
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Pacific Insurance (Group) Co., Ltd. (the “Company”), you should at once hand this circular and the accompanying proxy form and reply slip to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



中國太平洋保險(集團)股份有限公司

CHINA PACIFIC INSURANCE (GROUP) CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02601)

REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS FOR THE YEAR 2018
ANNUAL REPORTS OF A SHARES AND H SHARES FOR THE YEAR 2018
FINANCIAL STATEMENTS AND REPORT FOR THE YEAR 2018
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018
PROPOSAL ON APPOINTMENT OF AUDITORS FOR THE YEAR 2019
DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2018
REPORT ON PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR 2018
PROPOSAL ON THE GENERAL MANDATE
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF SUPERVISORS
PROPOSED AMENDMENTS TO THE REMUNERATION MANAGEMENT SYSTEM OF DIRECTORS AND SUPERVISORS
PROPOSED ELECTION OF DIRECTORS FOR THE EIGHTH SESSION OF THE BOARD
PROPOSAL ON THE ROUTINE RELATED PARTY TRANSACTIONS
THE REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND THE IMPLEMENTATION OF MANAGEMENT SYSTEM ON RELATED PARTY TRANSACTIONS FOR THE YEAR 2018
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting for 2018 of China Pacific Insurance (Group) Co., Ltd. to be held in C&D Hotel, Fuzhou, Fujian, the PRC at 1:30 p.m. on Wednesday, 5 June 2019 is set out on pages 74 to 82 of this circular.

If you intend to appoint a proxy to attend the Annual General Meeting, you are required to complete and return the proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited, in any event served in hand or by post not less than 24 hours before the time (at 1:30 p.m. on Tuesday, 4 June 2019) stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or at any adjourned meeting thereof in person if you so wish.

If you intend to attend the Annual General Meeting in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited on or before Wednesday, 15 May 2019.

CONTENTS

	<i>Page</i>
DEFINITIONS	ii
LETTER FROM THE BOARD	1
APPENDIX I – BUSINESS OF THE ANNUAL GENERAL MEETING	6
APPENDIX II – DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2018	11
APPENDIX III – REPORT ON PERFORMANCE OF INDEPENDENT DIRECTORS FOR YEAR 2018	16
APPENDIX IV – REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2018	24
APPENDIX V – PROPOSAL ON THE GENERAL MANDATE	31
APPENDIX VI – PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION	33
APPENDIX VII – PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS’ GENERAL MEETINGS	52
APPENDIX VIII – PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF SUPERVISORS	56
APPENDIX IX – THE REMUNERATION MANAGEMENT SYSTEM OF DIRECTORS AND SUPERVISORS (REVISED VERSION)	58
APPENDIX X – PROPOSAL ON ROUTINE RELATED PARTY TRANSACTIONS	60
APPENDIX XI – BIOGRAPHICAL DETAILS OF THE DIRECTOR CANDIDATES	64
APPENDIX XII – REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND THE IMPLEMENTATION OF MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS FOR THE YEAR 2018.	67
NOTICE OF THE ANNUAL GENERAL MEETING	74

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM” or “Annual General Meeting”	the annual general meeting of the Company for the year 2018 to be held at C&D Hotel, Fuzhou, Fujian, the PRC on Wednesday, 5 June 2019 at 1:30 p.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“A Share(s)”	domestic share(s) of RMB1.00 each in the share capital of the Company which are listed on the Shanghai Stock Exchange and traded in RMB
“Board” or “Board of Directors”	the board of Directors of the Company
“Board of Supervisors”	the board of Supervisors of the Company
“CBIRC”	China Banking and Insurance Regulatory Commission
“CIRC”	China Insurance Regulatory Commission
“Company” or “the Company” or “CPIC Group”	China Pacific Insurance (Group) Co., Ltd., a joint stock company incorporated in the PRC with limited liability
“Company Law”	The Company Law of the People’s Republic of China
“CPIC Life”	China Pacific Life Insurance Co., Ltd., a controlled subsidiary of the Company
“CPIC P/C”	China Pacific Property Insurance Co., Ltd., a controlled subsidiary of the Company
“CPIC AMC”	Pacific Asset Management Co., Ltd., a controlled subsidiary of the Company
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Executive Director(s)”	executive Director(s) of the Company

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign share(s) of RMB1.00 each in the share capital of the Company which are listed on the Stock Exchange and traded in Hong Kong dollars
“Independent Director(s)” or “Independent Non-executive Director(s)”	independent non-executive Director(s) of the Company
“Non-executive Director(s)”	non-executive Director(s) of the Company
“PRC” or “China”	the People’s Republic of China, excluding, for the purposes of this circular only, Hong Kong, Macau Special Administrative Region of the People’s Republic of China, and Taiwan region
“Remuneration Management System of Directors and Supervisors”	Remuneration Management System of Directors and Supervisors of China Pacific Insurance (Group) Co., Ltd., as amended from time to time
“RMB” or “Yuan”	the lawful currency of the PRC
“Share(s)”	A Share(s) and H Share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares of the Company
“Supervisor(s)”	supervisor(s) of the Company
“SZSE”	Shenzhen Stock Exchange
“SSE”	Shanghai Stock Exchange

Note: If there is any inconsistency between the Chinese and English versions of this circular, the Chinese version shall prevail.

LETTER FROM THE BOARD



中國太平洋保險(集團)股份有限公司
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02601)

Executive Director and Chairman:

Mr. KONG Qingwei

Executive Director and President:

Mr. HE Qing

Non-executive Directors:

Mr. WANG Tayu

Mr. KONG Xiangqing

Ms. SUN Xiaoning

Mr. WU Junhao

Mr. CHEN Xuanmin

Registered Office:

South Tower

Bank of Communications Financial Building

190 Central Yincheng Road

Pudong New District

Shanghai 200120

The PRC

Place of Business in Hong Kong:

Suite 4301, 43/F., Central Plaza

18 Harbour Road, Wanchai, Hong Kong

Independent Non-executive Directors:

Mr. BAI Wei

Mr. LEE Ka Sze, Carmelo

Mr. LAM Chi Kuen

Mr. ZHOU Zhonghui

Mr. GAO Shanwen

LETTER FROM THE BOARD

To the Shareholders

Dear Sir or Madam,

REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS FOR THE YEAR 2018
ANNUAL REPORTS OF A SHARES AND H SHARES FOR THE YEAR 2018
FINANCIAL STATEMENTS AND REPORT FOR THE YEAR 2018
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018
PROPOSAL ON APPOINTMENT OF AUDITORS FOR THE YEAR 2019
DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2018
REPORT ON PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR 2018
PROPOSAL ON THE GENERAL MANDATE
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS
PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR THE BOARD OF SUPERVISORS
PROPOSED AMENDMENTS TO THE REMUNERATION MANAGEMENT SYSTEM OF DIRECTORS AND SUPERVISORS
PROPOSED ELECTION OF DIRECTORS FOR THE EIGHTH SESSION OF THE BOARD
PROPOSAL ON THE ROUTINE RELATED PARTY TRANSACTIONS
THE REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND THE IMPLEMENTATION OF MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS FOR THE YEAR 2018
AND
NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

On behalf of the Board of Directors, I invite you to attend the AGM to be held at C&D Hotel, Fuzhou, Fujian, the PRC on Wednesday, 5 June 2019 at 1:30 p.m..

The purpose of this circular is to provide you with the notice of the AGM and to provide you with all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

LETTER FROM THE BOARD

2. BUSINESS TO BE TRANSACTED AT THE AGM

The business to be transacted at the AGM as specified in the notice of the AGM set out on pages 74 to 82 of this circular.

Ordinary resolutions to be proposed at the AGM for the Shareholders to approve include: (a) the report of the Board of Directors for the year 2018; (b) the report of the Board of Supervisors for the year 2018; (c) the main body and the Summary of the annual report of A Shares for the year 2018; (d) the annual report of H Shares for the year 2018; (e) the financial statements and report for the year 2018; (f) the profit distribution plan for the year 2018; (g) the proposal on appointment of auditors for the year 2019; (h) the due diligence report of the Directors for the year 2018; (i) the report on performance of Independent Directors for the year 2018; (j) the proposed election of Directors of the eighth session of the Board; and (k) proposed amendments to the remuneration management system of Directors and Supervisors.

Special resolutions to be proposed at the AGM for the Shareholders to consider and approve include: (a) proposed amendments to the Articles of Association; (b) proposed amendments to the rules of procedure for Shareholders' general meetings; (c) proposed amendments to the rules of procedure for the Board of Supervisors; and (d) the grant of general mandate to the Board of Directors to issue new Shares.

A resolution to be proposed at the AGM for the approval of holders of A Shares only: proposal on the routine related party transactions. The proposal does not require approval from holders of H Shares, and is included in this circular for reference only.

A report to be proposed at the AGM only for Shareholders' review and not for approval: the status of the related party transactions and the implementation of management system for related party transactions of the Company for the year 2018.

LETTER FROM THE BOARD

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make informed decisions upon obtaining sufficient and necessary information, we have provided detailed information in this circular, including explanatory information on the proposed resolutions to be approved and reviewed at the AGM (see Appendix I), the due diligence report of the Directors for the year 2018 (see Appendix II), the report on performance of Independent Directors for the year 2018 (see Appendix III), the report of the Board of Supervisors for the year 2018 (see Appendix IV), the proposal on granting of the general mandate to the Board of Directors to issue new Shares (see Appendix V), the proposed amendments to the Articles of Association (see Appendix VI), the proposed amendments to the rules of procedure for Shareholders' general meetings (see Appendix VII), the proposed amendments to the rules of procedure for the Board of Supervisors (see Appendix VIII), amendments to the remuneration management system of Directors and Supervisors (see Appendix IX), the proposal on the routine related party transactions (see Appendix X), the biographical details of Director candidates (see Appendix XI), and the report on the status of related party transactions and the implementation of management system for related party transactions of the Company for the year 2018 (see Appendix XII).

3. THE AGM

Along with this circular, the proxy form and the reply slip for the AGM are also enclosed herewith.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the proxy form in accordance with the instructions printed thereon. For holders of H Shares, the proxy form should be returned to Computershare Hong Kong Investor Services Limited, in any event served in hand or by post not less than 24 hours before the time (before 1:30 p.m. on Tuesday, 4 June 2019) stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or at any adjourned meeting thereof in person if you so wish.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to Computershare Hong Kong Investor Services Limited on or before Wednesday, 15 May 2019.

4. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the AGM will demand a vote by poll in relation to all the proposed resolutions at the AGM in accordance with the requirements of Article 92 of the Articles of Association.

LETTER FROM THE BOARD

5. RECOMMENDATION

The Board of Directors considers that all resolutions to be proposed at the AGM are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board of Directors recommends that the Shareholders vote in favour of all the resolutions to be proposed at the AGM.

By Order of the Board of Directors
China Pacific Insurance (Group) Co., Ltd.
Kong Qingwei
Chairman

Hong Kong, 18 April 2019

1. REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS FOR THE YEAR 2018

According to the requirements of the Company Law and the Articles of Association, the Shareholders' general meeting has the right to examine and approve the reports of the Board of Directors and the Board of Supervisors. Pursuant to the Rules of Shareholders' Meeting of Listed Companies of the CSRC, the Board of Directors and the Board of Supervisors should issue a report with respect to their work in the preceding year at the AGM. The report of the Board of Directors for the year 2018 is set out in the sections headed "Operation Overview, Letter from Chairman to Shareholders, Review and Analysis of Operating Results, Report of the Board of Directors and Significant Events and Corporate Governance" in the annual report of H Shares for the year 2018. The report of the Board of Supervisors for the year 2018 is set out in Appendix IV to this circular.

2. ANNUAL REPORTS OF A SHARES AND H SHARES FOR THE YEAR 2018

The Board proposes to approve the annual reports of A Shares and H Shares for the year 2018. The annual report of A Shares of the Company for the year 2018 was published on 25 March 2019 on the SSE website (www.sse.com.cn). The annual report of H Shares for the year 2018 will be published on 25 April 2019 on the Stock Exchange website (www.hkexnews.hk).

3. FINANCIAL STATEMENTS AND REPORT FOR THE YEAR 2018

The financial statements and report for the year 2018 is set out in the Company's annual report for the year 2018.

4. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2018

The Company intends to distribute a cash dividend of RMB1.0 per share (inclusive of tax), amounting to approximately RMB9.062 billion in aggregate, based on a total share capital of 9.062 billion shares. The remaining undistributed profits will be carried forward to the year 2019. No capitalization from capital reserve will be implemented for the current year.

5. PROPOSAL ON APPOINTMENT OF AUDITORS FOR THE YEAR 2019

The Board proposed to appoint PricewaterhouseCoopers Zhong Tian LLP as the PRC auditor and the internal control auditor of financial reports under the PRC accounting standards of the Company for the year 2019 and to appoint PricewaterhouseCoopers as the auditor of financial reports under the Hong Kong Financial Reporting Standard of the Company for the year 2019.

The Board will propose to the Shareholders at the AGM to authorize the Board to authorize the management of the Company to determine their actual remunerations.

6. DUE DILIGENCE REPORT OF THE DIRECTORS FOR THE YEAR 2018

In accordance with the regulatory requirements of the relevant regulatory authorities, the Board shall conduct an annual due diligence appraisal of the Directors, and submit the due diligence report of the Directors to the Shareholders' general meeting and the Board of Supervisors. Such report is set out in Appendix II to this circular.

7. REPORT ON PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR 2018

Pursuant to the regulatory requirements of the relevant regulatory authorities, Independent Directors shall issue a report in respect of the performance of their duties in the year 2018. Such report is set out in Appendix III to this circular.

8. PROPOSAL ON THE GENERAL MANDATE

The purpose of the proposed special resolution number 15 as set out in the notice of AGM dated 18 April 2019 is to seek approval from the Shareholders in the AGM to grant a general mandate to the Board of Directors to allot, issue and deal, with new A Shares and/or H Shares of the Company subject to the applicable laws, rules and regulations. The Board of Directors declares that the Company currently has no plan to issue A Shares and/or H Shares. Such proposal is set out in Appendix V to this circular.

9. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION, THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS AND THE RULES OF PROCEDURE FOR THE BOARD OF SUPERVISORS

The Board thereby submits the proposed amendments to the Articles of Association (as defined and with details of amendments set out in Appendix VI to this circular), the proposed amendments to the rules of procedure for Shareholders' general meetings (as defined and with details of amendments set out in Appendix VII to this circular) and the proposed amendments to the rules of procedure for the Board of Supervisors (as defined and with details of amendments set out in Appendix VIII to this circular) to the AGM for consideration, and for granting an authorization to the chairman or his authorized person to make such revisions to the Articles of Association, the rules of procedure for Shareholders' general meetings and the rules of procedure for the Board of Supervisors as this deems necessary and appropriate in accordance with the requirements for amendments of regulatory authorities during the Company's approval process for the proposed amendments to the Articles of Association, the proposed amendments to the rules of procedure for Shareholders' general meetings and the proposed amendments to the rules of procedure for the Board of Supervisors.

The proposed amendments to article 33 of the Articles of Association are made in accordance with the article 142 of the Company Law, the amendments of which came into effect in October 2018. The proposed amendments to article 33 of the Articles of Association do not preclude the application on the repurchase of A Shares or H Shares of the Company. Any share repurchase by the Company is subject to (i) Shareholders' approval by way of a special resolution at a general meeting; (ii) approval of the holders of A Shares by way of a special resolution; and (iii) approval of the holders of H Shares by way of a special resolution. Any share repurchase by the Company shall also be conducted in accordance with relevant requirements and restrictions under Rules 10.05, 10.06, 19A.24 and 19A.25 of the Hong Kong Listing Rules. The Company will ensure to satisfy the public float requirements under the Hong Kong Listing Rules when conducting share repurchase.

The proposed amendments to the Articles of Association, the proposed amendments to the rules of procedure for Shareholders' general meetings and the proposed amendments to the Rules of procedure for the Board of Supervisors are subject to the approval from the CBIRC.

10. PROPOSED AMENDMENTS TO THE REMUNERATION MANAGEMENT SYSTEM OF DIRECTORS AND SUPERVISORS

In order to improve corporate governance, in light of the important contributions to the Company's construction and development by the Directors and Supervisors, the Company intends to make amendments to the current "Remuneration Management System of Directors and Supervisors of China Pacific Insurance (Group) Co., Ltd.":

- I. "Article 4. The annual remuneration of Non-executive Directors, Independent Directors and Shareholders' representative is RMB250 thousand with monthly instalment, among which the method of payment of the remunerations for Non-executive Directors and Shareholder representative Supervisors are determined by the units of Shareholders by which they are employed or nominated."

is amended as:

"Article 4. The annual remuneration of Non-executive Directors, Independent Directors and Shareholders' representative is RMB300 thousand with monthly instalment, among which the method of payment of the remunerations for Non-executive Directors and Shareholder representative Supervisors are determined by the units of Shareholders by which they are employed or nominated."

The amended remuneration management system of Directors and Supervisors set out in Appendix IX. Apart from the standard of determining remuneration, other terms and conditions remain unchanged. The method of payment of the remunerations for Non-executive Directors and Shareholder representative Supervisors are determined by the units of Shareholders by which they are employed or nominated; in accordance to the remuneration system by the Company, Executive Directors and Shareholder representative Supervisors shall not receive remuneration of Director and Supervisors. The amended system of the remunerations shall subject to approval in the AGM to become effective.

11. PROPOSAL OF THE ELECTION OF DIRECTORS OF THE EIGHTH SESSION FOR THE BOARD

According to the relevant regulations of the Company Law and the Articles of Association, Mr. LI Qiqiang was nominated as a Non-executive Director of the eighth session of the Board, Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping were nominated as Independent Non-executive Directors of the eighth session for the Board. The elections of Mr. LI Qiqiang, Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping shall subject to approval in the AGM by Shareholders by the means of ordinary resolutions.

On the basis of the Company's requirements about Independent Directors, the Nomination and Remuneration Committee identified candidates of Independent Directors in the market through market-oriented employment channels, and collected information about the occupation, academic qualification, professional title, detailed work experience and all concurrent posts. After seeking consent of the nomination by the nominee, the Nomination and Remuneration Committee would convene a meeting to review the qualification of the first-round nominees based on the employment conditions, and submit a proposal and related documents of the Director candidates to the Board. Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping have confirmed in writing that they satisfied the requirements of independence under regulatory rules of the SSE, the Stock Exchange and other authorities. Subsequent to the factors above, the Board considers that Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping are independent persons of the Company.

The Board holds the opinion that candidates of Independent Non-executive Directors, Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping, have professional qualifications and extensive experience respectively in accounting, audit, human resource management and the internet, and will provide the Board with professional advice in relevant fields. Ms. LAM Tyng Yih, Elizabeth is a member of Hong Kong Institute of Certified Public Accountants and a senior professional with years of experience in fields of finance, accounting and audit. Mr. CHEN Jizhong has professional experience in fields of finance, risk management and remuneration management, and a great influence in the industry. Mr. JIANG Xuping focuses on study of e-commerce, big data analysis and new media marketing, and has a high authority in the field of internet marketing.

As such, the educational background, experience and practices of Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping make each of them capable of providing valuable opinions in terms of accounting, finance and corporate governance. Considering their age, gender, cultural and educational background, professional experience, skills and knowledge, it is believed that they are suitable candidates and will make contribution to the diversity of the Board.

The biographical details of the above Director candidates are set out in Appendix XI to this circular for the Shareholders to make an informed decision on the relevant resolutions at the AGM in accordance with the requirements of Rule 13.51(2) under the Hong Kong Listing Rules.

12. PROPOSAL ON THE ROUTINE RELATED PARTY TRANSACTIONS

A resolution will be proposed at the AGM for holders of A Shares to approve the proposal on signing the agreement on routine related party transactions to be entered into by the Company and Shanghai Rural Commercial Bank. Based on the status of business transactions with related parties and the amounts of transactions in the recent years, and the general trend of assets growth of the Company in 2019, the Company has prepared a forecast of the categories and amounts of routine related party transactions in respect of Shanghai Rural Commercial Bank for the years 2019 to 2021. Such transactions are not subject to approval by the holders of H Shares and the proposal is set out in Appendix X to this circular.

13. REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND THE IMPLEMENTATION OF MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS FOR THE YEAR 2018

Pursuant to the requirements of CBIRC, the Board shall issue a report in respect of the status of related party transactions and the implementation of the management system for related party transactions for the year 2018 at the AGM. Such report will be laid before the AGM for Shareholders' review but no approval by the Shareholders is required. Such report is set out in Appendix XII to this circular.

In accordance with Guidelines for the Operation of Board of Directors of Insurance Companies (Bao Jian Fa (2008) No. 58) and relevant requirements of Measures for Appraisal of Due Diligence of Directors of China Pacific Insurance (Group) Co., Ltd., the Board of Company shall conduct a due diligence report on its Directors annually, and such report shall be submitted to the Board of Supervisors and Shareholders' general meeting. In 2018, all the Directors performed their duties and responsibilities as stipulated under relevant laws and regulations and the Articles of Association in an honest, diligent, loyal and conscientious manner. Upon conducting appraisal of due diligence on Directors in 2018, the appraisal results of all Directors (including Independent Directors) were all "competent". The due diligence report of the Directors for the year 2018 is set out below.

The eighth session of the Board has 12 Directors, among which there are 2 Executive Directors, 5 Non-executive Directors and 5 Independent Directors. The Board has strictly followed the regulatory rules and Articles of Association with its size, composition, qualification of appointment and the procedure of appointment and dismissal.

I. PERFORMING DUTIES WITH DUE DILIGENCE, THE DIRECTORS CARRIED OUT A VARIETY OF DUTIES IN FULL

1. Directors' Attendance of Board Meetings

In 2018, the Board held a total of 8 Board meetings. The Directors of the Company performed their duties with due diligence, proactively participated in review and decision-making and mostly attended the meetings in person. For individual cases where some Directors were not able to attend due to other business reasons, they all appointed another Director in writing as their proxy to attend and vote at the meeting on their behalves. Details are as follows:

Name of Directors	No. of Board meetings requiring attendance	Attendance		Absence	Remarks
		in person	by proxy		
Current Directors					
KONG Qingwei	8	7	1	0	Absent from the 13th meeting of the eighth session of the Board of Directors due to business reasons and HE Qing, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
HE Qing	8	8	0	0	
WANG Tayu	8	8	0	0	

Name of Directors	No. of Board meetings requiring attendance	Attendance in person	Attendance by proxy	Absence	Remarks
KONG Xiangqing	8	7	1	0	Absent from the 13th meeting of the eighth session of the Board of Directors due to business reasons and HE Qing, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
SUN Xiaoning	8	7	1	0	Absent from the 12th meeting of the eighth session of the Board of Directors due to business reasons and KONG Qingwei, a Director, was appointed as her proxy to attend and vote at the meeting on his behalf.
WU Junhao	8	8	0	0	
CHEN Xuanmin	8	8	0	0	
BAI Wei	8	8	0	0	
LEE Ka Sze, Carmelo	8	7	1	0	Absent from the 13th meeting of the eighth session of the Board of Directors due to business reasons and LAM Chi Kuen, an Independent Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
LAM Chi Kuen	8	8	0	0	
ZHOU Zhonghui	8	8	0	0	
GAO Shanwen	8	7	1	0	Absent from the 13th meeting of the eighth session of the Board of Directors due to business reasons and BAI Wei, an Independent Director, was appointed as his proxy to attend and vote at the meeting on his behalf.

Name of Directors	No. of Board meetings requiring attendance	Attendance in person	Attendance by proxy	Absence	Remarks
Resigned Directors					
WANG Jian	3	2	1	0	Absent from the 7th meeting of the eighth session of the Board of Directors due to business reason and WU Junhao, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.
ZHU Kebing	6	5	1	0	Absent from the 12th meeting of the eighth session of the Board of Directors due to business reason and KONG Xiangqing, a Director, was appointed as his proxy to attend and vote at the meeting on his behalf.

2. Voting and Expression of Opinions by Directors at the Board Meetings

In 2018, all Directors of the Company diligently performed the power conferred by the Articles of Association, kept updated about the important business information of the Company, paid full attention to the Company's development and actively participated in the Board meetings during the reporting period. All Directors made appropriate decisions after having fully understood the situation and having expressed their opinions. All resolutions of the Board meetings were passed by unanimous votes, without dissenting votes and abstention votes.

