

selected or serve as the director or supervisor from the time of expiration of the term currently being served by our directors or supervisors.

The business address of our directors, supervisors and executive officers is the same as our registered address.

Our audit committee was established in September 2004 and is comprised of our three independent directors: Chung-Yu Wang and Zse-Hong Tsai and Chung-Fern Wu.

Our audit committee is responsible for: (i) selecting our independent registered public accounting firm and determining their compensation; (ii) reviewing and discussing our annual, semi-annual and quarterly financial reports with our independent auditor; (iii) communicating with our independent auditors; (iv) approving our accounting firm's annual audit and non-audit service items; (v) negotiating the conflicts over our financial reports between our management and accounting firm; (vi) reviewing and assessing of our internal control policy; (vii) discussing and reporting other financial information and required disclosure under the Securities Exchange Act of 1934 with our management and independent auditor; and (viii) performing one self-review each year. Our board of directors has concluded that Chung-Fern Wu is our audit committee financial expert.

In addition to our audit committee, we also have a corporate strategy committee. Our corporate strategy committee is composed of seven directors and is responsible for reviewing and advising on the budgets, capital requirements, financial forecasts, matters related to investments, business license matters, corporate reorganization, development plans and other major issues affecting our development. The conclusions of the corporate strategy committee are considered at a subsequent board of directors meeting. The board of directors passed a resolution on November 8, 2005 to set up a compensation committee, which is composed of five directors. The Article 14-6 of R.O.C. Securities and Exchange Act requires all listed companies to establish a compensation committee for directors, supervisors and managers' compensation, which includes salary, stock options and other rewards, as well as authorizes the Competent Authority (i.e. Financial Supervisory Commission) to enact a regulation on the authorities of the compensation committee and the qualifications of its members. Our board of directors passed a resolution to amend the organization of our compensation committee on August 26, 2011. The compensation committee is composed of two independent directors and one director and is responsible for drafting, approving and periodically reviewing the compensation proposals for the directors, supervisors, president, senior management, financial officer, accounting officer, and internal audit officer. See "Item 10. Additional Information—B. Memorandum and Articles of Incorporation—Directors." Our audit committee members include: Chung-Yu Wang, Zse-Hong Tsai, Chung-Fern Wu.

In November 2003, the Securities and Exchange Commission approved changes to the New York Stock Exchange's listing standards related to the corporate governance practices of listed companies. Under these rules, listed foreign private issuers, like us, must disclose any significant ways in which their corporate governance practices differ from those followed by New York Stock Exchange-listed U.S. companies under the New York Stock Exchange's listing standards. See "Item 16G. Corporate Governance". A copy of the significant differences between our corporate governance practices and New York Stock Exchange corporate governance rules applicable to U.S. companies is also available on our website <http://www.cht.com.tw>. The information contained on our website is not a part of this annual report.

#### D. Employees

*The following section sets forth information regarding the employees.*

As of December 31, 2011, we had 28,772 employees on a consolidated basis. The following table is a breakdown of our employees from 2009 to 2011 on a consolidated basis.

	2009	2010	2011
<b>Employees</b>			
Technical	14,490	14,522	14,768
Operations	11,643	11,785	12,283
Administrative	1,782	1,827	1,721
<b>Total</b>	<b>27,915</b>	<b>28,134</b>	<b>28,772</b>