

Cathay Life Insurance Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct

Adopted on January 20, 2020

Amended on May 13, 2021

Responsible Unit: Human Resources Department

Purpose and scope of application

Article 1 The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, the Company's "Procedures for Ethical Management and Guidelines for Conduct" (hereinafter, "Procedures and Guidelines") are adopted pursuant to "Cathay Financial Holdings Co., Ltd. Ethical Corporate Management Best Practice Policies and Principles", with a view to providing all personnel of the Company with clear directions for the performance of their duties.

Applicable subjects

Article 2 The internal staff referred to herein shall mean the directors, supervisors, managers and employees of the Company.

The internal staff's provision, promise, request or acceptance of any improper benefits via a third party shall be presumed to be made by the internal staff in person.

Unethical conduct

Article 3 For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counterparts of the unethical conduct referred to in the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, manager, employees, persons having substantial control, or other stakeholders.

Types of benefits

Article 4 For the purposes of these Procedures and Guidelines, the term “benefits” means any money, gratuity, gift, commission, position, service, preferential treatment and rebate etc in whatever form or name. Notwithstanding, those for normal social courtesy and incurred occasionally free from affecting specific rights and obligation shall be excluded.

Dedicated unit

Article 5 The Company designates “Cathay Life Insurance Co., Ltd. CS Taskforce” as the sole responsible unit dedicated to overseeing the ethical management results. The responsible unit shall report to the Board of Directors periodically (at least once per year), and shall establish the “sustainable governance team” responsible for boosting the ethical management-related affairs. The HR Dept. shall be responsible for the propagation of the training for ethical management (including reviewing the compliance with the Code of Ethics by the Board members and employees, and submission of the periodic report to the Board of Directors).

Prohibition of providing or accepting unjustified benefits

Article 6 The personnel of the Company are prohibited from, in the course of their duties, directly or indirectly providing, promising, requesting, or accepting improper benefits, including rebate, commission and facilitating payment, etc. to/from customers, agents, contractors, suppliers or stakeholders, and shall avoid acting in the manner which would mislead the counterparts.

Except in the circumstances referred to in Article 7 herein, the Company’s personnel shall not accept the gifts, entertainment, and any items, service or interest of economic value proposed by internal staff and external personnel. The internal staff include the inter-group officers, colleagues or intra-department staff. The external personnel include customers, vendors, job seekers or other parties related to the Company’s business. Notwithstanding, the following shall be excluded from the benefits:

1. Gifts and entertainment between the party and his/her spouse or relatives within the second degree of kinship;
2. Sponsorships by external entities to the training expenses, in whole or in part, upon a supervisor’s approval;
3. Office appliances of advertisement in nature, e.g. calendar, notebook, and stationery, etc.

The procedure for acceptance of gifts and entertainment for ordinary social activities

Article 7 The Company's personnel may accept the gifts and entertainment, insofar as they satisfy the following requirements and the gifts are needed in line with the general social courtesy or social activities occasionally and moderate free from affecting the Company's/personal rights and obligations, and shall comply with the following rules:

1. Compliance with laws, no active request, and no illegal consideration involved:
 - (1) The goods, service or benefit related to the accepted gifts or entertainment shall be value no more than NT\$3,000, and the gifts and entertainment accepted from the same giver or its related third party in the same year shall total no more than NT\$6,000; or
 - (2) In the case of social courtesy for wedding and funeral, the cash gift or mourning rituals accepted from the same person shall value no more than NT\$6,000 each time.
 - (3) This shall not apply if accepted gifts or entertainment valuing more than said threshold is considered adequate in terms of the personnel's job rank and functions and counterpart's social and economic position.
2. The senior vice presidents or above who accept the gifts or entertainment valuing more than said threshold shall record the fact into book by themselves or allow the relevant unit to record the fact into book.
3. The gifts accepted by supervisors in the name of a third party, e.g. lineal relatives by blood, spouses or relatives, shall be governed by said requirements.
4. Where it is necessary to provide related counterparts with gifts or entertainment in order to maintain fair and proper business friendship, the gifts bearing the Group's name or corporate identity logo shall be adopted as the first priority. The Company's personnel shall also satisfy the normal business customs and avoid buying excessive luxury items, wasting money, or offering gifts or entertainment frequently.

Procedures for handling political donations

Article 8 Political donations by the Company and its personnel shall be made in accordance with the Political Donations Act, which shall not be utilized to seek business profit or trading advantages.

Procedures for handling charitable donations or sponsorships

Article 9 Charitable donations or sponsorships by the Company shall be provided in accordance with related laws and regulations and the Company's "Guidelines Governing Donations" and "Guidelines Governing Sponsorships".

