



# **Code of Conduct**



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## Code of Conduct

At Cathay Bank, we conduct business in accordance with the highest ethical standards to merit and maintain the confidence and trust of our customers and the public.

The Code of Conduct (the “Code”) applies to every employee and to our Board of Directors. The Code serves as a framework to address business and social situations that may present legal and ethical concerns. Cathay Bank personnel are expected to use good judgment, maintain high ethical standards, and refrain from any form of illegal, dishonest, or unethical conduct. Violation will be subject to disciplinary action, up to and including termination of employment. Below is an overview of the Code.

### Conflicts of Interest

A conflict of interest is defined as an employee’s involvement in outside interests that interfere with - or appear to interfere with - an employee’s ability to make sound business decisions on behalf of Cathay Bank.

Employees are not to become involved in outside interests or engage in conduct that may either conflict with their duty to Cathay Bank or adversely influence judgment in the performance of their job responsibilities. It is important that employees avoid even the appearance of a conflict of interest, since appearance can be just as damaging to Cathay Bank’s reputation.

To avoid actual or the appearance of a conflict of interest, employees shall refrain from engaging in:

- Dealings with Competitors and Other Parties. Other business that competes with Cathay Bank and to hold a financial interest in an outside concern that does business with or is a competitor of Cathay Bank.
- Family Members. Business transactions that benefit family members, as doing so may give an appearance of impropriety.
- Favorable Treatment. Activities that could be perceived as an inducement for favorable treatment to any person, including a family member.
- Extension of Credit. Activities that involve personally extending credit (lend money) to Bank customers or other employees of Cathay Bank.
- Political Contribution. Making any contribution or expenditure in connection with any federal election or campaign. It is Cathay Bank’s policy to strictly comply with all applicable federal, state, and local political campaign laws. Cathay Bank is prohibited from using Bank funds in connection with any federal, state or local election, including the use of corporate facilities and equipment for any political activities.
- Appointment in Public Office or as an Officer or Director Position. Seeking public office or act as an official or director of any for-profit organization (including family-owned business) without the prior written consent Cathay Bank President.
- Fiduciary Appointments. Acting as an attorney-in- fact, personal representative, estate administrator, executor, trustee, guardian or conservator, or in any similar fiduciary capacities to a customer (other than family members) without prior written approval from Senior Management and the Human Resources Department.
- Outside Employment. Holding outside employment unless written approval is obtained from the Human Resources Department. No outside employment can encroach upon the employee’s

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regular working hours, violate Cathay Bank's conflict of interest policy, require such long hours as to affect the employee's productivity, involve an activity that may compete with Cathay Bank, be conducted on Cathay Bank premises or use Cathay Bank property or any confidential information maintained by Cathay Bank to conduct activity.

- **Personal Investment Activity.** Investment transactions that could create, or give the appearance of creating, a conflict of interest between employee and Cathay Bank or between Cathay Bank and customer, including but not limited to trading or any exchange activities through Cathay Bank's Foreign Exchange Department.
- **Lending Practices.** Representing or exercising authority on behalf of Cathay Bank to grant direct or indirect accommodations or to make credit recommendations with respect to a family member, an individual or organization to which the employee or his/her immediate family is indebted to, or an organization that the employee or immediate family is associated with or has a material financial interest in. Employees must comply with federal law and are also prohibited from granting any loan or gratuity to any public bank examiner or assistant bank examiner who examines Cathay Bank or has the authority to examine Cathay Bank. Any conflict of interest shall be fully disclosed, and employee must be abstained from the transaction unless exception is granted by the Cathay Bank Board of Directors or its designee.
- **Giving Advice to Customer.** Providing comments to customers that may be construed as providing legal or tax advice. Employees must exercise care when engaging in discussions with customers and be mindful that Cathay Bank is not in the business of practicing law or disseminating tax advices.
- **Insider Transactions.** Entering into business transaction with Cathay Bank under such terms and conditions, and/or means of compensation that is more favorable than similar business transactions previously entered into or may be entered into by Cathay Bank, with persons who are not a Director or Executive Officer of Cathay Bank, or its related interest. Any material business transactions between Cathay Bank and its Directors, Executive Office or its related interest must also be disclosed to the Board.
- **Use of Bank Name, Letterhead, Stationery and Other Supplies.** Using Cathay Bank letterhead/stationery, envelopes, or other materials bearing Cathay Bank's name or logo, for personal correspondence or for non-work-related purposes. Employees are expected to exercise good care and judgment and respect all copyright and intellectual property laws as it pertains to the Cathay Bank brand.

