

The Board of Director's Diversity

According to paragraph 2 of Article 29 of the Corporate Governance Best Practice Principles of CHANG HWA COMMERCIAL BANK, LTD, the composition of the Board of Directors shall be determined by giving due consideration. It is advisable that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

1. Ability to make operational judgments: In order to determine the future development strategies of the Bank, the members of the Board of Director should be able to judge operating conditions and establish directions; therefore, evaluate business efficiency and achievements of the Bank.
2. Ability to perform accounting and financial analysis: Considering that operating achievement, asset quality and profitability of the Bank, customers, counterparties and investments are reflected in the accounting and financial statements; consequently, for making proper judgment, the members of the Board of Director should possess accounting and finance analytical ability.
3. Ability to conduct management administration: In order to increase the competitiveness, create business efficiency, maximize the internal quality and organizational potential of the Bank, the members of the Board of Director should possess management ability.
4. Ability to conduct crisis management: For the sustainable development of the Bank, the members of the Board of Director should possess the ability to conduct crisis, therefore ensure the Bank will respond promptly, and protect the interests of the Bank, shareholders and customers.

5. Knowledge of the industry: Financial industry is highly competitive and financial markets are changing rapidly, in addition, customers of the Bank are from various industries. For adjust the strategies and directions of the Bank correctly and appropriately, the members of Board of Director should possess the knowledge of industry here before.
6. An international market perspective: Global financial developments are interacted, beside, The Bank engages in deploying overseas markets aggressively. The members of the Board should possess an international outlook of the market, pay attention to the international economic situation continuously and response carefully.
7. Ability to lead: The members of the Board of Director should possess the ability to lead and control the internal and external environment of the Bank, therefore leading the Bank and all of the staff 1 make it discharge their due responsibility and capabilities for the achievement of the Bank's goals, the members of Board of Director should possess the ability to lead and control the internal and external environment.
8. Ability to make policy decisions: Being the policy-making instrumentality of the bank, for the purpose of making the Bank continually perfection in all aspect, the members of the Board of Director should possess the ability to make management and business strategy decisions of the Bank.

CHANG HWA COMMERCIAL BANK, LTD.'s Board of Directors comprises 9 directors, including 3 independent directors(accounting for 33.3% of all directors). All members are well-experienced in law, accounting, finance, marketing and technology; possessing the abilities to make operational judgments, perform accounting and financial analysis, conduct management administration, conduct crisis management, Knowledge of the industry, international market perspective, leadership and make policy decisions. Moreover, the composition of Bank's Board aims to pursue gender diversity and professional background in line with the development of the Bank. The directors of the 26th term Board of Director includes 1 female member (accounting for 11.1% of all directors),2 newly-elected independent directors and 2 natural-person directors. All of Board members' nationality are Taiwan R.O.C. and the age of directors is distributed between 50 and 80 years old.

As following list:

Qualifications Name	Professional background					Professional abilities							
	Law	Accounting	Finance	Marketing	Technology	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct risk management	Ability to handle crisis management	Knowledge of the industry	International market perspective	Ability to lead and make policy decisions
Joanne Ling	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jui-Mu Huang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jung-Chun Pan	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chia-Chi Hsiao		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Chien-Yi Chang		✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓
Wen-Siung Lee	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Julius Chen	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Jong-Horng Lin	✓				✓		✓		✓	✓		✓	✓
Chih- Jong Suen	✓	✓	✓			✓		✓	✓	✓	✓		✓