3. Work of Special Committees of the Board

The Board has established four Special Committees, namely the Strategic and Investment Decision-Making Committee, the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee. Apart from the chairman of Strategic and Investment Decision-Making Committee which is served by the chairman of the Board, the chairmen of the three Special Committees are all Independent Directors, and Independent Directors are in the majority among the committee members. The Board and the Board committees performed their respective duties properly by leveraging their respective expertise to ensure that the Board can make informed and appropriate decisions after considering various advice and suggestions.

In 2018, the Strategic and Investment Decision-Making Committee held 4 meetings, the Audit Committee held 6 meetings, the Nomination and Remuneration Committee held 7 meetings, and the Risk Management Committee held 7 meetings. In the meeting, the Director performed their duties with due diligence, conducted in-depth study and held active discussions on the strategic planning, material capital operation, financial reports and internal auditing, performance assessment and appointment and dismissal of senior management and risk control and related party transactions of the Company, efficiently participated in decision-making and provided professional advices for the decision-making of the Board

4. Directors' Discussion and Studies

In 2018, the Directors conducted research and investigation on branches of CPIC P/C and CPIC Life in Hunan and Xinjiang, implementing the operation-guided concept of the branches and executing the report on strategic transition 2.0, asking for further information and communicating the issues and obstacles faced in the process of gross-root transition. While focusing on the problem of unstable integrated cost rate of property insurance and the imbalance seasonal development of life insurance, the Board has pushed forward some problem-oriented improvement to uplift the ability of operation

Apart from that, the Board has involved in some working sessions, research and investigation of functional departments to enhance the understanding of the Company's operation.

5. Directors' Participations in Training

During the reporting period, the Directors of the Company paid attention to the improvement of performance ability and the mastery of relevant professional knowledge, such as insurance policies and regulations. They participated in the training and lectures held by SSE, CBIRC and the Company to expand knowledge and skills and ensure the improvement in their own abilities and contribute to the Board of Directors.

In 2018, Director KONG Qingwei participated in the Training Course for New Directors, Supervisors and Senior Managers in 2018 organized by CBIRC; Directors HE Qing, WANG Tayu, KONG Xiangqing, LAM Chi Kuen, and ZHOU Zhonghui participated in the 3rd Training Course for Directors and Supervisors of Listed Companies in Shanghai, organized by Shanghai Securities Regulatory Bureau. In addition, all Directors of the company also participated in training such as the guidelines for listing rules of the Stock Exchange held by the company, watched a series of directors' training videos such as "The Role of Independent Non-Executive Directors in Corporate Governance" prepared by the Stock Exchange, and involved actively in the study of regulatory rules and continuous professional training through other means.

II. UNLEASH THE CORE POTENTIAL OF THE BOARD WITH CONCERN TOWARD THE SIGNIFICANT MATTERS

In 2018, the Board of Directors proactively played a leading role in the decision-making of the healthy development of the Company, guided by strategic transformation 2.0, and centered on the transformation goal of “the best customer experience, the best business quality and the strongest wind control ability”, promoting the management to start 13 transformation projects, the leading the management to focus on the specific indicators of high-quality development. The Company has optimized the operation weaknesses and improve the performance of operation. The Board of Directors strictly adheres to the standard of non-occurrence of systemic risks, continuously promotes the construction of comprehensive risk management system, and improves the ability of risk prevention and control. At the end of 2018, the results of various regulatory evaluations were excellent.

III. WIN MANY AWARDS FOR CORPORATE GOVERNANCE BY VIRTUE OF ITS COMPREHENSIVE STRENGTH

In 2018, the regulatory authorities and the capital market highly recognized the positive results achieved by the Company in terms of corporate governance, such as the operation of the Board of Directors. With good corporate governance practices, the company obtained a series of awards both at home and abroad: in the corporate governance evaluation of insurance by the CBIRC in 2018, the Company was at the top of the list among 140 Chinese-funded insurance companies. The Company also won the “Outstanding Board Award” and “Outstanding Director Award” of the Hong Kong Institute of Directors in 2018, and the “Class A Evaluation of Information Disclosure of Listed Companies” of the SSE in 2017. This is the fifth consecutive year of winning class A evaluation since the launch of the annual evaluation mechanism by the Shanghai Stock Exchange. The Company was awarded as “Best Return for Shareholder of the Company” in the selection of the list of “Golden Lion Award” Valuable Hong Kong Listed Companies. The above achievements reflect the identification and recognition of the regulatory authorities, capital markets and professional institutions at home and abroad on the Company’s adherence to high-level corporate governance and high-quality development.

In 2018, all Independent Directors of the Company performed their duties faithfully, diligently, independently, strictly in accordance with the requirements of relevant laws, regulations, provisions, including the Company Law of the PRC, the Measures for the Administration of Independent Directors of Insurance Institutions promulgated by the China Banking and Insurance Regulatory Commission, the Guiding Opinions on Establishing Independent Director System for Listed Companies promulgated by the China Securities Regulatory Commission, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Listing Rules of Hong Kong Stock Exchange, and internal regulations, including the Articles of Association, and the Terms of Reference for Independent Directors of the Company, and through attending the periodic and extraordinary Board meetings and the meetings of Board committees and Shareholders' general meetings on time in the year and carefully considering and objectively expressing independent opinions on resolutions of the Board to protect the interests of the Company, insurers and minority Shareholders. The report on the performance in 2018 by the Independent Directors is set out below:

I. BASIC INFORMATION OF INDEPENDENT DIRECTORS

The 8th session of the Board of Directors of the Company now consists of twelve Directors, including five Independent Directors with expertise in finance, auditing and law, as well as required expertise and capability to perform duties. The basic information of Independent Directors are set out as follows:

Mr. BAI Wei is currently an Independent Non-executive Director of the Company and partner and lawyer of Jingtian & Gongcheng. Mr. BAI previously worked as a lawyer in Global Law Office in China and Sullivan & Cromwell LLP, and served as an independent non-executive director in Huatai Securities Co., Ltd., a company listed on the SSE (stock code: 601688) and the Stock Exchange (stock code: 06886) and Ningxia Orient Tantalum Industry Company Limited, a company listed on the SZSE (stock code: 000962). Mr. BAI holds a master's degree and is a qualified lawyer in China and New York State of the United States.

Mr. LEE Ka Sze, Carmelo is currently an Independent Non-executive Director of the Company, senior partner of Messrs. Woo, Kwan, Lee and Lo of Hong Kong, the chairman of Hong Kong Appeal Tribunal Panel (Buildings Ordinance), convenor of the Financial Reporting Review Panel of the Financial Reporting Council in Hong Kong, member of the Campaign Committee of the Community Chest of Hong Kong and the co-chairman of the Community Chest Corporate Challenge Half Marathon. Currently, Mr. LEE also serves as non-executive director of the following companies listed on the Stock Exchange: Hopewell Holdings Limited (stock code: 00054), CSPC Pharmaceutical Group Limited (stock code: 01093), Yugang International Limited (stock code: 00613), Safety Godown Company Limited (stock code: 00237), Trembray Industries International (Holdings) Limited (stock code: 00093), and as independent non-executive director of the following companies listed on the Stock Exchange: KWG Property Holding Limited (stock code: 01813) and Esprit Holdings Limited (stock code: 00330). Mr. LEE previously served as deputy chairman and chairman of the Listing Committee of the Stock Exchange, member of the Hong Kong Securities

and Futures Commission (the Hong Kong Stock Exchange Listing), non-executive director of Y. T. Realty Group Limited (stock code: 00075) listed on the Stock Exchange, and independent non-executive director of Ping An Insurance (Group) Company of China, Ltd., a company listed on the SSE (stock code: 601318) and the Stock Exchange (stock code: 02318). Mr. LEE holds a bachelor's degree in laws and is a solicitor qualified in Hong Kong, England and Wales, Singapore and Australian Capital Territory, Australia.

Mr. LAM Chi Kuen currently serves as an Independent Non-executive Director of the Company. Currently, Mr. LAM also serves as independent non-executive director of Luks Group (Vietnam Holdings) Company Limited, a company listed on the Stock Exchange (stock code: 00366). Mr. LAM was formerly senior adviser and partner of Ernst & Young and independent director of Leo Paper Group (Hong Kong) Co., Ltd. Mr. LAM was awarded the Higher Diploma in Accounting and is also a member of Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants.

Mr. ZHOU Zhonghui currently serves as an Independent Non-executive Director of the Company, a senior member of the Chinese Institute of Certified Public Accountants, a member of the Committee of Chief Financial Officers of the China Association for Public Companies and a member of the Advisory Committee of the China Appraisal Society. Currently Mr. ZHOU also serves as independent non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd., a company listed on the Stock Exchange (stock code: 01349), and independent non-executive director of S.F. Holding Co., Ltd., (stock code: 002352, formerly known as Maanshan Dingtai Rare Earth & New Materials Co., Ltd.), a company listed on the SZSE, and independent non-executive director of China COSCO Shipping Holdings Co., Ltd., a company listed on the SSE (stock code: 601919) and the Stock Exchange (stock code: 01919). Mr. ZHOU was formerly lecturer, associate professor and professor of Shanghai University of Finance and Economics, chief financial officer of Xinlong Hong Kong Co., Ltd., general manager and the chief accountant of PricewaterhouseCoopers Zhong Tian CPAs Limited Company, senior partner of the PricewaterhouseCoopers, chief accountant of the CSRC, a member of the International Advisory Committee of CSRC, member of the Audit Regulation Committee of Chinese Institution of Certified Public Accountant and executive council member of the China Association of Chief Financial Officers, and independent non-executive director of BesTV New Media Co., Ltd., a company listed on the SSE (stock code: 600637) and independent non-executive director of Juneyao Airlines Co., Ltd., a company listed on the SSE (stock code: 603885). Mr. ZHOU received postgraduate education and has a doctorate degree, and is a Chinese Certified Public Accountant.

Mr. GAO Shanwen currently serves as an Independent Non-executive Director of the Company and chief economist of Essence Securities Co., Ltd. Mr. GAO served as chief economist of Everbright Securities Research Institute. Prior to this, Mr. GAO also worked at Financial Research Institute of the Development Research Centre of the State Council and the Headquarter of the People's Bank of China. Mr. GAO also served as independent non-executive director of Sunshine Insurance Group Co., Ltd. Mr. GAO has a master's degree and a doctorate degree.

II. PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR 2018

(I) Attendance of Meetings

1. *The General Meetings*

In 2018, the Company held a total of 1 general meeting. All Independent Directors attended in person. Details are as follows:

Name of Independent Director	General meetings held	Meetings attended in person	Meetings attended by proxy	Absence
BAI Wei	1	1	0	0
LEE Ka Sze, Carmelo	1	1	0	0
LAM Chi Kuen	1	1	0	0
ZHOU Zhonghui	1	1	0	0
GAO Shanwen	1	1	0	0

2. *The Board Meetings*

In 2018, the Company held a total of 8 Board meetings. The Independent Directors all attended in person basically, except for individual Independent Directors who were unable to attend in person due to other business engagement, and all of these absent Directors have appointed other Independent Directors as proxy in writing to attend and vote at the meeting. Details are as follows:

Name of Independent Director	Board meetings held	Meetings attended in person	Meetings attended by proxy	Absence	Remarks
BAI Wei	8	8	0	0	
LEE Ka Sze, Carmelo	8	7	1	0	LEE Ka Sze, Carmelo was unable to attend the 13th meeting of the 8th session of the Board in person due to other business engagement and appointed LAM Chi Kuen, an Independent Director, as his proxy to attend and vote at the meeting.

Name of Independent Director	Board meetings held	Meetings attended in person	Meetings attended by proxy	Absence	Remarks
LAM Chi Kuen	8	8	0	0	
ZHOU Zhonghui	8	8	0	0	
GAO Shanwen	8	7	1	0	GAO Shanwen was unable to attend the 13th meeting of the 8th session of the Board in person due to other business engagement and appointed BAI Wei, an Independent Director, as his proxy to attend and vote at the meeting.

