph Yang	Chief Financial Officer, Rosie Yu; Acting Chief Technology Officer, H.S. Wang; Vice President, C.A. Chuang; Vice President, Ariel Hwang; Vice President, Jay Hong; Vice President, Andrew Wong; Vice President, Ruth Liaw; Vice President, Tech Juan; Vice President, Egon Chen; Vice President, Chien Chen; Deputy Chief Operating Officer of the Consumer Business Group, Jeff Ku; Vice President, Sean Hsieh; Vice President, Jerry Chu; Vice President, Paul Huang; Vice President, Simon Wang; Vice President, Joseph Yang
NT\$10,000,000~NT\$14,999,999	Co-President, Cliff Lai; Co-President, Vivien Hsu; Chief Operating Officer of the Enterprise Business Group, George C. Chou; Former Chief Technology Officer and Chief Operating Officer of the Home Business Group, James Jeng; Vice President, James Chang	Co-President, Cliff Lai; Co-President, Vivien Hsu; Chief Operating Officer of the Enterprise Business Group, George C. Chou; Former Chief Technology Officer and Chief Operating Officer of the Home Business Group, James Jeng; Vice President, James Chang
NT\$15,000,000~NT\$29,999,999	-	-
NT\$30,000,000~NT\$49,999,999	-	-
NT\$50,000,000~NT\$99,999,999	-	-
NT\$100,000,000 and above	Former President and Chief Executive Officer, Harvey Chang	Former President and Chief Executive Officer, Harvey Chang
Total	23	23

6. Information of names of managers and their employee bonus distribution was disclosed in Table 4.

Compensation to directors and management executives as a percentage of net income over the past two years and guiding principles

1. Compensation to directors

Unit: NT\$

Type	Year	Compensation to directors	As a % of net profit	Net profit
On a stand-alone basis	2009	150,669,456	1.0848%	13,888,862,693
	2010	214,984,114	1.5554%	13,822,185,662
On a consolidated basis	2009	152,591,867	1.0985%	13,890,516,183
	2010	215,753,714	1.5614%	13,817,777,608

Guiding principles for compensation to directors

Remuneration policies, standards and package

- (1) The Board is authorized to decide the remuneration for the Chairman and Vice Chairman, but it should not be higher than the remuneration payable to the CEO of the Company.
- (2) Directors are paid according to the resolution on earnings distribution approved at the annual general shareholders' meeting. Remuneration or other equivalent allowance for directors and supervisors are based on their involvement in the Company's operations and contribution to the Company, the "Rules for Setting Director's Remuneration" and industry norms.
- (3) Transportation allowances are paid quarterly based on attendance in board meetings and for services rendered as members of the Corporate Governance Committee and Audit Committee.

Procedure for setting remuneration

- (1) In accordance with the Company's Articles of Incorporation, compensation to directors and supervisors shall not exceed 0.3% of the Company's annual net income after deducting previous years' losses, appropriating 10% thereof for legal reserves, and setting aside special reserves.
- (2) Transportation allowances are determined in accordance with the "Rules for Setting Director's Remuneration."

Performance factor

Compensation to each director or supervisor is assessed based on his/her contribution to the operations of the Company and the Board. The Corporate Governance Committee and the Board review the compensation mechanism periodically, taking issues of environmental protection, labor health and safety, and corporate social responsibility into consideration.

2. Compensation to management executives

Unit: NT\$

Type	Year	Compensation to management executives	As a % of net profit	Net profit
On a stand-alone basis	2009	267,370,076	1.9251%	13,888,862,693
	2010	306,597,532	2.2182%	13,822,185,662
On a consolidated basis	2009	279,175,395	2.0098%	13,890,516,183
	2010	309,219,007	2.2378%	13,817,777,608

Guiding principles for compensation to management executives

Remuneration policies, standards and package

- (1) Compensation to the president and vice presidents comprises a fixed monthly salary and performance bonus.
- (2) Performance bonuses are determined based on the president's or the vice president's contribution to the Company and the results of an annual performance appraisal.

Procedure for setting remuneration

- (1) In accordance with the Company's Articles of Incorporation, performance bonuses paid to the president and vice presidents shall be set between 1% and 3% of the Company's annual net income after deducting previous years' losses, appropriating 10% thereof for legal reserves, and setting aside special reserves.
- (2) Year-end bonuses are set based on the Company's performance and the annual budget approved by the Board and the Chairman.

Performance factor

- (1) Performance bonuses comprise around 50% of the remuneration and are determined based on the president's or the vice president's contribution to the Company's operations. The Company shall review the compensation mechanism periodically, taking future operating risks, environmental protection, and corporate social responsibilities into consideration.
- (2) The Human Resources Department is tasked with preparing the annual compensation for the president and vice presidents and submitting a report to the independent directors of the Corporate Governance Committee.

CORPORATE GOVERNANCE

Board of Directors attendance

1. The Board of Directors convened six times in 2010

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
Chairman	Fu-Chi Venture Corp. Representative: Richard Tsai	6	0	100%	
Vice Chairman	Fu-Chi Venture Corp. Representative: Daniel Tsai	5	1	83%	
Director	TCC Investment Co., Ltd. Representative: Cliff Lai (Note 1)	NA	NA	NA	All six board meetings were held before Cliff Lai's appointment as representative on November 30, 2010.
Director	TCC Investment Co., Ltd. Representative: Vivien Hsu	5	1	83%	
Director	Fu-Chi Venture Corp. Representative: Victor Kung	6	0	100%	
Independent Director	Jack J.T. Huang	5	1	83%	
Independent Director	Tsung-Ming Chung	6	0	100%	
Independent Director	Wen-Li Yeh	5	1	83%	
Independent Director	J. Carl Hsu	5	1	83%	
Director	TCC Investment Co., Ltd. Representative: Harvey Chang (Note 1)	6	0	100%	Harvey Chang resigned as representative on November 30, 2010.

Note 1: TCC Investment Co., Ltd. appointed Cliff Lai as representative to take over Harvey Chang's duties on November 30, 2010.