Charitable donations or sponsorships by the Company's personnel shall be provided in accordance with related laws and regulations, which shall not be a disguised form of bribery or improper transfer of interest.

Recusal

Article 10 If a director or a juristic person that the director represents is an interested party in relation to an agenda item of the Board meeting, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may state his own comments and answers, provided that he shall refrain from participating in discussion or voting on that agenda item, recuse himself from the discussion or the voting on the item, and refrain from exercising voting rights as proxy for another director.

A director is deemed to be an interested party if his/her spouse or family member within the second degree of kinship, or a company controlling or controlled by him/her, is an interested party in relation to an agenda item of the Board meeting.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall voluntarily report the relevant matters to both the responsible officer and related unit.

Confidentiality and Protection of Intellectual Property

Article 11 The Company's personnel shall keep the Company's business secrets in confidence strictly (the information about the Company known by them in performance of their duties, including but not limited to, business plan, business information, customer information and financial information saved in writing or in an electronic form), and shall take appropriate measures to maintain the confidentiality of the same. Unless it is required for performance of duties, subject to the Company's prior written consent or require by laws and regulations, the same shall not disclosed the same to a third party, or access, store or reproduce the same, in any manner, directly or indirectly, or probe into or collect the Company's business secrets irrelevant to their duties.

The Company's personnel are allowed to collect, process and use personal information (including the personal information of customers and the Company's

personnel), insofar as it is required by their duties and the relevant laws are satisfied. The personnel shall keep in confidence and maintain customers' information with due diligence and be prohibited from misappropriating, forging or tampering the same. The Company's personnel's personal information not available to the public (including but not limited to, job rank, salary and bonus, etc.) shall be kept in confidence and prohibited from being disclosed to any person other than the concerned party. The personnel are also prohibited from probing into such information with each other.

The Company shall use the Group company name, corporate identity logo, trademark, copyright or patent in accordance with the Company's internal regulations. When performing duties, the Company's personnel shall respect and use another person's intellectual property rights with license.

Prohibition of unfair competition

Article 12 The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities.

Prohibition of impairment on stakeholders' interests and rights

Article 13 The Company shall collect and understand the applicable laws and regulations governing its products and services which it shall observe and gather. The Company's personnel shall ensure that the products and services are researched and developed, procured, provided and sold in accordance with the applicable laws and regulations.

The Company shall respect the protection of stakeholders' interests and rights to prevent its products and services from directly or indirectly damaging the stakeholders' interests and rights.

Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the stakeholders' interests and rights, the Company shall verify the facts and present a review and improvement plan immediately.

Prohibition of insider trading and non-disclosure agreement

Article 14 The Company's personnel shall adhere to the provisions of the Securities and Exchange Act, and refrain from taking advantage of undisclosed information of which they have learned to engage in insider trading or disclosing the same to any other party, in order to prevent other party from using such information to

engage in insider trading.

Any organization or person that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or execution of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company known by it, and that they may not use such information without the prior consent of the Company.

Announcement of ethical management policy to outside parties

Article 15 The Company shall disclose its ethical management policy in its internal rules, annual reports, on the Company's websites, and in other promotional materials, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to the Company's ethical management.

Review before establishment of business relations

Article 16 Before establishing business relations with others, the Company shall review the trading counterparts' qualifications pursuant to the Company's internal regulations and verify whether they are dishonored or debarred suppliers.

Statement of ethical management policy to counterparts in commercial dealings

Article 17 The Company, when engaging in commercial activities, shall make a statement to the trading counterparts about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Avoidance of commercial dealings with unethical operators

Article 18 The Company shall avoid business transactions with an agent, supplier, customer, or other counterparts in commercial interactions that is involved in unethical conduct. When the trading counterpart or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counterpart and blacklist or debar it for any further business interaction in order to effectively implement the Company's ethical management policy.

Stipulation of terms of ethical management in contracts

Article 19 When executing a contract with another person, it is advised that the Company should include the terms of ethical management into the contract.

Handling of unethical conduct by the Company's personnel

Article 20 The Company shall encourage internal and external personnel to blow the whistle of unethical conduct by the Company's personnel. The relevant whistle-blowing channels and operating procedure shall subject to Company's relevant internal regulations. .

Training

Article 21 The Company shall organize the internal educational propagation for ethical management policy periodically to communicate the importance of ethics.

Date of Enforcement

Article 22 These Procedures and Guidelines shall be enforced upon authorization by the Board of Directors. The same shall apply if these Procedures and Guidelines are amended or abolished.