2. The Parties also recognise the importance of the role of the corporate governance framework in providing appropriate accountability of the management and the board towards the shareholders, responsible board decision-making based on an independent and objective standpoint, and equal treatment of shareholders of the same class.

3. For greater certainty, the provisions of the corporate governance framework of a Party referred to in Articles 15.4 and 15.5 may be implemented either through legally binding mechanisms or through non-binding means such as on a comply or explain basis.

4. A Party may provide that some corporate governance principles or rules do not apply to certain companies in cases justified by objective and non-discriminatory criteria such as early phase of development or size of the company.

ARTICLE 15.4

Rights of shareholders and ownership functions

1. The corporate governance framework of each Party shall include provisions aiming at protecting and facilitating the effective exercise of shareholders' rights in publicly listed companies. Those rights include, where applicable, participation and voting in the general meeting as well as election and removal of members of the board in accordance with the corporate governance structure of the company with a view to allowing shareholders to oversee board behaviour[1] and participate in important decision-making of the company.

2. The corporate governance framework of each Party shall include provisions aiming at encouraging disclosure of information regarding the control of a company which can be valuable and useful to investors. That information includes, for instance, the capital structure, with an indication of the different classes of shares where appropriate, direct and indirect shareholdings which are considered to be significant, and special control rights.

[1] For greater certainty, "to oversee board behaviour" does not require the daily oversight of the board's operation by the shareholders.

ARTICLE 15.5

Roles of the board

The corporate governance framework of each Party shall include provisions aiming at the following, so that such framework will promote responsible board decision-making:

(a) the effective monitoring of management by the board from an independent and objective standpoint, which can be achieved, for instance, through the effective use of a sufficient number of independent directors[1];

(b) ensuring board accountability to the shareholders; and

(c) ensuring sufficient disclosure of information relevant to investors, for instance with respect to board composition, board committees and independence of directors.

ARTICLE 15.6

Takeovers

Each Party shall provide rules and procedures governing takeovers in publicly listed companies. Such rules and procedures shall aim at enabling those transactions to occur at transparent prices and under fair conditions.

ARTICLE 15.7

Dispute settlement

The provisions of this Chapter shall not be subject to dispute settlement under Chapter 22.

[1] Each Party may determine in its jurisdiction what constitutes a "sufficient number of independent directors" in either qualitative or quantitative terms.