

Cathay Financial Holdings

Tax Governance Policy

Established on April 27, 2017

Competent Authority: Finance Division

Article 1. 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. All subsidiaries included in the consolidated financial statements, both domestic and foreign, shall comply with the Policy.

Article 3. The Company's tax governance policy is based on the principles of good faith and integrity and is as follows:

1. The Company shall calculate all tax charges in accordance with the local tax laws and international tax regulations, and file tax returns prior to deadlines so as to fulfill its obligations to pay taxes.
2. Due consideration shall be given to the Company's overall tax burden and the impact on its reputation, management of risks, and social responsibilities in achieving an overall optimal tax policy, as the tax risks and the response measures.
3. Tax-relevant information will be disclosed publicly to stakeholders on a regular basis to ensure transparency.
4. The Company shall foster a mutually trustworthy and honest relationship with the tax authorities. Where possible, it will provide practical industry views and market insights to improve the tax environment and tax system.
5. The Company shall ensure that its employees receive regular training, both domestic and foreign, in order to enhance their

competencies with regard to tax governance.

Article 4. The relevant organizational structures and responsibilities of tax administration are as follows:

I. Board of Directors

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

2. 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

1. The Tax Management Unit is the accounting department within the Finance Division and is responsible for delivering reports to the Risk Management Unit on a regular basis. The Risk Management Unit is responsible for delivering reports on tax governance matters to the Board of Directors on an annual basis.

Article 5. 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. 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.