

## Program Planning for Director Continuing Education

### **I. Introduction:**

The Corporate Governance Center has referred to the plans and projects of corporate governance and established the director continuing education based on which training units cooperate and share the work to provide the programs with the goals to strengthen director capabilities and the operation of the board of directors in order to enhance director professionalism and raise their awareness on corporate governance.

### **II. Director's required capabilities:**

As stated in Article 20 of the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”, the board of directors shall possess the following abilities: ability to make operational judgments; ability to perform accounting and financial analysis; ability to conduct management administration; ability to conduct crisis management; knowledge of the industry; an international market perspective; ability to lead; and ability to make policy decisions. These abilities will enable them to support a TWSE/TPEX listed company to create a solid corporate governance system and further promote a healthy development of the securities market.

As a priority, directors are expected to have a clear understanding of his or her legal obligations and responsibilities. When performing services, a director needs to follow the requirements set forth in the articles of incorporation, the Company Act and other laws and regulations. Directors should improve the efficiency and performance of a board meeting, foster cooperation between the board and the operation team. Directors need to gain knowledge and develop skills on training of talents, plan for development of successors, and establish a good communication channel between directors and related parties. Directors are also expected to provide the company with a good strategic perspective and conduct risk reviews. Directors should have professional skills in finance, risk management, sales and business, commerce, legal affairs, accounting, corporate social responsibilities, and/or internal control systems so that they can contribute to the company's governance, operation and establish an efficient team.

### **III. Planning of directors' continued education:**

In view of the skills and capabilities required for directors, the Corporate Governance Center has planned a core program and specialized program. The core program covers topics such as obligations and responsibilities of directors, board members and structure, how to conduct a meeting, and cooperation with the management team. The purpose of the program is to help directors familiarize themselves with their role, functions, responsibilities and obligations in the board so that they will be able to effectively implement the corporate governance system. The specialized program goes beyond the expertise and abilities a director and supervisor needs to have, and refers to the scope of continuing education in Section III.3 of the “Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies” (the “Implementation Directions”), covering, based on areas of expertise, corporate governance related topics such as finance, risk management, business, commerce, legal affairs, accounting, and corporate social responsibility, or courses relating to

internal control systems or liability for financial reports. The required hours of continuing education for directors and supervisors in a year as set forth in the Implementation Directions should be mainly from the core program, and the specialized program on topics such as corporate governance and corporate social responsibilities shall be supplementary. The purpose of the education planning is to facilitate and guide the creation of a corporate culture for decision making and governance with the goal to promote the international competitiveness of Taiwan's businesses. Details of the program planning are in Schedules 1 and 2.

**Schedule 1:****Core Program**

	Program Themes	Course Examples
1	Legal obligations and responsibilities of directors	Securities and Exchange Act, Company Act, administrative responsibilities, and others.
2	Board members and structure	Election of new/existing directors, establishment of committees of various functions
3	Improvement of efficiency and performance of board meetings	How meetings are conducted by the board of directors and functional committees, meeting quality, agenda planning, and evaluation of efficiency and performance
4	Cooperation of board members and the management team	Election and appointment of members of the operation team Training of talents, planning for development of successors
5	Board of directors' meeting and shareholders' meeting affairs	How a board of director's meeting and a shareholders' meeting are conducted Improve the relationship of board between directors, shareholders and related parties
6	Others	Programs on the development of corporate governance, sustainable development, finance, accounting, internal controls and other basic abilities provided by various training organizations

**Schedule 2:****Specialized Program**

	Program Themes	Course Examples
1	Business and commerce of the industry where the company is doing business	Industrial trends, international management, and mergers and acquisitions
2	Finance, accounting	Financial statements, analysis of financial derivatives, international financial accounting standards
3	Risk management, internal control	Business risk management, quality management of internal controls and supervision and internal audit, information security, management of intellectual property
4	Corporate social responsibilities	Corporate social responsibilities/sustainability report structure, business sustainability, environmental protection and energy saving
5	Others	Programs on improvement of corporate governance, corporate social responsibilities, ethical management, and case studies focused on directors' specialties and expertise provided by various training organizations