

# Cathay Financial Holdings

## Procedures and Guidelines of Integrity Management Operation

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Responsible Department: Human Resources Division

### Article 1 (Formulation Purpose and Scope)

Cathay FHC conducts its business activities in accordance with the principles of fairness, honesty, integrity, and transparency. To implement its ethical corporate management policy and proactively prevent unethical conduct, the Company established the Cathay Financial Holdings Procedures and Guidelines of Integrity Management Operation (hereafter "these Guidelines"). The Guidelines are formulated based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, the Company's Policy and Code of Operation Integrity, and all applicable laws and regulations in the jurisdictions where the Company and its affiliates operate. The Guidelines establish specific standards and matters to which company personnel must give due attention when conducting business.

### Article 2 (Scope of Application)

The term "Company personnel" as used in these Guidelines refers to the directors, supervisors, managers, and employees of the Company.

Any provision, promise, solicitation, or acceptance of improper benefits made through a third party shall be presumed to have been conducted by Company personnel.

### Article 3 (Unethical Conduct)

For the purposes of these Guidelines, unethical conduct refers to any conduct by Company personnel, in the course of performing business activities, involving the direct or indirect offering, promising, solicitation, or acceptance of any improper benefit, or the engagement in any other acts that breach integrity, violate the law, or contravene fiduciary duties, for the purpose of obtaining or retaining benefits.

The parties involved in such conduct may include public officials, political candidates, political parties or party officials, as well as any public or private enterprises or institutions and their directors, supervisors, managers, employees, individuals with actual control, or other stakeholders.

### Article 4 (State of Benefits)

Benefits mentioned in these Guidelines shall mean any things of value, including money, gifts, commissions, jobs, services, preferential treatment, and rebates in any form or name. However, things considered as normal social customs that occur sporadically and pose no threat of affecting specific rights and obligations shall be exempt.

## Article 5 (Responsible Units)

The Company designates the ESG Strategy Committee to oversee the implementation and results of ethical corporate management practices. This Committee shall report to the Board of Directors at least annually and regularly analyze and assess the risks of unethical conduct within the scope of the Company's operations. Under this Committee, the Sustainable Governance Task Force is established to promote matters related to ethical business conduct. The Human Resources Division is responsible for planning and executing activities related to ethical management.

## Article 6 (Prohibition of Offering or Accepting Improper Benefits)

In the course of performing their duties, Company personnel shall not directly or indirectly offer, promise, solicit, or accept any form of improper benefit from clients, agents, contractors, suppliers, or other stakeholders. Such improper benefits include kickbacks, commissions, and facilitation payments. Personnel shall also refrain from any verbal or physical conduct that could be misinterpreted by the counterparty as inappropriate.

Except as otherwise handled in accordance with the procedures set forth in Article 7 of these Guidelines, Company personnel shall not accept gifts, entertainment, or any item, service, or benefit of economic value from internal or external parties. Internal parties include supervisors, colleagues, or departments within the Group, while external parties include clients, vendors, job applicants, or other business-related individuals. However, the following circumstances shall not be considered improper benefits:

- I. Gifts or hospitality provided to or received from spouses or relatives within the second degree of kinship.
- II. Expenses for training programs sponsored partially or fully by external institutions, with prior approval from a supervisor.
- III. Office supplies of a promotional nature, such as calendars, notebooks, and stationery.

## Article 7 (Procedures for Accepting Gifts and Hospitality)

Company personnel may only accept gifts or hospitality if all of the following conditions are met: the act is occasional, moderate, and necessary for maintaining general social etiquette or fostering business relationships; the act does not impair the rights or obligations of the Company or individual; the act adheres to the following provisions.

- I. The act must comply with applicable laws, must not be solicited by the recipient, and must not involve any unlawful quid pro quo. (a) The fair market value of any single gift, hospitality, or benefit accepted shall not exceed NT\$3,000, and the aggregate value of all such items accepted from the same donor or any related third party within the same calendar year shall not exceed NT\$6,000; or (b) In the case of social etiquette surrounding weddings, funerals, or similar occasions, the amount of any gift or condolence money received from a single individual shall not exceed NT\$6,000 per instance. However, if the gift or hospitality received exceeds the aforementioned thresholds but is still deemed appropriate based on the recipient's position, job responsibilities, or the socioeconomic status of the interacting party, such acts may be considered acceptable and are not subject to the specified monetary limits.

