

# Far EasTone Telecommunications Co., Ltd.

## The Charter of the Audit Committee

Approved by Board of Directors Meeting on 2018/5/4

Article 1	For the purposes of perfecting corporate governance, professionalism of the Board of Directors, this Charter of the Audit Committee (the “Charter”) is adopted by the Far EasTone Telecommunication Co., Ltd. (the “Corporation”) pursuant to Paragraph 5, Article 14-4 of the Securities and Exchange Act and Article 3 of the Regulations Governing the Exercise of Powers by Audit Committees of Publicly Traded Companies.
Article 2	Matters with respect to the number of members, term of office, powers, rules of procedure of the Committee meetings, and resources to be provided by the Corporation when the Audit Committee ("the Committee") exercises its powers shall be in accordance with this Charter.
Article 3	The main function of the Audit Committee is to oversee the following matters: <ol style="list-style-type: none"><li>1. Fair financial reporting of this Corporation.</li><li>2. The hiring (and dismissal), independence, and performance of external certified public accountants of this Corporation.</li><li>3. The effective implementation of the internal control of this Corporation.</li><li>4. Regulatory compliance by this Corporation.</li><li>5. The existing or potential risks management of this Corporation.</li></ol>
Article 4	This Committee is established from the 7 <sup>th</sup> term Board of Director. The Committee shall compose of the entire independent directors. It shall have at least three members, one of whom shall be the convener, and at least one of whom shall have competence in accounting and/or financing expertise. The independent directors of the Committee shall serve a 3-year term, and may be re-elected to further terms. When the number of the independent director members on the Committee falls short than prescribed in the preceding paragraph or in the articles of incorporation due to an independent director's dismissal for any reason, a by-election shall be held at the nearest next shareholders’ meeting to fill the vacancy. When the independent directors are dismissed all together or their positions vacated, a special shareholders’ meeting shall be

	convened within 60 days from the date of event to hold a by-election to fill the vacancies.
Article 5	<p>Except those set forth in Paragraph 4, Article 14-4 of the Securities and Exchange Act, Powers conferred by the Securities and Exchange Act, the Company Act, and any other law to be exercised by supervisors shall be exercised by the Committee.</p> <p>The provisions of Paragraph 4, Article 14-4 of the Securities and Exchange Act, in regard to the Company Act with respect to the actions of supervisors or their role as representatives of a company, apply mutatis mutandis to the independent director members of the Committee.</p>
Article 6	<p>The powers of the Committee are as follows:</p> <ol style="list-style-type: none"> <li>1. The adoption of or amendments of the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.</li> <li>2. Assessment of the effectiveness of the internal control system.</li> <li>3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and providing endorsements or guarantees to others.</li> <li>4. Matters in which a director is an interested party.</li> <li>5. Asset transactions or derivatives trading of a material nature.</li> <li>6. Loans of funds, endorsements, or provision of guarantees of a material nature.</li> <li>7. The offering, issuance, or private placement of equity-type securities.</li> <li>8. The hiring or dismissal of an external certified public accountant, or their compensation.</li> <li>9. The appointment or discharge of a financial, accounting, or internal audit officer.</li> <li>10. Annual and semi-annual financial reports.</li> <li>11. Other material matters as required by this Corporation or by the competent authority.</li> </ol> <p>The matters under the preceding paragraph shall obtain majority consent of the members of the Committee for submitting to the board of directors for resolution.</p> <p>Any matter, except Subparagraph 10, Paragraph 1, that has not been consented by majority of the members of the Committee may be adopted with the consent of two thirds or more of the members of the board of directors.</p> <p>"The entire membership," as used herein, shall be counted as the number of members actually in office at the given time.</p>

	The convener of the Committee shall represent the Committee to the public.
Article 7	<p>The S&amp;F division shall be charged with the rules of order of the meeting of the Committee, such as meeting notice, preparation of agenda, proceeding of meeting, meeting minutes and other related matters.</p> <p>The Committee shall convene at least once quarterly, and may call a meeting when necessary.</p> <p>In calling a meeting of the Committee, a notice of the reasons for convening the meeting shall be served to each independent director member of the Committee at least 7 days in advance. In emergency circumstances, however, the meeting may be convened without such limitation.</p> <p>The meeting notice of the Committee may be effected by means of electronic transmission.</p> <p>A member of the Committee shall be elected as the convener and the chair of meeting by and from the entire members of the Committee. When the convener is on leave or unable to convene a meeting for any cause, the convener may appoint another independent director member as acting convener; if the convener does not appoint as such, one independent director member shall be elected by and from the other members of the Committee to serve as convener.</p> <p>The Committee may request the managers of relevant departments, internal audit officers, certified public accountants, attorneys, or other personnel of the Company to attend the meeting as non-voting participants and provide pertinent and necessary information. However, the participants mentioned above shall leave during the discussion and voting.</p> <p>When the Committee calls a meeting, it shall furnish the members present at the meeting with relevant materials for reference as necessary.</p>
Article 8	<p>When a meeting of the Committee is held, an attendance book shall be made available for signing-in by the attending independent director members for future reference.</p> <p>Independent director members shall attend meetings of the Committee in person; if an he is unable to attend in person, he may appoint another independent director member as proxy to attend the meeting. Attendance via video conference is deemed attending in person.</p> <p>A member of the Committee that appoints another independent director member as proxy to attend a meeting of the Committee shall in each instance issue a written proxy stating the scope of authorization with respect to the items on the meeting agenda.</p> <p>Resolutions at meetings of the Committee shall be adopted with the majority approval of the entire members. The result of a vote shall be made known immediately and recorded in writing.</p>

