

## Cathay General Bancorp – Investment Committee Charter



POLICIES & PROCEDURES

Publication Date: 11-20-2020

---

### Cathay General Bancorp – Investment Committee Charter

**Purpose**

The purpose of this document is to establish the authority, composition and responsibilities of the Investment Committee (Committee) of the Board of Directors Board) of Cathay General Bancorp (Company).

**Committee Purpose**

The purpose of the Investment Committee is to monitor the Company's investment policies and strategies and oversee the Company's investment activities to ensure that:

- Investments conform to Board of Director (Board) approved policies and support the Company's interest rate risk and liquidity requirements;
- Investments comply with regulatory restrictions and serve legal and legitimate purposes within the Company's risk tolerance;
- Investments are collectable and protect the interests of the Cathay Bank's depositors and Company's stockholders;
- Sufficient liquidity is maintained for the Company and Cathay Bank's operations; and
- Additional sources of liquidity are available should the need arise.

**Composition, Meetings and Annual Review**

- The Committee is composed of three or more Directors appointed by the Board. The term of a member is one year and is renewable annually; provided however, that, at any time, any member may be removed and replaced by the Board. Members serve until their successors are duly elected and qualified.
- The Committee meets whenever necessary, but at least annually.

## Cathay General Bancorp – Investment Committee Charter



POLICIES & PROCEDURES

Publication Date: 11-20-2020

---

### Responsibilities

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

- Establish and approve the Company's investment strategy and monitor compliance.
  - Screen non-bank qualified investments and recommend the same to the Board for approval.
  - Approve and monitor investment transactions to determine whether they are in compliance with approved policies.
  - Review and monitor the quality and performance of the Company's investment portfolio, including investment purchase and sale activity, valuation trends and methodology, and compliance with approved policies and risk limitations.
  - Recommend changes in policy to the Board.
  - Review and monitor holding company liquidity and actions taken under the contingency liquidity plan if the plan is triggered.
  - Perform such other duties and responsibilities as may be assigned to the Committee by the Board.
  - Provide minutes of Committee meetings to the Board and report to the Board on any significant matters arising from the Committee's work.
- 

### Authority

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

- Perform the responsibilities of the Committee described in this charter.
  - Conduct or authorize inquiries into any matters within the scope of each of the purpose and responsibilities of the Committee.
  - Delegate authority and responsibilities as the Committee deems proper to members of the Committee.
  - Appoint a chairperson of the Committee unless a chairperson is designated by the Board.
  - Obtain advice and assistance from internal legal counsel or other advisors as needed in fulfilling its duties and responsibilities under this charter.
-