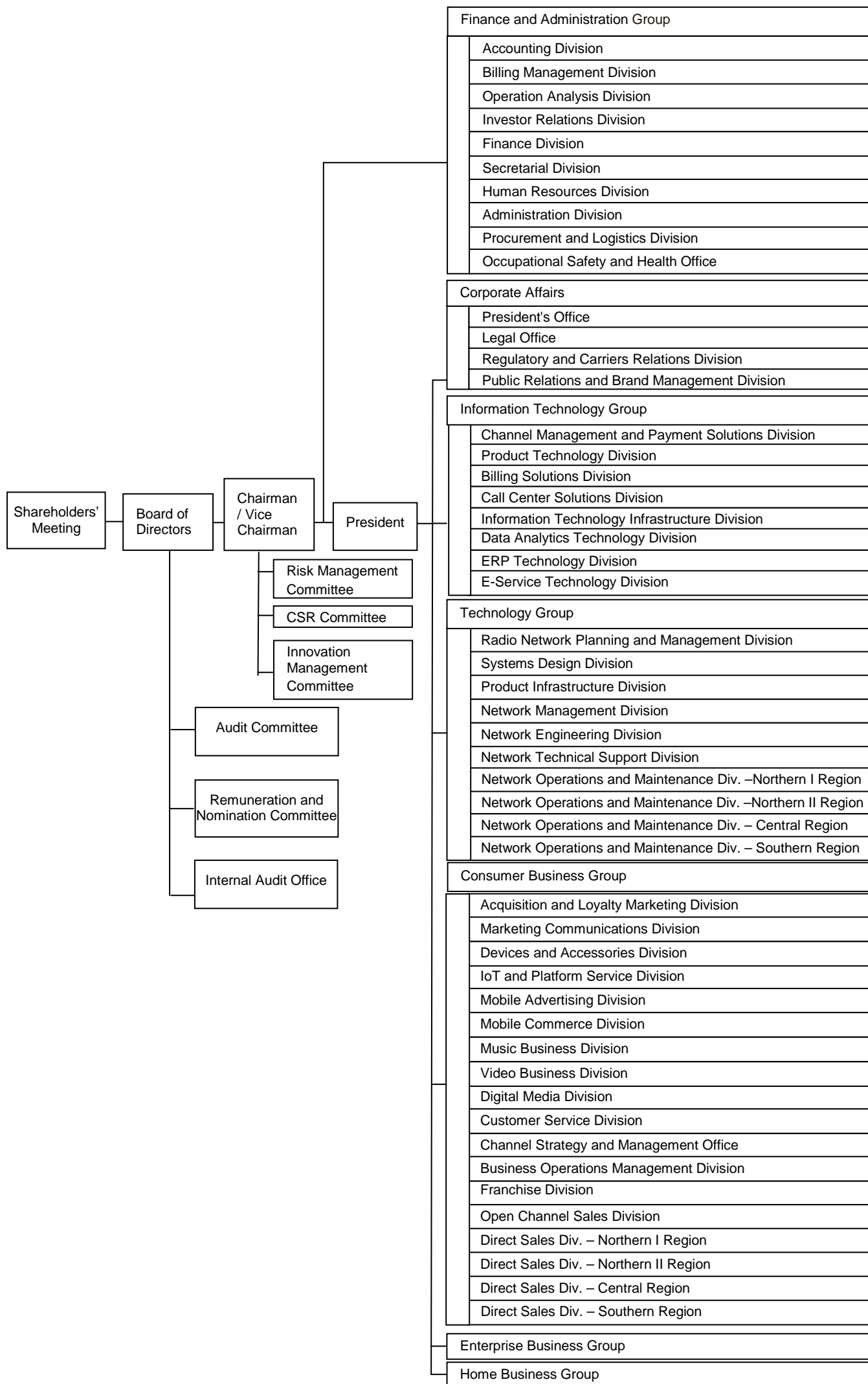


# Chapter 2 Organization and Corporate Governance

## Organization

### Organization Chart

February 23, 2018



## Divisional Scope of Responsibilities

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

|                              |  |   |
|------------------------------|--|---|
| Information Technology Group | Channel Management and Payment Solutions Division  | Sales, channel services and commission system solutions<br>Enterprise management information system solutions<br>Members' center and payment service solutions  |
|                              | Product Technology Division  | Technical consultation and solution analysis for VAS products and customer premises equipment (CPE) technologies<br>Solutions design, systems development and delivery for VAS products and marketing promotions  |
|                              | Billing Solutions Division   | Billing systems operation and development   |
|                              | Call Center Solutions Division   | Call center infrastructure and operational management solutions<br>Taiwan Fixed Network IT server operation and management  |
|                              | Information Technology Infrastructure Division   | Data center, systems and network infrastructure construction and operations management<br>Implementation of information security policy   |
|                              | Data Analytics Technology Division   | Data analytics system solutions, including data warehouse, data science and business intelligence solutions<br>System solutions for management of network assets, warehousing, maintenance and repair, and customer experience  |
|                              | ERP Technology Division  | Customer care application systems<br>Enterprise resource planning (ERP) and human resources solutions<br>Front-end customer management, sales management, and order and provision solutions for fixed-line business   |
|                              | E-Service Technology Division  | Corporate website, e-service systems (e-store/myfone shopping/game), IoT platform and fixed-network application systems<br>Service-oriented architecture and enterprise service bus (SOA/ESB)<br>IT governance, enterprise architecture, software development process, and basic architecture software/tools development and management |
| Technology Group             | Radio Network Planning and Management  | Radio network strategy development and planning<br>Site planning and performance management<br>Radio network quality management   |
|                              | Systems Design Division  | Plan and design core, IP and transmission network systems for mobile and fixed networks<br>Verification testing of network elements   |
|                              | Product Infrastructure Division  | Design, build, operate and manage: <ul style="list-style-type: none"> <li>- Cloud internet data center (IDC)</li> <li>- Infrastructure as a service (IaaS)</li> <li>- Value-added services and innovative products</li> </ul>   |
|                              | Network Management Division  | 24-hour supervision of mobile/fixed network management<br>Technical support for customers with network issues<br>Network security management  |
|                              | Network Engineering Division   | Mobile telecom and fixed-network business' infrastructure budget, and engineering and construction project outsourcing<br>Applications for base station co-location, technical approvals and cable/conduit management for government agencies<br>Fixed-network service management, project evaluation and coordination                  |
