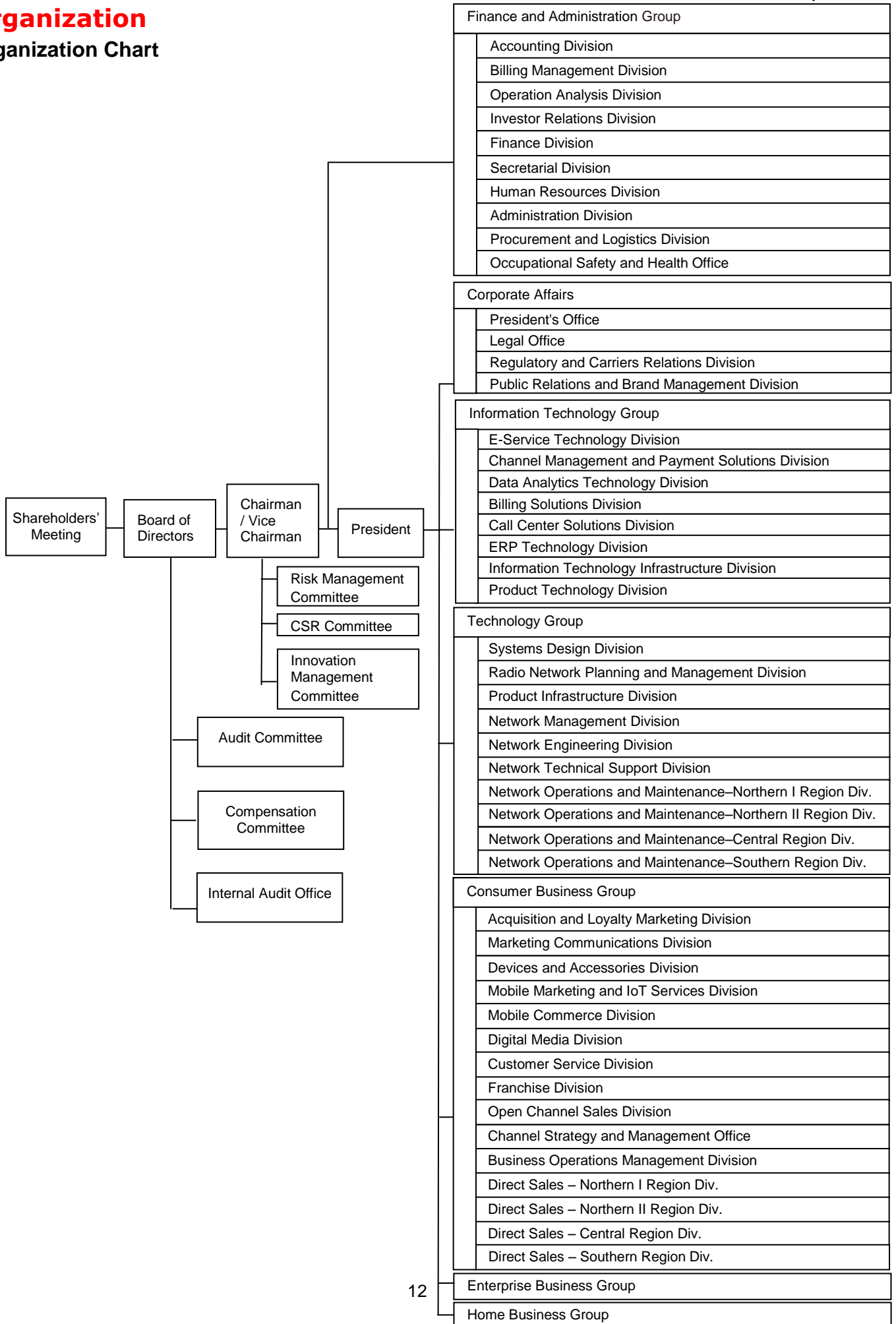


Chapter 2 Organization and Corporate Governance

February 27, 2017

Organization Organization Chart



Divisional Scope of Responsibilities

Division	Scope of responsibilities
Internal Audit Office	Audit of the Company and its subsidiaries Handle employee and supplier complaints Implementation of information security policy and control measures
President's Office	Corporate strategy and project management Develop new businesses and strategic alliances Enhance corporate management mechanism and cross-department project management Carry out information security management system planning and deployment, as well as monitor improvements
Legal Office	Legal counsel, company litigation and legal document review
Regulatory and Carriers Relations Division	Regulatory matters, government relations and inter-carrier relations
Public Relations and Brand Management Division	Corporate image promotion and management Media communication and sponsorship marketing Corporate social responsibility strategy planning and execution Website maintenance for the Company and TWM Foundation
Accounting Division	Accounting information management Tax planning and compliance Preparation of financial reports
Billing Management Division	Billing, receivables collection and settlement Credit check and risk management
Operation Analysis Division	Operating performance analysis, capex/opex cost and benefit analysis, and financial forecasts/annual budget review
Investor Relations Division	Timely disclosure of the Company's operating and financial status, management strategy, and business plans and developments to investors Communication between the Company and investors
Finance Division	Treasury management Monitor investments and subsidiaries' business activities Finance-related project evaluation, planning and execution
Secretarial Division	Corporate governance affairs, board and shareholders' meetings and corporate registration affairs Corporate share registrar management Company seal custodian and receipt/transmission of corporate documents
Human Resources Division	Human resources planning and management Staffing, compensation/benefits and employee relations Employee training and development
Administration Division	Office machinery and equipment management General and administrative affairs coordination Base station administration affairs
Procurement and Logistics Division	Procurement policy and system planning Procurement-related activities, contract negotiations and signing Supplier evaluation and management
Occupational Safety and Health Office	Occupational safety and health management Environmental protection and site area safety management Workplace health promotion

