

King's Town Bank Ethical Corporate Management Best Practice Principles

- Article 1 To establish the culture of ethical corporate management and sound development of ethical corporate management, the Bank has formulated the Code of Ethical Corporate Management (the “Code”) in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” jointly established by Taiwan Stock Exchange Corporation, and Taipei Exchange in order to achieve a good business operation framework.
- This Code applies to group enterprises or organizations such as subsidiaries of the Company, consortiums of corporations that have contributed directly or indirectly more than 50% of the total amount of funds, and other institutions or corporations with substantive control.
- Article 2 All Directors, managers, employees, agents, or anyone who has substantial control over the management (hereinafter referred to as “substantial controllers”) of the Company should not directly or 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 (hereinafter referred to as “unethical conducts”) for purposes of acquiring or maintaining benefits during business activities. 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 King’s Town Bank (the “KTB”) regards integrity as the foundation of its company operations and is committed to engaging in any business activity based on the principles of fairness, honesty, trustworthiness, and transparency, as well as the concepts of value creation, fairness to customers, and sincerity in caring for people. In order to strictly abide by ethics and the rule of law, and to proactively prevent dishonest behavior and combat corruption, KTB has designated the Sustainable Development Committee as the dedicated unit of integrity to assist in integrating integrity and ethical values into the company’s business strategies, and to cooperate with laws and regulations to formulate measures to ensure the prevention of fraud. It helps to integrate integrity and ethical values into the company’s business strategies, and formulates measures to prevent fraud and corruption in accordance with laws and regulations.
- All KTB directors, senior managerial officers, and employees have committed to fulfill their obligations as good stewards in the execution of their business and to prevent the occurrence of dishonest behavior by signing the “Ethical Conduct Statement” and disclosed their “Ethical Corporate Management, Anti-Corruption, and Anti-Bribery Policy and Commitment” on the official website of King’s Town Bank to

exhibit KTB's zero-tolerance attitude and action against corruption and bribery. The Company also links employee ethics with their performance and remuneration, and has established an explicit reward and punishment system. For implementing ethical corporate management, KTB has formulated the "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Treat Clients Fairly Policy and Strategies," etc.

- Article 4 The term "benefit" as used in this Code refers to anything of value, including money, gifts, commissions, positions, services, favors, rebates, etc., in any form or under any name. However, such benefits shall not be limited to those that are normal social courtesies and that are occasional and do not affect specific rights or obligations.
- Article 5 The Company shall abide by the "Company Act," "Securities and Exchange Act," "Business Entity Accounting Act," "Political Donations Act," "Anti-Corruption Act," "Government Procurement Act," "Enforcement Rules of the Act on Recusal of Public Servants Due to Conflicts of Interest," laws and regulations regarding public companies or other business activities, as a foundation for ethical corporate management.
- Article 6 The Company shall adhere to the operational philosophies of honesty, transparency, and responsibility, establish policies based on the principle of good faith, obtain approval from the board of directors, and establish good corporate governance and risk control mechanism so as to create a business environment for sustainable development.
- Article 7 The Company shall, in its ethical management policy, clearly and thoroughly prescribe the specific ethical management practices and the programs to forestall unethical conduct (hereinafter referred to as "prevention programs"), including operational procedures, guidelines, and training.
- When establishing the prevention programs, the Company shall comply with relevant laws and regulations of the territory where the Company and its Group's businesses and organizations are operating.
- In the course of developing the prevention programs, the Company shall negotiate with employees, labor unions, important trading counterparties, or other stakeholders.
- Article 8 The Bank shall establish an evaluation mechanism for the risk of unethical conduct that regularly analyzes and evaluates business activities with higher risks of unethical conduct in the business scope, thereby develop the prevention programs and review the appropriateness and effectiveness of the prevention programs.
- It is advisable that the Company establish the prevention programs based on domestically and internationally accepted standards and shall at least include preventive measures against the followings:

1. Offering and acceptance of bribes.
2. Illegal political donations.
3. Improper charitable donations or sponsorship.
4. Offering or acceptance of unreasonable presents or hospitality, or other improper tangible or intangible 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. Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.

Article 9 The Company shall request its 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 policy.

The Company and its Group's businesses shall clearly specify in their rules and external documents as well as on the Company's website the ethical management policy and the commitment by the Board of Directors and the senior management to rigorous and thorough implementation of such policies, and shall carry out the policies in internal management and in commercial activities as stated.

