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**Introduction**

The Audit Committee plays an important role in providing oversight of the Bancorp's governance, risk management, and internal control practices. This oversight mechanism also serves to provide confidence in the integrity of these practices. The Audit Committee performs its role by providing independent oversight to the Board of Directors.

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**Purpose**

The purpose of the Audit Committee (the Committee) of the Board of Directors (the Board) of the Cathay General Bancorp (the Company) is to provide a structured, systematic oversight of the Company's governance, risk management, and internal control practices. The Committee assists the Board and management by providing advice and guidance on the adequacy of the Company's initiatives for:

- Values and ethics
- Governance structure
- Risk management
- Internal control framework
- Oversight of the Internal Audit activity, external auditors, and other providers of assurance
- Financial statements and public accountability reporting

Specifically, the Committee oversees:

- The accounting and financial reporting processes of the Company and the audits of its financial statements;
  - The effectiveness of the Company's system of internal controls;
  - The qualifications, independence, and performance of the Company's internal auditors and independent registered public accountants; and
  - The effectiveness of management of the Company's exposure to financial risks.
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*Continued*

**Purpose,  
continued**

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In broad terms, the Committee reviews each of the items noted above and provides the Board with independent advice and guidance regarding the adequacy and effectiveness of management's practices and potential improvement on these practices.

The Committee is not responsible for planning or conducting audits or determining whether the Company's financial statements are complete and accurate or in accordance with generally accepted accounting principles.

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**Composition and  
Meetings**

The Committee is composed of three or more directors, as determined by the Board, each of whom must (1) be an "independent director" as defined under Rule 5605(a)(2) of the rules of the Nasdaq Stock Market (Nasdaq) (except as otherwise permitted under such rules), (2) meet the criteria for independence set forth in Section 10A(m) of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Rules and Regulations (the Regulations) of the Securities and Exchange Commission (the SEC); (3) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years; and (4) be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statements.

At least one member of the Committee must be an "audit committee financial expert" as defined in the Regulations and satisfy Nasdaq's "financial sophistication" requirements. The Committee must include at least two members with banking or related financial management expertise, as required by FDIC Regulation 363.5, and shall not include any large customers of the Bank.

Committee members are obligated to prepare for and participate in Committee meetings. The Committee will schedule, and hold when necessary, a private session (i.e., executive session) with the Chief Executive Officer (CEO)/President, Chief Financial Officer (CFO), Chief Internal Auditor (CIA), external assurance providers, and with any other officials that the Committee may deem appropriate at any of its meetings.

The Committee meets whenever necessary, but at least quarterly.

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**Responsibilities**

The Committee is charged by the Board with responsibility with respect to the following:

- Appoint and provide for the compensation of the Company's outside auditor, oversee the work of the outside auditor (including resolution of any disagreements between management and the outside auditor regarding financial reporting), evaluate the performance of the outside auditor and, if so determined by the Committee, replace the outside auditor; it being acknowledged that the outside auditor is ultimately accountable to the Board and the Committee, as representatives of the stockholders.
- Ensure that the Company's outside auditor is registered as a public accounting firm with the Public Company Accounting Oversight Board as provided for in Section 102 of the Sarbanes-Oxley Act of 2002.
- Receive and evaluate the written disclosures and the letter that the outside auditor is required to deliver to the Committee regarding the outside auditor's independence in accordance with the applicable requirements of the Public Company Accounting Oversight Board, discuss with the auditor its independence, and, if determined by the Committee as part of its evaluation of such written disclosures and letter, take appropriate action concerning independence of the outside auditor.
- Meet and discuss with management and the outside auditor the Company's Form 10-Q (including the matters described in the statement on Auditing Standards No. 61 with the Company's outside auditor) prior to the filing of the Form 10-Q with the SEC.
- Instruct the outside auditor and internal audit management to advise the Committee if there are any subjects that require special attention.
- Instruct the outside auditor to report to the Committee on all critical accounting policies of the Company, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditors, and other material written communications between the auditors and management.
- Meet with management and the outside auditor to discuss the annual financial statements and the report of the outside auditor thereon, and to discuss significant issues encountered in the course of the audit work, including:
  - Restrictions on the scope of activities;
  - Access to required information;
  - The adequacy of internal financial controls;
  - The adequacy of the disclosure of off-balance sheet transactions, arrangements, obligations, and relationships in reports filed with the SEC; and

