

## **Organization Rules for Risk Management Committee in Cathay Life Insurance Company**

Amended on November 9, 2023  
Authority unit: Risk Management Department II

Article1 In order to enhance the operational mechanism of the Company's risk management, and strengthen the integrated risk management communication, the Risk Management Committee (the "Committee") is established in accordance with the Code of Practice for Insurers' Risk Management and the Code of Practice for Insurers' Corporate Governance.

Article2 The duties of the Committee are as follows:

1. Formulate risk management policies, framework, and functions, establish qualitative and quantitative management standards, report the execution of risk management to the Board of Directors on a regular basis, and propose improvements if necessary.
2. Execute the risk management decisions from the Board of Directors, and regularly review the development, establishment and execution of the Company's overall risk management mechanism.
3. Assist and supervise all departments to carry out risk management activities.
4. Assist in reviewing the formulation of risk limit.
5. Adjust the risk category, risk limit allocation and risk affordable method depending on the environment.
6. Coordinate the interaction and communication of risk management functions across departments.

Article3 The Committee shall have at least three members composed from the directors of the Company, and more than half of the members shall be independent directors. One of the members shall be the Committee chairman and appointed from the independent directors of the Company with professional backgrounds in insurance, accounting or finance. The Committee chairman shall be appointed by the Chairman of the Board of Directors. The term of office being the Committee chairman or his successor shall expire concurrently when the term of the directors expires. The appointment, term of office and procedure of the remaining Committee members is consistent with the Committee chairman.

Article4 The Chief Risk Officer is appointed by the Committee as an executive secretary, and ordered by the Committee chairman to handle matters

related to the Committee's affairs and meetings.

The Risk Management Department I and II shall send staff to assist the executive secretary in handling the preceding matters.

Article5 The Committee may set up various functional panels. Each panel shall meet once a month and report to the Committee chairman. It shall submit a research report or advice requested by the Committee each quarter.

Article6 The Committee chairman shall call a meeting on a quarterly basis and chairs the meeting. If necessary, a Committee meeting may be called on shorter notice.

The meeting agenda shall be set by the Chairman and provided to all members in advance.

The meeting notice and meeting agenda (including meeting materials) may be provided by means of electronic transmission.

Article7 All Committee members shall attend the Committee meeting in person. If not possible, they may appoint another member to attend as their proxy and give a written proxy stating the scope of authorization. A Committee member may accept a proxy from one member only. Attendance via video-conference is deemed as attendance in person.

When the Committee chairman is unable to attend the Committee meeting, he shall designate another Committee member as his proxy. If not, a Committee member shall be elected to act as the Committee chairman.

When a Committee meeting is held, an attendance book shall be made ready for signature by Committee members and be a part of the meeting minute. Attendance via video-conference should preserve relevant supporting evidence.

Article8 The Committee shall, depending on the meeting agenda and the demands, invite the relevant department supervisors, external consultants or others to attend as nonvoting participants.

The Chief Risk Officer should attend and the Chief Auditor may attend as nonvoting participants.

Article9 The Committee meeting shall be started when more than half of the Committee members are present. A resolution on a proposal shall be approved by more than half of the Committee members present at the meeting. However, if the relevant regulations are otherwise stipulated, they shall be handled according to those provisions.

Article10 A meeting minute shall record the content of the discussion at the Committee meeting and the following:

1. Session, time, and place of meeting.
2. Name of the meeting chair.
3. Attendance of members at the meeting, specifying the names and number of members present, excused, and absent.
4. Names and titles of those attending the meeting as nonvoting participants.
5. Name of minute taker.
6. Reporting matters.
7. Discussing matters: the resolution for each proposal; a summary of the comments made by members and nonvoting participants.
8. Extraordinary motions: the name of the proposer; the content and resolution of the proposal; a summary of the comments made by members and nonvoting participants.
9. Other matters required to be recorded.

After being signed by the Committee chairman, a copy of the meeting minute shall be sent to the Committee members within 20 days after the Committee meeting, and well preserved as important records during the existence of the Company.

The production and distribution of the meeting minute may be done in electronic form.

Article11 The Committee performance assessment shall be carried out at the end of each year from January 1 to December 31. The Risk Management Department I and II shall collect information on related activities, and provide Committee members to fill out the performance assessment questionnaire (as the attached list). The final result shall be submitted to the Board of Directors.

Article12 The rules are implemented after being approved by the Board of Directors and the same is true when they are amended or abolished.

The rules are established on August 20, 2010, and amended on April 28, 2014, March 19, 2015, November 4, 2015, June 20, 2016, June 29, 2017, June 20, 2018, November 1, 2018, August 20, 2020, March 10, 2021, March 11, 2022, and November 9, 2023.

## Cathay Life Insurance Company

### The Risk Management Committee Performance Assessment Questionnaire

**Instructions:**

This questionnaire consists of 5 dimensions, a total of 18 indicators. Some of indicators will be evaluated with information provided by the Risk Management Department for reference. Please complete the self-assessment of all indicators. If an indicator is assessed as "yes" by more than half of the Committee members, it means the performance has been achieved. When the achievement rate of all indicators is 90% or more, or 80% or more and less than 90%, or less than 80%, the Committee performance is assessed as "beyond standard", or "meet standard", or "can be strengthened" respectively.

I. Level of participation in Company operations			
Indicators	Yes	No	Remarks
1. Do the Committee members realize the content of the proposals before the Committee meeting?			
2. Does the interaction between the Committee members and the management team work well?			
3. Can the Committee invite the relevant department supervisors, external consultants or other personnel to attend the Committee meeting and provide the necessary information?			The RM Dep. provides information for reference.
4. Does the Committee discuss and review the rules related to the Committee and risk management when established or amended?			The RM Dep. provides information for reference.
5. Is the actual attendance rate of all Committee members in the assessment year over 80%?			The RM Dep. provides information for reference.
II. Enhance the quality of the Committee decision making			
Indicators	Yes	No	Remarks
6. Is the information provided by the Company to the Committee members complete, timely and qualified, so that the Committee can perform its duties?			
7. Is the Committee meeting sufficient? Are the proposals submitted to the Committee			

appropriate?			
8. Does the Committee provide a good communication and discussion environment?			
9. Do the meeting minutes record the content of the discussion and individual or collective opinions properly, and send to the Committee members after the Committee meeting?			
10. Does the Committee assess its performance on a regular basis?			The RM Dep. provides information for reference.
11. Does the Committee meeting convene at the frequency specified in the rules?			The RM Dep. provides information for reference.
<b>III. Composition and structure of the Committee</b>			
<b>Indicators</b>	<b>Yes</b>	<b>No</b>	<b>Remarks</b>
12. Do the Committee members have the ability to perform their duties?			
13. Are the qualification and seats of Committee members in compliance with the rules?			The RM Dep. provides information for reference.
<b>IV. Appointment and continuing education of the Committee members</b>			
<b>Indicators</b>	<b>Yes</b>	<b>No</b>	<b>Remarks</b>
14. Is the appointment procedure for the Committee members sufficiently rigorous and transparent?			The RM Dep. provides information for reference.
15. Do the Committee members pursue continuing education on the required expertise?			The RM Dep. provides information for reference.
<b>V. Internal control</b>			
16. Do the Committee members value the compliance of the regulations and codes of practice?			
17. Do the Committee members value the ESG risk management?			
18. Are Committee members obligated to keep confidential the Company's internal information obtained from performing their duties?			
<b>Signature:</b>			
<b>Date:</b>			