

Bank of Kaohsiung Co., Ltd.

Ethical Corporate Management Best Practice Principles

Adopted in the 15th meeting of the 13th Board of Directors convened on December 20, 2018

Adopted in the 3rd meeting of the 14th Board of Directors convened on March 19, 2021

Article 1 (Purposes of establishment and applicability)

Bank of Kaohsiung Co., Ltd. (“the Company”) establishes these Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and applicable rules, to foster a corporate culture of ethical management and sound development, provide relevant operating procedures and conduct guidelines, proactively prevent unethical conduct, and ensure compliance.

These Principles are applicable to the businesses or legal entities directly or indirectly controlled by the Company.

Article 2 (Prohibition against unethical conduct)

When engaging in commercial activities, any directors, managers, employees and appointees of the Company 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 fiduciary duty ("unethical conduct") for purposes of acquiring or maintaining benefits.

The following acts of unethical conduct shall be handled in accordance with applicable provisions of these Principles:

1. Offering and accepting bribes;
2. Making unlawful political donations;
3. Improper charitable donations or sponsorships;
4. Offering or accepting unreasonable presents or hospitality, or other improper benefits;
5. Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights;
6. Engaging in unfair competitive practices;
7. Causing any direct or indirect damage to the rights or interests of customers in the course of providing or selling products and services.

Parties referred to in the preceding two paragraphs include civil servants, political candidates, political parties or members of political parties, state-run or privately-owned businesses or institutions, and their directors,

supervisors, managers, employees, substantial controllers, or other stakeholders.

The Company shall establish the mechanisms for the assessment of the risk of unethical practices pursuant to the unethical practices as stated in paragraph 2 and conduct routine analysis and assessment of the business activities vulnerable to the risk of unethical practices within the scope of business operation basing on which the Company will map out preventive action plan.

Article 3 (Types of benefits)

"Benefits" in these Principles means any valuable things, including money, endowments, commissions, positions, services, preferential treatment, 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 (Organization and responsibilities)

The directors, managers, employees and appointees of the Company shall exercise the due care of good administrators to urge the Company 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.

For vitalizing ethical corporate management, related functional units of the Company shall work in cooperation with one another to pursue the tasks as stated in paragraph 4 under Article 2. The Secretariat of the Board shall be the designated body responsible for reporting to the Board on the pursuit of ethical corporate management annually.

Article 5 (Regulatory compliance)

The Company shall comply with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Statute, 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 6 (Policies)

The Company shall abide by the operational philosophies of honesty, transparency, and responsibility, adopt policies based on the principle of

good faith and obtain approval from the board of directors and establish good corporate governance and risk control and management mechanisms so as to create an operational environment for sustainable development.

Article 7 (Commitment and implementation)

The Company shall demand the Directors and officers with the rank of vice president and higher of the management to declare for compliance with the ethical corporate management policy and also demand that all employees duly observe the ethical corporate management policy as the condition for employment.

The Company shall disclose its ethical corporate management policy in its internal code and externally through the official website and annual report of the Company. The Board and officers with the rank of vice president and higher of the management shall also pro-actively fulfill their commitment to the ethical corporate management policy and properly pursue the policy in internal management and business activities.

The Company shall document the ethical corporate management policy, declaration, commitment and pursuit as stated in the preceding 2 paragraphs and keep the documents properly.

Article 8 (Ethical management of commercial activities)

The Company shall engage in commercial activities in a fair and transparent manner based on the principle of ethical management.

Prior to any commercial transactions, the Company shall take into consideration the legality of trading counterparties and whether any of them are involved in unethical conduct, and shall avoid any dealings with persons so involved.

When entering into contracts with trading counterparties, the Company shall include in such contracts terms requiring compliance with its ethical corporate management policies and that in the event the trading counterparties are involved in unethical conduct, the Company may at any time terminate or rescind the contracts.

Article 9 (Prohibition against offering and accepting bribes)

When conducting business, the Company and its directors, managers, employees and appointees 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. The Company shall immediately handle any of the aforesaid situations

upon receipt of whistle-blowing reports and review relevant matters to reduce the risk of recurrence. The Company shall also report any illegal activities to the judicial authority immediately upon discovery.

Article 10 (Prohibition against unlawful political donations)

When directly or indirectly offering a donation to political parties or organizations or individuals participating in political activities, the Company and its directors, managers, employees and appointees shall comply with the Political Donations Act and its relevant internal operating procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 11 (Prohibition against improper charitable donations or sponsorships)

When making or offering donations and sponsorship, the Company and its directors, managers, employees and appointees shall comply with relevant laws and regulations and the Company's internal operating procedures, and shall not surreptitiously engage in bribery.

The benefits gained from sponsorships shall be definite and reasonable. The Company shall not offer or accept sponsorships to and from trading counterparties or stakeholders.

Article 12 (Prohibition against offering or accepting improper benefits)

The Company and its directors, managers, employees and appointees shall comply with these Principles before directly or indirectly offering, accepting, promising to offer, or requesting the improper benefits specified in Article 3, except for the following circumstances:

1. Acts committed due to business needs and according to local etiquette, practices, or customs;
2. Social activities that take place occasionally in accordance with accepted social customs and do not adversely affect specific rights and obligations;
3. Activities held due to business needs, with the fee payment method, number of participants, class of accommodation, and duration in regard to the aforesaid activities having been specified;
4. Participation in folk festivals that are held publicly and welcome the participation of the general public;
5. Rewards, relief, condolence payments, or honorariums provided by the management;

6. Other circumstances that conform to the rules of the Company or the law of the place of business.

Article 13 (Prohibition against infringement of intellectual property rights)
The Company and its directors, managers, employees and appointees shall observe applicable laws and regulations, the Company's internal operating procedures, and contractual provisions concerning intellectual property.