3. The Board Committees

The Board has established four committees, among which, members of the Audit Committee, the Nomination and Remuneration Committee and the Risk Management Committee are all Independent Directors. In 2018, the Strategic and Investment Decision-Making Committee held 4 meetings, the Audit Committee held 6 meetings, the Nomination and Remuneration Committee held 7 meetings, and the Risk Management Committee held 7 meetings. All Independent Directors attended such Board committee meetings in person and details are as follows:

Name of Independent Director	Strategic and Investment Decision-Making Committee	Audit Committee	Nomination and Remuneration Committee	Risk Management Committee
	(meetings held/ meetings attended)	(meetings held/ meetings attended)	(meetings held/ meetings attended)	(meetings held/ meetings attended)
BAI Wei	/	6/6	7/7	/
LEE Ka Sze, Carmelo	/	/	7/7	7/7
LAM Chi Kuen	/	6/6	/	7/7
ZHOU Zhonghui	/	6/6	/	7/7
GAO Shanwen	4/4	/	7/7	/

(II) Expression of Opinions

The Board meetings and general meetings of the Company in 2018 were held in conformity with legal procedures. Material operational decisions were made in accordance with the required procedures and in compliance with the laws and regulations, and the Articles of Association. All of the Independent Directors voted for the resolutions with full understanding of all the matters considered by the Board of Directors in 2018 after thorough discussions and prudent consideration of such matters. The Independent Directors did not raise any objection to the resolutions of the Board of Directors and relevant matters. Meanwhile, all of the Independent Directors, who possess professional knowledge and experience, put forward various constructive opinions and recommendations regarding the strategic transformation, corporate governance, business operation, financial management, Directors nomination, appointment of senior management, internal control and risk compliance of the Company based on their own professional expertise and practical experience on the Board meetings and meetings of the Board committees in 2018. In the meetings, all independent Directors participated in decision making of significant matters of the Company from their independent and objective position, prudently performed duties and obligations, actively participated in discussion in meetings, and proactively proposed guiding opinions in respect of resolutions considered in the meetings to leverage substantive effects, thereby maintaining the interests of the Company as a whole, while the decision-making process particularly concerned the legitimate equity interests of minority Shareholders. The management of the Company was able to provide responses and to implement relevant opinions, proposals and questions of the Independent Directors. No Independent Director was prevented from expressing his opinion and no opinion raised was rejected by the Company.

(III) Participation in the Work on Annual Report

In accordance with the regulatory requirements and requirements on annual reports as set out in the terms of reference for Independent Directors, the Independent Directors of the Company participated in the work related to the preparation of the annual report of the Company and duly performed their duties for the auditing of the annual report for 2018. In particular, they attended annual report discussion meetings, considered the proposal for the annual report of the Company, maintained timely and thorough communication on audit progress and arrangements, audit results and audit opinion regarding the annual financial report with the accounting firm for the annual financial report, supervised the progress of the audit, received the reporting by the management of the Company on its results of operation for the year and the progress of significant events, which facilitated the progress of annual report audit in compliance with laws and relevant rules and regulations.

(IV) Performance of Duties with Due Diligence and Better Understanding of the Operation of the Company through Various Channels

In 2018, Independent Directors performed their duties with due diligence and proactively kept abreast of the operations and management of the Company through various channels:

1. Independent Directors attended Board meetings and Board committee meetings in person to consider and discuss issues relating to the operations and management of the Company. In addition, Independent Directors paid attention to the impact of new insurance rules on the Company, and required the Company to practically implement regulatory provisions, pay attention to financial risk prevention, adhere to the general principle of pursuing progress while ensuring stability, strictly maintain risk tolerance, and further deepen Transformation 2.0 and make new advances in high quality development in all areas targeting at the goal of “being the best in customer experience, business quality and risk control capability”.
2. Independent Directors visited Hunan Branch and Xinjiang Branch, thoroughly considered work report and report of branches on the implementation of operating guidelines of the Group and strategic Transformation 2.0, and conducted in-depth discussion and communication on tough and difficult issues encountered by personnel at the primary level in promoting and implementing transformation. Moreover, certain Independent Directors deepened their understanding of the operation results and risk management of the Company through attending annual audit work meeting, visiting functional departments, etc.
3. Independent Directors got a full picture of the operation and management of the Company through reviewing the monthly financial statements, directors’ and supervisors’ monthly briefs, monthly audit reports, capital market newsletters, and internal press and information published by the Company and other information and data about operations and management released from time to time, and communicated with the management on operating issues concerned if they deemed necessary.

Independent Directors were of the view that Independent Directors were able to thoroughly understand the operation and management of the Company through timely and effective communication with the Company through various channels.

III. MAJOR ISSUES REGARDING THE DUTY PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR

On the basis of full understanding of the Company, the Independent Directors performed their duties with due diligence in an objective and prudent manner. They focused on the following major issues regarding the duty performance and expressed independent opinions on certain major issues of their concerns in accordance with relevant requirements:

In 2018, all Independent Directors attended Board meetings on time, and understood the operations and management of the Company. The Independent Directors conducted investigation and obtained information and data necessary for making decisions and made independent and clear judgment on and expressed independent opinions in favor of matters including changes in significant accounting estimate, connected transactions, profit distribution, appointment and dismissal of the senior management and remuneration and performance assessment of the senior management of the Company.

In 2018, there is no external guarantee or misappropriation of funds of the Company. The use of proceeds was consistent with the intended use as resolved and approved at the Shareholders' general meetings and the Board meetings. All proceeds were used to replenish the working capital of the Company to support the sustainable development of business.

In 2018, the Company did not publish the announcement of result forecast.

In 2018, there were no undertakings that the Company was required to disclose. The information disclosure of the Company was true, accurate and complete and made in a timely manner. The Company has not failed to disclose any discloseable information.

In 2018, the Company reappointed PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2018 and PricewaterhouseCoopers as the auditor for financial statements under Hong Kong Financial Reporting Standards of the Company for 2018. The Independent Directors are of the view that the appointment of the aforesaid accounting firms met the Company's requirements for auditing work. The decision-making procedures for such appointments were in compliance with the requirements of the relevant laws, regulations and the Articles of Association, without prejudicing the interests of the Company and its Shareholders. The Independent Directors expressed independent opinions in favour of such appointments.

In 2018, the Company was committed to establishing a sound internal control system in order to provide reasonable assurance of the achievement of internal control objectives, including the legal compliance of our operation and management, assets security and reliability, truthfulness and completeness of financial reports and related information, improvement of operation efficiency and implementation of development strategies for the sustainable development of the Company. The Company has conducted self-assessment of internal control as of 31 December 2018 and an audit report was issued by the auditor. The Independent Directors are of the view that the Company has established a sound, scientific, standardized and effective internal control system. The acts of the Company regarding corporate governance, business operations, financial management, decision making on significant events and other aspects were conducted in compliance with the internal control requirements of the Company. The internal control system of the Company was effectively implemented.

In 2018, the Board of the Company has duly performed their functions and duties under the laws and regulations and the Articles of Association. The Board played the core role in decision making of the Company by effective and standardized operation. Assembling, convening and resolutions of the Board and Board committees of the Company were in compliance with the statutory procedures, while material decision making performed necessary procedures in compliance with the requirements of laws and regulations and the Articles of Association. The Board and Board committees operated prudently and effectively. Under the leadership of the Board, the management of the Company completed the annual major operational targets and business goals set by the Board.

IV. OVERALL EVALUATION AND RECOMMENDATION

All of the Independent Directors are of the view that they have duly performed their functions and duties, and fulfilled their obligations to acting with integrity and diligence pursuant to the laws and regulations and the provisions under the Articles of Association in 2018. They actively attended Board meetings and meetings of the Board committees and participated independently and objectively in the decision-making of the Company on significant issues. In particular, they were concerned about the legal rights of the minority Shareholders. All of the Independent Directors made objective and impartial judgments on the issues to be resolved by the Board. They also performed due diligence reviews on the appointment, removal, and performance appraisal of Directors and senior management, and any other issues which might significantly affect the interests of insured parties and the minority Shareholders. This helped promote the scientificity and objectivity of the Board's decisions, and helped maintain the sustainable, healthy and stable growth of the Company.

In 2019, the Independent Directors will continue to perform their duties faithfully and diligently to play an active role as Independent Directors in safeguarding the interests of the Company as a whole and the legitimate interests of all Shareholders and promoting the healthy and sustainable development of the Company.

In 2018, the Supervisors prudently performed their duties and adequately exercised the functions in accordance with relevant laws and regulations and the Articles of Association. The Board of Supervisors carried out effective supervision in respect of the strategic development, corporate governance, financial position, internal control and risk management of the Company to practically maintain legitimate interests of the Company and Shareholders as a whole. Based on two fundamental principles of promoting the Company's development and safeguarding shareholders' interests, the Board of Supervisors improved the operation mechanism to ensure that the Board of Supervisors was operating in a standardised way. The performance of duties of the Supervisors and the major work report of the Board of Supervisors in 2018 are as follows:

I. EFFECTIVE REGULATION OF OPERATION OF THE BOARD OF SUPERVISORS

- (I) Convening of Meetings of the Board of Supervisors in accordance with regulations.** The Board of Supervisors convened six meetings in 2018, at which, 23 resolutions have been considered and approved and 18 reports have been listened to. The 5th meeting of the 8th session of the Board of Supervisors convened in Shanghai on 29 March 2018 considered and approved resolutions including the Resolution on Report of the Board of Supervisors for the Year 2018 of China Pacific Insurance (Group) Co., Ltd. The 6th meeting of the 8th session of the Board of Supervisors convened in Shanghai on 27 April 2018 considered and approved resolutions including the Resolution on the 2018 First Quarterly Report of China Pacific Insurance (Group) Co., Ltd. The 7th meeting of the 8th session of the Board of Supervisors convened by communications on 23 May 2018 considered and approved resolutions including the Resolution on the Routine Related Party Transactions between China Pacific Insurance (Group) Co., Ltd. and Shanghai Rural Commercial Bank. The 8th meeting of the 8th session of the Board of Supervisors convened in Shanghai on 24 August 2018 considered and approved resolutions including the Resolution on Full Text and Summary of A Share 2018 Interim Report of China Pacific Insurance (Group) Co., Ltd. The 9th meeting of the 8th session of the Board of Supervisors convened in Shanghai on 26 October 2018 considered and approved resolutions including the Resolution on the 2018 Third Quarterly Report of China Pacific Insurance (Group) Co., Ltd. The 10th meeting of the 8th session of the Board of Supervisors convened by communications on 28 December 2018 considered and approved resolutions including the Resolution on Resignation Audit Report in respect of Former Chief Human Resources Officer CAO Zenghe of China Pacific Insurance (Group) Co., Ltd.

Assembling, convening and decision making of the above meetings were in compliance with the statutory procedures, while various resolutions considered were approved and implemented. The operation of the Board of Supervisors was in compliance with rules and the decision-making was effective.

(II) **Punctual Attendance of meeting, sufficient opinions, and performance of duties as Supervisors.** In 2018, all Supervisors punctually attended meetings of the Board of Supervisors. Details are as follows:

Name of Supervisor	Meetings held	Meetings attended in person	Meetings attended by proxy	Absence	Remarks
Current Supervisors					
ZHU Yonghong	3	3	0	0	
ZHANG Xinmei	6	6	0	0	
JIN Zaiming	3	3	0	0	
YUAN Songwen	6	6	0	0	
LU Ning	3	3	0	0	
Resigned Supervisors					
ZHOU Zhuping	3	3	0	0	
LIN Lichun	3	3	0	0	

Note:

- On 1 June 2018, Mr. ZHOU Zhuping resigned as chairman of the Board of Supervisors and shareholder representative Supervisor due to adjustments to his work arrangement; Ms. LIN Lichun resigned as shareholder representative Supervisor due to adjustments to her work arrangement;
- On 15 June 2018, Mr. ZHU Yonghong and Mr. LU Ning were elected as shareholder representative Supervisor of the 8th session of the Board of Supervisor at the 2017 annual general meeting of the Company;
- In March 2018, Mr. JIN Zaiming was elected as employee representative Supervisor of the 8th session of the Board of Supervisors at the employee representative meeting of the Company.

Supervisors attending the meetings voted in favour of all resolutions considered at the meetings on the basis of adequate expression of opinions.

