CHAPTER 15

CORPORATE GOVERNANCE

ARTICLE 15.1

Objectives

1. The Parties acknowledge the importance of an effective corporate governance framework to achieve economic growth through well-functioning markets and sound financial systems based on transparency, efficiency, trust and integrity.

2. Each Party shall take appropriate measures to develop an effective corporate governance framework within its territory, recognising that those measures will attract and encourage investment by enhancing investor confidence and improving competitiveness, thus enabling best advantage to be taken of the opportunities granted by its respective market access commitments.

3. Without limiting the ability of each Party to develop its own legal, institutional and regulatory framework in relation to the corporate governance of publicly listed companies, the Parties commit to respect the principles and adhere to the provisions of this Chapter to the extent that they facilitate access to each other's markets as provided for in this Agreement.

4. The Parties shall cooperate on matters relating to the development of an effective corporate governance framework which fall within the scope of this Chapter.

ARTICLE 15.2

Definitions

For the purposes of this Chapter:

(a) "board" means the governing body of a publicly listed company with a decision-making authority on the oversight of the operations of the company, whose members (directors) are elected, normally by the shareholders of the company, to govern the company;

(b) "corporate governance" means the set of relationships between a company's management, its board, its shareholders and other stakeholders; it also provides the structure through which a company is managed and controlled, notably by determining how the objectives of the company are set and the means of attaining those objectives, as well as by monitoring performance;

(c) "corporate governance framework" of a Party means the principles and rules of a binding or non-binding nature regarding the corporate governance of publicly listed companies, as applicable according to the competences and legislation of that Party; and

(d) "publicly listed company" means a legal person whose shares are listed or quoted for public trading on a stock market or regulated market of a Party as defined in the legislation of that Party.

ARTICLE 15.3

General principles

1. The Parties recognise the importance of the role of the corporate governance framework in providing timely and accurate disclosure on all material matters regarding publicly listed companies within their respective jurisdictions, including the financial situation, performance, ownership and governance of those companies.