2. **Any objections or issues raised by independent directors against resolutions passed by the Board of Directors pursuant to Article 14-3 of the Securities and Exchange Act:** None
3. **Any conflict of interests among directors:** None
4. **Other BOD objectives:**
 - (1) Performance evaluation: The “Rules and Procedures on Evaluating the Board of Directors’ Performance” was approved at the 11th meeting of the Fourth Board of Directors on October 26, 2006, under which the Corporate Governance Committee evaluates the board’s performance and submits a report on proposed improvements. All members participated in the 2010 Board of Directors’ performance self-evaluation at the board’s 18th meeting on January 27, 2011.
 - (2) Training programs for directors and supervisors: The Company has since 2008 conducted regular in-house seminars to facilitate interactions between the lecturer and directors and meet the required training hours.
 - (3) Information transparency: Committed to upholding transparency in operations and protecting shareholders’ interests, the Company discloses resolutions by the Board of Directors in a timely and consistent manner. In accordance with Interpretation No. 0970032392, promulgated by the Taiwan Stock Exchange on November 19, 2008, the Company approved the “Regulations on Dealing with Internal Material Information” on January 22, 2009, and disseminated them to employees, managers and directors on April 9, 2009, to ensure that they promote information transparency and timely disclosure.

Audit Committee attendance

Pursuant to the Securities and Exchange Act, shareholders approved the establishment of an Audit Committee consisting of independent directors to take over the responsibilities of supervisors during its annual meeting in June, 2008. The committee’s operation is bound by the “Audit Committee Charter” and its main responsibility is to assist the board in overseeing the following:

- (1) Integrity of the Company's financial statements
- (2) Independent auditors' appointment (termination) and integrity/performance
- (3) Internal risk controls
- (4) Company's compliance with legal and regulatory requirements
- (5) Company's existing and potential risks

1. The Audit Committee convened six times in 2010

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
Independent Director	Tsung-Ming Chung	6	-	100%	Appointed committee chairman
Independent Director	Jack J.T. Huang	6	-	100%	
Independent Director	Wen-Li Yeh	6	-	100%	
Independent Director	J. Carl Hsu	6	-	100%	

2. **Any objections or issues raised by the Audit Committee against resolutions, pursuant to Article 14-5 of the Securities and Exchange Act, that were approved by over two-thirds of the directors:** None
3. **Any conflict of interests among independent directors:** None
4. **Communication between Independent Directors and the Internal Audit Chief Officer and CPAs:**
 - (1) In addition to presenting monthly reports to independent directors, the Internal Audit Chief submits regular reports on the progress of its audit program at the quarterly Audit Committee meetings.

- (2) The CPAs present audit reports and findings to independent directors during the committee's quarterly meeting.
- (3) The Internal Audit Chief and CPAs also communicate with independent directors directly as needed.

Corporate governance practices

Item		Current practice
Shareholding structure and shareholders' interests	Handling of shareholders' suggestions and disputes	The spokesperson or Secretarial Division handles all non-legal issues; the legal division handles all legal issues.
	Identification of major shareholders and investors with controlling interests	The Secretarial Division provides a list of shareholders.
	Risk control mechanisms and firewalls between the Company and its subsidiaries	The Company has established "Rules and Procedures on Conducting Transactions between Group Companies and Related Parties" and "Rules and Procedures on Monitoring Subsidiaries" as risk control mechanisms.
Board of directors and its responsibilities	Independent directors	The Company's board includes four independent directors.
	Periodic review of CPA's independence	The Audit Committee conducts periodic (every year) reviews on CPA's independence and service fees and requires a statement of independence from the CPA.
Communication channels with shareholders		The spokesperson and spokesperson's mailbox serve as the main communication channel between the Company and shareholders.
Information disclosure	Disclosure of financial, operational and corporate governance information	Disclosure of financial-related and corporate governance information is posted periodically on the Company's website.
	Other ways of disclosing information	The Company has set up an English website, designated personnel to gather and disclose Company information, and appointed a spokesperson. A designated department, Investor Relations Division, was set up to enhance information disclosure.
Functional committees		The Corporate Governance Committee oversees the functions of committees dealing with nominations of board directors and compensation.

Corporate governance principles

- Timely disclosure of material information
- Checks and balances between the board and management
- Fair representation of independent board members
- Audit Committee ensures fair and independent financial oversight
- Corporate Governance Committee ensures sound corporate governance practices and systems be in place
- Adoption of a cash dividend policy based on a high earnings payout ratio
- Distribution of all employee bonuses in the form of cash

Implementation of corporate governance principles

The Company has implemented a number of rules and procedures to enhance its corporate governance practices. It has revised the Rules and Procedures Governing Shareholders' Meetings, Rules and Procedures on Conducting Transactions between Group Companies and Related Parties, Corporate Governance Committee Charter, the Audit Committee Charter, Rules and Procedures Governing Board of Directors' Meetings, Regulations Governing Internal Material Information, Code of Ethics, Ethical Corporate Management Best Practice Principles and Corporate Social Responsibility Policy. With these changes, not only does the Company's corporate governance mechanism comply with Taiwan's Securities and Exchange Act, but it also adheres to the highest international standards.

Additional information

1. Employee rights

The Company safeguards employee rights in accordance with the Labor Standards Act and Company policy.

2. Employee care

The Company provides different communication channels to facilitate communication within the Company. These include holding regular employee and managerial meetings, a President's Mailbox for employees to submit suggestions for improvement and conducting surveys to collect employees' views and opinions.

3. Investor relations

The Company posts financial, operational and material information on the Company website and the market observation post system (MOPS) in a timely manner to keep investors abreast of Company developments and strategies and maximize shareholders' interests.

4. Supplier relations

The Company holds procurement bids based on the "Procedures Governing Procurement," and suppliers deliver products in accordance with the contract.

5. Stakeholders' rights

To protect the interests of stakeholders, the Company has established various free and open communication channels to promote trust and corporate social responsibility.

6. Corporate governance related training program for management

Training program	Organizer	Date	Hours	Participants
Business risk management	TWM PR Div. BSI (British Standard Institute)	2010/01/22	3	Harvey Chang, Vivien Hsu, Cliff Lai, James Jeng, Tech Juan, Simon Wang, Andrew Wong, Jeff Ku, Jay Hong, C.A. Chuang, Ruth Liaw, Jerry Chu, James Chang, Sean Hsieh
Finance course for non-financial managers	TWM HR Div.	2010/01/29	7	Tech Juan, Egon Chen, Chien Chen
Forum on the impact of environmental developments on telecoms companies	TWM HR Div.	2010/07/12	2.5	James Jeng, James Chang, Tech Juan, Egon Chen, Chien Chen, Simon Wang, Paul Huang, Joseph Yang
Copyright Workshop: Copy right or wrong?	TWM HR Div.	2010/07/16	3	Ruth Liaw
How to handle personal information in compliance with the Personal Information Protection Act	Computer Audit Association	2010/08/05	6	Jay Hong
Code of Ethics	TWM HR Div.	2010/08/11	0.5	Harvey Chang, Vivien Hsu, Cliff Lai, James Jeng, Paul Huang, Simon Wang, Tech Juan, HS Wang, Egon Chen, Chien Chen, Ariel Hwang, Sean Hsieh, Andrew Wong, C.A. Chuang, James Chang, Joseph Yang, Daphne Yang, Jay Hong, Ruth Liaw, Jerry Chu, Jeff Ku, Rosie Yu, George C. Chou

