

King's Town Bank Regulations on the Implementation of the Whistleblower System

Article 1 Purpose

To establish an ethical and transparent corporate culture, and to promote robust business, the Regulations are formulated in accordance with “Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries,” “Corporate Governance Best-Practice Principles for Banks,” and “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”

Article 2 Designated unit

The “Compliance Department” is the designated unit for the Company’s whistleblower system. The chief of the Compliance Department of the headquarter is responsible for the acceptance, allocation, reply, follow-up, improvement, records, and keeping of reports.

Article 3 Whistleblowing channels

The Company has established the following whistleblowing channels and has disclosed them on the Internet and the intranet. Any person may make a report through these channels:

1. Written report: “Chief of Compliance Department, King's Town Bank, No. 506, Section 1, Ximen Road, West Central District, Tainan City, Taiwan.”
2. Email: whistleblower@mail.ktb.com.tw
3. Complaints line: 06-2143934

When filing a report, the following documents shall be attached:

1. Name and contact information of the informer. However, anonymous reports are also accepted.
2. Name of and other information for the verification of the identity of the offender.
3. Evidence for investigation.

Article 4 Types of cases

The Company accepts cases regarding criminal, fraudulent, unethical conduct or other violation of laws and regulations of the Company’s Directors and employees.

Reported cases with any of the following circumstances may not be accepted:

1. Cases that are indicated in the preceding paragraph.
2. Cases that are obviously malicious attacks, or are untrue.

3. Cases that have no concrete contents or sufficient evidence and no supplementary documents are provided within the deadline after the informer being notified.
4. Cases that are of the same matters have been investigated and closed. However, this shall not apply if new evidence is provided and deemed necessary to reopen an investigation.

Cases that are of the nature of appeals or complaints shall be referred to the relevant units and handled pursuant to the “Regulations Governing the Process of Customer Complaint.”

Article 5 Acceptance and investigation procedures

1. After the designated unit receives the report, it shall register the report and determine if to accept the case depend on the information submitted.
2. Cases that are accepted should be assigned to an appropriate responsible unit or personnel without any conflict of duties to conduct the investigation. Depending on the circumstances of the case, it should be evaluated whether to activate the responsibility process as outlined in the Responsibility Map Implementation Guidelines of the Article 8:
 - (1) If the person being reported is a Director or the President, the Auditing Department shall handle the investigation;
 - (2) If the person being reported is a manager-level or higher executive, the dedicated unit shall request the President to assign an appropriate responsible unit or personnel for the investigation, or the request may be forwarded to the Auditing Department after obtaining the Chairman’s approval;
 - (3) If the person being reported is an employee below the manager level (excluding managers), the dedicated unit shall request the President to assign an appropriate responsible unit or personnel for the investigation. In cases of fraud due to poor internal controls or major operational deficiencies, the investigation may be transferred to the Auditing Department after obtaining the Chairman’s approval;
 - (4) If the case involves a violation of labor-related laws and regulations, the Human Resources Department shall be the investigating unit;
 - (5) If the case involves a subsidiary, it should be transferred to the subsidiary where the reported person belongs. The subsidiary should report the investigation and handling results to the parent company’s dedicated unit for reference or investigate in accordance with the procedure for employees below the manager level (excluding

managers);

- (6) If the situation is exceptional, the investigation may also be entrusted to an external independent organization.
3. The investigating unit as mentioned in the previous paragraph shall promptly ascertain the facts and prepare an investigation report. Depending on the case handling circumstances, relevant business units may be notified to collaborate in the investigation, handling, and other related matters as specified in these regulations. All business units should cooperate with the investigation and provide assistance as needed. If necessary, external organizations or experts may be hired to assist.
4. The investigation process should be completed within thirty days from the day after the case is received and transferred. If necessary, an extension of the deadline may be granted with the approval of the supervising manager of the dedicated unit. The investigation results should be reported to the dedicated unit. If the case is investigated by the Auditing Department, the investigation results should be reported after approval and communicated to the dedicated unit.
5. Cases shall be handled jointly with previously accepted cases that are of the same matter.
6. The Company shall keep the process of the whistleblowing cases confidential. The identity of the whistleblower, investigation procedures, and related documents are kept confidential and protected by the Company.
7. Persons who have a conflict of interest with the acceptance of cases and the investigation process shall recuse themselves.
8. The informer shall be notified of the progress of the cases by correspondence or other means in an appropriate manner.

Article 6 Subsequent handling mechanism

1. The designated unit shall prepare a report containing the content of the case, investigation results, reviews, and improvement plans to the President for review after the closing of the investigation. However, if the violator is a director or holds a managerial position higher than the Vice President, such cases shall be reported to the audit committee for a second review. Closed reports shall be compiled and submitted to the Board of Directors on a regular basis. However, material misconduct or likelihood of material impairment to the Company shall be immediately reported to the Independent Directors in written form, and reported to the next board meeting.

2. When the reported situation is verified as true, in addition to ordering the person being reported to immediately cease the relevant actions and implement appropriate emergency response measures, the case may be referred to the HR Review Committee for further action. If the person involved holds the position of a director or manager-level or higher executive, the case may also be referred to the Auditing Committee for further action. If necessary, the case may be reported to the competent authority, transferred to judicial authorities for investigation, or pursued through legal proceedings for compensation. If the case involves government agencies or public officials, the relevant government anti-corruption agency should be notified to safeguard the company's reputation and interests. The relevant business management units should review the internal control system and operational process, propose improvement measures, and take steps to prevent similar actions from occurring again.
3. plans to prevent re-occurrence. In order to encourage whistleblowing, the Company may offer incentives based on the severity of the reported matter, once it is proven true through investigation.

Article 7 Whistleblower protection measures

The personnel involved in the acceptance and investigation of a case shall declare in writing that the identity of the informant and the contents of the report shall be kept confidential and that no information identifying the informant shall be divulged.

Where the whistleblower is internal personnel, the Company undertakes measures to protect him/her from improper treatment or dismissal, discharge, demotion, reduction in salary, impairment of their rights, or interests under law, contract, or custom, or other adverse action as a result of the whistleblower. However, the above does not apply if malicious false reports or accusation is found, and the whistleblower shall be subject to penalties pursuant to the Company's personnel management rules.

Article 8 Document recording and keeping

The records of acceptance, investigation process, investigation results, and related documents shall be kept in confidential files for at least five years, and may be kept in electronic forms. If a lawsuit arises with respect to a reported case before the end of the safekeeping period mentioned in the preceding paragraph, the relevant information shall be kept until the conclusion of the litigation.

Article 9 Training Programs

At least once a year, the designated unit shall organize promotion and training programs, regarding the whistleblower system for the directors and all employees of the Company to facilitate their understanding of the whistleblower system, channel, and protections aim for enhancing moral awareness.

Article 10 Supplemental provisions

If the reported case involves major incidental matters, the Company shall actively report to the competent authority pursuant to the Company's "Mechanisms for Handling Major Incidental Events." For violation of ethical management policy, such matter shall be handled pursuant to the Company's "Procedures for Ethical Management and Guidelines for Conduct."

Article 11 Enforcement

The Regulations and any amendments thereafter shall become effective upon review and resolution at the board meeting.

The Regulations were enacted on March 23, 2020.

The Regulations were enacted on February 24, 2025.