

**Major Resolutions of the 14th Meeting of
Chunghwa Telecom's Fifth Board of Directors
(Feb. 24, 2009)**

Discussion Items:

1. Summary: The proposed draft "Certain Amendments of the Articles of Incorporation of Chunghwa Telecom" were submitted to the Board for approval.

Resolution: The attending Directors unanimously approved the proposed draft and requested that the Management implement the proposal in accordance with the prescribed procedures.

2. Summary: The proposed draft amendments to Articles 2 and 3 of the "Organizational Regulations of BOD Compensation Committee of Chunghwa Telecom" were submitted to the Board for approval.

Resolution: To ensure thoroughness, the attending Directors agreed to request the Management to resubmit the proposed amendments to the Board for further discussion and approval after a more detailed review.

3. Summary: The proposal to increase the Company's incentive matching contribution to the Employees Shareholding Trust to 30% of the amount contributed by each member of the Employee Shareholding Association for a period of five years commencing April 2009 (to March 2014), was submitted to the Board for approval.

Resolutions:

A. Other than Director Chang Hsu-chung, who expressed a differing opinion, the remaining attending Directors approved the following resolutions:

- (1) With regard to the Employees Shareholding Trust, commencing for the initial three years starting from April 2009 (to March 2012), the Company's incentive matching contribution for those members of the Employee Shareholding Association who currently receive 10% contribution from the Company, shall remain at 10% and for all other members of the Association, shall be increased to 30%.
- (2) Additional Explanation for Explanation 1 of the proposal: The Company's current Schedule of Employer Matching Contribution Rate to the Employees Shareholding Trust is as follows: Category A Personnel (those retained while

electing to receive monthly retirement benefit): 10%, Category A Personnel (those not retained electing not to receive monthly retirement benefit): 30%, Category B Personnel: 30%, Category C Personnel: 70%, and New Employees Hired after Privatization: 30%.

B. Director Chang Hsu-chung expressed a differing opinion:

With regard to this proposal, I believe that the use of categories A, B, and C to differentiate matching contribution rates is suspicious of age discrimination. I propose that all employees be uniformly given a matching contribution rate of 30% regardless of their categories. In order to attract talented personnel, all new employees should be given 50% employer matching contribution as an incentive.

4. Summary: Since the Company's Senior Vice President Lee Jung-ho will reach the retirement age on March 1, 2009, the proposal to relieve Lee of his post on his retirement date was submitted to the board for approval.

Resolution: The attending Directors unanimously approved the proposal and requested that the Management implement the proposal in accordance with the prescribed procedures.

5. Summary: More than 15,000 employees have been forfeited the right to have monthly pensions due to the Company's privatization. Since the Company began implementing a labor annuity monthly pension system in 2009, employees lost their right to elect the old-age protection of the civil servant and labor monthly pension system. The Company's largest single shareholder—the MOTC—is fully responsible for this situation. A major resolution passed by the Legislative Yuan during its review of the central government's general budget during the second meeting of the first legislative session in January 2009 called on the MOTC to formulate civil servant insurance and labor insurance years of service in order to facilitate determination of qualification to claim labor insurance annuities. Request to the Company and Directors representing government shareholders to proactively ask the MOTC to promptly handle this matter was submitted to the board for a vote.

[Proposed by Director Chang Hsu-chung]

Resolution: The attending directors agreed to request the Management to implement the proposal in accordance with the prescribed procedures.