7. Training program for directors

Title	Name	Date of training		Organization	Training program	Hours (Note1)
		From	To			
Representative of Institutional Director	Richard Tsai	2010/04/30	2010/04/30	Corporate Governance Association	Management policy review after the financial crisis	3.0
		2010/12/16	2010/12/16	Corporate Governance Association	Dynamic competition and sustainability of Chinese corporates	3.0
Representative of Institutional Director	Daniel Tsai	2010/12/16	2010/12/16	Corporate Governance Association	Dynamic competition and sustainability of Chinese corporates	3.0

Title	Name	Date of training		Organization	Training program	Hours (Note1)
		From	To			
Representative of Institutional Director	Harvey Chang (Note 2)	2010/02/24	2010/02/24	Corporate Governance Association	Why market liberalization is important	1.0
		2010/04/30	2010/04/30	Corporate Governance Association	Management policy review after the financial crisis	3.0
		2010/05/06	2010/05/06	Corporate Governance Association	What does the directors and officers liability insurance cover?	1.0
		2010/07/01	2010/07/01	Corporate Governance Association	Risk control and prevention for directors	1.0
		2010/09/03	2010/09/03	Corporate Governance Association	Taiwan's post-ECFA economic policy	1.0
		2010/11/01	2010/11/01	Corporate Governance Association	CG Watch 2010, with a Special Focus on Taiwan	1.0
Representative of Institutional Director	Vivien Hsu	2010/02/24	2010/02/24	Corporate Governance Association	Why market liberalization is important	1.0
		2010/04/30	2010/04/30	Corporate Governance Association	Management policy review after financial crisis	3.0
		2010/05/06	2010/05/06	Corporate Governance Association	What does the directors and officers liability insurance cover?	1.0
		2010/07/01	2010/07/01	Corporate Governance Association	Risk control and prevention for directors	1.0
		2010/09/03	2010/09/03	Corporate Governance Association	Taiwan's post-ECFA economic policy	1.0
		2010/11/01	2010/11/01	Corporate Governance Association	CG Watch 2010, with a Special Focus on Taiwan	1.0
Independent Director	Victor Kung	2010/12/16	2010/12/16	Corporate Governance Association	Dynamic competition and sustainability of Chinese corporates	3.0
Independent Director	Jack J.T. Huang	2010/04/30	2010/04/30	Corporate Governance Association	Management policy review after financial	3.0

Association review after financial

Title	Name	Date of training		Organization	Training program	Hours (Note1)
		From	To			
					crisis	
		2010/08/23	2010/08/23	Corporate Governance Association	Responsibilities of a director as defined by corporate governance policy	3.0
		2010/09/03	2010/09/03	Corporate Governance Association	Taiwan's post-ECFA economic policy	1.0
Independent Director	Tsung-Ming Chung	2010/04/30	2010/04/30	Corporate Governance Association	Management policy review after financial crisis	3.0
Independent Director	Wen-Li Yeh	2010/04/30	2010/04/30	Corporate Governance Association	Management policy review after financial crisis	3.0
Independent Director	J. Carl Hsu	2010/04/30	2010/04/30	Corporate Governance Association	Management policy review after financial crisis	3.0

Note 1: The training requirements listed above have been fulfilled.

Note 2: TCC Investment Co., Ltd. appointed Cliff Lai as representative to take over Harvey Chang's duties on November 30, 2010.

8. Risk management

Risk management policies

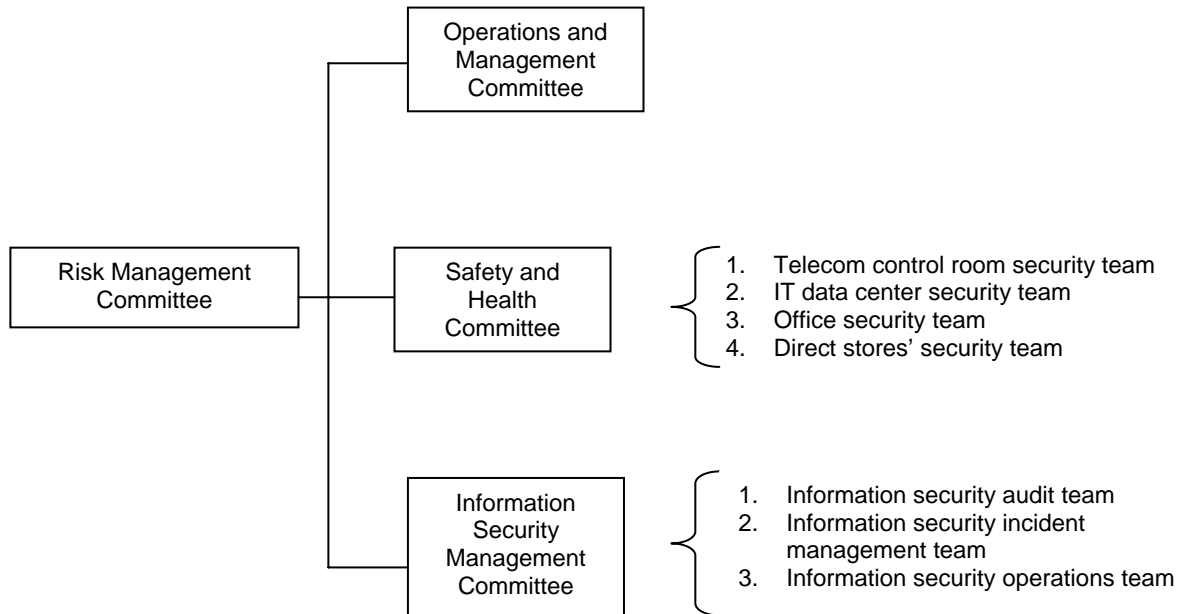
- (1) Promote a risk management-based business model
- (2) Establish a risk management mechanism that can effectively cite, evaluate, supervise and control risk
- (3) Create a company-wide risk management structure that can limit risk to an acceptable level
- (4) Introduce best risk management practices and continue to seek improvements

Risk management structure

The Company's risk management structure is made up of three committees, which function as follows:

- (1) Operations and Management Committee: Conduct periodic review of each business group's operating target and performance to meet the Company's guidance and budget.
- (2) Safety and Health Committee: Tasked with supervising and reducing potential risks to workers' safety and health.
- (3) Information Security Management Committee: Supervise important information assets for confidentiality, integrity, availability, and regulatory compliance in order to control and reduce operational risks to an effective and reasonable level.