## **Confidentiality**

Employees are responsible for protecting the confidentiality of non-public information of Cathay Bank, its customers, vendors, third parties, etc. he/she would come across as an employee. Cathay Bank's non-public proprietary information is also the exclusive property of Cathay Bank and shall not be disclosed to third parties. Cathay Bank considers the breach of information very seriously. Unless the information is made public, information is considered confidential and/or proprietary. When in doubt whether the information was made public, information should be treated as confidential. Employees must comply with ethical rules and laws that imposes strict responsibility to protect customer information and prevent unauthorized disclosure of such information unless required by applicable law or regulation.

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## Protecting the Interests of Cathay Bank

Cathay Bank has a strict policy on observing both state and federal laws and therefore each employee is expected to conduct business in a manner that will not expose Cathay Bank to any potential loss, liability, or be subject to any regulatory criticism or penalty. Should an employee be asked to perform task contrary to the interest of Cathay Bank, including his/her direct supervisor, the employee is expected to immediately report the matter to an alternative administrative officer, supervisor, or the Human Resources Department.

### Sarbanes-Oxley Act Compliance

Cathay Bank is fully committed to complying with the provisions of the Corporate and Auditing Accountability, Responsibility, and Transparency Act of 2002, more commonly known as the Sarbanes-Oxley Act (the "Act"), and all other federal and state laws applicable to its business to protect investors by improving the accuracy and reliability of corporate disclosures made pursuant to the securities laws. Cathay Bank will not tolerate any conduct that would violate such rules, regulations, and laws and that would compromise its ethics and integrity. Employees are responsible for preventing, detecting, and immediately reporting instances on non-compliance to Cathay Bank's Compliance Officer.

### Dealing with Auditors

Employees must fully cooperate with audits conducted by Cathay Bank's internal audit staff or external auditing firms. Questions by auditors must be responded in honesty and no adverse information may be concealed. At no time should any employee make false or misleading statements to external or internal auditors. Actions to improperly influence auditors are illegal. Employees shall not directly or indirectly act to fraudulently influence, coerce, manipulate, or mislead any auditor for the purpose of rendering financial statements that are false or misleading.

### Record Retention

Employees shall comply with Cathay Bank's Records Retention Policy and shall not tamper with or destroy electronic or paper documents supporting a required audit trail or financial reporting, unless permitted by company policy or applicable laws and governmental rules and regulations.

### Falsification of Books and Records

It is the policy of Cathay Bank to maintain records and accounts that accurately reflect its assets, liabilities, receipts, and disbursements. The falsification of any books, records, or documents of Cathay Bank violates federal laws and regulations and is grounds for dismissal. Violators may also be subject to criminal penalties.

Employees are responsible for the integrity of the information, reports and records that are in his/her control. All records must contain sufficient detail to accurately reflect Cathay Bank's transactions. Generally accepted accounting principles must always be used when preparing financial statements and such financial statements must present, in all material respects, the financial condition of Cathay Bank.

### Financial Disclosure

It is the policy of Cathay Bank and its parent company, Cathay General Bancorp, to provide full, fair, accurate, timely, and understandable disclosures of information in reports and documents that Cathay General Bancorp files with or submits to the Securities and Exchange Commission and in other public communications. Employees shall provide full, fair, accurate, timely, and understandable disclosures of information requested by Cathay Bank's internal accountants and financial personnel, as well as by external public accounting firms performing audit services for Cathay Bank.