	<p>If for a legitimate reason it is impossible to hold a meeting of the Committee, matters on the meeting agenda shall be adopted with the consent of two thirds or more of the entire board of directors. Nevertheless, a written opinion indicating approval or disapproval shall be obtained from each independent director member with respect to the matters prescribed in Subparagraph 10, Paragraph 1 of the Article 6.</p> <p>The proxy under Paragraph 2 may accept a proxy from one person only.</p>
Article 9	<p>Discussions at a meeting of the Committee shall be included in the meeting minutes, which shall faithfully record the following:</p> <ol style="list-style-type: none"> <li>1. The session, time, and place of the meeting.</li> <li>2. The name of the meeting chair.</li> <li>3. Attendance by the independent directors, including the names and the number of members present, excused, and absent.</li> <li>4. The names and titles of those attending the meeting.</li> <li>5. The name of the minute taker.</li> <li>6. The matters reported.</li> <li>7. Agenda items: For each proposal, the method of resolution and the result; a summary of the comments made by the Independent Director members on the Committee and experts and other persons present at the meeting; the name of any Independent Director who is an interested party as referred to in paragraph 1 of Article 11; an explanation of the critical part of personal interest matter; the reasons why the Independent Director was required or not required to enter recusal, and the status of their recusal; and any objections or reservations expressed at the meeting.</li> <li>8. Extraordinary motions: The name of the mover; the method of resolution and the result for each motion; a summary of the comments made by the Independent Director members on the Committee and experts and other persons present at the meeting; the name of any Independent Director who is an interested party as referred to paragraph 1 of Article 11; an explanation of the critical part of personal interest matter; the reasons why the Independent Director was required or not required to enter recusal, and the status of their recusal; and any objections or reservations expressed at the meeting.</li> <li>9. Other matters required to be recorded.</li> </ol> <p>The attendance book constitutes part of the minutes for each meeting of the Committee and shall be preserved permanently.</p> <p>The minutes of a Committee meeting shall bear the signature or seal of the chair and the minute taker, and shall be distributed to each</p>

	<p>independent director within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of this Corporation.</p> <p>The production and distribution of the meeting minutes of Paragraph 1 may be effected by means of electronic transmission.</p>
Article 9-1	<p>The meeting process shall be preserved as audio or video record for at least 5 years. The aforesaid record may be preserved in electronic form.</p> <p>If a litigation with respect to the resolution at meetings of the Committee occurs prior to expiration of the term specified in preceding paragraph, the audio or video record shall be preserved until the litigation ends.</p> <p>If the meetings are convened via telecommunications, the videos constitute part of the minutes for each meeting of the Committee, and shall be appropriately preserved during the existence of the Company.</p>
Article 10	<p>The Committee's meeting agenda shall be drafted by the convener. Other members may also put forward proposals for discussion by the Committee.</p>
Article 11	<p>An Independent Director member of the Committee who has a personal interest with respect to a given agenda shall explain to the Committee the critical part of such interest; If such interest is likely to prejudice the interests of the Company, such Independent Director shall not join discussion, vote nor exercise the voting right on behalf of another Independent Director, and shall recuse himself or herself during the discussion and voting.</p> <p>If, for the reason stated in the preceding paragraph, an agenda item cannot be resolved at a Committee meeting, it shall be reported to the board of directors for resolution.</p>
Article 12	<p>The Committee may determine to retain the service of an attorney, certified public accountant, or other professionals to provide advice with respect to matters with Article 6. The costs of their services shall be borne by this Corporation.</p>
Article 13	<p>The Committee members shall exercise the standard of care of a reasonable prudent person and faithfully perform the duties prescribed in this Charter; they shall be accountable to the board of directors and shall submit their proposals to the board of directors for resolution.</p>
Article 14	<p>The Committee shall conduct periodic reviews of matters relating to this Charter and present the opinion for amendment by the board of directors.</p> <p>The execution of tasks relating to resolutions adopted by the Committee may be delegated to the convener or other Committee members</p>

	for follow-up, with a written or verbal report to be presented to the Committee during the implementation period. When necessary, the matter shall be presented for ratification or a report made at the next Committee meeting.
Article 15	This Charter shall enter into force by the resolution of the 7 <sup>th</sup> Board of Director Meeting after approval by the board of directors; likewise any amendments shall be in force after approval by the board of directors.