



眾安在綫財產保險股份有限公司  
**ZHONGAN ONLINE P & C INSURANCE CO., LTD.\***

*(A joint stock limited company incorporated in the People's Republic of China with limited liability and carrying on business in Hong Kong as "ZA Online Fintech P & C")*

**(Stock Code: 6060)**

**TERMS OF REFERENCE OF  
THE RISK MANAGEMENT AND RELATED TRANSACTION  
CONTROL COMMITTEE**

The risk management and related transaction control committee (the **"Committee"**) of ZhongAn Online P & C Insurance Co., Ltd. 眾安在綫財產保險股份有限公司 (the **"Company"**) was established pursuant to a resolution passed by the board of directors of the Company (the **"Board"**) on July 20, 2021. Set out below are the terms of reference (the **"Terms of Reference"**) of the Committee.

**1. PURPOSE**

- 1.1. The purpose of the Committee is to advise the Board on the overall risk appetite/tolerance and risk management strategies of the Company and its subsidiaries (the **"Group"**), and oversee senior management's implementation of those strategies established and approved by the Board and provide an independent review of the effectiveness of the strategies adopted to ensure that it aligned with the Company's overall business objectives; to coordinate the related transactions management of the Company, ensure the compliance, fairness and necessity of related transactions of the Company, and prevent related transaction risks.

**2. COMPOSITION**

- 2.1. The Committee shall comprise three and more directors of the Company (except when the number of members is less than three due to resignation of directors).
- 2.2. The Committee shall have one chairman, who shall be an independent director and be responsible for chairing the Committee.

- 2.3. The term of members of the Committee shall be the same as that of the directors, and members may be re-elected for re-appointment upon expiry of the term of office. During the term, any member ceases to hold office as a director of the Company shall automatically lose his/her qualification as a member of the Committee, and a replacement shall be appointed by the Board in accordance with the provisions above to fill the vacancy.
- 2.4. The Committee shall have one secretary of the Committee, who is appointed by the Board or the Committee and is responsible for daily working contacts and meeting organization of the Committee.

### **3. MEETINGS**

- 3.1. Unless otherwise specified hereunder, the provisions contained in the Company's articles of association (as amended from time to time) for regulating meetings and proceedings of directors shall apply to the meetings and proceedings of the Committee.
- 3.2. Members of the Committee may attend meetings of the Committee either in person or through other electronic means of communication or in such other manner as the members may agree.
- 3.3. Members of the Committee may be represented at a meeting of the Committee by an alternate appointed by him or her and the alternate shall be a director of the Company.
- 3.4. Meetings of the Committee shall include regular meetings and interim meetings. Regular meetings of the Committee shall be convened at least once a year, whereas interim meetings may be convened upon proposal by the chairman of the Committee. Notice of meetings shall be served to all members in seven days prior to the meeting, except for interim meetings which are not subject to this time restriction. However, the Committee shall ensure that members have sufficient time to study the meeting documents.

- 3.5. The agenda and accompanying supporting papers shall be sent to all members of the Committee and to other attendees as appropriate at least three days before the date of the meeting (or such other period as the members may agree).
- 3.6. The Committee shall convene the meetings according to relevant materials submitted by the secretary of the Committee, have a discussion, issue written opinions if required, and submit the discussion results and written opinions to the Board.
- 3.7. Meetings of the Committee shall be convened and chaired by the chairman of the Committee and the chairman, if unable to attend, may appoint another member to act on his behalf.
- 3.8. Meetings of the Committee shall be held by more than one-half of the members attending the meeting. Each member shall have one voting right and resolutions proposed at the meeting must be passed by a simple majority. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote.
- 3.9. The Committee may invite directors, supervisors and other senior management of the Company to sit in on the meetings if necessary.
- 3.10. The Committee may, at the expense of the Company, engage independent third parties including the financial adviser to issue reports and provide professional advice for its decision-making if necessary.
- 3.11. Meetings of the Committee shall form meeting resolutions (i.e. written opinions submitted to the Board). The meeting resolutions shall be permanently maintained for meetings of the Committee, which shall be recorded by the secretary of the Committee, and members attending the relevant meeting shall sign on the meeting resolutions.
- 3.12. Members attending the meeting shall keep confidential of all matters discussed at the meeting. Unauthorized disclosure of the relevant information shall be prohibited.

## **4. ACCESS**

- 4.1. The Committee shall have full access to management and may invite members of management or others to attend its meetings.
- 4.2. The Company should provide the Committee with sufficient resources to perform its duties, including but not limited to obtaining independent professional advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company if necessary.