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**Responsibilities,  
continued**

- The appropriateness of the presentation of any non-GAAP financial measures (as defined by the Regulations) included in any report filed with the SEC or in any public disclosure or release.
- Review the management letter delivered by the outside auditor in connection with the audit.
- Meet and discuss with management and the outside auditor the Company's Form 10-K (including the matters described in the statement on Auditing Standards No. 61 with the Company's outside auditor) prior to the filing of the Form 10-K with the SEC. Following such discussions, if so determined by the Committee, recommend to the Board that the annual financial statements be included in the Company's annual report on Form 10-K.
- Meet periodically with management, the outside auditor, and internal audit personnel, as the Committee deems appropriate, to discuss the concept and the design of the Company's information and reporting systems and the steps management has taken to address significant issues concerning those matters, and to discuss significant financial risk exposure facing the Company.
- Review significant changes to the Company's accounting principles and practices proposed by the outside auditor, management, or the internal auditor.
- Review the scope and results of projects; department budgets; project plans and changes; and organizational structure, staffing, and/or personnel qualifications for internal audit, as needed.
- Establish a procedure for receipt, retention and treatment of any complaints received by the Company concerning its accounting, internal accounting controls or auditing matters and for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Approve, in advance of their performance, the proposed scope of, and fees for, all services to be provided to the Company by its outside auditor, provided that the Committee shall not approve any non-audit services as proscribed by Section 10A(g) of the Exchange Act in the absence of an applicable exemption. The Committee may delegate to a designated member or members of the Committee the authority to approve such services so long as any such approval is presented to the full Committee at its next scheduled meeting.
- Review and approve all related party transactions.
- Prepare the Committee report required by the Regulations to be included in the Company's annual proxy statement.
- Perform such other activities and functions as are required by law, applicable Nasdaq rules or provisions in the Company's charter documents, or as are otherwise necessary and advisable, in its or the Board's discretion, to the efficient discharge of its duties hereunder.

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**Responsibilities,  
continued**

- Provide minutes of Committee meetings to the Board, and report to the Board any significant matters that may arise from the Committee's work.
- At least annually, evaluate the performance of the Committee, review and reassess this Committee Charter and, if appropriate, recommend changes to the Board.

**Authority**

This Committee Charter sets out the authority of the Committee to carry out the responsibilities established for it by the Board as articulated within this charter.

By adopting this Committee Charter, the Board delegates to the Committee full and exclusive authority in its discretion to:

- Perform each of the roles and responsibilities of the Committee described in Responsibilities.
- Conduct or authorize inquiries into any matters within the scope of the purpose statement, and roles and responsibilities of the Committee described in this Committee Charter.
- Delegate such of its authority and responsibilities as the Committee deems proper to members of the Committee.
- Appoint a chair of the Committee unless a chair is designated by the Board.
- Engage outside counsel, accountants and other advisors as the Committee determines necessary or advisable to assist the Committee in carrying out its roles and responsibilities.
- Cause the officers of the Company to provide such funding as the Committee shall determine to be appropriate for payment of compensation to the Company's outside auditor and any legal counsel, accountants or other advisors engaged by the Committee, and payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- Obtain advice and assistance from internal legal or other advisors.

In discharging its responsibilities, the Committee will have unrestricted access to members of management, employees, and relevant information it considers necessary to discharge its duties. The Committee will also have unrestricted access to records, data, and reports. If access to requested documents is denied due to legal or confidentiality reasons, the Committee and/or the Chief Internal Auditor will follow the prescribed, Board-approved mechanism for resolution of the matter.

The Committee is entitled to receive any explanation of information that it deems necessary to discharge its responsibilities. The Company's management and staff should cooperate with the Committee's requests.

**Date as of:**

December 29, 2022