

Cathay Financial Holding Co., Ltd. Code of Ethics

Approved on April 30, 2015

Accountable unit: Administration Division

Article 1 (Objectives)

For the purpose of ensuring the sustainable operation and development of Cathay Financial Holding Co., Ltd., these Guidelines are established to guide Cathay Financial Holding Co., Ltd. staff's actions to meet the standard for work ethics and for the stakeholders to further understand the ethics of Cathay Financial Holding Co., Ltd.

Article 2 (Applicability)

The Guidelines are applicable to the following:

1. Cathay Financial Holding Co., Ltd., and its subsidiaries that are under direct or indirect ownership (hereinafter the "Company").
2. Directors, supervisors, managers, and personnel of the Company (hereinafter the "Staff").

Article 3 (Regulatory Compliance)

The Staff of the Company shall abide by all relevant laws (for instance: Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Money Laundering Control Act, Personal Information Protection Act, Consumer Protection Law, etc.), and regulations stipulated by competent authorities. Conduct shall not violate any laws or regulations, engage in any prohibited activities, or breach the public order or ethical standards.

Article 4 (Principle of Good Faith)

When the Staff of the Company conducts various business, the core values of the Company shall be upheld, and Code of Operational Integrity for Cathay Financial Holdings Co., Ltd. and company regulations shall be followed.

Article 5 (Prevention of Conflict of Interest)

The Staff of the Company shall maintain awareness for situations that will cause a conflict of interest. Avoid any personal action or pecuniary advantage that might conflict with company interests, as well as conflict of interest caused by interventions for personal gain or interventions that are entirely conflicting with the interests of the Company.

Article 6 (Forbidding of Bribery and Working for Personal Gain)

The Staff of the Company shall avoid the following:

1. Personal gain or the opportunity for personal gain through the use of company assets, information, or the position held in the company.
2. Provide, promise, demand, or receive any forms of tangible or intangible money, gift, entertainment, service, and other benefits through the use of company assets, information, or the position held in the company. However, occasional and appropriate necessary actions for etiquette or business purposes that do not affect company's rights or obligations are not limited.
3. Competing with the Company. However, non-competition obligations removed by the shareholder meeting and/or the board of directors are not limited.

Article 7 (Protection of Company Property and Confidentiality Requirement)

The Staff of the Company has the obligation to protect tangible and intangible assets of

the Company and to make sure those assets are effectively and legally used for official businesses. The Staff of the Company is obligated to keep information regarding the Company, other staff, or clients confidential, unless authorized or acting in accordance with the law. The same shall apply after leaving the Company. Confidential information includes, but is not limited to, information that has substantive or potential financial interest or economic value exclusive to or possessed by the Staff of the Company, all information that might be used by competing companies, and undisclosed information that might be harmful to the Company or its customers.

Article 8 (Fair Trade and Prohibition of Insider Trading)

The Staff of the Company shall not accept illegal requests, peddle influence, or make false statement regarding crucial matters by manipulating, hiding, or abusing information obtained from the position held in the Company, or conduct other unfair trades to gain unlawful profits.

The Staff of the Company shall not use undisclosed information to engage in insider trading, and in order to prevent other parties from engaging in insider trading, Staff shall not disclose such information to other parties.

Article 9 (Prevention of Money Laundering)

The Staff of the Company has the obligation to terminate money laundering channels and shall not suggest, hide, or assist others to transform unlawful gains into ostensibly legal funds. If abnormal trading is detected, a report shall be made to the supervisor and relevant accountable unit, relevant law enforcement agencies, and competent authorities, and Staff shall cooperate with investigation procedures.

Article 10 (Equal Appointment and Forbidding of Discrimination and Harassment)

The Staff of the Company shall respect the diversity of workplace and shall not treat someone differently or discriminate against someone based on their gender, race, socioeconomic status, age, marriage and family status, language, religion, political affiliation, nationality, appearance, facial features, physical and mental disability, or other reasons. Furthermore, the Staff of the Company shall commit to building an equal opportunity work environment that is free of discrimination and harassment.

Article 11 (Support of Human Rights)

The Company and the Staff shall support the core values of the *UN Universal Declaration of Human Rights*, the *UN Guiding Principles on Business and Human Rights*, and shall respect basic human rights recognized internationally.

Article 12 (Encouragement of Reporting of Actions that are Unlawful or that Violate the Guidelines)

When the Staff of the Company suspects or discovers actions that violate laws or the Guidelines, the Staff shall report the situation to the board of directors, audit unit, or personnel of appropriate departments. However, malicious accusation is prohibited. Furthermore, the reporting personnel shall provide sufficient information for verification. The Company will protect informants and investigators' identities and keep them safe from unfair treatment or retaliation.

Article 13 (Punitive Measures)

In the event that a staff member of the Company violates the Guidelines, the Company will handle the case in accordance with internal punitive measures or relevant laws.

Before the punitive decision is made, the violator will have a chance to appeal.

Article 14 (Disclosure of Information)

The Company shall disclose the Guidelines on the Company website and in annual reports, prospectuses, and the Market Observation Post System. The same shall apply when a guideline amendment is made.

Article 15 (Other)

Matters not specified in the Guidelines shall be subject to the applicable laws and relevant regulations stipulated by the Company.

Article 16 (Formulation, amendment, and repealing)

The formulation, amendment, or repeal of the Guidelines shall be approved by the board of directors.

The Guidelines shall be effective and enforceable from the date of approval. The same applies to the amendment or abolition of the Guidelines.