Risk Management Committee



Risk management operation mechanism

(1) Three levels of control mechanism

First level: Risk factors are analyzed and assigned to responsible units for monitoring to ensure timely and effective detection. These units shall ensure, on a daily basis, that risks are kept under acceptable levels. Should there be any changes in condition or other factors, the concerned unit shall report these to the Company for the appropriate course of action.

Second level: Examining committees composed of unit chief officers or executive vice presidents shall undertake necessary measures when faced with material changes in risk.

Highest level: The Board of Directors is the highest supervisory and decision-making body responsible for confirming material risk assessment, designating action to control these risks and keep track of their execution. Additionally, the Internal Audit Office monitors and confirms that risk controls are properly executed on a daily basis and reports any discrepancy to the chief officer of the responsible unit.

(2) Risk factors and management structure

	Important risk factors	Responsible unit	Examining committee	Decision-making and supervision
1	Operating risk: telecom equipment shutdown and information system failure	Technology unit / IT	Technology management meeting IT management meeting	Board of Directors: The highest decision-making body Internal Audit Office: Examine, monitor, track and report risk factors
2	Changes related to technology and industry	Systems Design Division	Technology management meeting	
3	Risks related to information security	Quality Management Division	Information Security Management Committee	
4	Market risk A. Competition B. New products C. Channel management	A. Marketing unit B. Marketing unit C. Business Operations Management Division	CBG management meeting	
5	Government policies and regulatory compliance	Regulatory & Carrier Relations Division		
6	Corporate image	Public Affairs Division		
7	M&A and investments	Presidential Office		
8	Employee safety	Occupational Safety and Health Office and Administrative Division	Safety and Health Committee	
9	Employee behavior, code and ethics	Human Resources Division	Human Affairs Appraisal Committee	
10	Volatility of interest rates, exchange rates and financial risks	Finance Division	Audit Committee	
11	Financing and endorsement/guarantee provided to others, derivatives transaction and working capital management	Finance Division	Audit Committee	
12	Financial report disclosure	Accounting Division	Audit Committee	
13	Litigious and non-litigious matters	Legal Office	Legal Office, Internal Audit Office	
14	Changes in shareholding of directors/supervisors and major shareholders	Secretarial Division	Legal Office, Internal Audit Office	
15	Board meeting facilitation	Secretarial Division	Legal Office, Internal Audit Office	

9. Implementation of customer policy

With the mission of “creating the best user experience,” the Company is continuously striving to improve its products, services and operations to win customers’ trust and raise the quality of customer care.

10. The Company has purchased liability insurance for its directors and supervisors.

11. Employees’ certifications relating to financial transparency

- (1) Certified Internal Auditor (CIA): One employee in the Operation Analysis Division; eight in the Internal Audit Office.
- (2) First-level examiner of internal controls (Securities and Futures Institute): Five in Secretarial Division.
- (3) Qualified Internal Auditor (QIA): One employee in the Operation Analysis Division; eight in the Internal Audit Office; one in Accounting Division.
- (4) Certified Public Accountant (CPA): One employee in the Office of the CFO; three in Operation Analysis Division; two in the Accounting Division; one in Finance Division.

12. Any internal evaluation or third party assessment reports on corporate governance. If yes, specify results, major flaws or recommendations for improvements: None

Corporate Governance Committee operations

The Corporate Governance Committee is composed entirely of independent board directors and its operation is bound by the "Corporate Governance Committee Charter." It also serves as a nomination and compensation panel. Additionally, a compensation panel will be established in the future.

The Corporate Governance Committee convened five times in 2010

Title	Name	Attendance in person	By proxy	Attendance ratio	Remarks
Independent Director	Jack J.T. Huang	5	-	100%	Appointed committee chairman
Independent Director	Tsung-Ming Chung	5	-	100%	
Independent Director	Wen-Li Yeh	5	-	100%	
Independent Director	J. Carl Hsu	5	-	100%	

Corporate social responsibility (CSR)

Item	Current Practices									
<p>Corporate governance</p> <ol style="list-style-type: none"> 1. Establishing a CSR policy or system and review mechanism 2. Setting up a unit to carry out this policy or system 3. Holding regular training programs on business ethics for directors, managers and employees and establishing a reward-and-punishment system 	<ol style="list-style-type: none"> 1. TWM launched its CSR Policy in January 2011. 2. In 2007, TWM established a Social Responsibility Department under the Public Relations Division to draft and carry out CSR initiatives. With designated personnel and a separate budget, the department provides planning, execution and coordination across different divisions, and reports to the board of Taiwan Mobile Foundation and TWM's Corporate Governance Committee on an annual basis. 3. In addition to regular training programs on business ethics, the Company has formulated a Code of Ethics that all directors, managers and employees are expected to follow and support. Employees can access the Code of Ethics via TWM's e-Learning website starting from August 2010. An intranet hotline has been set up for employees to report any violation of the Code of Ethics. Violators shall be punished in accordance with Company regulations. 									
<p>Environmental sustainability</p> <ol style="list-style-type: none"> 1. Promoting advanced and efficient use of renewable resources to reduce their impact on the environment 2. Establishing an environmental management system in line with the nature of the Company's business operations 3. Setting up a framework and allocating staff to promote environmental conservation 4. Adopting measures to reduce greenhouse gas emissions and minimize their impact on the environment 	<ol style="list-style-type: none"> 1. The Company has continuously worked to improve the efficient use of resources, including paper, water, energy, cables and battery modules. 2. TWM established an Environmental Sustainability Implementation Committee. A unit under the Office of the President, it reports directly to the President. 3. Special staff in the Administrative and Public Affairs divisions have been assigned to push the Company's environmental conservation program. 4. TWM has made use of its operating management practices and communications technology to reduce energy consumption and greenhouse gas emissions. These measures include: <ul style="list-style-type: none"> ● IDC (Internet Data Center) energy saving program ● Base station equipment upgrading ● Energy management program for TWM's office buildings and direct stores ● Telepresence service ● Green applications service <table border="1" data-bbox="1155 1193 1899 1417"> <thead> <tr> <th></th> <th>2009</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Energy consumption (direct)</td> <td>21,258,000.2 million joules</td> <td>20,243,000.3 million joules</td> </tr> <tr> <td>Greenhouse gas emissions (direct)</td> <td>1,417.8 tonnes carbon dioxide equivalent</td> <td>1,350.2 tonnes carbon dioxide equivalent</td> </tr> </tbody> </table> 		2009	2010	Energy consumption (direct)	21,258,000.2 million joules	20,243,000.3 million joules	Greenhouse gas emissions (direct)	1,417.8 tonnes carbon dioxide equivalent	1,350.2 tonnes carbon dioxide equivalent
	2009	2010								
Energy consumption (direct)	21,258,000.2 million joules	20,243,000.3 million joules								
Greenhouse gas emissions (direct)	1,417.8 tonnes carbon dioxide equivalent	1,350.2 tonnes carbon dioxide equivalent								