II. PERFORMANCE OF DUTIES OF SUPERVISORS WITH DUE DILIGENCE

(I) Listening to special reports and following material matters of implementation of strategies. In 2018, Supervisors of the Company kept track of the 2018 ten key tasks for realising transformation and the 13 transformation projects launched by the management, listened to several transformation project reports presented by the Company, and strengthened the role of transformation to guide and drive operation. Supervisors also focused on issues including unstable CPIC P/C combined ratio and long-term unbalanced quarterly development of life insurance business, and helped the management to take targeted measures to improve operation capability.

(II) Attending on-site investigation and understanding the operation and management of the Company. In 2018, Supervisors took a tour visit to Hunan and Xinjiang branches of CPIC P/C and CPIC Life, considered reports in relation to the execution of operating guideline of the Group and the realisation of Transformation 2.0, and communicated and discussed thoroughly about key issues and difficulties in realising transformation at the primary level.

In addition, certain Supervisors deepened their understanding of the operating results and risk management of the Company through attending the annual audit meetings, participating in certain on-site audit work and other means.

(III) Following corporate governance and strengthening the supervision on the Board of Directors and the management of the Company. In 2018, Supervisors attended the general meetings and Board meetings, and played an active role in supervising the decision-making process and the performance of duties by the Board of Directors. The Board of Supervisors is of the view that the corporate governance was effective, the operating procedures of the Board were in compliance with regulations, and the matters considered and resolutions made thereat were legitimate and valid. In addition, the Board of Supervisors supervised and assessed the annual performance of Directors and senior management members through material review, site visit, inspections, rating and other ways. No conduct was found to have breached any laws, regulations or the Articles of Association or damaged the interests of the Company and its Shareholders. The Board of Supervisors is of the view that Directors performed their duties with due diligence and the senior management members of the Company were devoted to their duties, all of whom have sufficiently fulfilled their obligations.

- (IV) **Strengthening financial supervision and safeguarding Shareholders' interests.** In 2018, the Board of Supervisors reviewed resolutions including those concerning periodic reports and profit distribution, and paid special attention to activities that had major cash flow consequences, changes in accounting, accounting items which had a significant impact on the results of operations as well as matters which had a significant impact on owner's equity. Moreover, the Board of Supervisors supervised the preparation and review procedures as well as content and format of reports in respect of their truthfulness, accuracy and completeness, while keeping track of the Company's financial conditions in a timely manner through regular review of its financial reports such as monthly operation indicators. The Board of Supervisors duly performed its duties of financial supervision.

The Board of Supervisors had also expressed its opinions on the Company's appointment of auditors. It commented favorably on the overall performance of the auditors and agreed to continue to appoint PricewaterhouseCoopers Zhong Tian LLP as the auditor of the Company for 2018 and PricewaterhouseCoopers as the auditor of financial statements under Hong Kong Financial Reporting Standards of the Company for 2018.

- (V) **Strengthening internal control supervision and optimising risk management system.** The Board of Supervisors regularly reviews the report of the Company on works of strengthening internal control and risk management, and continuously supervises the Board and the management to build and implement comprehensive internal control and risk management mechanism.

In 2018, with the leadership of Board, the audit department of the Company stuck to the objective to "strengthen internal audit supervision and assessment, improve value-added service capability, enhance value creation and strive for excellence" and the work guideline of "focusing on key tasks, strengthening accountability mechanism, improving efficiency and benefit and seeking innovation", enhanced audit of key fields, critical parts and important process on the basis of full coverage, finished all the audit plans passed by the Board, and performed independent supervision as the third defense line. The audit department also actively promoted the Group's strategy deployment of "integrated risk control", developing a multi-dimension, multi-level and coordinated supervision mechanism and realising a positive synergy with the first and second defense lines.

Under the supervision of the Board of Supervisor, the Company conducted risk management based on the Group's strategic transformation and regarded serving company strategy as the core task. It promoted risk management system construction, advanced the implementation of "1+4" series documents that proposed the principle of "preventing risks, tacking violations, and improving weaknesses" issued by insurance regulators, reinforced the Company's risk control, improved the group-wide management mechanism, and launched key risk identification and control, thereby holding the risk bottom line and recording great performance in all supervision and assessment.

III. ACTIVE PARTICIPATION IN TRAINING OF SUPERVISORS

To improve their professional skills and knowledge of insurance policies and regulations, Supervisors of the Company participated in the training and lectures held by SSE, CBIRC and the Company. In 2018, JIN Zaiming, Supervisor, attended a training program for newly appointed Directors, Supervisors and senior managers in 2018 held by CBIRC. ZHANG Xinzheng and LU Ning, both being Supervisor, attended the 2018 third training programme for directors and supervisors of listed companies in Shanghai sponsored by CSRC Shanghai branch. In addition, all the Company's Supervisors participated in the training regarding guidance about the Listing Rules of the Stock Exchange organised by the Company to study requirements about corporate governance and information disclosure of listed companies. All Directors and Supervisors of the Company watched series videos released by the Stock Exchange including "The Role of Independent Non-Executive Directors in Corporate Governance", and by other means, studied the latest laws, regulations and regulatory rules released by regulators, to further understand rights, duties and legal liabilities of directors and supervisors, thereby ensuring better fulfilment of responsibilities.

IV. INDEPENDENT OPINIONS OF THE BOARD OF SUPERVISORS

In 2018, the Board of Supervisors focused on the key performance of their duties and provided their independent opinions:

- (I) The Company’s operational compliance.** The Board of Supervisors is of the opinion that during the reporting period, the Company maintained legally compliant operations and the Company’s operational activities complied with regulatory requirements including those of the Company Law and the Articles of Association. The corporate governance structure was further improved. The decision-making procedures of the Board of Directors and the management were legal and valid, and the Directors and senior management were faithful and diligent in the process of operating and managing the Company. No conduct was found to have breached any laws or regulations or damaged the interests of Shareholders.
- (II) Truthfulness and accuracy of the financial statements.** The financial statements of the Company for the year were audited by PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers, based on their respective independent auditing standards, who have issued audit reports with standard unqualified opinions. The Board of Supervisors is of the view that the financial acts of the Company were in strict compliance with the relevant requirements of the national relevant laws and regulations and the financial management system of the Company as well as internal control system; the procedures of preparing the financial reports of the Company were in compliance with the requirements of laws and regulations; the 2018 audit report with standard unqualified opinion as audited and issued by the auditing firms was objective and fair, truly reflecting the financial conditions and operating results of the Company.
- (III) Consistent use of proceeds from the fund raising according to the grant.** During the reporting period, the proceeds of the fund raising had been used by the Company to enrich the capital base to support sustainable business development, which was consistent with the use granted by the resolutions of the general meetings and the Board of Directors of the Company.

- (IV) **During the reporting period, the Company made no major asset acquisition or major disposal of assets.**
- (V) **Fair and reasonable related party transactions.** During the reporting period, the Company's related party transactions were fair and reasonable. The consideration, voting and disclosure procedures of related party transactions are legitimate. No conduct was found to have damaged the interests of the Company and Shareholders.
- (VI) **No objection to the report on internal control.** During the reporting period, the Company established a reasonable and effective internal control system. The Board of Supervisors reviewed the Company's Assessment Report on Internal Control and raised no objection.
- (VII) **Effective implementation of resolutions approved by shareholders at the general meeting.** During the reporting period, the Board of Supervisors raised no objections to any of the reports and resolutions submitted by the Board of Directors for Shareholders' consideration at the general meetings and supervised the implementation of the resolutions approved by Shareholders at the general meetings. The Board of Supervisors is of the opinion that the Board of Directors is able to effectively implement the resolutions approved by Shareholders at the general meetings.

The Company proposes to obtain Shareholders' approval for granting a general mandate to authorize the Board of Directors to determine if the Company shall allot, issue and deal with A Shares and H Shares, separately or concurrently, according to market conditions and the needs of the Company, provided that the respective number of shares shall not exceed 20% of each of the A Shares and H Shares of the Company in issue on the date of the passing of this special resolution. However, notwithstanding the granting of the general mandate to the Board of Directors, any issue of new A Shares would require another Shareholders' approval at a Shareholders' meeting in accordance with the relevant PRC laws and regulations.

- (1) Subject to paragraphs (3) and (4) below and pursuant to the Company Law and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed, the Board of Directors shall be granted a general and unconditional mandate to exercise all the powers of the Company to allot, issue and deal with new shares during the Relevant Period (as hereinafter defined) and to determine the terms and conditions for the allotment and issue of new shares which include, without limitation, the following terms:
 - (a) the class and number of new shares to be issued;
 - (b) the method of determining the issue price of new shares and/or the issue price (including the price range);
 - (c) the starting and closing dates for the issue;
 - (d) the class and number of the new shares to be issued to existing shareholders; and
 - (e) the making or granting of offers, agreements and options which might be necessary for the exercise of such powers.
- (2) The approval in paragraph (1) shall authorize the Board of Directors to make or grant offers, agreements and options during the Relevant Period, which would or might be necessary for the exercise of such powers after the end of the Relevant Period.
- (3) The aggregate nominal amount of the new A Shares and new H Shares allotted, issued and dealt with conditionally or unconditionally (whether pursuant to an option or otherwise) by the Board of Directors pursuant to the approval in paragraph (1), other than the shares issued pursuant to a Rights Issue (as hereinafter defined) or any option scheme to purchase rights attached to the shares of the Company or similar arrangement, shall not exceed 20% of each of the A Shares and H Shares of the Company in issue as at the date of passing this resolution.

(4) In exercising the powers granted in paragraph (1), the Board of Directors must (a) comply with the Company Law and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed; and (b) obtain approval from the CSRC and other relevant PRC government departments.

(5) For the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the 12-month period following the passing of this resolution; and
- (c) the revocation or variation of the mandate granted under this resolution by a special resolution of the Shareholders at a Shareholders’ general meeting.

“**Rights Issue**” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the law of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities.

(6) The Board of Directors, subject to the approval of the relevant authorities of the PRC and in accordance with the Company Law, shall be authorized to increase the registered capital of the Company to the required amount upon the exercise of the powers pursuant to paragraph (1) above.

(7) The Board of Directors shall be authorized to sign the necessary documents, complete the necessary formalities and take other necessary steps to complete the allotment, issue and listing of new shares, provided that the same do not violate the relevant laws, administrative regulations and regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed, and the Articles of Association.

(8) Subject to the approval of the relevant PRC authorities, the Board of Directors shall be authorized to make amendments to the Articles of Association as appropriate and necessary after the completion of the allotment and issue of new shares according to the method of the allotment and issue of new shares by the Company, the type and number of new shares to be allotted and issued by the Company, and the actual shareholding structure of the Company at the time of completion of the allotment and issue of new shares, in order to reflect the changes in the share capital structure and the registered capital of the Company pursuant to the exercise of this mandate.

