



Cathay Life

INVESTMENT POLICY OF CATHAY LIFE INSURANCE (VIETNAM) CO., LTD



Division in charge: **Fixed Income Investment Department**

Stipulated on: 04/11/2022

INVESTMENT POLICY OF CATHAY LIFE INSURANCE (VIETNAM) CO., LTD

(Stipulated by Decision No. 01/2022 /GA-TN/dated 04/11/2022 by General Director)

Chapter I. General Provision

Application subjects

This regulation applies to all employees in the Fixed Income Investment Department, Equity Investment Department, and related departments of Cathay Life Insurance (Vietnam) Co., Ltd

Chapter II. Specified Regulation

General Principles

Statement of Purpose

Article 1. In order to strengthen the Company's investment management and effectively control investment risks, this investment policy is hereby formulated.

Implementation of Investment Policy

Article 2. Senior management personnel shall ensure that investment policies are implemented and consistent with the Company's operating policies and business essence.

Asset and Liability Management

Section 1: Asset and Liability Relationship

Establishment of Asset-Liability Management System

Article 3. The actuarial department must have a well-established asset and liability management system, effectively monitor the possible timing of the cash flow gap, and take precautionary measures; through the asset and liability management, it should produce the effect of mutual offsetting exposures, so as to reduce the Company's business risk.

Factors that Asset-Liability Management should consider

Article 4. When using investment capital sources, the Company shall ensure that its solvency meets legal requirements; and when cash flow forecasts are prone to gaps, should evaluate and adjust the liquidity of assets to respond accordingly.

Article 5. When using investment capital sources, the Company shall formulate long-term risk remuneration requirements according to the cost of liabilities and the duration, taking into account the investment environment and the Company's risk tolerance at the time.

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Section 2: Risk Management

Type of risks

Article 6. The risk management department of the Company shall formulate relevant measures for risk management to promote the efficiency of asset utilization, maintain asset safety, and enhance shareholder value while ensuring compliance with relevant domestic and foreign laws and regulations.

Risk tolerance

Article 7. The Company shall regularly review the current level of investment risk tolerance in accordance with the internal risk management standards or regulations.

Funding Operation Management

Annual Asset Allocation Plan

Article 8. The investment department shall, within the risk tolerance level, cooperate with the asset-liability relationship, formulate an annual asset allocation plan, and aim to achieve the Company's income requirements.

Asset Allocation Adjustment Recommendations

Article 9. The investment department shall provide asset allocation adjustment proposals at least quarterly in accordance with the overall international economic and financial conditions.

Investment targets

Article 10. The selection of the investment target of the Company shall be handled in accordance with the Insurance Business Law, relevant letters and orders, and various internal regulations of the Company.

Transaction authorization level and quota

Article 11. When each department of the company engages in transactions, the authorization level and quota shall be handled in accordance with various internal regulations of the Company.

Counterparty

Article 12. The Company shall select the counterparty in accordance with various internal regulations to ensure the income and asset value of the Company's investments, and appropriately control transaction risks.

Code of Conduct for Traders

Article 13. The trading personnel of the Company shall abide by the relevant laws and regulations, and avoid conflicts of interest, insider trading, etc., in order to safeguard the rights and interests of the Company and individuals and implement the code of ethics.

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Regular review of Investment policy

Article 14. This investment policy shall be reviewed once a year in accordance with the relationship between assets and liabilities, risk tolerance, long-term risk remuneration requirement, liquidity and solvency status, and principles of responsible investment.

Responsible Investment Principles

Article 15. When using investment capital sources, the Company needs to consider the principle of responsible investment, and whether the investment target enterprise is fulfilling environmental protection, corporate integrity, and social responsibility.

Anti-money laundering and counter-terrorism financing

Article 16. When using investment capital sources, the Company must consider whether the investment target enterprise has implemented the mechanism of anti-money laundering and combating capital terrorism.

Chapter III. Supplementary Provision

Effectiveness

Article 17. This investment policy shall be implemented after being approved by the General Director, and the same shall apply when it is revised or abolished.