Item	Current Practices
<p>Commitment to corporate social responsibility</p> <ol style="list-style-type: none"> 1. Building a system to safeguard workers' rights in accordance with labor laws 2. Providing employees with a safe and healthy working environment as well as regular training on safety and health education 3. Drawing up a policy on protecting consumers' rights and providing a transparent and effective mechanism for filing and processing complaints about products and services 4. Working with vendors to promote corporate social responsibility. 5. Promoting community development projects and philanthropic work through commercial activities, donations, volunteer work or other services. 	<ol style="list-style-type: none"> 1. TWM's Code of Ethics serves as a guideline for employees. The company has also established a performance-based reward system to motivate employees. 2. The Company aims to provide a safe and healthy working environment for employees and has implemented related measures to promote employee health and mental well-being. It also conducts periodic evaluations of the working environment and programs on promoting workers' safety and health education. Related information on employee safety and health are posted on the Company's intranet. 3. To raise customer satisfaction in line with TWM's "customer first" policy, the Company has built a network of more than 600 stores/outlets across Taiwan, a 24/7 hotline and a user-friendly website to deal with customer complaints, which are processed and handled by designated agents in line with standard operating procedures. A dedicated unit monitors and conducts periodic reviews of measures to promote customer satisfaction. 4. TWM believes that ethics serves as the moral foundation of a well-managed enterprise. To promote a fair and just system, the Company set up an open procurement system to select suppliers and required that all suppliers comply with TWM's Environmental and Occupational Health & Safety Policy. Furthermore, TWM provides first bargaining rights to green-product suppliers to encourage others to likewise produce environmentally friendly products. 5. TWM leverages its core competence in telecommunications, network and digital convergence to generate wider benefits for society. <ul style="list-style-type: none"> a. Promoting digital competitiveness and expanding applications ● TWM built broadband services in remote areas like Nantou County's Sinyi Township and Hsinchu County's Jianshih Township in 2010. It has collaborated with local nonprofit organizations (NPOs) to set up 11 e-training centers. ● TWM introduced the "5180 Mobile Donation Hotline", a small donation platform, to provide a fund-raising channel for some 50 NPOs. ● TWM introduced the "909 Mobile Phone Audio Guide," which employs mobile communications technology and cloud database to promote art and culture. ● TWM initiated the "myfone Mobile Composition Award" to promote new type of literature and music composition creativity. Over 40,000 participants registered in the contest, hitting a record high of its kind. This award gives prizes for the best "SMS literature" and "original musical ringtones". ● TWM has published e-educational materials focusing on cultural, environment and network safety and conducted online researches with NPOs to better understand teenage behavior.

Item	Current Practices
	<p>b. Concern for the underprivileged</p> <ul style="list-style-type: none"> ● TWM sponsors tutorial sessions for some 200 children from underprivileged families every year. ● TWM works with the Canlove Social Services Association to provide professional counseling services to people suffering from depression and to promote suicide prevention awareness. There were more than 40,000 participants working in the events in 2010. ● TWM sponsors an NGO that provides classes on “emotion management” and “suicide prevention” to junior high school students. A total of 140,000 students have been involved in this program. <p>c. Cultural promotion</p> <p>To promote cultural literacy, TWM has since 2005 held 25 large outdoor concerts throughout Taiwan with more than 300,000 people attending these events.</p> <p>d. Corporate volunteers</p> <p>TWM drafted and implemented its “Corporate Volunteer Guidelines” to encourage employees to take an active role in fulfilling their social responsibilities. Volunteers can take two paid days off a year to participate in community service activities. Transportation allowances and insurance, as well as comprehensive training, are provided. To date, 560 participants have joined in such activities.</p>
<p>Information disclosure</p> <ol style="list-style-type: none"> 1. Disclosing relevant and reliable information on corporate social responsibility. 2. Process for preparing and disclosing CSR information 	<ol style="list-style-type: none"> 1. All information and data contained in the CSR reports are compiled internally and verified by an external party to ensure their reliability and accuracy. All information (subject and content) are deemed to be materially important and designed to meet stakeholders’ expectations. 2. TWM released its first CSR report in 2007. A second report, released in 2009, complies with the GRI G3 and the AA1000 assurance standards on CSR disclosure practices.

The Company's CSR policy and practices fully comply with the "Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies."

Additional information on CSR-related matters:

Information on the Company's policy and practices can be found on the Company website, corporate social responsibility reports and press releases.

Has the Company issued CSR reports that have been verified by an independent third-party assurance organization?

In 2009, TWM's CSR report was verified by an independent third-party organization, the British Standards Institute, in accordance with its AA1000 assurance standards and GRI guidelines.

Honest and ethical conduct

Integrity lies at the core of TWM's corporate culture, and employees are enjoined to act and perform their duties in an honest and ethical manner to fulfill their social responsibility to investors, consumers and the community. If an employee becomes aware of any conduct or activity that may violate the Company's "Code of Ethics," said employee is duty-bound to promptly report the matter via the Company's intranet. TWM has also invested in liability insurance for all employees, with the insured value rising along with the risks associated with an employee's work.