- II. Managers at the level of senior vice president or above who receive gifts or hospitality exceeding the above-stated limits must ensure that such instances are recorded and retained on file, either personally or by their department.
- III. Acts involving gifts received through a third party, such as a spouse, direct blood relative, or other family member, are also subject to the above restrictions.
- IV. When offering gifts or hospitality to external parties to maintain legitimate business relationships, the use of items branded with the Group's corporate name or logo is recommended. Such acts must conform to standard business etiquette and shall not be excessive, extravagant, wasteful, or carried out with undue frequency.

#### Article 8 (Procedures for Political Contributions)

The Company and its personnel shall ensure that any political contributions comply with the provisions of the Political Donations Act and shall not be made for the purpose of obtaining commercial benefits or securing business advantages.

#### Article 9 (Procedures for Charitable Donations and Sponsorships)

The Company's charitable donations and sponsorships shall be conducted in accordance with applicable laws and regulations, as well as the Cathay Financial Holding Co., Ltd. and Subsidiaries Donations Policy.

Company personnel shall ensure that charitable donations and sponsorships comply with all relevant legal requirements. These donations and sponsorships shall not be used as a means of bribery or for the improper transfer of benefits.

#### Article 10 (Recusal)

If an agenda item to be discussed at a meeting of the Board of Directors involves a director's personal interest or the interest of the legal entity the director represents, the director shall disclose the material aspects of such interest at the meeting. If such interest may be detrimental to the Company's interests, the director may express opinions and respond to inquiries but shall refrain from participating in the discussion or voting on the matter. The director shall also recuse from the discussion and voting process and shall not act on behalf of other directors to exercise voting rights.

If a director's spouse, second-degree relative, or a company that maintains a managerial or direct reporting relationship with the director has a conflict of interest per the aforementioned circumstances, the conflict of interest will also be deemed to exist for the director. Any Company personnel who become aware of a conflict of interest involving themselves or the legal entity they represent—or a situation that may result in undue benefit for themselves, their spouse, parents, children, or other interested parties—must proactively report the relevant details to their immediate supervisor and the responsible unit.

#### Article 11 (Confidentiality and Intellectual Property Protection)

All Company personnel must maintain strict confidentiality regarding the Company's trade secrets. Trade secrets refer to any information related to the Company that personnel become aware of in the course of performing their duties, including but not limited to

business plans, operational data, customer information, and financial information, whether stored in written or electronic form. Personnel shall adopt appropriate measures to preserve the confidentiality of such information. Unless required for the performance of duties, authorized in advance in writing by the Company, or mandated by applicable laws or regulations, personnel shall not, whether directly or indirectly, disclose such confidential information to any third party, nor shall they use, store, or reproduce such information. Personnel are also prohibited from inquiring into or collecting the Company's trade secrets that are not relevant to their job responsibilities.

Personnel may collect, process, and use personal data, including that of customers and employees, as necessary to perform their duties, provided that they do so in accordance with applicable laws and regulations. They shall exercise due care to protect the confidentiality of customer data and refrain from using it for unauthorized purposes or falsifying or altering it. Regarding non-public personal data of company personnel, including but not limited to grade, salary, and bonus amounts, confidentiality must be strictly maintained. This information may not be disclosed to any third party other than the data subject, and personnel are prohibited from inquiring about or discussing it with each other.

Personnel shall use the Group's corporate name, trademarks, logos, copyrighted materials, and patents in accordance with internal Company regulations. When performing their duties, personnel must respect the intellectual property rights of others and use them lawfully.

#### Article 12 (Prohibition of Unfair Competition)

The Company shall conduct its business activities in compliance with the Fair Trade Act and other applicable competition laws and regulations.

