

## **First Financial Holding**

### **Principles for Ethical Management and Guidelines for Conduct**

#### Article 1 (Purpose of adoption, scope of application and policy)

This Corporation engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and foster a corporate culture of integrity management and actively prevent unethical conduct, these Principles and Guidelines for Conduct are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations, as the policy of the integrity management.

These Principles and Guidelines for Conduct, includes this Corporation and its subsidiaries, any incorporated foundation in which this Corporation's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other enterprises and organizations, such as institutions or juristic persons, substantially controlled by this Corporation ("business group").

Business group shall establish good corporate governance and risk control and management mechanism so as to create an operational environment for sustainable development.

#### Article 2 (Prohibition of Unethical Conduct)

When engaging in commercial activities, directors, supervisors, managers, employees, and mandataries of business group or persons having substantial control over such companies ("the companies personnel"), shall be fair, honest and transparent manner, shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

Parties referred to in the preceding paragraph include civil servants, political candidates, political parties or members of political parties, state-run or private-owned businesses or institutions, and their directors, supervisors, managers, employees or substantial controllers or other stakeholders.

#### Article 3 (Benefits)

"Benefits" in these Principles and Guidelines for Conduct means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, rebate, other disguised goods (such as: gift certificates, equity/debt securities) or rebates of any type or in any name. Benefits received or given occasionally in accordance with accepted social customs and that do

not adversely affect specific rights and obligations shall be excluded.

#### Article 4 (Legal Compliance)

Business group shall comply with the Company Act, Financial Holding Company Act, The Banking Act of The Republic of China, Securities and Exchange Act, Trust Enterprise Act, Securities Investment Trust and Consulting Act, Insurance Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, TWSE/GTSM listing rules, or other laws or regulations regarding commercial activities, as the underlying basic premise to facilitate ethical corporate management.

#### Article 5 (Organization and Responsibility)

The companies personnel shall exercise the due care of good administrators to urge business group to prevent unethical conduct, always review the results of the preventive measures and continually make adjustments so as to ensure thorough implementation of its ethical corporate management policies.

To achieve sound ethical corporate management, this Corporation establish Ethical Management Committee that is under the board of directors ("dedicated unit "), and shall report to the board of directors at least once every year.

Each department of business group shall supervise the following matters within the scope of its duties and report to its board of directors and to the dedicated unit at least once every year:

- 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.They shall regularly analyze and evaluate the risks of unethical conduct within the scope of their duties and 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.Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
- 4.Promoting and coordinating awareness and educational activities with respect to ethics policy.
- 5.Developing a whistle-blowing system and ensuring its operating

effectiveness.

6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

#### Article 6 (Prevention Programs and Precautions)

Each department of business group shall establish evaluation mechanisms for the risks of unethical conduct and regularly analyze and evaluate business activities within their business scope that are possibly at a higher risk of being involved in an unethical conduct. They shall use the evaluation to prescribe the programs to forestall unethical conduct ("prevention programs"), including operational procedures, guidelines, and training. They shall also regularly review the appropriateness and effectiveness of prevention measures.

When establishing the prevention programs of the preceding paragraph, business group should use as reference universal standards or guidelines and shall comply with relevant laws and regulations of the territory where business group operate. They are advised to negotiate with staff, labor unions members, important trading counterparties, or other stakeholders. At least include preventive measures of the companies' personnel against the following:

1. Offering and acceptance of bribes :

When conducting business, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.

2. Provide political contributions :

Not provide political contributions to political parties, political organizations and candidates.

3. Improper charitable donations or sponsorship :

When making or offering donations and sponsorship, shall comply with the laws and regulations of the country where business group is doing business and internal operational procedures, and shall not surreptitiously engage in bribery. A written record of the decision making process shall be kept. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counterparty of business group's commercial dealings or a party with which the companies personnel has a relationship of interest.

4. Offering or acceptance of unreasonable presents or hospitality, or other

improper benefits :

Shall not directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions.

5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights :

Shall observe applicable laws and regulations, business group's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.

6. Engaging in unfair competitive practices :

Shall engage in business activities in accordance with Fair Trade Act, applicable competition laws and regulations, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

7. Damage directly or indirectly caused to the rights or interests of consumers or other stakeholders in the course of research and development, procurement, provision, or sale of products and services :

Shall collect and understand the applicable laws and regulations and international standards governing its research and development, procurement, provision, or sale of products and services which it shall observe and gather and publish all guidelines to cause personnel of business group to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, provision, or sale of products and services. Shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests. Where there are sufficient facts to determine, that products or services are likely to pose any hazard to the rights and interests of consumers or other stakeholders, shall suspend the products and services, and present a review and improvement plan.

