

Regulations Governing the Performance Evaluation of the Board of Directors of Chunghwa Telecom Co., Ltd.

Adopted by the 9th Board of Directors at the 2nd meeting on Aug. 13, 2019

Amended by the 9th Board of Directors at the 8th meeting on Aug. 5, 2020

Article 1 Purpose and Basis

To implement corporate governance and enhance the Company's board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors; the Regulations are therefore established according to Article 37 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies and Article 36 of the Company's Code of Corporate Governance for compliance.

Article 2 Regulations to be followed

The main evaluation cycles, periods, scope and method, the unit conducting evaluations, evaluation procedures, indexes, scoring criteria and other matters of compliance governing the board performance evaluation shall be subject to the Regulations.

Article 3 Evaluation Cycle and Period

The Company's board of directors shall conduct an internal board performance evaluation every year, according to the evaluation procedures of Article 6 and the evaluation indexes of Article 8.

The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.

Internal and external board performance evaluations shall be completed before the end of the first quarter of the following year.

Article 4 Evaluation Scope and Method

The Company's board performance evaluation scope covers the evaluation of the board as a whole, individual directors and functional committees. Functional committees include the Audit Committee, Compensation Committee, and Strategy Committee.

Methods of evaluations include internal evaluation of the board, self-evaluation by individual directors, self-evaluation by functional committees and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Article 5 Administrative Unit to Conduct the Evaluation

The Secretariat of Board of Directors shall conduct the internal performance evaluation of the board and self-evaluation of the board members. Functional committees' evaluation shall be conducted by Audit, Human Resource and Corporate Planning Departments respectively.

Internal performance evaluation may be waived where an external party has been appointed to conduct the performance evaluation for the current year.

The chairman of the Company is authorized to approve the matters related to the appointment of external evaluation institution to be subject to evaluation, the selection of experts, and the time frame to conduct the evaluation, the evaluation method and other matters.

Article 6 Internal Evaluation Procedures

The procedures for the Company's board performance evaluation are as follows:

The administrative unit shall collect information about the activities of the board, individual directors and functional committees before December 31st, every year and distribute questionnaire as follows:

1. Questionnaire of Self-Evaluation of Performance of the Board (includes functional committees);
2. Questionnaire of Self-Evaluation of Performance of Board Members.

The administrative unit shall then collect all the questionnaires completed, give scores, record the evaluation results in a report, and submit the report to the board of directors before the end of March of the following year as a reference for discussion and improvement.

Article 7 External Professional Evaluation Institution or Experts

When appointing an external evaluation institution or panel of external experts and scholars to conduct evaluations of board performance, the Company shall comply with the following guidelines:

The external evaluation institution or panel of external experts and scholars shall be professional and independent; they shall be an institution or management consulting firm mainly engaging in the provision of services for educational and training programs for board of directors and improvement of corporate governance of enterprises.

The panel of external experts and scholars shall appoint at least three experts or scholars specialized in the fields of board of directors or corporate governance to conduct evaluations of board performance of the company and prepare external evaluation analysis reports.

Article 8 Evaluation Indexes and Scoring Criteria

The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors, which should cover, at a minimum, the following five aspects:

1. Participation in the operation of the Company;
2. Improvement of the quality of the board of directors' decision making;
3. Composition and structure of the board of directors;
4. Election and continuing education of the directors; and
5. Internal control.

The criteria for evaluating the performance of the board members on themselves, should cover, at a minimum, the following six aspects:

1. Alignment of the goals and missions of the Company;
2. Awareness of the duties of a director;
3. Participation in the operation of the Company;
4. Management of internal relationship and communication;
5. The director's professionalism and continuing education; and
6. Internal control.

The criteria for evaluating the performance of functional committees should cover, at a minimum, the following five aspects:

1. Participation in the operation of the Company;

2. Awareness of the duties of the functional committee;
3. Improvement of quality of decisions made by the functional committee;
4. Makeup of the functional committee and election of its members; and
5. Internal control.

The indexes of board performance evaluation shall be determined based on the operation and needs of the Company and suitable and appropriate for evaluations by the Company.

Scoring criteria may be modified and adjusted based on the Company's needs. The weighted scoring method may be adopted based on the aspects of evaluation.

Under Article 6, the administrative unit shall score the Self-Evaluation of Performance of the Board (includes functional committees) and Self-Evaluation of Performance of Board Members separately.

The self-scoring number is the overall average score of all items. The average score corresponds to the self-evaluation results as follows:

1. For those with an average score of 4 or more, the self-evaluation result is "excellent".
2. If the average score is 3 or more and less than 4, the self-evaluation result is "good".
3. If the average score is less than 3 points, the self-evaluation result is "to be strengthened".

Article 9 Use of Evaluation Results

The results of the performance evaluation of the board of directors of the Company shall be used as a reference basis when selecting or nominating directors.

Article 10 Information Disclosure in Annual Report

The Company shall disclose the implementation of its board performance evaluation in its annual report which shall include at least the cycle, period, scope, method and the content of the evaluation.

In cases where an external institution or experts are appointed to conduct evaluations of board performance, the Company shall, in the annual report, disclose the names of the external evaluation institution, experts and their team members and their professional statement, as well as the declaration of their independence and the evaluation method, standards and future improvement recommendation.

Article 11 Disclosure Methods

The performance evaluation regulations established by the Company shall be fully disclosed on the Market Observation Post System (MOPS) and the Company's website at all times, to be made available for consultation.

Article 12 Implementation

The Regulations shall be implemented after discussion and approval by the board of directors; so is the amendment. Subsequent amendments to Annexes of questionnaires in Article 6, the chairman shall be authorized to approve it.

Appendix

1. Self-evaluation questionnaire for board performance
2. Self-evaluation questionnaire for individual director performance
3. Self-evaluation questionnaire for Audit Committee Performance

4. Self-evaluation questionnaire for Compensation Committee Performance
5. Self-evaluation questionnaire for Corporate Strategy Committee Performance