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The proposed amendments to the Articles of Association (the “**Proposed Amendments**”) are as follow:

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association					Contents of chapters and articles after Proposed Amendments				
Record of Preparation of and Amendments to the Articles of Association	Record of Preparation of and Amendments to the Articles of Association					Record of Preparation of and Amendments to the Articles of Association				
	No.	Issues	Date Of decision	Meeting	Ref No. of Approval document	No.	Issues	Date Of decision	Meeting	Ref No. of Approval document
	1	Preparation of the Articles	25 April 1991	The first meeting of the first session of the board of directors of China Pacific Insurance Company	Approval of the Establishment of China Pacific Insurance Company (Yin Fu [1991] No. 149)	1	Preparation of the Articles	25 April 1991	The first meeting of the first session of the board of directors of China Pacific Insurance Company	Approval of the Establishment of China Pacific Insurance Company (Yin Fu [1991] No. 149)
				
17	The 16 th amendment	9 June 2017	The annual general meeting of China Pacific Insurance (Group) Co., Ltd. for 2016	Approval of the Amendments to the Articles of China Pacific Insurance (Group) Co., Ltd. (Bao Jian Xu Ke [2017] No. 846)	17	The 16 th amendment	9 June 2017	The annual general meeting of China Pacific Insurance (Group) Co., Ltd. for 2016	Approval of the Amendments to the Articles of China Pacific Insurance (Group) Co., Ltd. (Bao Jian Xu Ke [2017] No. 846)	
					<u>18</u>	<u>The 17th amendment</u>	<u>27 December 2017</u>	<u>The first extraordinary general meeting of China Pacific Insurance (Group) Co., Ltd. for 2017</u>	<u>Approval of the Amendments to the Articles of China Pacific Insurance (Group) Co., Ltd. (Bao Jian Xu Ke [2018] No. 109)</u>	

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 1	<p>These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Insurance Law of the People's Republic of China (the "Insurance Law"), the Constitution of the Communist Party of China (the "Party Constitution"), the Special Provisions of the State Council on the Offshore Offering and Listing of Companies Limited By Shares (the "Special Provisions"), the Mandatory Provisions for the Articles of Association of Companies Listing Overseas and the Guidelines on the Articles of Association of Listed Companies prescribed by the China Securities Regulatory Commission (the "CSRC"), the Guiding Opinion on Standardizing the Corporate Governance Structure of Insurance Companies (For Trial Implementation) and the Opinion Concerning Standardizing the Articles of Association of Insurance Companies prescribed by the China Insurance Regulatory Commission (the "CIRC"), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "HKSE") (the "Listing Rules") and other relevant laws and regulations for the purposes of protecting the legitimate rights and interests of the Company and its shareholders and creditors and regulating the organization and activities of the Company.</p>	<p>These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), the Insurance Law of the People's Republic of China (the "Insurance Law"), the Constitution of the Communist Party of China (the "Party Constitution"), the Special Provisions of the State Council on the Offshore Offering and Listing of Companies Limited By Shares (the "Special Provisions"), the Mandatory Provisions for the Articles of Association of Companies Listing Overseas and the Guidelines on the Articles of Association of Listed Companies <u>and the Corporate Governance Standards for Listed Companies</u> prescribed by the China Securities Regulatory Commission (the "CSRC"), the Guiding Opinion on Standardizing the Corporate Governance Structure of Insurance Companies (For Trial Implementation) and the Opinion Concerning Standardizing the Articles of Association of Insurance Companies <u>and the Guidance on Articles of Association of Insurance Companies</u> prescribed by the China Insurance Regulatory Commission (the "CIRC"), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "HKSE") (the "Listing Rules") and other relevant laws and regulations for the purposes of protecting the legitimate rights and interests of the Company and its shareholders and creditors and regulating the organization and activities of the Company.</p>
Article 4	<p>The address of the Company shall be: South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pudong New District, Shanghai. Postal Code: 200120 Telephone: (0086) 21 5877 6688 Fax: (0086) 21 6887 0922 Website: www.cpic.com.cn</p>	<p>The address of the Company shall be: South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pudong New District <u>No. 1 Zhongshan South Road, Huangpu District, Shanghai.</u> Postal Code: 200120 Telephone: (0086) 21 5877-6688<u>33960000</u> Fax: (0086) 21 6887 0922 Website: www.cpic.com.cn</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 9	These Articles of Association shall be adopted at a shareholders' general meeting and shall be valid and implemented upon approval by the CIRC.	These Articles of Association shall be adopted at a shareholders' general meeting and shall be valid and implemented upon approval by the CIRC <u>China Banking and Insurance Regulatory Commission ("CBIRC")</u> .
Article 11	<p>The qualifications of directors, supervisors and senior management of the Company shall be verified by the CIRC.</p> <p>For the purposes hereof, the term "senior management" shall mean the executive directors, president, vice presidents, secretary to the board of directors, chief financial officer, chief actuary, compliance officer, chief risk officer, officer responsible for auditing, professional directors or any other management personnel determined by the board of directors. Executive directors refer to directors, who, apart from serving as directors of the Company, also take up other operational and management positions, or whose salaries and welfare benefits are paid by the Company.</p>	<p>The qualifications of directors, supervisors and senior management of the Company shall be verified by the CIRC<u>CBIRC</u>.</p> <p>For the purposes hereof, the term "senior management" shall mean the executive directors, president, vice presidents, <u>chief actuary, chief auditor, chief legal advisor, chief risk officer, chief technology officer, chief investment officer,</u> secretary to the board of directors, chief financial officer, chief actuary, compliance officer, chief risk officer, officer responsible for auditing, professional directors or any other management personnel determined by the board of directors. Executive directors refer to directors, who, apart from serving as directors of the Company, also take up other operational and management positions, or whose salaries and welfare benefits are paid by the Company.</p>
Article 15	<p>Upon approval by the CIRC and verification by the SAIC, the scope of business of the Company shall be:</p> <p>.....</p> <p>(5) to conduct any other businesses as approved by the CIRC.</p>	<p>Upon approval by the CIRC and verification by the SAIC, The scope of business of the Company shall be:</p> <p>.....</p> <p>(5) to conduct any other businesses as approved by the CIRC<u>CBIRC</u>.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 33	<p>In any of the following circumstances, the Company may, subject to the procedures stipulated by these Articles of Association and upon approval by the relevant regulatory competent authority of the PRC, repurchase its outstanding shares:</p> <ol style="list-style-type: none"> (1) cancellation of shares for the reduction of its share capital; (2) merger with another company that holds shares in the Company; (3) grant of shares to employees of the Company as rewards; (4) disagreement of any shareholder with any resolution relating to the merger or division of the Company adopted at a shareholders' general meeting, which results in its requesting the Company to repurchase the shares of the Company held by such shareholder; (5) other circumstances as permitted by laws and administrative regulations. 	<p>In any of the following circumstances, the Company may subject to the procedures stipulated by these Articles of Association and upon approval by the relevant regulatory competent authority of the PRC, repurchase its outstanding <u>repurchase its</u> shares:</p> <ol style="list-style-type: none"> (1) cancellation of shares for the reduction of its <u>registered</u> share capital; (2) merger with another company that holds shares in the Company; (3) grant of shares to employees of the Company as rewards <u>to use the shares in the employee stock ownership plan or as share incentive;</u> (4) disagreement of any shareholder with any resolution relating to the merger or division of the Company adopted at a shareholders' general meeting, which results in its requesting the Company to repurchase the shares of the Company held by such shareholder; (5) <u>to use the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;</u> (6) <u>to safeguard corporate value and shareholders' interests as the Company deems necessary.</u> <p>other circumstances as permitted by laws and administrative regulations.</p> <p>Except as set out above, the Company shall not engage in any other activity relating to the sale or purchase of shares of the Company.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
	<p>Except as set out above, the Company shall not engage in any other activity relating to the sale or purchase of shares of the Company.</p> <p>Where the Company purchases its own shares in the circumstances stated in items (1) to (3) in the preceding paragraph, the share purchase shall be approved by a resolution at a shareholders' general meeting. After the Company has purchased its own shares in accordance with the above provisions, the purchased shares shall be cancelled within 10 days from the date of purchase (in the case of item (1)), or shall be transferred or cancelled within 6 months (in the case of items (2) and (4)).</p> <p>The shares of the Company purchased by the Company pursuant to item (3) of the first paragraph shall not exceed 5% of the total number of issued shares of the Company; the funds used for the share purchase shall be paid out of the profit after tax of the Company. The shares so purchased shall be transferred to the employees within 1 year.</p>	<p>Where the Company purchases its own shares in the circumstances stated in items (1) to (3), (5) and (6) in the preceding paragraph, the share purchase shall be approved by a resolution at a shareholders' general meeting. After the Company has purchased its own shares in accordance with the above provisions, the purchased shares shall be cancelled within 10 days from the date of purchase (in the case of item (1)), or shall be transferred or cancelled within 6 months (in the case of items (2) and (4)).</p> <p><u>For the shares of the Company purchased by the Company pursuant to items (3), (5) and (6) of the first paragraph, the total number of shares held by the Company shall not exceed 510% of the total number of issued shares of the Company; the funds used for the share purchase shall be paid out of the profit after tax of the Company. The shares so purchased, and such shares shall be transferred to the employees or cancelled within 13 years.</u></p> <p><u>Where the Company repurchases its shares, it shall complete the relevant approval procedures in accordance with the laws and regulations and regulatory requirements, and fulfill the obligations of information disclosure pursuant to the Securities Law. Where the Company repurchases its shares pursuant to items (3), (5) and (6) of this article, it shall be conducted through open centralized trading.</u></p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 58	<p>If a Shareholder' capital contribution and acts violate laws and regulations and relevant regulatory rules, such Shareholder shall be prohibited from exercising voting rights, dividend rights, nomination rights and other Shareholders' rights and shall undertake to accept the restrictions on his/her Shareholders' rights, the order to transfer his/her equity interests and other regulatory penalties imposed by CIRC.</p>	<p>If a Shareholder' capital contribution and acts violate laws and regulations and relevant regulatory rules, such Shareholder <u>In any of the following circumstances</u>, the Shareholder shall be prohibited from <u>attending the Shareholders' general meeting</u>, exercising voting rights, <u>proposal right</u>, dividend rights, nomination rights and other Shareholders' rights and shall undertake to accept the restrictions on his/her Shareholders' rights, the order to transfer his/her equity interests and other regulatory penalties imposed by CIRC <u>CBIRC</u>:</p> <p>(1) <u>the changes in Shareholders were not approved by or filed with the CBIRC;</u></p> <p>(2) <u>the changes in the de facto controller of the Shareholders were not approved by or filed with the CBIRC;</u></p> <p>(3) <u>entrusting others or accepting entrustment from others to hold shares of the Company;</u></p> <p>(4) <u>control of equity interests in a disguised form by accepting entrustment of voting rights and transferring rights to yields;</u></p> <p>(5) <u>direct or indirect self-capital injection or false capital contribution by using insurance funds;</u></p> <p>(6) <u>other capital contribution and share holding that are not in compliance with regulatory requirements.</u></p> <p><u>Where there are regulations otherwise stipulated by the securities regulatory authorities at the places where the Company's shares are listed, such regulations shall prevail.</u></p>
Article 63	<p>Holders of the ordinary shares of the Company shall have the following obligations:</p> <p>.....</p> <p>(16) if a Shareholder creates a pledge over his/her/its equity interests in the insurance company, such Shareholder shall not prejudice the interests of other Shareholders and the Company, nor enter into any agreement which allows the pledgee or other related parties to exercise his/her/its voting rights;</p> <p>.....</p>	<p>Holders of the ordinary shares of the Company shall have the following obligations:</p> <p>.....</p> <p>(16) if a Shareholder creates a pledge over his/her/its equity interests in the insurance <u>Company</u>, such Shareholder shall not prejudice the interests of other Shareholders and the Company, nor enter into any agreement which allows the pledgee or other related parties to exercise his/her/its voting rights;</p> <p>.....</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 68	<p>The shareholders' general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(21) to consider and approve the share incentive scheme;</p> <p>.....</p> <p>(24) to consider and approve the following related party transactions:</p> <p style="padding-left: 40px;">(1) material related party transactions of the Company with related parties with a single transaction amount or cumulative transaction amount representing 5% and above of net assets of the Company as at the end of the previous year, saved for related party transactions between the Company and its subsidiaries;</p> <p>.....</p>	<p>The shareholders' general meeting shall exercise the following functions and powers:</p> <p>.....</p> <p>(21) to consider and approve the <u>employee stock ownership plan or share</u> incentive scheme;</p> <p>.....</p> <p>(24) to consider and approve the following related party transactions:</p> <p style="padding-left: 40px;">(1) material related party transactions of the Company with related parties with a single transaction amount or cumulative transaction amount representing 5% and above of net assets of the Company as at the end of the previous year, saved for related party transactions between the Company and its subsidiaries;</p> <p>.....</p> <p><u>Where the Shareholders' general meeting authorizes the Board to exercise its certain functions and powers, the Shareholders' general meeting shall make a resolution and specify the explicit and specific contents of its authorization.</u></p>