The operational procedures and guidelines under Paragraph 1, shall specification the companies personnel on how to conduct business. The content should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or

accepted.

2. Procedures and the standard rates for offering charitable donations or sponsorship.
3. Rules for avoiding work-related conflicts of interests and how they should be reported and handled.
4. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
5. Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.
6. Handling procedures for violations of these Principles and Guidelines for Conduct.
7. Penalties for Violators.

The companies personnel shall comply with laws and regulations and

#### Article 7 (Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when the companies personnel providing, accepting, promising or requesting, directly or indirectly, any benefits as specified in Article 3:

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. Other conduct that complies with the rules of the company.

#### Article 8 (Prohibition of and handling procedure for )

Business group shall neither provide nor promise any facilitating payment.

If the companies personnel provides or promises a facilitating payment under

threat or intimidation, they shall submit a report to their head of department stating the facts and shall notify the regulatory compliance unit.

Upon receipt of the report under the preceding paragraph, the regulatory compliance 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 regulatory compliance unit shall also immediately report to the relevant judicial agency.

#### Article 9 (Recusal)

Business group shall adopt policies for preventing conflicts of interest to identify, monitor, and manage risks possibly resulting from unethical conduct, and shall also offer appropriate means for directors, supervisors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the company.

When a proposal at a given board of directors meeting concerns the personal interest of, or the interest of the juristic person represented by, any of the directors, supervisors, managers, and other stakeholders shall uphold a high degree of self-discipline, attending or present at board meetings of the business group, the concerned person shall state the important aspects of the relationship of interest at the given board meeting. If his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

The companies personnel shall not take advantage of their positions or influence in the companies to obtain improper benefits for themselves, their spouses, parents, children or any other person, and may not 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.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter.

The internal audit unit of business group shall periodically examine the

company's compliance with the foregoing systems and prepare audit reports and submit the same to the board of directors. The internal audit unit may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary

#### Article 10 (Trade Secret and Intellectual Property Rights Protection Mechanism)

The regulatory compliance unit of business group shall charge with formulating procedures for managing, preserving, and maintaining the confidentiality of business group's business secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

The companies personnel shall faithfully follow the relevant laws and regulations of intellectual property rights and the operating procedures and contract as mentioned in the preceding paragraph and may not disclose to any other party any business secrets properties of the company of which they have learned, nor may they inquire about or collect any business secrets properties of the company unrelated to their individual duties.

#### Article 11 (Prohibition of insider trading and non-disclosure agreement)

The companies personnel 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 business group 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 business group 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 business group acquired as a result, and that they may not use such information without the prior consent of the business group.

#### Article 12 (Accounting and Internal Control)

Business group shall establish effective accounting systems and internal control systems for business activities possibly at a higher risk of being involved in an unethical conduct, not have under-the-table accounts or keep secret accounts, and conduct reviews regularly, so as to ensure that the design and enforcement of the systems are showing results.

The internal audit unit of business group shall formulate related audit plans with contents including the target, scope, items, and frequency of audits in accordance with the results of unethical conduct risk assessments in the regulatory compliance risk assessment report of the Group and company. The audit unit shall also use the results to audit the compliance status of prevention measures and may engage a certified public accountant to carry out the audit, and may engage professionals to assist if necessary.

The business group shall report the results of audits in the preceding paragraph to the senior management and prepare an audit report and submit the same to the board of directors and the Audit Department of the Company's board of directors. The report shall be delivered to the Company's dedicated unit for reference.

Article 13 (promise, external disclosure and implementation of ethical Management policy)

The business group shall require directors, supervisors, managerial officers, and employees to sign the Code of Conduct of directors, supervisors, managerial officers, and employees at the end of each year or when they are appointed to state their compliance to the Code of Conduct and related regulations and securely retain related documentation.

The companies personnel are committed to actively implementing these Principles and Guidelines for Conduct, in addition to disclose the measures taken for implementing ethical management on their company websites, annual reports, and prospectuses, and shall disclose these Principles and Guidelines for Conduct on the Market Observation Post System. And shall make timely announcements of the policy in events held for outside parties such as investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management, and shall carry out the policies in internal management and in commercial activities.

Article 14 (Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, the business group 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 carries out the evaluation under the preceding paragraph, it may adopt



appropriate audit procedures for a review of 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 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.Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 15 (Statement of ethical management policy to counterparties in commercial dealings)

When the companies personnel engaging in commercial activities, shall make a statement to the trading counterparty about this Corporation'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.

Article 16 (Avoidance of commercial dealings with unethical operators)

The companies personnel shall avoid business transactions with any 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 shall immediately cease dealing with the counterparty and blacklist it for any further business interaction in order to effectively implement this Corporation's ethical management policy.