Article 14 (Prohibition against engaging in unfair competitive practices)
The Company shall engage in business activities in accordance with applicable competition laws and regulations.

Article 15 (Prohibition against disclosing trade secrets that become known in the course of duties)
The directors, managers, employees and appointees of the Company shall comply with regulations governing confidentiality practices, and shall not disclose to others the Company's trade secrets that become known to them and inquire about or collect the Company's trade secrets that are irrelevant to their duties.

Article 16 (Prohibition against insider trading)
The directors, managers, employees and appointees of the Company shall comply with the Securities and Exchange Act and applicable internal regulations. They shall not engage in insider trading with the unpublished information known to them, and shall not disclose such information to others, so as to prevent others from engaging in insider trading with the unpublished information.

Article 17 (Prevention of products or services from damaging the rights and interests of customers)
In the course of research and development, provision, or sale of products and services, the Company and its directors, managers, employees and appointees shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, the products and services. They shall also adopt and publish a policy on the protection of the rights and interests of customers, and carry out the policy in operations, with a view to preventing the products and services from directly or indirectly damaging the rights and interests of customers. Where there are sufficient facts to determine that the Company's products or services are likely to jeopardize the rights and interests of customers, the

Company shall, in principle, suspend its services or the sale of its products immediately.

Article 18 (Regulatory compliance when conducting business)

The Company's directors, managers, employees and appointees shall comply with these Principles and applicable laws and regulations when conducting business.

Article 19 (Recusal)

The Company's directors and managers shall have high self-discipline to prevent the possible risks of unethical conduct resulting from conflicts of interest. 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 of the Company, 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 shall not participate in the discussion or voting on the proposal, and shall recuse himself or herself from the discussion or voting. Moreover, the concerned person shall not exercise voting rights as proxy for another director. The directors shall practice self-discipline and must not support one another in improper dealings.

Conflict of interest with the spouse, kindred within the 2nd tier to the Directors under the Civil Code or affiliates with control relation to the Directors in matters proposed in the meetings of the Board as mentioned in the preceding paragraph shall be construed as conflict of interest with the Directors concerned.

Directors, managers, employees and appointees shall not seek unjustified benefits for themselves, spouses, parents, children or their related-parties by taking advantage of the function they perform or their capacity of influence.

Article 20 (Accounting and internal control)

Related functional units of the Company shall establish effective accounting system and internal control system for tracking business activities exposed to higher risk of unethical practice within the scope of business operation and review the details at regular intervals for assuring the continued effectiveness of the design and pursuit of the system.

The internal audit unit of the Company shall, based on the results of assessment on the risk of unethical conduct, design relevant audit plans,

and examine accordingly the compliance with the Prevention Programs. The internal audit unit may engage a certified public accountant to carry out the audit and may engage professionals to assist if necessary.

The results of examination in the preceding paragraph shall be reported to above executive vice president management and the ethical management dedicated unit and put down in writing in the form of an audit report to be submitted to the board of directors.

Article 21 (Training and appraisal)

The Company shall organize ethics-related training or awareness programs for directors, managers, employees and appointees.

The Company shall 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.

Article 22 (Whistle-blowing system)

The Company shall adopt a concrete whistle-blowing system and scrupulously operate the system. The whistle-blowing system shall include at least the following:

1. An independent mailbox or hotline, either internally established and publicly announced or provided by an independent external institution, to allow insiders and outsiders to submit reports;
2. Dedicated personnel or unit appointed to handle the whistle-blowing system; any misconduct involving a director or above executive vice president management shall be reported to the independent directors; the categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted;
3. Map out the policies and procedures following the investigation on complaints depending on the severity of the offense, and report to the competent authority or refer to the judiciary where necessary;
4. Recording of case acceptance, investigation processes, investigation results, and relevant documents, as well as retention of such records;
5. Confidentiality of the identity of whistle-blowers and the content of reported cases;
6. Measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing;
7. Informant Reward Policy.

In general, anonymous report of complaints will not be accepted. However, if the content of the complaint or the factual account provided is substantive where an investigation is necessary, the case will be accepted for further action.

When any material misconduct or likelihood of material impairment to the Company comes to their awareness upon investigation, the dedicated personnel or unit handling the whistle-blowing system shall immediately prepare a report and notify the independent directors in written form.

Article 23 (Disciplinary actions and appeals)

The Company shall comply with applicable personnel regulations of the Company in handling disciplinary actions and appeals regarding violations of the ethical corporate management rules by its personnel.

Article 24 (Information disclosure)

The Company shall continuously promote the ethical management policy and disclose the status of implementing ethical corporate management on its official website, annual reports, and prospectuses. It shall also disclose its ethical corporate management best practice principles on the Market Observation Post System.

Article 25 (Review and amendment of these Principles)

The Company shall at all times monitor the development of relevant local and international regulations concerning ethical corporate management and encourage its directors, managers, employees and appointees 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 its ethical management.

Article 26 (Implementation)

These Principles shall be implemented after reviewed by the Audit Committee and approved by the Board of Directors, and shall be reported at a shareholders' meeting. The same procedure shall be followed when these Principles are amended.

In reporting the aforementioned ethical corporate management best practice principles to the Board for discussion, the Company shall consider the opinions of the Independent Directors in its entirety and track the adverse or qualified opinions as minutes of meeting on record. If a specific Independent Director cannot attend the meeting in person but expressed

adverse or qualified opinions, such Independent Directors shall present the opinion in writing beforehand and noted as part of the minute of Board meeting on record unless otherwise justifiable.