

**Chung Kuo Insurance Company, Limited**  
**Compositions and Responsibilities of Risk Management Committee**

■ **Establishment and operation of Risk Management Committee**

- A. The Risk Management Committee shall appoint one chairman and one vice chairman. The chairman shall be acted by an independent director who specializes in finance, insurance, accounting or financial affairs. The committee meeting shall be chaired by the chairman who shall serve the term of the Company as same as that of the independent director. The vice chairman shall be acted by the president.

Where the chairman fails to attend the meeting with cause, the vice chairman shall call the meeting on behalf of the chairman.

- B. The Risk Management Committee shall have several members who shall be acted by the vice president, Chief Compliance Officer, and chief officers of Risk Management Department, Financial Management Department, Planning and Actuarial Department, Information Service Department, Investment Department, Administration Department and the head office, other than the chairman and vice chairman. The Chief Audit Executive shall attend the meeting as an observer.

The Risk Management Department acts as the advisor of the Risk Management Committee dedicated to processing the related affairs.

- C. The Risk Management Committee meeting shall be called by the chairman once per three months, and a special meeting may be called whenever necessary. Unless otherwise provided by laws and regulations, the resolution made at the committee meeting shall be adopted upon approval of a majority of the members present at the meeting attended by a majority of the whole members. Dissenting opinion of any member shall be recorded into the meeting minute. The resolution made by the meeting shall be handled by the relevant unit and followed up by the president periodically.

## ■ Responsibilities of Risk Management Committee

- A. Define the risk management policy, framework and organization, and delegate the responsibilities to related units.
- B. Review the risk management mechanism and risk management process.
- C. Review the evaluation on capital adequacy and allocation and adjustment of risk-based capital.
- D. Define the risk evaluation standards, and establish the qualitative and quantitative management standards. Submit the risk management reports to the Board of Directors periodically, feed the development in risk management back to the Board of Directors in a timely manner, and propose necessary suggestions about improvement.
- E. Execute the risk management policy made by the Board of Directors, and review the development, implementation and execution result of the Company's entire risk management mechanism.
- F. Assist and supervise various departments in the conduct of risk management activities, and coordinate the multi-departmental interaction and communication.
- G. Manage the Company's entire risk limit and related risk limits, and alter or adjust the risk types, allocation of risk limits and assumption thereof, if necessary.
- H. Review the mechanism of Risk-adjusted Performance Measure.
- I. Review the calculation method of risk-based capital and implementation of various internal risk quantification models.
- J. Review the installation and planning of risk management information system.
- K. Other matters related to risk management.