



AIA Everest's Participating Business Committee

The Participating Business Committee has been established according to applicable regulatory requirements. The Participating Business Committee operates independently and reports directly to the Board of Directors, and at least half of its members are independent of the Company. It provides independent and objective opinions to the Board of Directors on key matters related to the Company's management of the participating business¹, such as the determination of dividend and bonus amounts and the allocation of distributable profits between policy owners and shareholders. To support informed decision making by the Board of Directors, the opinions of the Participating Business Committee will take into account the principle of fair treatment of policy owners, and the equitable balance between policy owners and shareholders and among different groups of policy owners. The members of the Participating Business Committee have a range of skills, knowledge and relevant experience to discharge their duties as members of the committee.

Notes:

1. According to applicable regulatory requirements, the Participating Business Committee will provide independent and objective opinions to the Board of Directors on the following key matters related to the Company's management of the participating business:
 - a. whether the level of dividends and/or bonuses provided in the benefit illustration is clear, fair and reasonably achievable;
 - b. the policy and mechanism for allocation of distributable profits, and the dividends and bonuses declaration mechanism (including smoothing mechanisms), taking into account reasonable expectations of policy owners (including but not limited to their expectations relating to reasonable achievement of dividends and bonuses), fairness, equity and sustainability;
 - c. fairness, equity and reasonableness in allocation of expenses and charges (if applicable) to and within participating funds;
 - d. the risk and investment profile of participating funds, including the appropriateness of the risk appetite and risk level taken, the management and reasonable balance of risk and return etc.;
 - e. the impact of management actions planned or implemented (if any);
 - f. the Company's strategy for future sales of insurance policies in participating business and their impact on surplus (if any);
 - g. the use, purpose and terms of shareholder capital support to a participating fund (if any);
 - h. the Company's communications with existing and potential policy owners relating to the participating business, including fairness and transparency of disclosed information (such as information relating to risks and benefits) which may affect policy owners' decisions; and
 - i. other issues which the Company or the Participating Business Committee considers appropriate in relation to the Company's management of its participating business (if any).