

**Major Resolutions of the 6th Special Meeting of
Chunghwa Telecom's 5th Board of Directors**

October 9, 2008

The Discussion:

1. Summary: The proposal that, with regard to the Company's knock-out forward exchange case, the board be requested to authorize the management to conduct full or partial closing transactions with Goldman Sachs within a certain amount of funds and time limits was submitted to the board for a vote.

Resolutions: Apart from director Chang Hsu-chung, who expressed a differing opinion, the attending directors unanimously passed the proposal in accordance with the following resolutions, and requested that the management implement the proposal in accordance with the prescribed procedures.

(1) This case arose when concerned parties made decisions that did not comply with the Company's authorization regulations, and as a result, the case caused fluctuations in the Company's stockholder's equity.

(2) Although the Taipei District Prosecutors Office is currently investigating whether Goldman Sachs' sale of derivatives to the Company violates the Futures Trading Act, the protracted nature of judicial procedures means that the Company will be in legal limbo for an extended time, which may harm the Company's image and investors' rights and interests. The general consensus among experts and foreign-owned banks is that the NT dollar will depreciated against the US dollar in the short run, and appreciate in the long run. It is consequently suggested that the Company perform closing of KO and Swap transactions at some opportune time within the next six months. For instance, active steps can be taken to ensure that the Company obtains the greatest possible benefit at today's exchange rate of 32.437. The board therefore agrees to authorize the CEO to conduct full or partial closing transactions with Goldman Sachs within a certain amount of funds and time limits, to undertake to obtain the most reasonable prices and terms.

(3) The management shall first request the CEO's approval before placing closing orders. When formulating decisions concerning this trading solution, the CEO shall obey external laws and internal procedural regulations, prudently weigh the factors involved in this case, and strive to obtain the greatest benefit for the Company. Clear records shall be kept of all decision-making processes and considerations.

(4) Since this is a highly specialized case and foreign exchange markets are extremely volatile, the management is requested to seek maximum benefit for the Company and its shareholders by prudently taking notice of the views of financial experts.

(5) Pursuant to the authorization list in the "Derivative Trading and Confirmation Personnel Letter of Authorization", mid-office personnel should include accounting personnel and back-office personnel should include legal personnel.

(6) Whenever a closing transaction cannot be implemented, or when only a partial closing transaction can be completed within the authorized closing period, a report should be made to the board, so that subsequent response actions can be determined.

(7) Director Chang Hsu-chung expressed a differing opinion:

a. The relevant managers in this case exceeded the bounds of their authority and violated the operating procedures by signing contracts with terms as long as ten years without reporting to the board. The tangible and intangible costs of this case to the Company and the board during the last year are incalculable. Authorized executives under the CEO failed to discharge their responsibilities as good managers. An effort should therefore be made to determine whether relevant managers should bear compensation responsibilities.

b. Apart from the closing and relevant tax expenses, the responsible unit is requested to submit legal, consulting, and conference expenses connected with this case for presentation to the board. In order to best protect the rights and interests of the Company and public shareholder representatives, as large shareholders have suggested, clear records should be kept of all decision-making processes and considerations, including conferences held

concerning this case.

c. This case has touched on the fact that excessive authorization has been given to the Company's CEO. After the case occurred, former chairman Ho-chen spoke out forcefully to shareholders at the shareholders meeting concerning the Company's appropriate actions, but the decisions would still be wrong no matter how good the Company's actions. For instance, in the case of labor disputes, the Company unilaterally changed its labor terms, which has caused great harm to the Company's image.