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Transactions must be executed in accordance with management's authorization and in a manner which permits the preparation of financial statements in conformity with generally accepted accounting principles (GAAP), SEC and accounting rules covering the activities of financial institutions, and other applicable criteria. Likewise, expense reimbursements must accurately reflect the true nature and amount of expenses.

#### Employees Reporting of Concerns/Complaints

Employees who have concerns about ethics violations who feels uncomfortable discussing with their supervisor may file a report through the Ethicspoint® Hotline, a confidential and anonymous internet and telephone-based reporting tool that assists management and employees work together to address fraud, abuse, misconduct, and other violations in the workplace. This service is available online or toll-free, 24 hours a day, 7 days a week.

Ethicspoint® Hotline  
www.ethicspoint.com  
1-866-ETHICSP or 1-866-384-4277

#### Reporting Concerns Regarding Accounting and Auditing Matters

Employees may submit a complaint about accounting, internal accounting controls, or auditing matters (collectively "Accounting Matters") to management without fear of dismissal or of retaliation of any kind. The Board of Director's Audit Committee will oversee treatment of employee concerns in this area. Cathay Bank will not discharge, demote, suspend, threaten, harass, or in any manner discriminate against any employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

#### Bank Secrecy Act/Anti-Money Laundering, Office of Foreign Assets Control

Under federal law, Cathay Bank is required to file suspicious activity reports with governmental authorities regarding suspected insider trading, fraud, misappropriation of funds and money laundering. It is the policy of Cathay Bank to comply with all rules and regulations of the Bank Secrecy Act (BSA), Anti-Money Laundering Act and the USA Patriot Act. It is also Bank policy to comply with the laws and regulations issued by the Department of the Treasury, the Internal Revenue Service, the Office of Foreign Assets Control (OFAC) and the Bureau of Export Administration.

Cathay Bank has established a monitoring and recordkeeping system to detect irregular, suspicious, and illegal activities and to report such activities to the federal bank and law enforcement agencies. Failure to comply may result in employment termination.

To report suspicious activity at Cathay Bank, employees should immediately contact the BSA Officer or the Department Manager. Any employee who has questions regarding any of the procedures set forth in the policies may contact the BSA Officer for clarification.

#### Dealings with Competitors

Employees are prohibited from involving Cathay Bank in any type of agreement or arrangements with its competitors that provides for the setting or controlling of rates, prices, fees or marketing policies or practices that may violate antitrust and anti-tying laws. Antitrust laws generally prohibit agreements that restrict competition, such as agreements between competitors as to pricing, bidding, and production, supply and customer practices and restricts the tying of certain products or services to the purchase of other, unrelated products or services. Since these laws are far-reaching and very complicated, employees should contact the General Counsel before taking any action that may fall within the scope of these law.

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## Exclusive Dealings

No employee is to condition the sale of a product or service to a customer upon the condition that the customer buy other products or services from Cathay Bank, or upon the condition that the customer is prohibited from dealing with other suppliers of such products or services.

## Fraud, Dishonesty and False Statements

No employee or applicant may ever falsify any application, medical history record, invoice, paperwork, timesheet, timecard, investigative questionnaires or any other document. Any employee found to have engaged in résumé fraud or who made material misrepresentations or omissions on their employment application will be subject to immediate termination of employment. Any employee who has observed any such violations should report them to the Human Resources Department immediately.

## Non-Discrimination, Anti-Harassment, Employee Privacy and Confidentiality

All employees shall be treated with respect. Cathay Bank is committed to providing a workplace free of unlawful harassment and bullying conduct. Cathay Bank prohibits workplace harassment or bullying conduct on the basis of race, religious creed, denial of family and medical care leave, color, national origin, ancestry, age, sex, gender, gender identity and gender expression, physical or mental disability, including HIV and AIDS, medical condition, genetic information, sexual orientation, marital status, registered domestic partner status, military and veteran's status, or any other protected status under federal, state, or local laws. Employees who witness or experience such unlawful treatment should immediately report the incident.

