

# Chunghwa Telecom Anti-Corruption Policy

Approved on March 13, 2019

## I. Purpose and Scope

Chunghwa Telecom Co., Ltd. (referred as “Chunghwa Telecom” hereinafter) supports and voluntarily upholds the guiding principles of the United Nations Convention against Corruption (UNCAC) as well as agrees to comply with the anti-corruption regulations at places where Chunghwa Telecom engages business activities. The Policy herein is stipulated to lay out standards governing corporate governance and corporate social responsibility and the mechanism of risk management. It is a formal testimony of Chunghwa Telecom’s principle of zero-tolerance toward bribery while serving as a guidance to the relevant stakeholders in the prevention of bribery and corruptive behaviors.

The Policy herein applies to Chunghwa Telecom, the subsidiaries thereof, any foundation with over 50 percent of contribution donated by Chunghwa Telecom, directly or indirectly, as well as any business, organization, or association over which Chunghwa Telecom enjoys a de facto control.

## II. Anti-corruption Policy

To fulfill the purpose of anti-corruption, Chunghwa Telecom, and the relevant stakeholders, is to:

1. Not, directly or indirectly in business engagement, provide, promise, request, or accept any form of improper benefits, including rebates, commissions, facilitation fees, nor to provide or receive improper benefits via any other means from clients, agents, contractors, suppliers, civil servants, or other stakeholders in order to establish business relations or influence business transactions;
2. Comply with the Political Donations Act and the relevant internal operating procedures of Chunghwa Telecom in donations, directly or indirectly, to political parties or organization or individuals involving political activities and may not gain any business benefit or transaction advantage therefrom;
3. Comply with relevant laws and regulations as well as the internal operating procedures governing charity donations or contribution, which cannot be an act of bribery; and
4. Abide by “Code of Ethics,” “Ethical Corporate Management Best Practice Principles,” and “Procedures for Ethical Management and Guidelines for Conduct.”

## III. Definitions

The stakeholder herein refers to any director, supervisor, manager, employee, agent, supplier, consultant, or judicial person or natural person with a de facto control.

The benefit herein refers to money, endowments, gifts, commissions, positions, services, preferential treatment, rebate, facilitation fees, hospitality, social engagement, or any valuable thing of any form or in any name.

## IV. Assessment prior to establishment of business relationship

Prior to establishing a business relation, Chunghwa Telecom, as well as the stakeholders, shall assess the legality and ethical management policy of the agent, supplier, client, or any other trading counterpart and if any of them has a record of

unethical conducts, so as to ensure a fair, transparent business operation and not to provide, request, or accept any bribe.

Chunghwa Telecom, and the stakeholders, shall avoid any business transaction with agents, suppliers, clients, or any business counterpart engaging unethical operations, and, upon learning any unethical conduct in the business engagement or business counterpart thereof, promptly cease any business engagement therewith and blacklist it for any further business in line with the ethical corporate management policy of Chunghwa Telecom.

#### **V. Training and performance appraisal**

Chunghwa Telecom is to organize sessions for education, training, and promotion for relevant stakeholders thereof to highlight the significance of compliance with the Anti-corruption Policy herein on a regular basis for the stakeholders to fully understand the ethical corporate management policy, determination, and the Guidelines for Conduct thereof as well as the potential consequences and dangers for breach of the Ethical Corporate Management Best Practice Principles.

Chunghwa Telecom shall integrate the ethical corporate management policy with the performance appraisal of employees and human resource policy thereof while establishing a specific, effective reward and punishment system.

#### **VI. Notification and management of breach of the Policy**

Upon learning any act or activity that potentially renders a breach of “Code of Ethics,” “Ethical Corporate Management Best Practice Principles,” or “Procedures for Ethical Management and Guidelines for Conduct” or a violation of pertaining regulations, Chunghwa Telecom, as well as stakeholders thereof, is liable to inform the human resource department of Chunghwa Telecom. Any individual can report such conduct or activity, provided that sufficient information is required for Chunghwa Telecom to properly handle matters that follow.

Any individual that informs, in good faith, matters evidently in contradiction to ethics or potentially in violation of laws and regulations governing securities, or any misconduct with regard to Chunghwa Telecom and stakeholders shall not be subject to any retribution or threat in any form. Any individual subject to retribution, threat, or harassment is to report such to the immediate supervisor thereof or the human resource department of Chunghwa Telecom.

Any breach of the provisions herein is subject to severe punishment, including a proper discipline action, or to the extent of a termination of labor contract as well as civil liabilities for damage compensation, administrative penalties, or criminal prosecutions.

#### **VII. The provisions herein shall come into force upon promulgation after the approval of the President, and the same in case of any amendment thereto.**