Article 84	<p>The Company shall convene a shareholders' general meeting at its place of domicile or at a place designated by the Board.</p> <p>A meeting place shall be provided for convening a Shareholders' general meeting in the form of a physical meeting. The Company shall, on the premise of ensuring the lawfulness and validity of the general meeting, provide convenience to Shareholders in attending the shareholders' general meeting through various means and channels, with priority given to the provision of modern information technology measures such as online voting platforms. Shareholders attending the Shareholders' general meeting by the said method shall be deemed to have been present thereat.</p>	<p>The Company shall convene a shareholders' general meeting at its place of domicile or at a place designated by the Board.</p> <p>A meeting place shall be provided for convening a Shareholders' general meeting <u>shall be provided with a venue and convened</u> in the form of a <u>combination of physical meeting and on-line voting</u>. The Company shall, on the premise of ensuring the lawfulness and validity of the general meeting, provide convenience to Shareholders in attending the shareholders' general meeting through various means and channels, with priority given to the provision of modern information technology measures such as online voting platforms, <u>and shall provide convenience to Shareholders for their attending of the meeting by adopting other safe, economical and convenient means in accordance with the laws, administrative regulations, and provisions of the China Securities Regulatory Commission and the Articles of Association.</u> Shareholders attending the Shareholders' general meeting by the said method shall be deemed to have been present thereat.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 96	<p>The following matters shall be adopted by a special resolution at a shareholders' general meeting:</p> <p>.....</p> <p>(11) equity incentive schemes;</p> <p>.....</p>	<p>The following matters shall be adopted by a special resolution at a shareholders' general meeting:</p> <p>.....</p> <p>(11) <u>employee stock ownership plan or</u> equity incentive schemes;</p> <p>.....</p>
Article 124	<p>The Board shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:</p> <p>.....</p> <p>(7) to formulate plans for substantial acquisition or acquisition of the shares in the Company or for merger, division, dissolution and change of the corporate form of the Company;</p> <p>.....</p> <p>(10) to appoint or dismiss the president, to appoint or dismiss the secretary to the Board of the Company in accordance with the nomination by the chairman, to appoint or dismiss the officer responsible for auditing of the Company in accordance with the nomination by the chairman or the audit committee, and to appoint or dismiss and determine the remuneration and rewards and punishments of the vice presidents, chief financial officer, chief actuary, compliance officer, chief risk officer, professional chief controllers and other senior management of the Company in accordance with nominations by the president;</p> <p>.....</p> <p>(15) to consider and approve the following material related party transactions:</p> <p style="padding-left: 40px;">(1) a single transaction between the Company and a related party amounting to 1% of the net assets of the Company as at the end of the previous year or exceeding RMB30 million but less than 5% of the net assets of the Company as at the end of the previous year;</p> <p>.....</p>	<p>The Board shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:</p> <p>.....</p> <p>(7) to formulate plans for substantial acquisition or acquisition of the shares in the Company or for merger, division, dissolution and change of the corporate form of the Company;</p> <p>.....</p> <p>(10) to appoint or dismiss the president, to appoint or dismiss the secretary to the Board of the Company in accordance with the nomination by the chairman, to appoint or dismiss the <u>chief auditor</u>, officer responsible for auditing of the Company in accordance with the nomination by the chairman or the audit committee, and to appoint or dismiss and determine the remuneration and rewards and punishments of the vice presidents, <u>chief financial officer</u>, chief actuary, <u>chief legal advisor</u>, <u>chief risk officer</u>, <u>chief technology officer</u>, <u>chief investment officer</u>, <u>chief financial officer</u>, compliance officer, <u>chief risk officer</u>, <u>professional chief controllers</u> and other senior management of the Company in accordance with nominations by the president;</p> <p>.....</p> <p>(15) to consider and approve the following material related party transactions:</p> <p style="padding-left: 40px;">(1) a single transaction between the Company and a related party amounting to <u>not less than</u> 1% of the net assets of the Company as at the end of the previous year or exceeding RMB30 million <u>but less than</u> 5% of the net assets of the Company as at the end of the previous year;</p> <p>.....</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 125	<p>The Board shall formulate strict review and decision-making procedures, clarify its authority of examination and approval, and consider and approve or authorize the president to make decisions on external investments and related disposal, purchase, disposal and write-off of assets, mortgage of assets and external donations:</p> <p>(1) to consider and approve the external investment of the Company with transaction value of a single project not in excess of 50% of the audited net asset value of the Company for the most recent period (other than the transaction entered into between the Company and its controlled subsidiaries), and investment matters in which the assets ratio, consideration ratio, profits ration, revenue ratio and equity capital ratio are no more than 25% pursuant to the Listing Rules (as amended from time to time) applicable to the Company; of which, the amount of a single authorized project shall not exceed RMB1 billion, while the annual accumulative authorization amount shall not exceed RMB2.5 billion;</p> <p>.....</p>	<p>The Board shall formulate strict review and decision-making procedures, clarify its authority of examination and approval, and consider and approve or authorize the president to make decisions on external investments and related disposal, purchase, disposal and write-off of assets, mortgage of assets and external donations:</p> <p>(1) to consider and approve the external investment of the Company with transaction value of a single project not in excess of 50% of the audited net asset value of the Company for the most recent period (other than the transaction entered into between the Company and its controlled subsidiaries), and investment matters in which the assets ratio, consideration ratio, profits ration, revenue ratio and equity capital ratio are no more <u>less</u> than 25% pursuant to the Listing Rules (as amended from time to time) applicable to the Company; of which, the amount of a single authorized project shall not exceed RMB1 billion, while the annual accumulative authorization amount shall not exceed RMB2.5 billion;</p> <p>.....</p>
Article 126	<p>.....</p> <p>The audit committee is composed of at least three directors who hold no positions in the management, and the independent directors shall account for above one-half of its members. The members shall possess the professional knowledge as to finance and laws appropriate to their duties and the committee shall have at least one finance or audit professional.</p> <p>.....</p>	<p>.....</p> <p>The audit committee is composed of at least three directors who hold no positions in the management, and the independent directors shall account for above one-half of its members. The members shall possess the professional knowledge as to finance and laws appropriate to their duties and the committee shall have at least one <u>independent director who is a professional in finance, accounting or audit professional, or has over five years of experience in finance, accounting or auditing.</u></p> <p>.....</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 138	<p>The independent directors bear the duties of good faith and due diligence and care towards the Company and all shareholders. The independent directors shall, pursuant to the requirements of the relevant laws and regulations and these Articles of Association, earnestly perform their duties, protect the overall interests of the Company, and, in particular, ensure that the legitimate rights and interests of the insured and the minority shareholders are protected from being harmed.</p> <p>An independent director shall not assume any post in any other insurance company operating a similar main business or act as an independent director in more than four companies at the same time, and shall ensure that he has sufficient time and energy to perform his duties as an independent director.</p>	<p>The independent directors bear the duties of good faith and due diligence and care towards the Company and all shareholders. The independent directors shall, pursuant to the requirements of the relevant laws and regulations and these Articles of Association, earnestly perform their duties, protect the overall interests of the Company and all Shareholders, and, in particular, ensure that the legitimate rights and interests of the insured insurance customers and the minority shareholders are protected from being harmed.</p> <p>An independent director shall not assume any post in any other insurance company operating a similar main business ensure sufficient time and energy to perform duties in an effective manner, and may or act as an independent director in more than up to four domestic and overseas companies at the same time. and shall ensure that he has sufficient time and energy to perform his duties as an independent director.</p>
Article 139	<p>The independent directors shall perform their functions and duties independently, free from any influence from the major shareholders or actual controller of the Company or other organizations or individuals who have an interest in the Company.</p>	<p>The independent directors shall perform their functions and duties in good faith, independently and diligently, free from any influence from the major shareholders or, actual controller or management of the Company or other organizations or individuals who have an material interest in the Company.</p>
Article 140	<p>The independent directors of the Company shall meet the following basic conditions:</p> <p>.....</p> <p>(3) having basic knowledge of the operations of listed companies, being conversant with the relevant laws, administrative regulations, ordinances and rules;</p> <p>(4) having not less than five years of experience in legal, economic or other areas which is necessary for performing the duties as independent directors;</p> <p>(5) other conditions as prescribed by the Company;</p>	<p>The independent directors of the Company shall meet the following basic conditions:</p> <p>.....</p> <p>(3) <u>in possession of an undergraduate education background or above, or a bachelor's degree or above;</u></p> <p>(4) having basic knowledge of the operations of listed companies, being conversant with the relevant laws, administrative regulations, ordinances and rules;</p> <p>(5) having not less than five years of <u>working experience in management, financial affairs, accounting, finance, insurance, actuary, investment, risk management, auditing,</u> legal, economic or other areas which is necessary for performing the duties as independent directors;</p> <p>(5) other conditions as prescribed by <u>the CBIRC and relevant regulatory authorities, and Articles of Association</u> of the Company;</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
<p>Article 141</p>	<p>The independent directors shall meet the requirements of independence. The following persons shall not serve as independent directors:</p> <ol style="list-style-type: none"> (1) persons who have worked for a shareholder holding not less than 5% of the shares in the insurance company or who have worked for the top ten shareholders of the insurance company, in the most recent three years in each case, and their close relatives; (2) persons who have worked in the insurance company or an enterprise under its actual control in the most recent three years, and their close relatives; (3) persons who have provided legal, audit, actuary and management consultancy or similar services to the insurance company in the most recent twelve months; (4) persons who have acted as partners, controlling shareholders or senior management of a banking, law, consultancy and audit institution which has dealings with the insurance company; (5) other persons who are identified by the CIRC as persons whose independent judgment may be affected; (6) any person who fails to meet the eligibility requirements for independent directors of the securities regulatory authorities of the place of listing. 	<p>The independent directors shall meet the requirements of independence. The following persons shall not serve as independent directors:</p> <ol style="list-style-type: none"> (1) persons who have worked for a shareholder holding not less than 5% of the shares in the <u>insurance</u> company or who have worked for the top ten shareholders of the <u>insurance</u> Company, in the most recent three years in each case, and their close relatives <u>and major social relations</u>; <u>Shareholder(s) referred to in this item includes the shareholder's controlling shareholders at all levels retroacted level by level and their related parties, persons acting in concert and the shareholder's subsidiaries.</u> (2) persons who have worked in the <u>insurance</u> Company or an enterprise under its actual control in the most recent three years, and their close relatives <u>and major social relations</u>; (3) persons who have provided legal, audit, actuary and management consultancy or similar services to the <u>insurance</u> Company, <u>its controlling shareholders and their respective subsidiaries</u> in the most recent <u>twelve months two</u> years; (4) persons who have acted as partners, controlling shareholders or senior management of a banking, law, consultancy and audit institution which has dealings with the <u>insurance</u> Company, <u>its controlling shareholders and their respective subsidiaries in the most recent two years</u>; (5) <u>persons who hold a position in other insurance institutions operating the same main business</u>; (6) other persons who are identified by the <u>CIRC CBIRC</u> as persons whose independent judgment may be affected; (67) any person who fails to meet the eligibility <u>independence</u> requirements for independent directors of the securities regulatory authorities of the place of listing.

