

# **Code of Conduct for Employees of China Development Financial Holding Corporation**

Competent Authority: Human Resources Department

Date of Approval: September 15, 2005

Date of Amendment: September 13, 2022

1. China Development Financial Holding Corporation (“CDF”) has set forth the Code of Conduct for all employees to adhere.
2. All CDF subsidiaries (as referred to in Clause 4 of Article 4 of Financial Holding Company Act) shall formulate related articles in accordance to laws, actual needs, and the Code of Conduct.
3. The Code of Conduct applies to all employees of CDF.
4. CDF employees shall manage CDF affairs with honesty and morality, and kept them confidential. Conducts of honesty refer to those conducts void of fraud, deceit, and concealment. Conducts of morality refer to conducts that are abided by professional standards, including dealing with incidents of conflict of interest in a fair manner.
5. CDF employees shall not publicly disclose or reveal internal information or information of customers obtained at their job scope, or seek personal gains or gains for others (for detailed guidelines, refer to the attached Rules for Avoidance of Conflict of Interest). CDF employees attending or helping with the organization of internal or external meetings (including but not limited to meetings related to investment and credit services) shall not disclose through any means the information of the meeting, or assessment, statements, and discussions made in the meeting, to a third party with direct or indirect connection to the content of the meeting without approval of immediate supervisor.
6. CDF employees shall not take advantage of their positions and seek personal gains, or receive commissions or other inappropriate benefits from customers.
7. CDF employees are prohibited to engage in activities that will conflict or damage CDF’s interests or reputation. For instance, employee shall notify supervisor in the occurrence of conflict of interest when carrying out duties, and apply for avoidance.
8. CDF employees are obliged to report all personal commercial activities to avoid potential conflict of interest. If an employee holds a concurrent position due to personal reasons, written application should be sent

beforehand and reporting procedure is as followed:

- i. Non-department heads below Seiner Vice President (included): submit report to department head for approval; related documents will be submitted to Human Resources Department for future reference with countersignature of Compliance Department.
  - ii. Department heads and Executive Vice President and above (included) : submit report to immediate supervisor, and to President and Chairman for approval with countersignatures by Compliance Department and Human Resources Department; outside employment in accordance to legal regulations or with unique situations shall be reported to the board of directors for review and approval.
9. Department heads, or immediate supervisors, Compliance Department, and Human Resources Department in the preceding article shall carefully evaluate the outside employment reported by the employees, with a scope of evaluation covering the followings:
- i. The nature of the company/institution/organization, the position and title, and the responsibilities of the employee's outside employment, as well as whether the employee is a shareholder of the said entity.
  - ii. Whether the outside employment will affect the employee's performance or CDF's operation.
  - iii. Whether the outside employment complies with external laws and regulations or CDF guidelines and bylaws.
  - iv. Whether the outside employment might result in potential conflict of interest with CDF or leak of CDF confidential information.
  - v. Whether the employee has dominant influence at the company of the outside employment, and whether the employee adheres to principle of avoiding conflict of interest.
  - vi. Whether the outside employment will compromise CDF reputation, image, and rights and interests.

With violation of any one of conditions ii to vi during the period of outside employment, the employee shall not be allowed for the outside employment.

10. CDF employees shall not receive monetary compensation or unethical non-monetary gifts from customers or vendors. CDF employees shall avoid inappropriate social engagement with customers or vendors.
11. CDF employees are prohibited to release information unfavorable to CDF and its employees to the public or media.
12. Misconducts between CDF employees and customers, vendors, or among employees are strictly forbidden, such as gambling, or the organization of rotating savings and credit association involving large sums.
13. CDF employees shall always remain highly alert to any transactions they handle to prevent money-laundering; CDF employees shall not take advantage of their positions for, or assist a third party in, money-laundering.
14. CDF employees are prohibited to manipulate, conceal, or exploit information obtained at their positions to gain illegal income for themselves or a third party.
15. CDF employees (including those who have left CDF no more than six months) that have obtained information of customers which may impact the customer's share price or repayment capability through information exchange or activities in connection with CDF, are prohibited of the following actions on own behalf or through a third party before the information is disclosed, or within 18 hours after the information is disclosed:
  - i. Purchase or sell securities (including but not limited to equities, bonds, bills, equity securities), foreign exchange, derivatives or other assets of the said customer.
  - ii. Disclose the information to a third party with unrelated duties.
  - iii. Hint, urge, or take advantage of a third party to purchase or sell the aforementioned securities, foreign exchange, derivatives, or other assets.
16. CDF employees shall abide to CDF bylaws and relevant articles of internal control, and comply with all relevant laws promulgated by competent authorities regarding financial practitioners' professional practice.
17. All CDF Executive Vice President and above and department heads that hold concurrent posts at other companies shall thoroughly understand the scope of operation of the said company, and handle issues related to the lifting of non-competition restriction in compliance with Company Act and relevant laws.
18. Violations of the Code of Conduct by CDF employees shall be reported to Internal Audit Department by related departments. Once found to be factual, punishment shall be deliberated and imposed in accordance to CDF Rules on Reward and Punishment. When in case of breaching relevant laws and regulations, the employee is subjected to punishment in accordance to

relevant laws.

