

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, race, and culture. Among them, the proportion of female directors in the board of directors should reach one-third of the directors.
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 risk management: In order to make decisions reduce the risks to the Bank effectively, the members of the Board of Director should possess the ability to manage both internal and external risks, assess and analyze the potential short, medium, and long-term impacts of various risk on the Bank.

5. 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.
6. 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.
7. 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.
8. 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.
9. 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), none of Directors serves as the Bank's manager or employee, except for Mr. Chao-Chung Chou who serves as President and Director and Kuo-Tung Huang who serves as an employee(22.2%). The members are well-experienced in accounting, finance, business, banking, insurance, law, technology, securities, venture capital, administration, taxation, asset management, economics, monetary policy, information management, e-commerce and internet marketing respectively; possessing the abilities to make operational judgments, perform accounting and financial analysis, conduct management administration, manage risk, conduct crisis, lead and make policy decisions and also have knowledge of the industry, international market perspective, stated in Article 29 of the Corporate Governance Best Practice Principales of CHANG HWA COMMERCIAL BANK, LTD., bring into complementary effect of diversity. Among them, three directors have the experience of responsible person of commercial banks and export-import bank, one is

Director of the Central Bank, one used to serve in Financial Supervisory Commission, one is President of the Bank's Corporate Union; Among Independent Director, one Director has the qualification of lawyer, one has the qualification of accountant, and one is a expert of information Management, demonstrating a complementary result. Moreover, the composition of Bank's Board meet the diversity goal with respect to gender and professional background. The directors of the 27th term Board of Director includes 4 female member (accounting for 44.4% of all directors), having more than 1/3 of the Board per gender. There are 3 newly joined independent directors and 1 natural-person director in the 27th term Board of Director. All members' nationality are Taiwan R.O.C, seven Directors aged 51-60, two aged 61-70. All members possess the necessary knowledge, skills, and accomplishments to perform their duties, and meet the qualification requirements set in "Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks."

As following list:

Criteria	Basic Composition					Industrial Experience													Professional Competence													
	Name	Nationality	Gender	Age		Seniority as Independent Director		Accounting	Finance	Business	Banking	Insurance	Law	Technology	Securities	Venture Capital	Administration	Taxation	Asset Management	Economics	Monetary Policy	Information Management	E-commerce and Internet Marketing	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct Risk Management	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead and make policy decisions	Labor Right and Compensation Management
51-60years old				61-70years old	Less than 3 years	6years-9years																										
Jong-Yuan Ling	R.O.C.	F		V						V	V			V	V	V	V						V	V	V	V	V	V	V	V	V	
Chao-Chung Chou	R.O.C.	M	V						V	V						V		V					V	V	V	V	V	V	V	V	V	
Yu-Hsueh Wu	R.O.C.	M	V		V		V		V	V	V	V		V		V	V	V	V				V	V	V	V	V	V	V	V	V	V
Shiu-Yen Lin	R.O.C.	F	V						V						V	V		V					V	V	V	V	V	V	V	V	V	
Chien-Yi Chang	R.O.C.	M	V						V			V		V				V	V				V	V	V	V	V	V	V	V	V	
Wen-Siung Lee	R.O.C.	M		V					V	V	V			V		V							V	V	V	V	V	V	V	V	V	
Kuo-Tung Huang	R.O.C.	M	V				V	V	V	V		V	V	V	V	V									V	V			V	V	V	V
Shu-Hua Lee	R.O.C.	F	V		V		V	V	V															V		V						
Chao-Kuei Huang	R.O.C.	F	V		V				V			V		V	V							V	V	V	V	V	V	V	V	V	V	

The Bank's diversification policy of the Board of Directors in specific management goals and achievement status:

Specific management goals: Having more than 1/3 of the Board per gender, and having diverse professional background.

Current achievement status: The Bank's Board of Directors has backgrounds including accounting, finance, business, banking, insurance, law, technology, securities, venture capital, administration, taxation, asset management, economics, monetary policy, information management, e-commerce and internet marketing, etc., complies with the Bank's business development, and has four female board member, meets the goal of the Bank's diversity policy.