The Company shall compile documented information on the ethical management policy, statement, commitment, and implementation mentioned in Paragraphs 1 and 2 and retain the said information properly.

Article 10 The Company shall engage in business activities in a fair and transparent manner based on the principle of ethical management.

Prior to any business transactions, the Company shall take into consideration the legality of its agents, suppliers, clients, or other 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 its agents, suppliers, clients, or other trading counterparties, the Company shall include in such contracts terms requiring compliance with ethical management policy 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 11 When conducting business, the Company and its directors, managers, employees, agents, and substantial controllers, may not directly or indirectly offer, promise to offer, request, or accept any improper benefits in any form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders during business activities.

Article 12 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, agents, and substantial controllers, shall comply with the Political Donations Act and the Company's relevant internal operational procedures, and shall not make such donations in exchange for commercial gains or business advantages.

Article 13 When making or offering charitable donations or sponsorship, the Company and its directors, managers, employees, agents, and substantial controllers shall comply with relevant laws and regulations and internal operational procedures, and shall not surreptitiously engage in bribery.

Article 14 The Company and its directors, managers, employees, agents, and substantial controllers shall not directly or indirectly offer or accept any unreasonable presents, hospitality, or other improper benefits with the aim to establish business relationships or influence business transactions.

Article 15 The Company and its directors, managers, employees, agents, and substantial controllers shall observe applicable laws and regulations, its own internal operational procedures, and contractual provisions concerning intellectual property, and shall not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holders.

Article 16 The Company shall engage in business activities in accordance with applicable competition laws and regulations, and shall not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of business.

Article 17 In the course of research and development, procurement, manufacture, provision, or sale of products and services, the Company and its directors, managers, employees, agents, and substantial controllers shall observe applicable laws and regulations and international standards to ensure the transparency of information about, and safety of, its products and services. The Company shall also adopt and publish a policy on the protection of the rights and interests of consumers or other stakeholders, and carry out the policy in the operations, with a view to preventing its products and services from directly or indirectly damaging the rights or interests, health, or safety of consumers or other stakeholders. Where there are sufficient facts to determine that the products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, in principle, recall those products or suspend the services immediately.

Article 18 The Company's directors, managers, employees, agents, and substantial controllers shall exercise the due care of good administrators to urge the Company to prevent

unethical conduct, review the results of the preventive measures at all times, and continually make adjustments so as to ensure thorough implementation of its ethical management policy.

To achieve sound ethical management, the Company shall establish a dedicated unit that is responsible to the Board of Directors and provide adequate resources and the competent personnel, responsible for establishing and supervising the implementation of the ethical management policy and prevention programs. The dedicated unit shall be in charge of the following matters, and shall report to the Board of Directors on a regular basis (at least once a year):

1. Incorporating ethics and moral values into the business strategy of the Company, and adoption of appropriate prevention measures against corruption and malfeasance in accordance with the laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the operations and business.
3. Planning the organization, structure, and functions of internal units, and setting up mutual supervision and checks-and-balance system for operating activities within the business scope that are at high risk of unethical conduct.
4. Promoting and coordinating policy awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its effectiveness.
6. Assisting the Board of Directors and management in auditing and assessing whether the prevention programs taken for the purpose of implementing ethical management are effective, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.

Article 19 The Company's directors, managers, employees, agents, and substantial controllers shall comply with laws and regulations and the prevention programs when conducting business.

Article 20 The Company shall adopt policies for preventing conflicts of interest to identify, monitor, and manage potential risks resulting from unethical conduct, and shall also offer appropriate means for directors, managers, and other stakeholders attending or present at board meetings to voluntarily explain whether their interests would potentially conflict with those of the Company.

In the event of an agenda item representing a conflict of interest for a director, manager, or other stakeholder attending or present at board meetings, or for the entity he or she represents, he or she shall disclose the conflict at the current meeting and refrain from discussion or vote on the matter. He or she shall be recused during discussion or vote on the matter and shall not exercise the right to vote on behalf of

any other directors. Directors shall also exercise self-discipline and shall not support one another in improper dealings.

The Company's directors, managers, employees, agents, and substantial controllers shall not take advantage of their positions, or the influence in the companies to obtain improper benefits for themselves, their spouses, parents, children, or any other person.

