



INVESTMENT MANAGEMENT POLICY

1. OBJECTIVES AND POLICIES OF INVESTMENT MANAGEMENT

Tokio Marine Insurance Vietnam Company Limited carry out investment activities in accordance with the prevailing regulations.

1.1 TMIV recognizes the importance of managing risks associated with investment activities, in order to fully meet in a timely manner, the obligations to its policyholders. These risks include, but are not limited to, market risks (equity, foreign exchange, and interest rate risks), credit risks and liquidity risks. **TMIV** shall segregate investment accounts containing its own capital (the “**Shareholders’ Fund**”) separately from those of policyholders’ reserves (the “**Insurance Fund**”) and ensure that investment assets are recorded in a consistent manner.

1.2 Each investment shall be made in line with the following objectives.

- (1) Investments in the Shareholders’ Fund shall target long-term investment profits for the shareholders’ benefit and provide the buffer for the Insurance Fund.
- (2) Investments in the Insurance Fund shall consider liabilities’ characteristics which include, without limitation, cash flows, denominated currencies and duration.
- (3) TMIV considers liquidity based on future cash flow from premium collection/refund, claim and expenses payment, investment maturity to proceed investment transaction appropriately

1.3 Careful and sufficient attention shall be paid but not limited to the following:

- (1) Condition of interest risks and credit risks of invested instruments
- (2) Excessive accumulated credit exposure to specific debtors (banks, bond issuers, etc.)
- (3) Diversification of the portfolio, adequate liquidity and solvency margin requirements.

1.4 The following actions can be taken only after the Board of Directors (“**BOD**”) seeks the prior approval of the Member’s Council (“**MC**”):

- (1) Changes to the strategic asset allocation (“**SAA**”) (refer to **Section 3**),
- (2) Outsourcing of investment management (refer to **Section 4**), or
- (3) Any amendment to the **Policy**, as well as investment into instruments not stipulated in **Section 5** or in excess of investment limitations defined in **Section 6**
- (4) Annual investment plan (including plan for Self-management; Outsourced fund investment and SAA) must be approved by MC



1.5.TMIV will not invest in the following sector or project.

Sector

- (1) Inhumane weapons sector (Production of biological, chemical, cluster munitions and anti-personnel landmines); and/or

Projects

- (1) 100% coal-fired power generation projects;
- (2) 100% thermal coal mining projects;
- (3) 100% oil sands mining projects; and/or
- (4) 100% oil and gas mining projects in the Arctic region.

Other prohibitions according to applicable laws

2. POLICIES OF SOLVENCY MANAGEMENT

The Company has to maintain solvency throughout its business operation in accordance with prevailing Vietnamese regulations.

When the company's solvency margin is lower than the minimum solvency margin, the company shall immediately and proactively apply measures to restore its solvency and, at the same time, report to the Ministry of Finance on the actual financial status, causes of that danger and plans on solvency restoration.