

Data Management Policy (Extract)

1. Purpose

The formulation of the Data Management Policy is aimed at establishing and improving the data governance system of the Group to enhance data governance level, which strengthens the Group's competitiveness and risk management capabilities, and fulfils regulatory requirements, including but not limited to the *Principles of Effective Risk Data Aggregation and Risk Reporting* issued by the Basel Committee on Banking Supervision ("BCBS239"). With the implementation of this Policy, the Group aims to achieve the following objectives:

- (1) Establish the data management framework and enhance the data governance capability at the Group level.
- (2) Formulate data management specifications to fulfil the needs of business operations, management decisions making, and regulatory reporting; enhance operational efficiency and reduce operating cost.
- (3) Establish a data quality monitoring mechanism to enhance data quality continuously, strengthen the data foundation within the Group and increase the effectiveness of data application.
- (4) Enhance data relationship management to deepen understanding of data and enhance data application capabilities.
- (5) Establish a good data culture to set up the concept and guideline that data is an important asset and that data should be truthful and objective; improve employees' level of knowledge and management awareness of data management and data quality.
- (6) Use data scientifically and lawfully to support strategic planning by the Board of Directors and the Senior Management.
- (7) Strengthen data application, put data-driven approach into practice, enhance the level of refined management, draw real value and insights from data to maximize the value of data assets.

2. Scope of Application

This policy applies to all employees of the Group.

3. Data Governance Principles

In order to support and implement data management, data governance shall abide by four basic principles, namely full coverage, matching, continuity and effectiveness.

- 3.1 The Full Coverage Principle: Data governance shall be carried out in a secure and compliant manner, cover the entire data life cycle including internal data and external data.
- 3.2 The Matching Principle: Data governance shall be commensurate with its management model, business scale, and risk status, etc., and be adjusted according to the changes of circumstances.
- 3.3 The Continuity Principle: Data governance shall be conducted in a continuous manner, benchmark with the advanced peers' theories and best practices concerning data governance, and a long-term effective mechanism shall be established.
- 3.4 The Effectiveness Principle: Data governance shall enable data being used to reflect the Group's actual business operations and management in a truthful, accurate and objective manner; and being effectively applied in operations and management to increase the value of data.

4. Data Management Framework

The Group's data management framework is established with reference to the data governance system of the Parent Bank, and benchmarked the advanced experience of peers in the banking industry and regulatory requirements; and combined the Group's data management practice. This framework comprises data strategy, organizational structure, policy system, data accountability, data management activities and technical support.

5. Data Management Training

The Group provides data management training on a regular basis to raise the employees' awareness of data management and data quality. It would also establish a good data culture, ascertain a concept and guideline that data is an important asset and should be true and objective.

6. Management Structure

Data management covers end-to-end data processing of all business units in the Group. The data management structure of the Group is divided into five tiers: Tier 1 refers to the Board of Directors; Tier 2 as the Senior Management; Tier 3 as the Digital Committee and Information Security Committee; Tier 4 as the Information Technology Department; and Tier 5 as the business frontline units and back-office units. To ensure the effective implementation of data management policy and planning, the Group applies the principle of holistic management and hierarchical control, which defines the roles and responsibilities of the Board of Directors, the Senior Management, various committees and units.

7. Management Roles and Responsibilities

- 7.1 The Board of Directors, being the highest decision-making authority of the Group, has the ultimate responsibility for the Group's data management. The standing Risk Committee authorised by the Board of Directors is responsible for the approval of the Group's data management policy and its major changes, and the oversight of its implementation.
- 7.2 Senior Management has responsibility on data management, including the implementation of the data management policy approved by the Board of Directors and Risk Committee, the supervision and management of the data management implementation, and the reporting to the Risk Committee status of data management and major issues.
- 7.3 Digital Committee is responsible for strategic planning of the Group's data management related duties. Its responsibilities include executing the resolutions made by the Board of Directors and the Management Committee related to data management, and reviewing major issues/matters relating to data management. Information Security Committee is in charge of reviewing and deciding the Group's data security affairs, approving and revising the data security work regulations, supervising the data security execution and implementation, handling and resolving relevant issues.
- 7.4 Information Technology Department is the leading unit of data management, and is responsible for formulating and explaining data management framework, data management policy and procedures. It is also responsible for taking the lead to implement the data governance system construction, execute the data management tasks, continuously assess and update the data management mechanism in response

to regulatory requirements and actual needs.

- 7.5 The business frontline units and back-office units manage the data management of its business, promote the implementation of data management policies and procedures at business level, and conduct implementation status assessment on data management regularly, etc.

8. Review and Amendment

This Policy is arranged for annual review by the leading unit of data management and should be revised when necessary.