

## **Chang Hwa Bank Code of Ethical Conduct**

### Article 1 (Purpose of establishment and basis)

To guide the conducts of directors and managerial officers of the Bank to comply with the ethical standards, and to establish proper control environment for internal control system of the Bank, this Code is adopted for compliance thereof.

### Article 2 (Applicable subject)

The applicable subject of this Code refers to directors and managerial officers. The scope of the “managerial officers” described includes the President, Auditor General, Vice President, Legal Compliance Supervisor of Head Office, Directors, Managers and personnel assuming positions equivalent to the aforementioned positions, and other personnel authorized to manage affairs and sign documents on behalf of the Bank.

### Article 2-1 (Corporate ethics)

Directors and managerial officers of the Bank shall properly implement the philosophy of honesty, fairness, respect, openness and transparency within the scope of business activities.

During the performing of all duties, personnel shall uphold the aforementioned corporate ethics core value, and comply with all relevant laws, regulations and company policy, in order to ensure conducts and behaviors complying with the professional ethics and moral.

### Article 3 (Ethical corporate management principles)

Directors and managerial officers of the Bank shall fulfill obligations with loyalty for the Bank, and during the execution of duties, directors and managerial officers shall uphold the attitude of active and responsible attitudes, prevent parochialism, value team spirit and comply with the ethical management principle.

### Article 4 (Prevention of conflict of interest)

The directors and managerial officers of the Bank shall handle official

business based on objective and effective methods, and shall not cause themselves, spouses, parents, children or relatives within the second degree of kinship to gain any illegal benefits due to their job position in the Bank.

A corporate personnel described in the preceding paragraph acting as its responsible person shall prevent the occurrence of conflict of interest with the Bank. In case of major asset transactions or other business dealings, it shall be handled according to the laws and regulations, and the directors and managerial officers of the Bank shall voluntarily explain whether there is any potential conflict between them and the Bank.

#### Article 5 (Minimizing incentives to pursue personal gain)

The directors and managerial officers of the Bank shall not engage in any one of the following activities:

- I. Seeking to pursue personal gain or obtaining personal gain by using company property or information or taking advantage of their positions.
- II. Compete with the Bank.

When the Bank has an opportunity for profit, it is the responsibility of the directors and managerial officers to maximize the reasonable and proper benefits that can be obtained by the Bank.

#### Article 6 (Non-disclosure obligation)

For undisclosed information that may have the likelihood of causing damage to the Bank or its customers after such information is used or disclosed by competitors, various business information of loan and transactions etc. learned from the job duties, information of other employees' customer data etc., the directors and managerial officers shall bear the non-disclosure obligation, and shall not disclose to others or use them for purposes other than the duties. Except for the authorization, consent of the Bank, performance according to regulatory requirements or business needs of managerial officers, relevant account documents, loan cases and personnel information etc. shall not be carried out of the Bank, shall not be provided to outsiders for review, making duplicate

copies or transcriptions. Such requirements shall be applicable to personnel of the Bank after dismissal or resignation from their job positions.

Where there is a need for the directors or managerial officers of the Bank to be exempted from the applicability of the non-obligation described in this Article, such exemption shall be approved by the board of directors' meeting through resolution; provided that the directors and managerial officers of the Bank shall still not violate the laws and regulations.

#### Article 7 (Fair trade)

The directors and managerial officers of the Bank shall treat all subjects of business dealings, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

#### Article 8 (Safeguarding of assets)

The directors and managerial officers of the Bank shall have the responsibility to safeguard Company assets and to ensure that they can be effectively and lawfully used for official business purposes.

#### Article 9 (Legal compliance)

The directors and managerial officers of the Bank shall comply with the regulations of the Banking Act, Company Act, Securities and Exchange Act, Trade Secrets Act, Personal Information Protection Act and other laws, and shall not violate the internal control system of the Bank.

#### Article 10 (Encouraging reporting on illegal activities or conducts violating this Code)

When a director discovers a likelihood that the Bank may suffer material injury, the director shall perform appropriate actions immediately, and shall report to the Audit Committee or an independent director member of the Audit Committee immediately for reporting to the board of directors, and shall also supervise the Bank to report to the competent

authority.

The internal of the Bank shall enhance the education on the ethical concept, and shall encourage employees to file named complaints to the Auditing Division according to the “Regulations for Handling Internal Complaints” of the Bank in case of suspecting or discovering conducts violating laws and regulations or this Code, and shall provide sufficient information to allow the Bank to handle subsequent matters appropriately. The Bank shall handle complaints confidentially, and shall make best effort to protect the safety of the complainant in order to protect the complainant from any harassment, threat or revenge.

#### Article 11 (Disciplinary measures)

When a director violates this Code, the board of directors shall render a decision on the disciplinary measure for such matter. When a managerial officer violates this Code, the Personnel Evaluation Committee of the Bank shall render a decision on the disciplinary measure for such matter. Prior to the rendering of decision on the disciplinary measure, the Bank shall provide opportunities for statements or appeals to the personnel violating this Code. After the decision on the disciplinary measure is confirmed, it shall be disclosed on the Market Observation Post System (MOPS) the date of the violation by the violator, reasons for the violation, the provisions of the code violated, and the disciplinary actions taken.

#### Article 12 (Other matters)

I. This Code shall not affect the applicability of the “Work Rules”, “Employees Code of Conduct”, “Ethical Corporate Management Best Practice Principles” of the Bank and other regulations related to the service conducts of the Bank.

II. This Code shall be submitted to each director for review and preservation after the election of each term of directors (including independent directors).

III. The operation handling unit for affairs related to this Code shall be the Legal Compliance Division of the Bank.

Article 13 (Disclosure method)

The Bank shall disclose this Code on the company website, annual report or Market Observation Post System (MOPS). The same requirements shall be applied to amendments thereof.

Article 14 (Implementation and amendment)

This Code shall be reviewed and agreed by the audit committee first, and shall be submitted to the board of directors' meeting for resolution and approval, followed by implementation of this Code. The same requirements shall be applied to amendments thereof.