|                              | Network Technical Support Division   | Mobile-network technical support<br>Fixed-network technical support<br>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<br>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<br>Manage mobile broadband and mobile internet users and related revenue<br>Strategy development for prepaid business   |
|   | Marketing Communications Division                                       | Manage TWM Group corporate & brand identity, brand strategy development and marketing communications<br>Develop and manage store signage/interior design and customer communication activities<br>Integrate and operate company website, including digital marketing communication, online sales and services   |
|   | Devices and Accessories Division  | Devices planning and management<br>Accessories and revenue sources development<br>Handset sales and distribution  |
|   | IoT and Platform Service Division                                       | Develop IoT platforms to meet TWM Group's business needs and launch innovative consumer IoT services to capture future opportunities<br>Build market-leading service platforms, including an enterprise instant messenger, a content portal and big data marketing tools<br>Improve user experience for Customer Care app to enhance service efficiency and customer satisfaction |
|   | Mobile Advertising Division   | Provide mobile advertising solutions based on big data analysis   |
|   | Mobile Commerce Division  | Develop and manage mobile commerce and payment businesses<br>Manage Computers/Communications/Consumer electronic products, supplier/partner and sales platforms<br>Manage Wali app and myfone e-commerce businesses   |
|   | Music Business Division   | myMusic business management, strategic planning, product development, marketing and operations  |
|   | Video Business Division   | myVideo business management, strategic planning, product development, marketing and operations  |
|   | Digital Media Division  | Strategic planning, product development, marketing and business operations for innovative digital content services<br>Direct carrier billing business and gaming social platform operations<br>Legacy VAS business management and quality assurance   |
|   | Customer Service Division   | Customer service and call center management<br>Telemarketing sales and customer retention   |
|   | Channel Strategy and Management Office                                  | Channel strategy development and performance management<br>Channel sales support, store display design, and in-store activities planning and execution<br>Sales training program planning and service quality management  |
|   | Business Operations Management Division                                 | Store operating system optimization and standards formulation<br>Channel operation quality assurance to minimize corporate business risk<br>Sale channel resources management and commission/awards calculation   |
|   | 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  |
| Direct Sales Division – Northern I, Northern II, Central and Southern Regions | Product sales, customer service and project execution at company stores |   |

|                           |   |
|---------------------------|---|
| Enterprise Business Group | <p>Strategy development and business analysis</p> <p>Direct sales and channel development and customer relationship management</p> <p>Inter-carrier relations and international business (including international roaming) planning and implementation</p>  |
| Home Business Group       | <p>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</p> <p>Expansion of two-way optical network to broaden coverage and ensure better internet access quality and stable cable signals</p> |