## **5. REPORTING PROCEDURES**

- 5.1. The Committee shall report back to the Board on their decisions or recommendations, unless: (1) there are legal or regulatory restrictions on the necessity or on their ability to do so (such as a restriction on disclosure due to regulatory requirements); (2) in cases where the authority is vested in the Committee under regulatory requirements.
- 5.2. At the next meeting of the Board following a meeting of the Committee, the chairman shall report to the Board on the findings and recommendations of the Committee. Full minutes shall be kept by the secretary. Draft and final versions of minutes shall be circulated to all members for their comment and records, in both cases within a reasonable period of time after the meeting. Such minutes shall be open for directors' inspection.
- 5.3. The Committee shall make regular reports to the Board on significant risk management issues for adoption and formal ratification (where appropriate), including without limitation the following: (a) the Company's risk appetite/risk tolerance statement(s); (b) policy review, regulatory compliance and updates; (c) material amendment to the Terms of Reference of the Committee; and (d) any significant risk-related issues.

## **6. AUTHORITY**

- 6.1. The Committee is authorized by the Board to investigate any activity within its Terms of Reference. It is authorized to seek any information it requires from any employee of the Company and all such employees are directed to co-operate with any reasonable request by the Committee.

- 6.2. Subject to prior discussion as to likely costs, the Committee shall be provided with sufficient resources to perform its duties. It is also authorized by the Board to seek independent professional advice at the Company's expense to perform its responsibilities as it shall deem appropriate and shall be responsible for selection and appointment of consultants to advise it on risk management matters.

## **7. RESPONSIBILITIES AND DUTIES**

- 7.1. to review and recommend for the Board's approval on the overall risk management strategies and risk appetite/tolerance statement(s) of the Company which should be commensurate with its operations and strategic goals, taking into account all relevant risk-related matters encountered by the Group;
- 7.2. to review and assess regularly the adequacy and effectiveness of the Company's risk management framework, internal control systems (other than internal financial control systems) and risk management policies, procedures and systems in identifying, measuring, monitoring and controlling risk, and oversee their effective operation, implementation and maintenance;
- 7.3. to discuss the risk management systems with the management of the Company to ensure that the management has performed its duty to maintain effective risk management systems;
- 7.4. to consider any major investigation findings on risk management matters as delegated by the Board or on its own initiative and management's response to the findings;
- 7.5. to ensure that the staff members responsible for implementing risk management systems and controls perform those duties independently of the Company's risk-taking activities;
- 7.6. to regularly communicate with the risk management function with the Board at least once every year without the presence of any executive directors of the Company to ensure that there are no unresolved issues or concerns;
- 7.7. to advise the Board and/or the nomination and remuneration management committee of the Company and/or audit and consumer rights protection committee of the Company on as to whether existing remuneration structure is in alignment with the Company's overall risk appetite;

- 7.8. to review and endorse the contents of the statements made in relation to risk management and internal controls (other than internal financial controls) in the annual report(s) and accounts of the Company for submission to the Board;
- 7.9. to report significant risk management issues to the Board as the Committee may from time to time identify;
- 7.10. to consider the formulation of development plans for artificial intelligence (AI), promote the construction of AI-related capability systems and consider AI-related management systems;
- 7.11. to determine the overall targets, basic policies and management systems for related transaction management;
- 7.12. to review significant related transactions, including but not limited to expressing opinions on the related transactions and matters that are required to be considered by the Board of the Company under regulations and shall be submitted to the Board or general meetings of the Company for approval, and provide written opinions on the compliance, fairness and necessity of significant related transactions and whether they harm the interests of the Company and insurance consumers;
- 7.13. to review the relevant annual reports on the related transactions;
- 7.14. to be responsible for the management, review and risk control of related transactions;
- 7.15. to coordinate and manage the disclosure of related transaction information, so as to improve the transparency of related transactions;
- 7.16. other duties that are required to be undertaken by the Committee as stipulated by the regulatory authorities and other matters as required under the Terms of Reference of the Committee and assigned by the Board;
- 7.17. to review and update regularly this Terms of Reference and recommend any necessary changes to the Board for approval;

- 7.18. to consider other topics, as defined by the Board from time to time; and
- 7.19. with the consent of the Committee by resolutions, the Committee may authorize the related transaction management office to handle the above-mentioned duties and authorities related to related transactions.

## **8. ANNUAL GENERAL MEETING**

- 8.1. The chairman or in his absence, another member of the Committee or failing this, his or her duly appointed delegate, shall attend the annual general meeting (the “**AGM**”) of the Company and be prepared to respond to questions at the AGM on the Committee’s work and responsibilities.

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