Articles of Incorporation of
Cathay Financial Holding Co., Ltd.

Chapter 1 General provisions

Article 1 The Company has been incorporated to maximize synergies between different operations and boost its competitiveness pursuant to the Financial Holding Company Act and the Company Act.

Article 2 The Company is named “國泰金融控股股份有限公司”. “Cathay Financial Holdings Co., Ltd.” in English.

Article 3 The Company is headquartered in Taipei City. Domestic and overseas branch offices may be established upon approval from the competent authorities.

Article 4 Announcements of the Company shall be governed by Article 28 of the Company Act.

Chapter 2 Business

Article 5 The Company is engaged in the business of H801011 Financial Holding Company.

Article 6 The Company's scope of business is as follows:

A. The Company may invest in the following businesses:
   1. Banking.
   2. Bills finance.
   3. Credit card.
   4. Trust.
   5. Insurance.
   6. Securities.
   7. Futures.
   8. Venture capital.
   9. Foreign banking institutions in which enterprises are permitted by the competent authorities to invest.
   10. Other businesses deemed by the competent authorities to be related to the financial business.

B. Management of the above invested businesses.

C. The Company may apply to the competent authorities to invest in the businesses other than those stated in A. above, but it may not participate in the management of the said businesses.

D. Other related businesses approved by the competent authorities.

Chapter 3 Shares

Article 7 The total authorized capital of the Company shall be NT$180 billion, divided into 18 billion shares, with a par value of NT$10 each. Subject to practical need, the Board of Directors is authorized to issue such shares by installment, and part of the shares may be preferred shares.

Article 7-1 When the Company issues new shares in accordance with the law and reserves said shares to be acquired by employees, the employees acquiring said shares include employees of affiliated companies qualifying certain criteria.

Counterparties to whom the Company issues restricted stock for employees in accordance to the law, the employees acquiring said shares include employees of affiliated companies qualifying certain criteria.

Article 7-2 The rights and obligations and other important issuance terms of preferred shares of the Company are as follows:

1. The Company shall pay all taxes, as required by the law and applicable regulations, from the current year's earnings and make a regulatory required deduction for prior years' losses and contributions to legal and special reserves when there are positive earnings. Residual earnings, if any, may be distributed first to the dividends that preferred shares may be distributed in the current year.
2. The dividend for preferred shares is limited to an annual rate of 8%, calculated by the issuance price per share, and the dividend may be one-time distributed in cash every year. After the financial statements are approved by the general shareholders' meeting, the board will determine the base date to pay the distributable dividends of the previous year. The distribution amount of dividends in the year of issuance and recovery is calculated by the actual issuance days of the current year.
3. The Company has discretion over the dividend distribution of preferred shares. The Company may decide not to distribute dividends of preferred shares if there are no earnings in the annual accounts or the earnings are insufficient to distribute dividends of preferred shares, or the distribution of dividends of preferred shares will cause the capital adequacy ratio to be lower than the minimum requirement by laws or competent authority or other necessary consideration. The shareholders of preferred shares may not object to the decision. If the preferred shares issued are of the non-accumulative type, the undistributed dividends or the deficit of dividends will not be accumulated for deferred payment in the years with earnings in the future.
4. The dividends prescribed in Subparagraph 2 of this Paragraph, shareholders of preferred shares may not be a part of the cash and equity capital of earnings and additional paid-in capital of ordinary shares.
5. The distribution priority for shareholders of preferred shares on the residual property of the Company is ahead of shareholders of ordinary shares and equal to the preferential order of shareholders of all preferred shares issued by the Company, and the preferential order is only lower than general creditors. Yet the distribution shall not exceed the issuance amount.
6. Shareholders of preferred shares do not have the right to vote or suffrage. However, they will have to right to vote in shareholders' meetings of preferred shares or shareholders' meetings that involve the rights and obligations of shareholders of preferred shares.
7. Preferred shares may not be converted to ordinary shares, and shareholders of preferred shares do not have the right to request the Company to redeem preferred shares possessed by shareholders.
8. Preferred shares have no maturity, but the Company may redeem all or partial preferred shares anytime on the next day after seven years of issuance with the original issuance price. Unredeemed preferred shares shall continue to enjoy rights

and obligations of issuance terms prescribed in this Article. In the year of redeeming preferred shares, the dividends that shall be distributed until the redeem date shall be distributed in accordance with the actual issuance days of that year if the shareholders' meeting of the Company decide to distribute dividends.

9. The dividend distribution priority for preferred shares shall be subject to the offering priority for the preferred shares.
   The board is authorized to determine the name, issuance date and specific issuance terms upon actual issuance after considering the situation of capital market and the willingness of investors to subscribe in accordance with Articles of Incorporation and related laws and regulations.

Article 8 The Company's share certificates shall all be in non-bear form and shall be issued only after they have been signed and sealed by at the directors representing the Company, and affixed with the Company's seal, and duly certified by the competent authorities or its authorized registration institution.