Corporate governance rules and procedures

Please refer to current corporate governance practices

Additional information on corporate governance operations: None

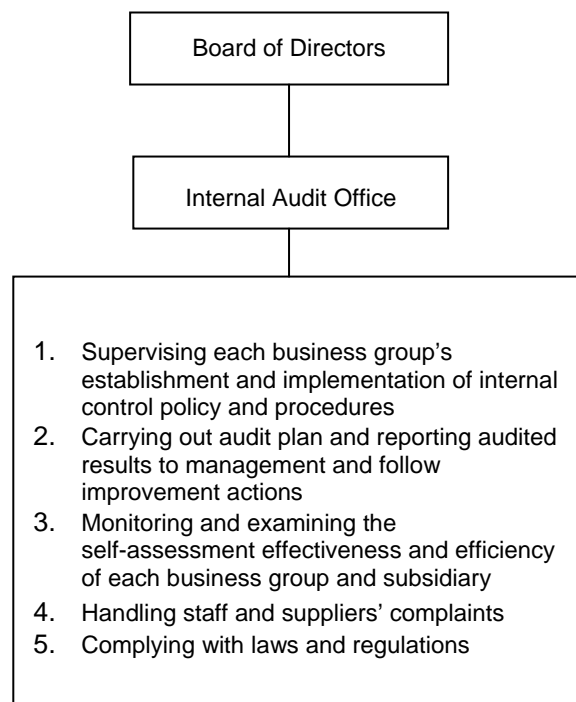
Internal control system

1. Internal control mechanism

The Company's Internal Audit Office is an independent unit that reports directly to the Board of Directors. The Internal Audit Office is responsible for the examination and assessment of the internal controls of the Company's financial, sales, operations and management departments. All departments, including those of the subsidiaries, are subject to its audit.

Regular internal audits are executed according to the annual audit plan. Special audit projects are implemented as needed. These audits enhance internal control and provide timely recommendations for future improvements. In accordance with corporate governance, audit reports are regularly submitted to and reviewed by the Chairman as well as the Audit Committee.

The Internal Audit Office also examines the mechanisms and results of self-evaluations by departments and subsidiaries to ensure strict implementation. In addition, it generates and consolidates related inspection reports for the CEO and the Board of Directors to evaluate the overall efficiency of existing internal control systems before generating an internal control system statement.



2. Report from CPA after examining the internal control system: None

3. Internal control statement

Taiwan Mobile Co., Ltd.
Internal Control Statement

Date: January 27, 2011

Taiwan Mobile (TWM) states the following with regard to its internal control system for the year 2010:

1. TWM is fully aware that establishing, operating, and maintaining an internal control system are the responsibilities of its Board of Directors and management. TWM has established such a system to provide reasonable assurance in achieving objectives related to the effectiveness and efficiency of operations (including profits, performance, and safeguarding of assets), reliability of financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. An effective internal control system, no matter how perfectly designed, can provide only a reasonable assurance in the accomplishment of the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, and the Company takes corrective actions as soon as a deficiency is identified.
3. TWM evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems" by Public Companies promulgated by the Securities and Futures Bureau, the Financial Supervisory Commission, and the Executive Yuan (herein referred to as "Regulations"). The internal control system evaluation criteria stated in the Regulations classify internal control into five key elements based on the process of management control: 1. Control environment, 2. Risk assessment and response, 3. Control activities, 4. Information and communications, 5. Monitoring. Please refer to the Regulations for details on these five key elements.
4. TWM has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the evaluation mentioned in the third paragraph, TWM believes that as of Dec.31, 2010, its internal control system (including its supervision of subsidiaries), which encompasses internal controls for the knowledge of the degree of achieving operational effectiveness and efficiency objectives, reliability of financial reporting, and compliance with applicable laws and regulations, was effectively designed and operating and reasonably assured the achievement of the above-stated objectives.
6. This statement will form a major part of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement has been passed by the TWM Board of Directors' Meeting on January 27, 2011, where all of the nine attending directors did not express any dissenting opinion and affirmed the content of the same.

Taiwan Mobile Co., Ltd.



Richard Tsai
Chairman



Cliff Lai
Co-President



Vivien Hsu
Co-President

Violation of regulations and internal policies: None

Major resolutions at the shareholders' meeting and board meetings

1. Major resolutions at the 2010 shareholders' meeting

Issues discussed and approved:

- (1) 2009 business and financial reports
- (2) 2009 earnings distribution proposal
- (3) Removal of non-competition restrictions on Institutional Directors
- (4) Amendments to the "Rules and Procedures on Lending and Making Endorsements/Guarantees"
- (5) Amendments to the "Rules and Procedures on Acquisition or Disposal of Assets"

Resolutions made in the 2010 general shareholders' meeting were all duly executed.

2. Major resolutions by the board (between 2010 and the publication date)

- (1) Approved Q1 2010 stand-alone and consolidated financial forecasts
- (2) Approved 2010 capital expenditure plans for network optimization and 3G implementation
- (3) Approved the removal of non-competition restrictions on Company management
- (4) Approved the holding of the 2010 general shareholders' meeting
- (5) Approved 2009 profit distribution proposal
- (6) Approved change in CPA
- (7) Approved Q2 2010 stand-alone and consolidated financial forecasts
- (8) Set record date for 2009 cash dividend distribution
- (9) Approved a loan to Taiwan Cellular Co., Ltd.
- (10) Approved a loan to TFN Media Co., Ltd.
- (11) Approved Q3 2010 stand-alone and consolidated financial forecasts
- (12) Approved Harvey Chang's resignation as President and Chief Executive Officer
- (13) Approved cash capital reduction proposal
- (14) Approved the appointment of two new Co-Presidents
- (15) Approved Q4 2010 stand-alone and consolidated financial forecasts
- (16) Approved 2011 stand-alone and consolidated financial forecasts
- (17) Approved 2011 capital expenditure plans for network optimization and 3G implementation
- (18) Approved the holding of the 2011 general shareholders' meeting
- (19) Approved the removal of non-competition restrictions on Company management
- (20) Approved plans to carry out 3G network expansion

The above information is posted on <http://mops.twse.com.tw>.

Major disputes between directors and supervisors over board meeting resolutions from 2010 up to the publication date in 2011: None

Resigned/discharged officers responsible for financial reports

As of January 31, 2011

Title	Name	Start of tenure	Resignation date	Reasons
President & Chief Executive Officer	Harvey Chang	2003/09/08	2010/12/31	Resigned after expiration of employment contract

Certified Public Accountant (CPA) Information

1. CPA service fees

Unit: NT\$'000

Accounting firm	Name of CPA		Audit fee	Non-audit fee		Total	Period covered by CPA's audit	Remarks
				Company registration	Other			
Deloitte & Touche	Peter Fan	S.C. Huang	1,120	-	110	1,230	1st quarter of 2010	Fees for other non-audit services were mainly for tax-related consultation
KPMG	Simon Chen	Janice Lai	7,000	-	550	7,550	2nd quarter to 4th quarter of 2010	Fees for other non-audit services were mainly for tax-related consultation

Note: The Company changed the CPA firm since the 2nd quarter of 2010 in order to find services better meet the current operational requirements of the Company.

