

Cathay FHC Tax Governance Policy

Established on April 27, 2017

Revised on May 14, 2020

Competent Authority: Finance Division

Article 1. Purpose

Cathay Financial Holdings (hereinafter referred to as "the Company") recognizes the need to adhere to global trends in the strengthening of its tax governance and fulfilling its obligations as a responsible corporate citizen. The establishment of "Cathay Financial Holdings Tax Governance Policy" (hereinafter referred to as "the Policy") helps the Company in its implementation of corporate sustainability, enhances shareholder value, and fulfills its corporate social responsibility.

Article 2. Scope

All subsidiaries included in the consolidated financial statements, both domestic and foreign, shall comply with the Policy.

Article 3. Tax Governance Policy and Code of Conduct

The Company's tax governance is based on the principles of good faith and integrity, and the Tax Governance Policy and Code of Conduct are as follows:

I. Compliance:

We are committed to comply with the spirit as well as the letter of the tax laws and regulations of each jurisdiction in which we operates, and we accurately calculate all tax charges and file tax returns prior to legal deadlines so as to fulfill our obligations to pay taxes.

II. Risk management:

We established a sound tax risk management structure and organizational culture, and carefully evaluate tax risks and response measures with consideration to the optimization of our overall tax burden and the impact on our reputation, risk management, and sustainability values under globalized operations.

III. Economic substance:

We do not use tax structures intended for tax avoidance, do not transfer value created to low tax jurisdictions, or use secrecy jurisdictions (known as tax havens) to avoid taxes. Related-party transactions shall comply with

arm's length principles and we are committed to complying with the transfer pricing rules in each jurisdictions where we operate, so as to fulfill our tax obligations in the jurisdictions where value is created.

IV. Information transparency:

Tax-relevant information will be disclosed publicly to stakeholders on a regular basis to ensure transparency.

V. Integrity and communication:

We will foster a mutually trustworthy and honest relationship with tax authorities in each jurisdictions where we operate. Where possible, we will provide practical industry views and market insights to improve the tax environment and tax system.

VI. Talent Cultivation:

We shall ensure that our employees receive regular domestic and foreign training in order to enhance their competencies with regard to tax governance. We manage tax-related affairs based on principles of good faith and integrity and effectively manage tax risks in order to implement corporate sustainability, maintain shareholder equity, and fulfill our corporate social responsibility.

Article 4. Tax governance related organizations and responsibilities

The relevant organizational structures and responsibilities of tax administration are as follows:

I. Board of Directors

(I) The Board of Directors has the final decision-making authority to ensure that sound tax risk management mechanisms are implemented in the Company.

(II) In order to ensure effective implementation of tax governance mechanisms, the Board of Directors approves overall tax governance policies based on operational strategies and the business environment.

II. Tax Management Unit

Our Accounting Department within the Finance Division is responsible for tax management and delivers reports to the Risk Management Division on a regular basis. The Risk Management Division is responsible for delivering

reports on tax governance matters to the Board of Directors on an annual basis.

Article 5. Supplementary Provisions

In line with developments in international and domestic laws and regulations, the Policy shall be reviewed and revised when necessary. Matters not resolved should be referred to the competent authorities and follow the relevant provisions of the Company.

Article 6. Enforcement and Revision

Any amendments or revocations to the Policy require approval through a resolution by the Board of Directors.

The Policy shall be enforced from the date of promulgation.