Article 21 The Company shall establish an effective accounting system and internal control for business activities with a high risk of unethical conduct. No private ledgers or off-the-book accounts may be retained, and this shall be monitored at all times, to ensure that the design of the systems and the implementation are sound and effective. The internal audit unit of the Company shall, based on the results of the assessment of the risk of involvement in unethical conduct, devise relevant audit plans, including auditees, audit scope, audit items, audit frequency, etc., 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 the examination referred to in the preceding paragraph shall be reported to senior 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 22 The Company shall establish operational procedures and guidelines in accordance with Article 6 hereof to guide its directors, managers, employees, agents, and substantial controllers on the conduct of businesses. The procedures and guidelines should at least contain the following matters:

1. Standards for determining whether improper benefits have been offered or accepted.
2. Procedures for offering legitimate political donations.
3. Procedures and the standard rates for offering charitable donations or sponsorship.
4. Rules for avoiding work-related conflicts of interest and how they should be reported and handled.
5. Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.
6. Regulations and procedures for dealing with suppliers, clients, and business transaction counterparties suspected of unethical conduct.
7. Handling procedures for violations of the Code of Ethical Corporate Management.
8. Disciplinary measures on offenders.

Article 23 The Chairman, President, or the senior management of the Company shall acknowledge the importance of corporate ethics to Directors, employees, and agents on a regular basis.

The Company shall periodically organize policy awareness and educational activities for directors, managers, employees, agents, and substantial controllers and invite the business transaction counterparties so they understand the Company's commitment to the implementation of ethical management, the related policies, prevention programs, and the consequences of committing unethical conduct.

The Company shall incorporate the ethical management policy with employee performance evaluations and human resources policy, and establish clear and effective systems for rewards and penalties.

Article 24 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. The Company shall establish and announce an independent internal mailbox and hotline, or appoint an external institution to establish a mailbox and hotline for internal and external use.
2. The Company shall appoint dedicated personnel or units to handle the whistle-blowing system. Any reports involving a director or senior management shall be reported to the independent directors. Categories of reported misconduct shall be delineated and standard operating procedures for the investigation of each shall be adopted.
3. Follow-up measures shall be taken in accordance with the severity of the circumstances after investigations of reported cases are completed. Such matter shall be reported to the competent authority or referred to the judicial authority for investigation if necessary.
4. Documentation and keeping of case acceptance, investigation processes, investigation results, and relevant documents.
5. Confidentiality of the identity of whistle-blowers and the content of reported cases, and allowing anonymous reporting.
6. Protection of the whistleblowers from inappropriate disciplinary actions due to whistleblowing.
7. Whistle-blowing incentive measures.

When material misconduct or likelihood of material impairment to the Company comes to the 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 25 The Company shall adopt and publish a well-defined disciplinary and appeal system for handling violations of the ethical management rules, and shall make immediate disclosure on the intranet of the title and name of the violator, the date and details of the violation, and the actions taken in response.

Article 26 The Company shall collect quantitative data about the promotion of ethical

management and continuously analyze and assess the effectiveness of the promotion of ethical management policy. The Company shall also disclose the measures taken for implementing ethical management, the status of implementation, the foregoing quantitative data, and the effectiveness of promotion on the company website, annual reports, and prospectuses, and shall disclose the Code on the Market Observation Post System.

Article 27 The Company shall, at all times, monitor the development of relevant local and international regulations concerning ethical management and encourage the directors, managers, and employees to make suggestions based on which the adopted ethical management policy and measures taken will be reviewed and improved with a view to achieving better implementation of ethical management.

Article 28 The Code and any amendments thereafter shall become effective upon resolution at the board meeting, and are submitted to the Audit Committee and Shareholders' Meeting.

When proposing the Code to the board meeting for discussion pursuant to the preceding paragraph, opinions from each independent director shall be taken into consideration. Any objections or reserved opinions shall be recorded in the board meeting minutes. If an independent director is unable to attend a meeting to express his/her objections or reserved opinions in person, he/she shall issue a written opinion in advance and set out in the minutes of the board meeting.

The Code was enacted at the 80th board meeting of the 11th board on October 4, 2010.

Approved at the Shareholders' Meeting on June 9, 2012.

Amended on the 15th board meeting of the 13th board on January 19, 2015.

Approved at the Shareholders' Meeting on May 12, 2015.

Amended on the 53rd board meeting of the 14th board on July 29, 2019.

Approved at the Shareholders' Meeting on May 12, 2020.

Amended on the 39rd board meeting of the 16th board on December 23, 2024.