The Company can be exempted from printing any share certificate for newly issued shares. The same option may apply to the issue of other securities.

Article 9 Shareholders shall provide their names, addresses, and seal specimens to the Company. The same shall apply to their change. When collecting dividends or exercising other rights, shareholders shall present the same seals as those the Company has on record.

Article 10 The shareholders' roster shall not be altered within 60 days prior to the convening date of regular shareholders' meeting, within 30 days prior to the convening date of special shareholders' meeting, or within 5 days before the date the Company decides to distribute dividends, bonuses, or other benefits.

Article 11 Share affairs shall be handled pursuant to the Regulations Governing the Administration of Shareholder Services of Public Companies.

Chapter 4 Shareholders' meetings

Article 12 Shareholders' meeting shall be divided into regular shareholders' meetings and special shareholders' meetings, and shall, unless otherwise provided for in the law, be convened by the Board of Directors. The regular shareholders' meeting shall be convened within 6 months after the close of each fiscal year, whereas a special shareholders' meeting is held in accordance with the law whenever necessary.

The shareholders' meeting of preferred shares may be convened in accordance with laws and regulations when necessary.

Article 13 Resolutions at a shareholders' meeting shall, unless otherwise provided for in the law, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 14 A shareholder may appoint a proxy to attend the shareholders' meeting on his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person acts as the proxy for two or more shareholders, the amount of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 15 Institutional juristic shareholder’s proxies shall not be limited to one person,, provided that the voting right that may be exercised shall be calculated on the basis of the total number of voting shares it holds.

If the aforesaid proxies are two persons or more, they shall exercise their voting rights jointly.

Chapter 5 Directors and the Board

Article 16 The Board of Directors of the Company shall consist of 9 to 21 Directors, at least 3 of which, and not less than one fifth of the total number of seats, are competent Independent Directors and individuals elected by the Shareholders' meeting according to law.

Starting from the 6th Board, Directors have been elected from among a group of candidates nominated at shareholders' meetings. The nomination and election methods shall be governed by the Company Act and the Securities and Exchange Act-related laws and regulations. The qualifications, limitations on the retention of shares and concurrently holding other offices, and independence of Independent Directors shall be governed by the relevant laws and regulations.

The Board shall have an Audit Committee composing of the entire number of Independent Directors and not be fewer than three persons in number. One Committee member shall be the convener, and at least one member shall specialize in accounting or finance. The responsibilities and the relevant affairs of the Committee shall be governed by the relevant laws and regulations or the Company's rules.

The Board of Directors of the Company may establish other committees whose sizes as well as terms of service and authorities of the members shall be specified in individual committees' organization bylaws and approved by the Board of Directors.

Article 17 The percentage of all outstanding shares retained by all Directors combined shall be governed by the relevant regulations of the securities competent authorities.

Article 18 All Directors serve a three-year term and may be re-elected. If new Directors are elected after the term of the current Directors expires, the term of the current Directors shall be extended until the new Directors take office.

The re-election of Independent Directors shall be governed by the relevant laws and regulations.

Article 19 The Company may have 3 to 7 Managing Directors, elected from among Directors with at least two thirds of all Directors present and more than half voting in favor. One of the Managing Directors shall be elected the Chairperson and one the Deputy Chairperson if necessary. There shall be at least one Independent Director, and Independent Directors shall account for at least one fifth of all Managing Directors. If there are no Managing Directors, a Chairperson, and one Deputy Chairperson when necessary, may be elected with at least two thirds of all Directors present and more than half voting in favor.

Article 20 The Chairperson shall chair shareholders' meetings, Board meetings, and Managing Directors' meetings, and he/she shall represent the Company externally. When the Chairperson is absent or unable to exercise his/her authority, the Deputy Chairperson shall act on his/her behalf if there is one. If there is not, or the Deputy Chairperson is also absent or unable to exercise his/her authority, the Chairperson shall designate one Managing Director to act on his/her behalf. If there are no Managing Directors, one

Director shall be designated. If no one is designated by the Chairperson, one Managing Director or one Director shall be elected to act on the Chairperson's behalf.

Article 21 Unless otherwise stipulated in the law, Board meetings shall be called by the Chairperson. Unless otherwise stipulated in the law, resolutions shall be passed with more than half of all Directors present and more than half voting in favor. Directors shall personally attend Board meetings. If a Director is unable to attend a Board meeting, he/she may authorize another Director to attend the meeting on his/her behalf by presenting a power of attorney indicating the scope of authorization. Each Director may be authorized to attend a meeting by only one other Director.

Notices of meetings including meeting materials, may be sent in writing and/ or electronically.

If a Board meeting is held via videoconferencing, Directors participating in the meeting via videoconferencing shall be deemed to have attended the meeting in person.