19. The Code of Conduct, takes effective since the announcement, and any amendment thereof, shall take full force and effect upon approval by President.

## **CDF Rules for Avoidance of Conflict of Interest**

1. Investment business (Based on the “Investment Operation Management Guidelines” of Finance Department)

Relevant participants of an investment shall be kept relevant information confidential. Material provided by the investment target or evaluation material prepared by CDF shall not be leaked to the external. However, this is not applicable if it is otherwise stipulated in laws and regulation, the investment target agrees to disclose or the aforementioned information has been disclosed publicly.

2. In order to prevent conflict of interest or inappropriate transaction, if due to the execution of business a CDF employee becomes aware of the information about subsidiaries’ plan to engage in domestic equity commodities trading in the centralized securities exchange market or over-the-counter market, the employee (hereafter referred to as CDF Relevant Personnel), his/her spouse and minor children shall be restricted from trading the domestic equity commodities from the date he/she becomes aware of the transaction and during the subsidiaries’ transaction period. However, the restriction does not apply to the legally acquired domestic equity commodities due to inheritance, the issuance of new shares in connection to cash capital increase, the allotment of new shares, or a fixed investment plan existed before becoming aware of the plan. Where a CDF employee becomes aware of a subsidiary’s transaction plan due to his/her capacity as a director or supervisor of that subsidiary, he/she shall comply with relevant regulations governing directors and supervisors’ ethical code or the subsidiary’s relevant internal or external regulations governing insider transactions.

The Compliance Department of subsidiaries should provide CDF Relevant Personnel name list and any changes thereto to the Compliance Department of CDF. It shall also notify the Compliance Department of CDF upon the closure of subsidiary’s transaction.

CDF Relevant Personnel shall commit in writing (attachment) that no trading of the target domestic equity commodities will be conducted during subsidiary’s transaction period; provide letters of consent signed by self, spouse and minor children to authorize CDF or employee to inquire domestic equity commodities status from Taiwan Stock Exchange Corporation etc. and provide to CDF for random check where needed.

The term “domestic equity commodities” in paragraph 1 refers to domestic stocks from Exchange-listed, OTC-listed and emerging stock companies as well as equity

derivatives but excludes fund beneficiary certificates and exchange traded funds (ETF).

### 3. Procurement

Decision-making management and officers who in charge of any procurement shall not purchase from companies where himself/herself, a spouse, and a relative by blood of second degree kinship is the person responsible of the company or in possession of over 10% of the company's shares (except for CDF appointed director and supervisor).

### 4. Internal Audit

Auditor shall not carry out auditing on cases that he/she previously handled, or has conflict of interest with. Auditor shall not receive inappropriate entertainment, gifts, or other inappropriate benefits from CDF employees or customers.

Relevant laws and regulations of auditors to avoid conflict of interest shall be followed, include but not limited to Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries.

## Letter of Commitment

Due to the execution of business, I, \_\_\_\_\_, am aware of domestic equity commodities (Note 1) (hereinafter referred to as the "investment target") that subsidiaries of China Development Financial Holding (hereinafter referred to as "CDFH") intend to invest in. In order to prevent a conflict of interest or improper transactions, I hereby commit to the following matters:

1. I will not disclose to others relevant information, such as the investment target, transaction plan and transaction price.
2. I, including my spouse and minor children, will not buy or sell the investment target from the date I become aware of the transaction to the completion of the transaction by the subsidiary of CDFH (Note 2).
3. If the company needs to conduct an inspection, I agree to cooperate and authorize the company to or I, myself, will apply for my personal transaction record regarding the investment target (including those of my spouse and minor children) from Taiwan Stock Exchange Corporation, Taipei Exchange or Taiwan Depository & Clearing Corporation, and then provide the information to the company.

To  
China Development Financial Holdings

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

### Note :

1. The term "domestic equity commodities" refers to domestic stocks from Exchange-listed, OTC-listed and emerging stock companies as well as equity derivatives but excludes fund beneficiary certificates and exchange traded funds.
2. Legally acquired domestic equity commodities due to inheritance, the issuance of new shares in connection to cash capital increase, the allotment of new shares, etc., or a fixed investment plan existed before becoming aware of the domestic equity commodities are not subjected to this limit.