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**Purpose**

The purpose of the Compensation Committee (Committee) of the Board of Directors (Board) of Cathay General Bancorp (Company) is to exercise oversight with respect to:

- The compensation philosophy, policies, practices, and implementation for the Company's executive officers and directors;
- The administration of the Company's equity-based compensation plans; and
- The administration of the Company's incentive and other compensation plans for executive officers and directors.

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**Composition and Meetings**

The Committee is composed of two or more directors, each of whom is (i) an independent director as defined under Rule 5605(a)(2) of the rules of the Nasdaq Stock Market (Nasdaq), and otherwise qualify as a member of the Compensation Committee under Nasdaq Rule 5605(d)(2) and IM-5605-6 (except as otherwise permitted under such Rules), (ii) qualify as a non-employee director under Rule 16b-3(b)(3)(i) promulgated by the Securities and Exchange Commission (the SEC) under the Securities Exchange Act of 1934, as amended, and (iii) qualify as an outside director under the regulations promulgated by the Internal Revenue Service under Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Committee meets at least four times a year at a time and place determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation constitutes presence in person at such meeting. The Committee appoints a chair to preside over and conduct the meetings of the Committee, unless a chair is designated by the Board.

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**Responsibilities**

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

- Establishing the Company's compensation policies and practices with regard to executive officers, including base salary, bonus, equity compensation and discretionary benefits, and administer plans and arrangements established pursuant to such policies and practices.
- Reviewing and approving, at least annually, goals and objectives relative to the performance of the Chief Executive Officer (CEO) and other executive officers.
- Evaluating, at least annually, the performance of the CEO and other executive officers in light of the goals and objectives established for such performance, including the relationship to corporate performance and to risk.
- Determining the amount and form of compensation of the Company's CEO performance evaluation, provided that the CEO may not be present during any voting or deliberations relating to any such determination.
- Determining the amount and form of compensation of all the other executive officers of the Company, in light of the corporate goals and objectives and the performance evaluations; provided that the CEO may, at the invitation of the Committee, be present during any voting or deliberations relating to any such determinations but may not vote.
- Administering the Company's equity-based compensation plans, including making awards under the plans to executive officers and reviewing management's recommendations for Board approval of awards to non-executive officers, determining the terms and conditions of such awards, and interpreting such plans and the awards and agreements issued pursuant thereto.
- Preparing and approving a report of the Committee on executive compensation for inclusion in the Company's proxy statement for its annual meeting of stockholders or its annual report on Form 10-K, as required by the SEC.
- Reviewing and discussing with management the Compensation Discussion and Analysis (CD&A) prepared in accordance with the SEC regulations and determining whether to recommend to the Board that the CD&A be included in the Company's proxy statement for its annual meeting of stockholders or its annual report on Form 10-K, as required by the SEC.
- Performing 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 responsibilities hereunder.

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*Continued*

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**Responsibilities,  
continued**

- Providing minutes of Committee meetings to the Board, and reporting to the Board any significant matters that may arise from the Committee's work.
- Periodically, at least every three years, evaluating the performance of the Committee, and reporting the results to the Board.
- Reviewing and reassessing, at least annually, the adequacy of this Charter and, if appropriate, recommending changes to the Board.
- Monitoring the performance, and regularly reviewing the design and function, of incentive compensation plans and arrangements to ensure that they do not encourage executive officers to take unnecessary and excessive risks that threaten the value of the Company and do not encourage the manipulation of reported earnings to enhance the compensation of any employee.

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**Authority**

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

- Perform each of the responsibilities of the Committee described above.
  - Conduct or authorize inquiries into any matters within the scope of each of the responsibilities of the Committee described above.
  - Delegate such of its authority and responsibilities as the Committee deems proper to members of the Committee.
  - Retain or obtain the advice of a compensation consultant, legal counsel or such other adviser to the Committee as the Committee, in its sole discretion, deems necessary or advisable to assist the Committee in carrying out its responsibilities.
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**Miscellaneous**

The Committee is at all times to have direct, independent and confidential access to the Company's other directors, management and personnel to carry out its responsibilities.

The Committee is directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel and other adviser retained by the Committee, and the Company must provide for the appropriate funding, as determined by the Committee, for payment of reasonable compensation to any compensation consultant, legal counsel and other adviser retained by the Committee.

In exercise of the authority granted to the Committee as set forth above, and other than as provided in Nasdaq Rule 5605(d)(3), the Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into effect the following factors: (i) the provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser; (ii) the amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser; (iii) the policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest; (iv) any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the compensation committee; (v) any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and (vi) any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

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**Date as of:**

November 17, 2022

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