

## **Operation Rules of Ethical Corporate Management Best Practice Principles**

These Operation Rules shall take effect on April 30, 2015

First amendment on November 8, 2019

### **Article 1 (Purpose of Adoption)**

For actively preventing unethical conduct, Taiwan Mobile Co., Ltd. (the “Company”) hereby promulgates the Operation Rules of Ethical Corporate Management Best Practice Principles (“Operation Rules”) pursuant to the Ethical Corporate Management Best Practice Principles (“Principles”) to provide all personnel of the Company with clear directions for the performance of their duties.

### **Article 2 (Applicable Subjects)**

The term "personnel of this Company" refers to any directors, managerial officers, employees, and mandataries of the Company.

The term "mandataries" refers to any members who are assigned by the board of directors, for instance, the members of the Remuneration Committee.

### **Article 3 (Commitment of Directors and Mandataries)**

When the directors of the Company assumes their office, they shall sign off the “confidential letter of commitment”, and shall have the loyalty and exercise the due care of a good administrator in conducting the business operation of the Company. The mandataries shall comply with the above-mentioned norms of directors' commitments.

### **Article 4 (Regulations for Managerial Officers and Employees)**

Human resource department of the Company shall prepare the “Integrity of Declaration” and communicate with its managerial officers and employees to comply with the relevant integrity regulations, and have such managerial officers and employees fully understand the prohibition of unethical conduct and the punishment of committing unethical conduct.

The managerial officers and employees of the Company shall read and sign in person online on the “Integrity of Declaration” each year.

### **Article 5 (Control Methods for Trading Counterparties)**

In order to implement the ethical corporate management policy, the Company shall require trading counterparties to sign an “Integrity of Declaration in Business Operation”.

The subject and method of signing shall be executed after approval by the chairman.

**Article 6 (Whistleblowing, Rewards and Punishment, and Appeal Process)**

The Company shall stipulate the “Employees Complaint Regulations” and “Agents/Suppliers Complaint Regulations” to establish the specific whistleblowing, rewards and punishment, and appeal process. The Company shall keep the whistleblower’s identity and content of information, and shall actively investigate and deal with such whistleblowing matters. If any violation of the Principles is confirmed, a disciplinary action will be imposed in accordance with the seriousness of the incident.

**Article 7 (Risk Assessment Mechanism Against Unethical Conduct)**

The audit unit of the Company shall establish Company’s risk assessment mechanism against unethical conduct, analyze and assess on a regular basis the business activities within Company’s business scope which are at a higher risk of being involved in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., and examine accordingly whether the prevention programs are complied with. The audit unit of the Company may engage a certified public accountant to conduct the audit, and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to senior management and the dedicated unit of ethical management and shall be reduced to an audit report to be submitted to the board of directors.

**Article 8 (Advocacy of Ethical Corporate Management Best Practice Principles)**

The secretariat of Company shall annually disseminate the Principles by e-mail to all directors, managerial officers and employees to make them fully understand and abide by the Principles.

**Article 9 (Enforcement)**

The Operation Rules shall be implemented after the Operational Rules are reviewed by the Audit Committee, and resolved by the board of directors. The same procedure shall apply to any amendment thereto.