Information Technology Group	E-Service Technology Division	Corporate website, e-service systems (e-store/myfone shopping) and fixed-network application systems Service-oriented architecture and enterprise service bus (SOA/ESB) IT governance, enterprise architecture, software development process, and basic architecture software/tools development and management
	Channel Management and Payment Solutions Division	Sales, channel services and commission system solutions Enterprise management information system solutions Members' center and payment service solutions
	Data Analytics Technology Division	Data analytics system solutions, including data warehouse, big data and business intelligence solutions System solutions for management of network assets, warehousing, maintenance and repair, and customer experience
	Billing Solutions Division	Billing systems operation and development
	Call Center Solutions Division	Call center infrastructure and operational management solutions Taiwan Fixed Network IT server operation and management
	ERP Technology Division	Customer care application systems Enterprise resource planning (ERP) and human resources solutions Front-end customer management, sales management, and order and provision solutions for fixed-line business
	Information Technology Infrastructure Division	Data center, systems and network infrastructure construction and operations management Implementation of information security policy
	Product Technology Division	Technical consultation and solution analysis for VAS products and customer premises equipment (CPE) technologies Solutions design, systems development and delivery for VAS products and marketing promotions
Technology Group	Systems Design Division	Plan and design core, IP and transmission network systems for mobile and fixed networks Verification testing of network elements
	Radio Network Planning and Management	Radio network strategy development and planning Site planning and performance management Radio network quality management
	Product Infrastructure Division	Design, build, operate and manage: <ul style="list-style-type: none"> - Cloud internet data center (IDC) - Infrastructure as a service (IaaS) - Value-added services and innovative products
	Network Management Division	24-hour supervision of mobile/fixed network management Technical support for customers with network issues Network security management
	Network Engineering Division	Mobile telecom and fixed-network business' infrastructure budget, and engineering and construction project outsourcing Applications for base station co-location, technical approvals and cable/conduit management for government agencies Fixed-network service management, project evaluation and coordination
	Network Technical Support Division	Mobile-network technical support Fixed-network technical support IP-based network technical support
	Network Operations and Maintenance – Northern I, Northern II, Central and Southern Regions	3G/4G and fixed-network construction, expansion, operation, maintenance and optimization, including core, transmission and radio networks Network construction management and technical support

Consumer Business Group	Acquisition and Loyalty Marketing Division	Develop and execute strategies to acquire new customers, increase customer loyalty and lower churn rates for postpaid users Manage mobile broadband and mobile internet users and related revenue Strategy development for prepaid business
	Marketing Communications Division	Manage TWM Group brand identity, strategy development, marketing communication and advertising campaigns Store signage/interior design and customer retention activities Integrate and operate company website, including e-marketing, online sales and customer service
	Devices and Accessories Division	Devices planning and management Accessories and revenue sources development Handset sales and distribution
	Mobile Marketing and IoT Services Division	Provide mobile advertising solutions based on big data analysis Monitor and analyze IoT industry developments to define TWM's position and formulate strategies
	Mobile Commerce Division	Develop and manage mobile commerce and mobile payment businesses Conduct non-handset device merchandise, manage supplier/partner and sales platforms Manage Wali mobile app and myfone e-commerce businesses
	Digital Media Division	Product planning, development, management, quality assurance and strategy setting for online music, online bookstore, cloud video, mobile gaming and legacy value-added services (VAS)
	Customer Service Division	Customer service and call center management Telemarketing sales and customer retention
	Franchise Division	Supervision of franchisees' product promotion, distribution and customer service
	Open Channel Sales Division	Open channel development, distribution and management of postpaid/prepaid products
	Channel Strategy and Management Office	Channel strategy development and performance management Channel sales support, store display design, and in-store activities planning and execution Sales training program planning and service quality management
	Business Operations Management Division	Store operating system optimization and standards formulation Channel operation quality assurance to minimize corporate business risk Sale channel resources management and commission/awards calculation
	Direct Sales Division – Northern I, Northern II, Central and Southern Regions	Product sales, customer service and project execution at company stores
Enterprise Business Group	Strategy development and business analysis Direct sales and channel development, and customer relationship management Inter-carrier relations and international business (including international roaming) planning and implementation	
Home Business Group	Implementation of integrated technology solutions to develop new products and VAS so as to increase video and broadband internet access penetration rates and overall revenue Expansion of two-way optical network to broaden coverage and ensure better internet access quality and stable cable signals	