

# **Organizational Rules for Cathay Financial Holding Co., Ltd.**

## **Corporate Sustainability Committee**

Established on November 8, 2024

Responsible Unit: Corporate Sustainability Office

### **Article 1 (Objective and Basis)**

To implement the Cathay's sustainable development objectives and strengthen sustainability governance, the Corporate Sustainability Committee is hereby established in accordance with Article 27, Paragraph 3 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, Article 9, Paragraph 1 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and Article 16, Paragraph 5 of the Company's Articles of Incorporation. The Organizational Rules ("the Rules") is adopted to provide governing guidelines for the operation of the Committee.

### **Article 2 (Scope of application)**

The composition, number of members, term of office, duties and responsibilities, meeting rules, and provision of resources required by the Company for the performance of duties by the Committee shall, unless otherwise stipulated by law or the Articles of Incorporation, be governed by the provisions of the Rules.

### **Article 3 (Public Disclosure)**

The Company shall disclose the contents of the Rules on the Company's official website and the TWSE Market Observation Post System (TWSE MOPS) for public reference.

### **Article 4 (Composition of the Committee and Implementation Units)**

The Committee is subordinate to the Board of Directors. It shall be composed of no fewer than three directors appointed by the Board, and must include at least one independent director. Among the members, at least one shall possess expertise or experience in business management.

The Company shall also establish an ESG Strategy Committee, which shall be responsible for the planning and implementation of sustainability-related matters and report its proposals to the Corporate Sustainability Committee for deliberation or record.

### **Article 5 (Term of Committee Members and Replacement Procedures)**

The term of office for Committee members shall coincide with the term of the Board of Directors, and members may serve consecutive terms if reappointed.

If a Committee member is dismissed for any reason, resulting in fewer than three members

remaining, the Company shall convene a Board meeting to appoint replacement members within three months from the date of the dismissal. In the event of a vacancy in an independent director position, the Company shall appoint a new independent director in accordance with legal procedures, after which the Board shall appoint a replacement to the Committee.

#### **Article 6 (Duties and Responsibilities of the Committee)**

Under the authorization of the Board of Directors, the Committee shall exercise the duty of care of a prudent manager and faithfully perform the following functions, which shall be reported to the Board:

1. Review and oversee matters submitted by the ESG Strategy Committee.
2. Review the Company's sustainability-related policies, systems, strategic directions, and annual plans.
3. Review the Company's sustainability reports.
4. Supervise the implementation and performance of the Company's sustainability strategies, annual plans, and special projects.
5. Review other material matters related to the Company's sustainable development.

#### **Article 7 (Meetings and Convening)**

The Committee shall convene at least twice per year and may hold additional meetings as needed. Meetings may be conducted in person or via video conference.

Notices of meetings shall specify the purpose of the meeting and be delivered to all Committee members at least seven days in advance. However, this requirement shall not apply in the event of urgent circumstances. Notices may be delivered in writing or electronically.

The Committee shall elect one member to serve as the convener, who shall also act as the chairperson of the meetings. In the event that the convener is on leave or otherwise unable to convene a meeting, another member designated by the convener shall act as deputy. If no deputy is designated, the remaining members shall elect one among themselves to serve as deputy.

The Committee may invite managers from relevant departments of the Company, internal auditors, accountants, legal counsel, or other sustainability professionals to attend meetings and provide necessary information. However, such invitees shall leave the meeting during discussions and voting.

Relevant materials shall be prepared and made available to all attending Committee members for reference during meetings.

#### **Article 8 (Agenda and Attendance)**

The meeting agenda shall be prepared by the convener, and other members may also submit proposals for discussion by the Committee. The agenda shall be provided to all Committee members in advance.

The Company shall prepare a sign-in sheet for attending members to register their attendance, which shall be made available for reference.

Committee members shall attend meetings in person. If unable to attend, a member may authorize another member to attend as proxy. Participation via video conference shall be deemed attendance in person.

When authorizing another member to attend as a proxy, a written proxy form shall be issued for each meeting, specifying the authorization scope based on the meeting agenda.

A proxy may only act on behalf of one member per meeting.

### **Article 9 (Resolutions)**

Resolutions of the Committee shall be adopted with the consent of more than one-half of all members, unless otherwise provided by laws, regulations, or the Company's Articles of Incorporation. Where the chairperson has consulted all attending members and no objections are raised, the resolution shall be deemed adopted with the same effect as a vote.

The results of the voting shall be reported on-site and properly recorded in the meeting minutes.

### **Article 10 (Recusal)**

If a Committee member has a personal interest in any matter under discussion, the member shall disclose the nature and material details of such interest. Where the member's participation may impair the Company's interest, the member shall refrain from participating in discussions or voting on the matter and shall not act as proxy for other members.

Where the spouse or relatives within the second degree of kinship of a Committee member have an interest in the matter, the Committee member shall be deemed to have a personal interest in that matter.

If, due to the provisions of Paragraph 1, the Committee is unable to reach a resolution, the matter shall be referred to the Board of Directors for resolution.

### **Article 11 (Meeting Minutes)**

The proceedings of the Committee shall be recorded in meeting minutes, which shall accurately include the following items:

1. The term (or year), date, time, and venue of the meeting.
2. The name of the chairperson.
3. Attendance status of the members, including names and number of members present, on leave, or absent.

4. Names and titles of attendees.
5. Name of the minute taker.
6. Reporting items.
7. Discussion items: the resolution method and outcome of each proposal; names of members with interests as prescribed in the preceding article, explanations of the material contents of such interests, reasons for recusal or non-recusal, the recusal situation, and dissenting or qualified opinions of Committee members.
8. Ad hoc motions: names of proposers, resolution methods and outcomes of the motions, summaries of statements made by Committee members, experts, or other participants; names of members with interests as prescribed in the preceding article, explanations of the material contents of such interests, reasons for recusal or non-recusal, the recusal situation, and dissenting or qualified opinions of Committee members.
9. Other matters that shall be recorded.

The attendance sheet of the Committee shall form part of the meeting minutes. Where the meeting is held via video conference, the video and audio recordings shall also form part of the meeting minutes.

The minutes shall be signed or sealed by the chairperson and the minute taker, distributed to Committee members within twenty (20) days after the meeting, incorporated into the Company's important files, and properly maintained throughout the Company's existence. Preparation and distribution of the minutes may be handled electronically.

In the event of any litigation concerning resolutions of the Committee, the meeting minutes shall be retained until the conclusion of such litigation.

#### **Article 12 (Implementation of Resolutions)**

For matters resolved by the Committee, the relevant execution work may be delegated to the convener or other Committee members for follow-up. Written or oral reports on the progress of execution shall be submitted to the Committee during the execution period, and if necessary, be submitted to the Committee for ratification or reporting at the next meeting.

#### **Article 13 (Resources for Exercise of Powers)**

The Committee may, by resolution, engage attorneys, accountants, or other professionals to conduct necessary audits or provide advisory services in connection with the exercise of its powers, with the relevant expenses to be borne by the Company.

#### **Article 14 (Secretariat Unit)**

The secretariat unit of the Committee shall be the Corporate Sustainability Office, which is responsible for assisting with agenda planning, meeting convening, notifications, meeting proceedings, minute taking, and other related matters.

**Article 15 (Enactment and Amendments)**

These Organizational Guidelines shall become effective on January 1, 2025, upon resolution of the Board of Directors. Any subsequent amendments or abolishment shall likewise take effect upon resolution of the Board of Directors.