

**Taiwan Cooperative Financial Holding Co., Ltd.**  
**Procedures for Ethical Management and Guidelines for Conduct**

Passed by a resolution in the 8th meeting of the 3rd Board of Directors on

January 29, 2018

Amended and passed by a resolution in the 18th meeting of the 3rd Board of Directors on

November 28, 2018

Amended and passed by a resolution in the 2nd meeting of the 4th Board of Directors on

August 24, 2020

Amended and passed by a resolution in the 8nd meeting of the 5th Board of Directors on

January 22, 2024

**Article 1 (Purpose of Adoption and Scope of Application)**

The Company adopts the Procedures for Ethical Management and Guidelines for Conduct (the Guidelines) to implement the Ethical Corporate Management Best Practice Principles (the Principles), communicate and prevent unethical conduct, and take actions against unethical conduct.

The scope of application of the Guidelines includes the subsidiaries of the Company and any other institutions or juristic person directly or indirectly controlled by the Company. If the subsidiaries of the Company and any other institutions or juristic person directly or indirectly controlled by the Company do not fully apply to the Guidelines due to the nature of business or other special factors, they may formulate their own guidelines in the spirit of the Guidelines.

**Article 2 (Applicable Subjects)**

The personnel of the Company regulated in Article 3 of the Principles shall apply to the Guidelines.

**Article 3 (Unethical Conduct)**

For the purposes of the Guidelines, "unethical conduct" means misconduct specified in Article 4 of the Principles.

**Article 4 (Types of Benefits)**

For the purposes of the Guidelines, "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

## Article 5 (Responsible Unit and Duties)

The Sustainable Development Committee is designated by the Company as the solely responsible unit (the “Responsible Unit”) under the Board of Directors to be in charge of the implementation, interpretation, and advisory services with respect to the Guidelines, the recording and filing of reports, and the monitoring of implementation. The Responsible Unit shall be in charge of the following matters and also submit regular reports (at least once a year) to the Board of Directors:

1. Assisting in incorporating ethics and moral values into the Company’s business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Promoting and coordinating awareness and educational activities with respect to the ethics policy.
4. Developing a whistle-blowing system and ensuring its operating effectiveness.
5. Handling other matters in relation to the formulation, supervision, and implementation of the ethical corporate management policy.
6. Preparing and retaining properly documented information such as the ethical corporate management policy and compliance statements, situations concerning the performance of undertakings and enforcement, etc.

## Article 6 (Prohibition against Providing or Accepting Improper Benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of the Company shall comply with the provisions of the Principles, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.

2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.
5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Money, property, or other benefits, with a market value below the monthly limit of public relations expenses for the department head, offered to or accepted from a person other than relatives or friends at a time; property offered to the same counterparty or coming from the same source multiple times within a single fiscal year shall comply with the provisions of the Principles.
7. Benefits received or given occasionally in accordance with accepted social customs and that do not adversely affect specific rights and obligations.
8. Other conduct that complies with the rules of the Company.

**Article 7 (Procedures for Handling the Acceptance of Improper Benefits)**

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. The party who violates the regulations shall, within three days of the incident, explain the whole story in writing and report it to his/her immediate supervisor.
2. After accepting the written report of the violating party, the immediate supervisor shall verify the truth and facts, and, if necessary, ask the Auditing Department to assist in the investigation. If unethical conduct is verified, it shall be reported to the Responsible Unit for discussion.

3. If confirming that the party has improperly provided or accepted benefits that constitutes unethical conduct, the Responsible Unit shall make a proposal, based on the nature and value of the improper benefits, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved by the Chairman.
4. Administrative sanctions for those who violate the regulations shall be imposed in accordance with the Company's regulations on rewards and punishments.

**Article 8 (Prohibition of and Handling Procedure for Facilitating Payments)**

The Company shall neither provide nor promise any facilitating payment. If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the Responsible Unit.

Upon receipt of the report under the preceding paragraph, the Responsible Unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the Responsible Unit shall also immediately report to the relevant judicial agency.

When the personnel of the Company provide or promise any facilitation payment to others without authorization in the interests of their own or the Company, the following procedures shall be followed:

1. The party who violates the regulations shall, within three days of the Company's notice, explain the whole story in writing and report it to his/her immediate supervisor.
2. After accepting the written report of the violating party, the immediate supervisor shall investigate the truth and facts, and, if necessary, ask the Auditing Department to assist in the investigation. If unethical conduct is verified, it shall be reported to the Responsible Unit for discussion.
3. If unethical conduct is verified, the Responsible Unit shall make a proposal appropriately, and the proposal shall be implemented after being reported and approved by the Chairman. In a case involving alleged illegality, the Responsible Unit shall also immediately report to the relevant judicial agency.

4. Administrative sanctions for those who violate the regulations shall be imposed in accordance with the Company's regulations on rewards and punishments.

#### Article 9 (Political Contributions)

According to Paragraph 1, Article 7 of the Political Donations Act, the Company is a civil enterprise in which the government holds not less than 20% of the capital. Therefore, the Company shall not provide political contributions for any person or political party.

#### Article 10 (Charitable Donations or Sponsorships)

Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The amount of donation or sponsorship shall be determined in accordance with the internal operating procedures such as the Rules of Procedure for Board of Directors Meetings and the Hierarchy of Authority and relevant laws and regulations, and the purpose of donation or sponsorship shall be reported to the managerial level for approval.
5. If the unit receiving the donation is found to deliver poor results, use the donation improperly, or inflate fees, the donation will not be made subsequently.

#### Article 11 (Recusal)

In the event of a conflict of interest, it shall be handled in accordance with Article 19 of the Principles.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

#### Article 12 (Special Unit in Charge of Confidentiality Regime and Its Responsibilities)

Each department of the Company shall implement procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works, and other intellectual properties to ensure the sustained effectiveness of the confidentiality procedures.

The personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, works, and other intellectual properties of the Company unrelated to their individual duties. When the personnel of the company violate the provisions of the preceding two paragraphs, the following procedures shall be followed:

1. The party who violates the regulations shall, within three days of the Company's notice, explain the whole story in writing and report it to his/her immediate supervisor.
2. After accepting the written report of the violating party, the immediate supervisor shall investigate the truth and facts, and, if necessary, ask the Auditing Department to assist in the investigation. If unethical conduct is verified, it shall be reported to the Responsible Unit for discussion.
3. If unethical conduct is verified, the Responsible Unit shall make a proposal appropriately, and the proposal shall be implemented after being reported and approved by the Chairman. The Legal Compliance Department shall assist in handling follow-up legal proceedings and other matters.
4. Administrative sanctions for those who violate the regulations shall be imposed in accordance with the Company's regulations on rewards and punishments. If the personnel intentionally leak the Company's technological and trade secrets, causing damage to the Company, the Company shall terminate the labor contracts in accordance with Article 10 of the Company's "Work Rules."

#### Article 13 (Prohibition against Leak of Trade Secrets)

When engaging in business activities, the Company shall strictly abide by the internal regulations in relation to trade secrets. For those who leak the Company's trade secrets in violation of the regulations and , they shall be handled in accordance with the following principles:

1. The head of the department shall check the seriousness of the leak of the Company's trade secrets and the responsibilities of the relevant supervisors and refer the investigation results to the personnel department to be reported to the Selection and Appraisal Committee for deliberation in accordance with regulations, and may ask the Auditing Department to assist in the audit if necessary.
2. The head of the violating department shall submit a review report within five days after the incident.
3. The President shall convene the meeting of department heads to discuss the sanctions proposed by the Selection and Appraisal Committee and the review report submitted by the head of the violating department and report the actions taken to the Responsible Unit.

#### Article 14 (Protection of Financial Consumer Rights)

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall adopt and publish on its website a policy on the protection of the rights and interests of financial consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests of financial consumers or other stakeholders.

Where there are sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the rights and interests of financial consumers or other stakeholders, the Company shall immediately recall those products or suspend the services and present a review and improvement plan.

The relevant departments of the Company shall report the incident referred to in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the Board of Directors.

#### Article 15 (Prohibition against Insider Trading and Non-disclosure Agreement)

All personnel of the Company shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed

information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing 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 acquired as a result, and that they may not use such information without the prior consent of the Company.

When the personnel of the company violate the provisions of the preceding two paragraphs, the following procedures shall be followed:

1. The party who violates the regulations shall, within three days of the Company's notice, explain the whole story in writing and report it to his/her immediate supervisor.
2. After accepting the written report of the violating party, the immediate supervisor shall investigate the truth and facts, and, if necessary, ask the Auditing Department to assist in the investigation. If unethical conduct is verified, it shall be reported to the Responsible Unit for discussion.
3. If unethical conduct is verified, the Responsible Unit shall make a proposal appropriately, and the proposal shall be implemented after being reported and approved by the Chairman. In a case involving insider trading, the Responsible Unit shall also immediately report to the relevant judicial agency. For any breaches of non-disclosure agreements, the Legal Compliance Department shall assist in handling follow-up legal proceedings and other matters.
4. Administrative sanctions for those who violate the regulations shall be imposed in accordance with the Company's regulations on rewards and punishments. If the personnel intentionally leak the Company's technological and trade secrets, causing damage to the Company, the Company shall terminate the labor contracts in accordance with Article 10 of the Company's "Work Rules."

Article 16 (Compliance and Announcement of Ethical Corporate Management Policy)

The Company shall request directors and senior management to issue a statement of compliance with the ethical management policy and require in the terms of employment that employees comply with such a policy.

The Company shall clearly specify the ethical corporate management policy in internal rules and annual reports, on the company website, or through publicity, and shall also announce it in external activities such as product presentations and investor conferences in a timely manner, so that suppliers, customers, or other business-related organizations and personnel can clearly understand the Company's philosophy and standards for ethical corporate management.

#### Article 17 (Ethical Corporate Management Evaluation Prior to Development of Commercial Relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counterparty in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may review the counterparty with which it will have commercial dealings with respect to the following matters in order to gain a comprehensive knowledge of its ethical corporate management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

**Article 18 (Statement of Ethical Corporate Management Policy to Counterparties in Commercial Dealings)**

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counterparty about the Company's ethical corporate 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.

**Article 19 (Avoidance of Commercial Dealings with Unethical Operators)**

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

**Article 20 (Stipulation of Terms of Ethical Corporate Management in Contracts)**

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical corporate management, and shall make observance of the ethical corporate management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim damages from the other party, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.

3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

**Article 21 (Handling of Unethical Conduct Reported by Personnel of the Company)**

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending the seriousness of the circumstance concerned. Insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce tip-off email and hotline on its website and the intranet for insiders and outsiders of the Company to submit reports.

With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.

The Company's reporting cases shall be handled in accordance with the Company's Measures of Whistleblowing and relevant regulations.

**Article 22 (Actions upon Event of Unethical Conduct by Others towards the Company)**

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

**Article 23 (Internal Awareness Sessions and Establishment of a System for Rewards, Penalties, and Complaints, and Related Disciplinary Measures)**

The Responsible Unit of the Company shall organize one awareness session each year and arrange for the senior management to communicate the importance of ethics to its directors, employees, and mandataries.

The Company shall link ethical corporate management to employee performance evaluations and the human resources policy and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate

his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 (Enforcement)

The Guidelines, and any amendments hereto, shall be effective upon approval by the Sustainable Development Committee and the Board of Directors.