Article 22 The Board is responsible for the following:

A. Determining and revising the Company's Articles of Organization, operating policies, or business guidelines.
B. Preparing or reviewing financial statements and determining the allocation of earnings.
C. Determining or revising the internal control system.
D. Determining the Company's capital increases/decreases, and making decisions to issue shares or corporate bonds.
E. Reviewing transactions of major assets or derivatives pursuant to the law or the Company's relevant regulations.
F. Appointment and removal of financial, accounting, internal auditing officers, or managerial officers.
G. Appointment, dismissal, or compensation of the certifying CPAs.
H. Appointing/re-appointing Directors and Supervisors of subsidiaries 100% owned by the Company.
I. Other responsibilities vested in the Board pursuant to the law or affairs authorized at shareholders' meetings.

Article 23 While the Board is in recess, the Chairperson shall convene Managing Directors at any time to fulfill their obligations. Resolutions shall be passed with more than half of all Managing Directors present and more than half voting in favor.

When the Board of Directors and the Board of Managing Directors (if there are Managing Directors) are in recess, the Board of Directors may authorize the Chairperson or the relevant department to adjust the Company's organization, review its internal regulations, revise its delegation chart, appoint/re-appoint the Directors and Supervisors of subsidiaries, except for affairs that must be handled by the Board of Directors pursuant to the law or the delegation chart.

Article 24 The Board is authorized to determine the remuneration for Directors (including Independent Directors) based on the degree of their involvement in the Company's operation and value of contribution, after taking into account the prevailing rate. They may be compensated for their transportation or paid other allowances.

Article 25 With a resolution passed at a Board meeting, the Company may take out liability insurance for its Directors and key employees against the compensation liabilities incurred while they are in office.

The Board may authorize the Chairperson to renew the above liability insurance when it expires.

Article 26 (Deleted)

Article 27 The Company's Directors may concurrently be the Directors and Supervisors of its subsidiaries subject to restrictions stipulated in the relevant laws and regulations.

Chapter 6 Managers

Article 28 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be governed by the Company Act.

The Company appointed one President, who shall take charge of the Company's business per the policy resolved by the Board of Directors.

Chapter 7 Accounting

Article 29 The Company's fiscal year begins on January 1 and ends on December 31 of every year. At the end of each fiscal year, the Board shall prepare the following documents and submit them at the AGM for recognition in accordance with the legal procedure:

A. Business report.

B. Financial statements.

C. Resolution to distribute earnings or to offset losses.

Article 29-1 If the Company has profits in the fiscal year, it shall distribute 0.01% to 0.05% as remuneration for employees and no more than 0.05% as remuneration for directors. However, when the Company still has accumulated losses, the profit shall be preserved to cover the loss amount.

Article 30 In order to continue the Company’s business expansion and to enhance the profit earning capability, as well as to reserve the capital needed based on the long-term financial planning for perpetual operation and stabilized development, the Company has adopted a residual dividend policy.

The Company shall pay all taxes, as required by the law and applicable regulations, from the year’s earnings and make a regulatory required deduction for prior years’ losses and contributions to legal, reserve, provision or reversal of special reserves and distribution of dividend on preferred shares when there are positive earnings shown on the approved financial statements. Residual earnings (hereinafter referred to the “Current Year Earnings”) shall then be added to the starting retained earnings as the distributable base, which is based on the Company’s business planning and will be submitted to a shareholders’ meeting for approval.

After the allocation of stock distribution, which is made based on the capital needed by the Company’s business plan, the residual earnings shall be distributed in cash, provided that the total distributed dividends shall be no less than 30% of the current year earnings, and the distributed cash dividend shall be no less than 10% of the total distribution for that fiscal year.

Article 30-1When the Company buys back its own shares in accordance with the law and transfer the shares to employees, the employees acquiring said shares include employees of affiliated companies qualifying certain criteria; if said shares are transferred to employees at a price lower than the average buy back price, it shall be agreed by the most recent shareholders' meeting with shareholders retaining more than half of the outstanding shares present and those representing at least two thirds of the voting rights voting in favor. In addition, the following shall be listed and explained without being presented as provisional motions in the reasons for calling the meeting:

A. The pricing, the discount percentage, the base of calculation, and the rationality.

B. The number of shares transferred, the purpose, and the rationality.

C. Qualifications for employees who subscribe for the shares and the number of shares to subscribe.

D. The impact on shareholders' equity when transferring:

(1) The expenses and the dilution that might impact on the Company's earnings per share.

(2) The financial burden placed on the Company the act of transferring shares to employees at a price lower than the average buy back price.

Chapter 8 Ancillary Provisions

Article 31 The Company's Articles of Organization, operating policies, and other relevant regulations shall be separately drafted.

Article 32 Matters not covered in these Articles shall be governed by the Financial Holding Company Act and the Company Act, and other relevant laws and regulations.

Article 33 These Articles were drawn up on October 26, 2001. They have been amended on the following dates: March 8, 2002; June 27, 2002; June 3, 2004; June 3, 2005; June 9, 2006; June 15, 2007; June 19, 2009; June 18, 2010; June 10, 2011; June 15, 2012; June 14, 2013; June 12, 2015; June 8, 2016; June 8, 2018; June 14, 2019 and June 12 2020.