## Employee Privacy and Confidentiality

It is Cathay Bank policy to protect the privacy and confidentiality of employee medical and personnel records, comply with requirements of applicable labor laws, and maintain uniformity in response to inquiries regarding present and former employees. Such records must not be shared or discussed inside or outside of Cathay Bank, except for legitimate business purposes, as authorized by the employee, or as required by law, rule, regulation or a subpoena or order issued by a court of competent jurisdiction or requested by a judicial, administrative or legislative body.

To assure that consistency is maintained, all request for information regarding present or former employees must be forward to the Chief Human Resources Officer. Requests for such records from anyone outside Cathay Bank under any other circumstances must be approved by the General Counsel or outside counsel as designated by the Chief Human Resources Officer.

## Anti-Corruption and Anti-Bribery

The Cathay Bank Anti-Bribery and Anti-Corruption Policy defines unacceptable behavior and activity relating to bribery and corruption and puts in place a framework to ensure that bribery and corruption risks within Cathay Bank are properly identified, mitigated and managed. The objective of the policy is to further promote compliance with ethical standards, Cathay Bank's policies, and applicable U.S. and Hong Kong laws related to corruption. Every employee, officer, and director are expected to fully comply with this policy as well as applicable local, state, and federal laws and regulations. In addition, joint venture partners and certain third parties who represent Cathay Bank are contractually bound to follow relevant section of this policy.

Cathay Bank's Board of Directors designates the BSA/OFAC Officer to implement the requirements of the policy and the Board's Risk and Compliance Committee oversees the implementation of all programs in accordance with this policy. The implementation of the policy is supported by detailed requirements which serve as a single and consistent antibribery and anti-corruption standard across Cathay Bank.

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As part of the prevention, detection and management of bribery and corruption issues, mandatory training is conducted throughout Cathay Bank for all employees and management, with additional role-specific training tailored to particular roles. Regular risk assessments and monitoring activities are also conducted across the group to identify and manage bribery and corruption risks. Cathay Bank places great importance on fostering a culture that encourages employees and others to speak up about issues or conduct that concerns them. Everyone at Cathay Bank is encouraged to immediately report any concerns or suspicions relating to bribery and corruption, and Cathay Bank has instituted a Non-Retaliation policy to ensure disclosures are treated appropriately and the person raising the concern is protected. Instances of bribery or corruption will be investigated by Cathay Bank and breaches of the Policy may lead to disciplinary action, including dismissal.

Under the policy, Cathay Bank, its employees, and certain third parties, as applicable, will not:

- Offer any bribe to any third party, including any customer, vendor, or other party
- Offer or give anything to any customer or vendor when that gift or other benefit is contingent on, or directly tied to, the provision of a business benefit to Cathay Bank or the employee
- Offer or provide benefits to other persons if such benefits violate the code or policies of the recipient's organization, or any applicable law or regulation
- Offer or provide anything of value to a government official or any member of their family in order to improperly influence, or be perceived to improperly influence, in order to obtain or retain business, or secure any improper advantage of any kind for Cathay Bank or any other person
- Make a donation or grant as a way of improperly influencing any person in order to obtain or retain business or an improper advantage of any kind for the benefit of Cathay Bank or any other person
- Enter into, or continue, a business relationship with third parties (for example suppliers, agents, intermediaries, joint venture partners or proposed merger and acquisition targets) without appropriate due diligence being conducted and/or if it cannot be satisfied that the entity or individual will behave in a manner consistent with the Policy
- Solicit, accept, or retain a benefit for themselves or for any third party from any customer, supplier, individual or organization doing or seeking to a business relationship with Cathay Bank, with the intent to be influenced or rewarded in connection with any business or transaction with Cathay Bank. A "benefit" is regarded as any type of gift, favor, gratuity, service, loan, legacy, fee or compensation, or anything of monetary value.