Unit: NT\$'000

Range of CPA service fee	Audit fee	Non-audit fee	Total
NT\$0~NT\$1,999,999	-	✓	✓
NT\$2,000,000~NT\$3,999,999	-	-	-
NT\$4,000,000~NT\$5,999,999	-	-	-
NT\$6,000,000~NT\$7,999,999	-	-	-
NT\$8,000,000~NT\$9,999,999	✓	-	✓
NT\$10,000,000 and above	-	-	-

2. Other information

(1) If non-audit fees paid to CPAs, their accounting firm and its affiliates are more than one-fourth of audit fees, specify the amount of audit and non-audit fees as well as the scope of non-audit services :

Not applicable.

(2) For CPA changes, if the audit fee in the first year is lower than that of the prior year , specify the audit fee before and after the change and the reasons :

The Company decided to change the CPA firm on April 29, 2010 to find services better meet the current operational requirements of the Company. The audit fees before and after the change was made were NT\$9,220 thousand and NT\$8,120 thousand, respectively, representing a decline of NT\$1,100 thousand, or 11.93%.

(3) If audit fees dropped by more than 15%, specify the amount and percentage of decline and reasons:

Not applicable.

3. Information on CPA changes

Former CPA

Date of change	April 29, 2010		
Reason for change	To find services better meet the current operational requirements of the Company		
Specify whether services/engagement were terminated/refused	Party	CPA	Company
	Conditions		
	Termination		V
	Refusal of new mandate		
Has any audit opinion, other than an unqualified opinion, been issued in the past two years? If yes, cite reasons.	A modified unqualified opinion was issued in 2008 to add a paragraph explaining a change in the accounting principle of expensing employee bonuses.		
Disagreement with securities issuer	Yes		Accounting principles and practices
			Disclosure of financial statements
			Audit scope or procedures
			Others
	No	V	
	Description: None		
Other disclosure items	None		

Current CPA

Name of company	KPMG
Name of CPA	Simon Chen, Janice Lai
Date of engagement	May 20, 2010
Results of consultations with the CPA on accounting measures and principles that might influence his/her opinion prior to his/her engagement	None
Has the incumbent CPA issued any dissenting opinion on opinions issued by the previous CPA?	None

4. Company Chairman, President or finance/accounting manager held positions in the Company's audit firm or its affiliates within the past one year: None

Changes in shareholdings of directors, supervisors, managers and major shareholders

1. Insignificant changes in shareholder structure

Unit: Shares

Title	Name	2010		2011 (as of January 31)	
		Net change in shareholding	Net change in shares pledged	Net change in shareholding ¹	Net change in shares pledged
Chairman	Fu-Chi Venture Corp. Representative: Richard Tsai				
Vice Chairman	Fu-Chi Venture Corp. Representative: Daniel Tsai	0	0	0	0
Director	Fu-Chi Venture Corp. Representative: Victor Kung				
Director	TCC Investment Co., Ltd. Representative: Cliff Lai (Note 1)	0	0	0	0
Director	TCC Investment Co., Ltd. Representative: Vivien Hsu				
Independent Director	Jack J.T. Huang	0	0	0	0
Independent Director	Tsung-Ming Chung	0	0	0	0
Independent Director	Wen-Li Yeh	0	0	0	0
Independent Director	J. Carl Hsu	0	0	0	0
Major Shareholder (shareholding of more	TFN Union Investment Co., Ltd.	0	0	0	0

Title	Name	2010		2011 (as of January 31)	
		Net change in shareholding	Net change in shares pledged	Net change in shareholding ¹	Net change in shares pledged
than 10%)					
Co-President	Cliff Lai	(213,000)	0	0	0
Co-President	Vivien Hsu	0	0	0	0
SVP and Chief Operating Officer of Enterprise Business Group	George C. Chou	(19,000)	0	0	0
SVP and Chief Financial Officer	Rosie Yu	0	0	0	0
Vice President and acting Chief Technology Officer	HS Wang	(60,000)	0	0	0
Vice President	C.A. Chuang	(20,000)	0	0	0
Vice President	Ariel Hwang	0	0	0	0
Vice President	Jay Hong	(50,000)	0	0	0
Vice President	Andrew Wong	(31,000)	0	0	0
Vice President	James Chang	(10,000)	0	0	0
Vice President	Daphne Yang	0	0	0	0
Vice President	Ruth Liaw	(56,000)	0	0	0
Vice President	Techi Juan	0	0	0	0
Vice President	Egon Chen	(30,000)	0	0	0
Vice President	Chien Chen	(6,000)	0	0	0
Vice President and Deputy COO	Jeff Ku	(115,000)	0	0	0
Vice President	Jerry Chu	0	0	0	0
Vice President	Sean Hsieh	(40,000)	0	0	0
Vice President	Simon Wang	0	0	0	0
Vice President	Paul Huang	0	0	0	0
Vice President	Joseph Yang	0	0	0	0
President and Chief Executive Officer	Harvey Chang (Note 2)	(1,500,000)	0	NA	NA
SVP, CTO and COO of Home Business Group	James Jeng (Note 3)	(69,000)	0	NA	NA

Note 1: TCC Investment Co., Ltd. appointed Cliff Lai as representative to take over Harvey Chang's duties on November 30, 2010.

Note 2: Harvey Chang resigned on December 31, 2010.

Note 3: James Jeng resigned on December 23, 2010.

2. Shareholding transferred with related party

Name	Reason	Transaction date	Counter Party	Relationship	# of Shares	Trading price (NT\$)
Harvey Chang (Note 1)	Participation of Yu-Wei 's capital increase	2010.02.10	Yu-Wei Investment Co., Ltd.	Designated party	1,500,000	61.00

Note 1: TCC Investment Co., Ltd. appointed Cliff Lai as representative to take over Harvey Chang's duties on November 30, 2010.

