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## Amended Article

Title : Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers CH

Amended Date : 2020.01.02

Categories : Primary Market > Review  
Corporate Governance

Article 4 The minimum number of members of the board of a TWSE listed company is five, and the minimum number of independent directors is two or one-fifth of the seats in the board, except for listed companies that are required to establish an audit committee under the Securities and Exchange Act, regulations of the competent authorities, and rules of the TWSE, in which case the minimum number of independent directors is three.

Where the chairman of the board of directors and the president or person of an equivalent post of a TWSE listed company are the same person, spouses or relations within the first degree of kinship, not less than four independent directors shall be established before 31 December 2023, provided where the number of directorships exceeds 15, the minimum number of independent directors is five, and there shall be a majority of directors who do not serve concurrently as an employee or officer.

Article 8        When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders meeting within 60 days of the occurrence of that fact to hold a director by-election.

When the number of independent directors at a TWSE listed company is lower than the requirement in the first paragraph of Article 4 or its articles of incorporation, an independent director by-election shall be held at the next shareholders meeting. When all independent directors have been dismissed, the company shall convene a special shareholders meeting to hold a by-election within 60 days from the date on which the fact occurred.

A TWSE listed company violating the second paragraph of Article 4 shall correct the violation within three months from the date on which the fact occurred .

Article 15        A TWSE listed company may not impede, refuse, or evade the actions of the independent directors in the performance of their duties. As the independent directors deem necessary to the performance of their duties, they may request the board of directors to appoint relevant personnel, or may at their own discretion hire professionals to provide assistance. The related expenses will be borne by the TWSE listed company.

A TWSE listed company shall establish a standard operational protocol for responding to requests from directors, covering issues such as personnel resources and required period for handling matters, and shall address requests from directors in accordance with such protocol.

Article 20 The board of directors of a TWSE listed company shall appoint a unit to be in charge of meeting-related matters in accordance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

A TWSE listed company shall have in place, according to its business size, business condition, management needs, qualified corporate governance persons in an appropriate number and shall appoint one chief corporate governance officer as the most senior executive for corporate governance matters.

A TWSE listed company with paid-in capital of NT\$2 billion or more or within the financial and insurance industry required by the competent authorities shall appoint the chief corporate governance officer, provided it may complete the appointment before 30 June 2021 if its paid-in capital is below NT\$10 billion.

A TWSE listed company shall comply with these Directions in appointing its chief corporate governance officer, unless otherwise provided under the regulations of the competent authorities.

Article 23 A chief corporate governance officer shall be a qualified, practice-eligible lawyer or accountant or have been in a managerial position for at least three years in a securities, financial, or futures related institution or a public company handling legal affairs, compliance, internal audit, financial affairs, stock affairs, or corporate governance affairs as specified in Article 21.

Article 27 In the event of a TWSE listed company's violation of the requirements under Article 6, the first or third paragraph of Article 8, the first paragraph of Article 9, Articles 10 and 12, the second paragraph of Article 15, Articles 16 to 18, the third paragraph of Article 20 or Articles 21 to 25, the TWSE may impose a penalty of NT\$30,000 on the company and require it to make the correction within a specified period of time. Failure to make the correction within the specified period of time will subject the company to a penalty of NT\$10,000 for each business day until it has made the correction.