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## **Workplace Safety**

### **Health and Safety**

Accident prevention is of primary importance to Cathay Bank. Cathay Bank's Occupational Safety and Health Program encompasses all phases of operations and facilities, including its vendors and supplies. The Board of Directors and management are committed to providing a safe and healthy working environment.

The prevention of accidents is a goal that affects all levels of Cathay Bank and its activities. In keeping with that goal, Cathay Bank maintains an Occupational Safety and Health Program which includes:

- Mandatory online and in person health and safety training for all employees, which covers general safety, office safety, material handling, fire prevention, first aid and medical treatment, emergency evacuation procedures, electrical safety, motor vehicle safety, and break room safety. Additional health and safety training are also completed by all branch managers and facilities department managers.
- Corrective measures where it is determined that an unsafe or unhealthy condition, work practice or work procedures exists. Cathay Bank will take steps that it determines are appropriate under the circumstances to correct the conditions, practice or procedures in a timely manner, including but not limited to, closing off the affected areas and redirecting affected personnel to a different location.

It is duty of each employee to follow all established safety regulations and procedures. Should an employee be in doubt how to do a job safely, it is incumbent upon the person to ask a qualified person for assistance. All work-related injury or illness from a work hazard must be reported to the Human Resources Department as quickly as possible pursuant to Cathay Bank's incident report procedure, no matter how slight the injury/illness may be or whether medical treatment is required.

### **Equal Employment Opportunity, Affirmative Action and Reasonable Accommodation**

It is the policy of Cathay Bank to comply with applicable federal, state, and local laws that prohibit unlawful discrimination in connection with employment with Cathay Bank. Cathay Bank is an equal opportunity employer and does not discriminate on the basis of race (including traits historically associated with race, including hair texture and protective hairstyles, such as braid, locks and twists), religious creed (including religious dress and grooming practices), use of family and medical care and other protected leaves of absence, color, national origin, ancestry, ethnicity, age, sex, gender or gender identity, gender dysphoria, and gender expression, including a person's transgender status, physical, sensory, or mental disability, including HIV and AIDS, and use of a trained guide dog or service animal by a person with a disability, medical conditions, genetic information, sexual orientation, marital status, registered domestic partner status, military or veteran's status, domestic violence victim status, familial status or family responsibilities, reproductive health care decision making, citizenship or immigration status, criminal arrest, conviction or prosecution status, homelessness, and other protected status under federal, state or local laws.

The policy applies to employee of Cathay Bank, including supervisors and managers, and customers, independent contractors and any other persons with whom the employee comes into contact with.

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## **Smoke-Free Workplace**

It is the policy of Cathay Bank to prohibit smoking on company premises. Smoking includes, but is not limited to, tobacco, vaping, cigars and e-cigarettes.

Employee who wishes to smoke may do so during break time and at least 25 feet away from bank premises. Employees that smoke outside and near Cathay Bank's premises are asked to exercise care to avoid the appearance of loitering or other behavior that might reflect poorly on the image of Cathay Bank. Cigarettes, matches, and other forms of litter should not be strewn on the grounds or sidewalks.

## **Drug-Free Workplace**

It is the policy of Cathay Bank to prohibit the use, purchasing, selling, transferring or possession of any form of illegal drugs or any type of drug paraphernalia on Cathay Bank property at any time or during work time anywhere. In addition, employees who are under the influence of illegal drugs or alcohol shall not report for work. Such a violation, if found, constitutes a separate and independent basis for discipline or termination of employment. Please refer to the Drug-Free Workplace Policy available on the company's intranet.

## **Americans with Disabilities Act (ADA) and ADA Amendments Act (ADAAA)**

It is the policy of Cathay Bank to comply with the Americans and Disabilities Act (ADA) and the ADA Amendments Act (ADAAA). Cathay Bank has in place an ADA Program to manage and make all reasonable efforts to ensure that our facilities, products and services are accessible to, and usable by, all people, including those with disabilities and treat everyone with dignity and respect. Cathay Bank does not discriminate on the basis of disability or impairment and does not exclude persons with disability or impairment from reasonable access to any facility, product or service.