3. Stock pledged with related party: None

Direct and indirect investments in affiliated companies

As of December 31, 2010

Unit: shares, %

Long-term investments	Investment by TWM		Direct and indirect investment by TWM's directors, supervisors and management		Total investment	
	Shares	Holding (%)	Shares	Holding (%)	Shares	Holding (%)
Taiwan Cellular Co., Ltd.	30,000,000	100.00	-	-	30,000,000	100.00
Wealth Media Technology Co., Ltd.	37,200,000	100.00	-	-	37,200,000	100.00
Taipei New Horizons Co., Ltd.	44,910,000	49.90	-	-	44,910,000	49.90
Bridge Mobile Pte. Ltd.	2,200,000	10.00	-	-	2,200,000	10.00

Relationship between TWM's top 10 shareholders

As of July 11, 2010

Name (A)	Current shareholding		Spouse's/minor's shareholding		Name and relationship between TWM's shareholders as defined in the Statement of Financial Accounting Standards No. 6	
	Shares	%	Shares	%	Name (B)	Relationship
TFN Union Investment Co., Ltd.	456,294,760	12.005%	-	-	TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai Richard Tsai	A and B have the same chairman B's chairman is a relative within two degrees of A's chairman A and B have the same chairman A and B have the same chairman B's chairman is a relative within two degrees of A's chairman Related party B is a relative within two degrees of A's chairman B is a director at A B is A's chairman
Chairman: Richard Tsai					TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai	A is B's chairman A is B's chairman B's chairman is A's relative within two degrees A is B's chairman A is B's chairman B's chairman is A's relative within two degrees Related party B is A's relative within two degrees B is A's relative within two degrees
TCC Investment Co., Ltd.	222,774,179	5.861%	-	-	TFN Union Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai Richard Tsai	A and B have the same chairman B's chairman is a relative within two degrees of A's chairman A and B have the same chairman A and B have the same chairman B's chairman is a relative within two degrees of A's chairman Related party B is a relative within two degrees of A's chairman B is a director at A B is A's chairman
Chairman: Richard Tsai					TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd.	A is B's chairman A is B's chairman B's chairman is A's relative within two degrees A is B's chairman A is B's chairman B's chairman is A's relative within two degrees Related party

Name (A)	Current shareholding		Spouse's/minor's shareholding		Name and relationship between TWM's shareholders as defined in the Statement of Financial Accounting Standards No. 6	
	Shares	%	Shares	%	Name (B)	Relationship
					Wan-Tsai Tsai Daniel Tsai	B is A's relative within two degrees B is A's relative within two degrees
Ming Dong Co., Ltd.	191,624,725	5.042%	–	–	TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai Richard Tsai	B's chairman is a relative within two degrees of A's chairman B's chairman is a relative within two degrees of A's chairman B's chairman is a relative within two degrees of A's chairman B's chairman is a relative within two degrees of A's chairman A and B have the same chairman Related party B is A's chairman B is a director at A B is a director at A
Chairman: Wan-Tsai Tsai					TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Daniel Tsai Richard Tsai	B's chairman is A's relative within two degrees B's chairman is A's relative within two degrees A is B's chairman B's chairman is A's relative within two degrees B's chairman is A's relative within two degrees A is B's chairman Related party B is A's relative within two degrees B is A's relative within two degrees
Cathay Life Insurance Co., Ltd.	170,869,000	4.495%	–	–	--	--
Chairman: Hong-Tu Tsai					--	--
Fubon Life Assurance Co., Ltd.	137,546,000	3.619%	--	--	TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai Richard Tsai	A and B have the same chairman A and B have the same chairman B's chairman is a relative within two degrees of A's chairman A and B have the same chairman B's chairman is a relative within two degrees of A's chairman A and B are subsidiaries of Fubon Financial Holding Co., Ltd. A's chairman is B's relative within two degrees A's chairman is B's relative within two degrees B is A's chairman
Chairman: Richard Tsai					TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd.	A is B's chairman A is B's chairman B's chairman is A's relative within two degrees A is B's chairman

Name (A)	Current shareholding		Spouse's/minor's shareholding		Name and relationship between TWM's shareholders as defined in the Statement of Financial Accounting Standards No. 6	
	Shares	%	Shares	%	Name (B)	Relationship
					TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai	A is B's chairman B's chairman is A's relative within two degrees Related party B is A's relative within two degrees B is A's relative within two degrees
TCCI Investment & Development Co., Ltd.	132,848,672	3.495%	-	-	TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai Richard Tsai	A and B have the same chairman A and B have the same chairman B's chairman is a relative within two degrees of A's chairman A and B have the same chairman B's chairman is a relative within two degrees of A's chairman Related party B is a relative within two degrees of A's chairman B is a director at A B is A's chairman
Chairman: Richard Tsai					TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai	A is B's chairman A is B's chairman B's chairman is A's relative within two degrees A is B's chairman A is B's chairman B's chairman is A's relative within two degrees Related party B is A's relative within two degrees B is A's relative within two degrees
Dao Ying Co., Ltd.	116,616,380	3.068%	-	-	TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai Richard Tsai	B's chairman is a relative within two degrees of A's chairman B's chairman is a relative within two degrees of A's chairman A and B have the same chairman B's chairman is a relative within two degrees of A's chairman B's chairman is a relative within two degrees of A's chairman Related party B is A's chairman B is a director at A B is a director at A
Chairman: Wan-Tsai Tsai					TFN Union Investment Co., Ltd. TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd.	B's chairman is A's relative within two degrees B's chairman is A's relative within two degrees A is B's chairman B's chairman is A's relative within two degrees

Name (A)	Current shareholding		Spouse's/minor's shareholding		Name and relationship between TWM's shareholders as defined in the Statement of Financial Accounting Standards No. 6	
	Shares	%	Shares	%	Name (B)	Relationship
					TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Daniel Tsai Richard Tsai	B's chairman is A's relative within two degrees A is B's chairman Related party B is A's relative within two degrees B is A's relative within two degrees
Daniel Tsai	96,644,434	2.543%	8,646,863	0.227%	TFN Union Investment Co., Ltd TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Richard Tsai	B's chairman is A's relative within two degrees B's chairman is A's relative within two degrees B's chairman is A's relative within two degrees B's chairman is A's relative within two degrees B's chairman is A's relative within two degrees B's chairman is A's relative within two degrees Related party B is A's relative within two degrees B is A's relative within two degrees
Fubon Securities Co., Ltd.	93,806,640	2.468%	--	--	TFN Union Investment Co., Ltd TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Wan-Tsai Tsai Daniel Tsai Richard Tsai	Related party Related party Related party A and B are subsidiaries of Fubon Financial Holding Co., Ltd. Related party Related party Related party Related party Related party
Chairman: Gordon Yeh					--	--
Richard Tsai	91,466,154	2.406%	5,651,663	0.149%	TFN Union Investment Co., Ltd TCC Investment Co., Ltd. Ming Dong Co., Ltd. Fubon Life Assurance Co., Ltd. TCCI Investment & Development Co., Ltd. Dao Ying Co., Ltd. Fubon Securities Co., Ltd. Wan-Tsai Tsai Daniel Tsai	A is B's chairman A is B's chairman B's chairman is A's relative within two degrees A is B's chairman A is B's chairman B's chairman is A's relative within two degrees Related party B is A's relative within two degrees B is A's relative within two degrees