#### Article 13 (Prevention of Harm to Stakeholders from Products or Services)

The Company shall collect and understand applicable laws and regulations governing its products and services. Personnel involved in the development, procurement, provision, or sale of such products and services shall ensure compliance with all relevant legal requirements.

The Company shall respect and protect the rights and interests of its stakeholders, and shall take appropriate measures to prevent any direct or indirect harm to stakeholders arising from its products or services.

In the event that a product or service is reported by the media, or credible evidence suggests that it may have adversely impacted stakeholder interests, the Company shall promptly investigate the matter and implement corrective and preventive measures as necessary.

#### Article 14 (Insider Trading Prohibition and Non-Disclosure Agreement)

The Company should comply with the provisions provided by the Securities Exchange Act and shall not use undisclosed information to engage in insider trading or disclose such information to other parties in order to prevent these parties from using the undisclosed information to engage in insider trading.

Any institutions or individuals participating in the Company's mergers, demergers, acquisitions, share transfers, significant memoranda, strategic alliances, other business cooperation projects, or material contracts shall execute a non-disclosure agreement (NDA), committing not to disclose any trade secrets or other material information of the Company acquired in the course of such participation to any third party. Furthermore, such information may not be used without the Company's prior consent.

#### Article 15 (Declaration of Compliance with the Policy and Code of Operation Integrity)

The Company shall require its directors and senior management to issue a declaration of compliance with the Policy and Code of Operation Integrity. Compliance with the policy shall also be incorporated as a condition of employment for all personnel.

The Company shall disclose the Policy and Code of Operation Integrity through internal regulations, the annual report, the Company's official website, or other public communications, to ensure that suppliers, customers, and other business partners and stakeholders clearly understand the Company's commitment to and standards for ethical business conduct.

#### Article 16 (Due Diligence Prior to Establishing Business Relationships)

Prior to establishing a business relationship, the Company shall, in accordance with its internal regulations, conduct a due diligence review of the counterparty's qualifications and assess whether the counterparty has been designated as a blacklisted or suspended vendor.

#### Article 17 (Communicating the Policy and Code of Operational Integrity to Business Counterparties)

During business operations, the Company shall inform its counterparties of its policy and relevant provisions on operational integrity as necessary. The Company shall explicitly refuse any form of improper benefit offered, promised, requested, or accepted by a counterparty, under any pretense or designation.

#### Article 18 (Avoidance of Transactions with Parties Engaged in Unethical Conduct)

The Company shall avoid engaging in business transactions with agents, suppliers, customers, or other counterparties known to be involved in unethical conduct. Upon discovery that a current or prospective business partner has engaged in unethical practices, the Company shall, in accordance with internal regulations, classify such party as ineligible for business dealings or suspend their qualification, thereby upholding the Company's policy on operational integrity.

#### Article 19 (Incorporation of Ethical Corporate Management into Contracts)

When entering into contracts with external parties, the Company shall, where appropriate, incorporate provisions relating to its policy on ethical corporate management into the relevant contractual terms.

#### Article 20 (Handling of Unethical Conduct Involving Company Personnel)

Cathay FHC encourages both internal and external parties to report unethical or improper conduct. The relevant whistleblowing channels and handling procedures follow the "Procedure for Handling Cases of Reporting Unethical or Dishonest Conduct." If the reported party is confirmed to have violated relevant laws, regulations, or the Company's ethical corporate management policies and related rules, disciplinary action shall be taken in accordance with the "Employee Reward and Disciplinary Guidelines," based on the severity of the case, including possible dismissal. The Company adopts a zero-tolerance policy toward retaliation; any verified retaliation against whistleblowers or those cooperating in an investigation will also be handled in accordance with the aforementioned guidelines.

#### Article 21 (Training)

The Company shall conduct internal training on its policy and code of operation integrity annually to convey the importance of integrity management, including anti-bribery and anti-corruption.

#### Article 22 (Formulate, amend, or repeal)

The adoption, amendment or repeal of these Guidelines shall be approved by the Board of Directors.

These Guidelines shall be effective and enforceable from the date of adoption of these Guidelines. The same shall apply to the amendment or cancellation of these Guidelines.