Article 17 (Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, the business group shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy and the following matters of the terms and conditions of the contract:

- 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 18 (Whistle-blowing system and handling of unethical conduct by insiders)

Business group shall establish a reporting system and the **compliance or** internal audit unit shall be responsible for processing reports and assigning an independent unit for exercising duties to take charge of investigations on reports. The reporting system encourages internal and external personnel to report any unethical conduct or misconduct. Where a report is verified as true in an investigation, the Company shall grant a reward of the seriousness of the circumstance concerned; where the contents are found to be false in an investigation and constitutes a malicious attack on the Company, a subsidiary company, or personnel of the Company or subsidiary company, the whistleblower protection measures shall not apply and the reporter shall be subject to disciplinary action.

The whistleblowing system shall include at least the following items and the system shall be reported to the board of directors of each company for review and approval and delivered to the Company for reference:

1. Any person who discovers crime, fraud or violation are entitled to report misconduct.
2. **With regard to the types of reports, the Company may refuse to process whistleblowing cases which do not violate regulations, malicious accusations, reports that contain false or no specific contents.**
3. Set up and announce the email address, telephone number, mailing address, and other reporting channels for accepting reports.
4. The investigations after a report is accepted and procedures for

cooperating with investigations, including the principles for opening a case, principles for compliance when organizing interviews with personnel, recusal regulations, investigations that require the cooperation of other units, schedule, methods for processing reports filed by outsiders, and follow-up processing mechanisms taken based on the severity of the violation after the completion of investigations, such as the recipient units of the investigation report, penalties for related personnel, etc. If the person being reported is a director, supervisor, or vice president or higher managerial officer, the investigation report shall be submitted to the supervisors or Audit Committee for review **in advance**.

5. In the process of the acceptance and investigations of reports, those with conflicts of interest shall be recused. Documentation of case investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
6. Information of the identity of whistleblowers and contents of the report must be kept confidential. Information sufficient for identifying a person shall not be disclosed. Anonymous reports shall be permitted.
7. Whistleblowers may not be subject to inappropriate treatment for their reports such as dismissal, relief of duty, demotion, salary cut, any loss of benefit that they are entitled to under laws, contracts or customary practices, or adverse treatments of any kind.
8. Updates on case status shall be provided in writing or other means to the whistleblower as appropriate.
9. If a whistleblower case is found to be true, related units shall be assigned to review the internal control system and operating procedures, propose improvement measures to the board of directors, and then submit the report to the dedicated unit of the Company for future reference. Major incidents or violations of the law shall be reported to the Company and relevant authorities in accordance with the FFHC Incident Reporting Guidelines and First Financial Group Compliance Notification Guidelines.

The business group shall provide regular education and training on the reporting system to their personnel and apply the policies of ethical corporate management when creating its employee performance appraisal system and human resource policies to establish a clear and effective reward and discipline system. If any employee of the Company seriously violates ethical conduct,

the Company shall punish the employee in accordance with applicable laws and regulations or the personnel policy and procedures, and shall disclose on intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 19 (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 business group, and such unethical conduct involves alleged illegality, the business group shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the business group shall additionally notify the governmental anti-corruption agency.

Article 20 (Training)

The business group shall periodically organize training and awareness programs for the companies personnel to communicate the importance of ethics, and invite the companies' commercial transaction counterparties so they understand the companies' resolve to implement ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.

Article 21 (Review and Revision of ethical corporate management policies)

The business group shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage their directors, supervisors, managers, employees and mandataries of such companies to make suggestions, based on which the adopted ethical corporate management policies and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 22 (Enforcement)

These Principles and Guidelines for Conduct shall be implemented after the adoption of the resolution of the Board of Directors that was reported by Ethical Management Committee; The same shall apply to the amendment of these Principles and Guidelines for Conduct.

When these Principles and Guidelines for Conduct are submitted for discussion by the board of directors, shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting. An independent director that cannot attend the board meeting in person to express objection or reservations shall provide a

written opinion before the board meeting, unless there is some legitimate reason to do otherwise, and the opinion shall be specified in the minutes of the board of directors meeting.

The provisions regarding supervisors in these Principles and Guidelines for Conduct shall apply mutatis mutandis to the audit committee.

#### Article 23 (History)

These Principles and Guidelines for Conduct was approved on December 24, 2015

The first amendment to these Principles and Guidelines for Conduct was made on June 15, 2018.

The second amendment to these Principles and Guidelines for Conduct was made on January 16, 2020.

**The third amendment to these Principles and Guidelines for Conduct was made on May 27, 2021.**

**The fourth amendment to these Principles and Guidelines for Conduct was made on February 24, 2022.**