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 142	<p>The independent directors shall be nominated in the following ways:</p> <ol style="list-style-type: none"> (1) direct nomination to the shareholders' general meeting by shareholders who individually or jointly hold not less than 3 percent of the shares in the insurance company, provided that one shareholder may only nominate one independent shareholder; (2) nomination by the nomination and remuneration committee of the Board; (3) nomination by the board of supervisors; (4) other ways as identified by the CIRC. 	<p>The independent directors shall be nominated in the following ways:</p> <ol style="list-style-type: none"> (1) direct nomination to the shareholders' general meeting by shareholders who individually or jointly hold not less than 3 percent of the shares in the insurance Company, provided that one shareholder may only nominate one independent shareholder; (2) nomination by the nomination and remuneration committee of the Board; (3) nomination by the board of supervisors; (4) other ways as identified approved by the CIRC CBIRC; (5) <u>other ways stipulated by laws and regulations.</u> <p><u>Shareholders holding more than one third of shares of the Company and their related shareholders and persons acting in concert shall not be nominated as independent directors.</u></p> <p><u>The nomination and remuneration committee of the Board and the board of supervisors shall nominate independent directors by meeting resolutions.</u></p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 143	<p>The nominator of an independent director shall seek the consent of the nominee before the nomination. The nominator shall fully understand the occupation, educational qualifications, job title, detailed work experience, all part-time jobs and other particulars of the nominee, and shall give his view on the nominee's qualifications and independence as independent directors. The nominee shall make a statement stating that there is no such relationship between himself and the Company as to affect the independence and objectivity of his judgment.</p>	<p>The nominator of an independent director shall seek the consent of the nominee before the nomination. The nominator shall fully understand <u>in detail</u> the occupation, <u>job title</u>, educational qualifications, <u>job title expertise</u>, detailed work experience, all part-time jobs, <u>performance of duties of independent directors in the past, and their close relatives and major social relations and</u> other particulars of the nominee, and shall give his <u>written</u> view on the nominee's qualifications and independence as independent directors. The nominee <u>for independent director</u> shall make a <u>public</u> statement stating that there is no such relationship between himself and the Company as to affect the independence and objectivity of his judgment.</p> <p><u>Candidates for independent directors shall perform the review procedure of the nomination and remuneration committee of the Board before submission to the shareholders' general meeting for election. The nomination and remuneration committee shall review the eligibility of the nominator, the eligibility of the candidate, nomination procedure, etc. if the candidate for independent director is not nominated by the nomination and remuneration committee of the Board, and submit to the Board its review opinions on whether the candidate meets the requirements.</u></p>
Article 144	<p>The term of office of each session of independent directors shall be the same as that of other directors of the Company. Upon expiry of the term, an independent director may serve another term if re-elected, provided that his consecutive terms shall not exceed six years in total.</p>	<p>The term of office of each session of independent directors shall be the same as that of other directors of the Company. Upon expiry of the term, an independent director may serve another term if re-elected, provided that his consecutive terms shall not exceed six years in total.</p> <p><u>In case of a circumstance affecting the independence of an independent director during the term of office, the independent director shall actively make a statement to the Board and apply for abstention from voting.</u></p> <p><u>Upon the receipt of the personal statement of the independent director, the Board shall determine whether the independent director complies with the independence requirement by meeting resolution. The independent director shall resign voluntarily if the Board determines that the independent director does not comply with the independence requirement.</u></p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 145	<p>If an independent director fails to attend a Board meeting for three consecutive times, the Board shall submit to the shareholders' general meeting that the independent director be dismissed. Except for the circumstances mentioned above and such other circumstances as prescribed in the Company Law in which a person shall not act as a director, an independent director shall not be dismissed without reason before the expiry of his term of office. If an independent director is dismissed prematurely, the Company shall disclose the dismissal as a matter requiring special disclosure. A dismissed independent director who considers his dismissal unjustified may make a public statement.</p>	<p><u>An independent director shall attend Board meetings and the meetings of the Board committees to which he is a member in person, and shall attend the shareholders' general meeting.</u></p> <p><u>Where an independent director is unable to attend a Board meeting in person for some reasons, the independent director shall entrust another independent director by written proxy to attend the meeting on his behalf.</u> If an independent director fails to attend a Board meeting for three consecutive times, <u>it will be deemed as non-performance of duties. The Board The Company shall submit to convene the shareholders' general meeting that the independent director be dismissed, within three months, to dismiss the independent director and elect a new independent director.</u> Where an independent director fails to attend two Board meetings in person within a year, the Company shall issue a written reminder to him. Where an independent director is reminded for two times within a term of office, he shall not be reappointed.</p> <p><u>Where an independent director loses his independence and fails to resign voluntarily, or fails to perform duty of diligence or there are other circumstances where he is not suitable for serving as an independent director and he fails to resign voluntarily, shareholders, directors and supervisors may submit a dismissal proposal and evidence materials to the Board in writing. The Board shall consider the dismissal proposal and shall submit it to the shareholders' general meeting for consideration. The independent director to be dismissed may defend himself or make a statement to the Board. The Company shall, at least 15 days prior to the convening of the shareholders' general meeting, inform the independent director of the reasons for dismissal and corresponding rights in writing. The independent director to be dismissed is entitled to defend himself and make a statement before voting at the shareholders' general meeting.</u></p> <p>Except for the circumstances mentioned above and such other circumstances as prescribed in the Company Law in which a person shall not act as a director, an independent director shall not be dismissed without reason before the expiry of his term of office. If an independent director is dismissed prematurely, the Company shall disclose the dismissal as a matter requiring special disclosure. A dismissed independent director who considers his dismissal unjustified may make a public statement.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
<p>Article 146</p>	<p>An independent director may resign before his term of office expires. An independent director who wants to resign shall submit a written resignation report to the Board to spell out any circumstances related to the resignation or those which he considers to be necessary to draw the attention of the shareholders or the creditors of the Company. If the resignation of an independent director results in the proportion of the independent directors to the directors of the Company falling below the minimum requirement of these Articles of Association, the written resignation report of the independent director shall take effect only after his successor fills the resultant vacancy.</p>	<p>An independent director may resign before his term of office expires. An independent director who wants to resign shall submit a written resignation report to the Board <u>and submit a written explanation to the Board regarding</u> to spell out any circumstances related to the resignation or <u>and</u> those which he considers to be necessary to draw the attention of the shareholders, <u>the Board, insurance consumers</u> or the creditors of the Company.</p> <p>If the resignation of an independent director results in the proportion <u>number</u> of the independent directors to the directors <u>or to the members of Board committees</u> of the Company falling below the minimum requirement of these Articles of Association, <u>the independent director shall continue to perform relevant duties prior to accession of the new independent director, and his</u> the written resignation report of the independent director shall take effect only after his successor fills the resultant vacancy, <u>except that the independent director reigns or is dismissed due to loss of independence.</u></p> <p><u>Where an independent director resigns, or is dismissed or deprived of eligibility by the CBIRC, the Company shall, within three months since the receipt of resignation report or the date of dismissal or deprivation of eligibility, convene shareholders' general meeting to reelect independent director.</u></p>
<p>Article 147</p>	<p>In order to bring the role of the independent directors into full play, in addition to the functions and powers conferred on them by the Company Law, these Articles of Association and the relevant laws and regulations, the Company confers the following special functions and powers on the independent directors:</p> <p>(1) independent directors shall examine and give views on the fairness of material related party transactions, the execution of internal review procedures for material related party transactions and their impacts on the policyholders' interests; Material related party transactions shall be subject to the approval of above one-half of the independent directors before they are submitted to the Board for consideration; Before making any judgment, above two independent directors may engage an intermediary institution as they deem necessary to issue an independent financial advisor report as the basis of their judgment; Independent directors shall give written views on problematic related party transactions;</p> <p>.....</p>	<p>In order to bring the role of the independent directors into full play, in addition to the functions and powers conferred on them by the Company Law, these Articles of Association and the relevant laws and regulations, the Company confers the following special functions and powers on the independent directors:</p> <p>(1) independent directors shall examine and give views on the fairness of material related party transactions, the execution of internal review procedures for material related party transactions and their impacts on <u>the insurance consumers'</u> policyholders' interests; Material related party transactions shall be subject to the approval of above one-half of the independent directors before they are submitted to the Board for consideration; Before making any judgment, above two independent directors may engage an intermediary institution as they deem necessary to issue an independent financial advisor report as the basis of their judgment; Independent directors shall give written views on problematic related party transactions;</p> <p>.....</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 148	<p>In addition to performing the functions and powers conferred on them by the preceding article, the independent directors shall also give their independent views to the Board or the shareholders' general meeting on the following matters:</p> <p>.....</p> <p>(8) other matters considered by the independent directors to be potentially have a significant impact on the rights and interests of the Company, minority Shareholders or the insured;</p> <p>.....</p> <p>The independent directors shall submit written opinions to the Company and report to the CIRC when they abstain from voting on or vote against or have obstacles in giving views on the matters mentioned above.</p>	<p>In addition to performing the functions and powers conferred on them by the preceding article, the independent directors shall also give their independent views to the Board or the shareholders' general meeting on the following matters:</p> <p>.....</p> <p>(8) other matters considered by the independent directors to be potentially have a significant impact on the rights and interests of the Company, minority Shareholders or <u>the insured insurance consumers</u>;</p> <p>.....</p> <p>The independent directors shall submit written opinions to the Company and report to the CIRC <u>CBIRC</u> when they abstain from voting on or vote against or have obstacles in giving views on the matters mentioned above.</p>
Article 149	<p>Where the Board does not accept the view of the independent directors, above one-half and no less than two independent directors may request that the Board convene an extraordinary Shareholders' general meeting. Where the Board does not agree to convene an extraordinary Shareholders' general meeting or the Shareholders' general meeting does not accept the view of the independent Shareholders, the independent Shareholders shall make a report to the CIRC.</p>	<p>Where <u>resolutions of the Board may impair the interests of the Company, insurance consumers or minority Shareholders</u>, the Board does not accept the view of the independent directors, above one-half and no less than two independent directors may request that the Board convene an extraordinary Shareholders' general meeting. Where the Board does not agree to convene an extraordinary Shareholders' general meeting or the Shareholders' general meeting does not accept the view of the independent Shareholders, the independent Shareholders shall make a report to the CIRC <u>CBIRC</u>.</p>
Article 152	<p>When independent directors exercise their functions and powers, the relevant officers of the Company shall actively cooperate with them, and shall not refuse to provide or obstruct their access to information or conceal information from them, and shall not interfere with their independent exercise of powers.</p>	<p>When independent directors exercise their functions and powers, the relevant officers <u>shareholders, actual controllers, the Chairman and the management</u> of the Company shall actively <u>support and</u> cooperate with them, <u>and create a good internal environment for the decision making and supervision functions of independent directors</u> shall not refuse to provide or obstruct their access to information or conceal information from them; and shall not interfere with their independent exercise of powers.</p> <p><u>Where independent directors are impeded from exercising their functions and powers according to law, they may explain the circumstances to the Chairman or the President of the Company. The Chairman or the President shall order relevant personnel to rectify and shall hold relevant personnel liable.</u></p> <p><u>Where the Chairman or the President take no actions, or relevant personnel fail to rectify, independent directors may report to the CBIRC.</u></p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 154	<p>The Company shall give due allowance to the independent directors. The proposed standards for allowance shall be formulated by the Board, considered by the shareholders' general meeting, and disclosed in the annual reports of the Company.</p> <p>Except for the above allowance, the independent directors shall not obtain additional, undisclosed benefits from the major shareholders of Company or institutions or individuals who have a related interest.</p>	<p>The Company shall give due allowance to the independent directors, <u>and allowance standards shall fully reflect the duties undertaken by independent directors.</u> The proposed standards for Allowance <u>plan for independent directors</u> shall be formulated by the Board, <u>and shall be submitted to and</u> considered by the shareholders' general meeting <u>for approval</u>, and disclosed in the annual reports of the Company. <u>Allowance plan shall fully take consideration of the performance of duties by independent directors and annual performance evaluation results.</u></p> <p>Except for the above allowance, the independent directors shall not obtain additional, undisclosed benefits from the major shareholders of Company or institutions <u>or and</u> individuals who have a related interest.</p>
Article 156	<p>The secretary to the board of the Company shall be a natural person who has the necessary professional knowledge and experience, and shall be appointed by the Board. The secretary to the board of the Company shall be responsible for preparing the shareholders' general meeting and Board meetings of the Company, filing documents and keeping records, doing corporate equity administrative work, making information disclosure and handling other work. His principal duties and responsibilities shall be:</p> <p>.....</p>	<p>The secretary to the board of the Company shall be a natural person who has the necessary professional knowledge and experience, and shall be appointed by the Board. The secretary to the board of the Company shall be responsible for preparing the shareholders' general meeting and Board meetings of the Company, filing documents and keeping records, doing corporate equity administrative work, making information disclosure, <u>investor relation work</u> and handling other work. His principal duties and responsibilities shall be:</p> <p>.....</p>
Article 158	<p>The Company shall have a president, vice presidents, a secretary to the Board, a chief financial officer, a chief actuary, a compliance officer, a chief risk officer, officer responsible for auditing and professional controllers. Such senior management and other senior management designated by the president shall jointly form the operation management committee of the Company. The president shall be accountable to the Board, and shall preside over the work of the operation management committee.</p>	<p>The Company shall have a president, vice presidents, <u>a chief actuary, a chief auditor, a chief legal advisor, a chief risk officer, a chief technology officer, a chief investment officer,</u> a secretary to the Board, a chief financial officer, a chief actuary, a compliance officer, a chief risk officer, <u>and</u> officer responsible for auditing and professional controllers. Such senior management and other senior management designated by the president shall jointly form the operation management committee of the Company. The president shall be accountable to the Board, and shall preside over the work of the operation management committee.</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
<p>Article 159</p>	<p>The president of the Company shall exercise the following functions and powers:</p> <p>.....</p> <p>(6) to submit for consideration proposals on engagement or dismissal of the vice presidents, chief financial officer, chief actuary, compliance officer, chief risk officer, professional controllers and other senior management of the Company;</p> <p>.....</p>	<p>The president of the Company shall exercise the following functions and powers:</p> <p>.....</p> <p>(6) to submit for consideration proposals on engagement or dismissal of the vice presidents, chief financial officer, chief actuary, <u>chief legal advisor, compliance officer</u>, chief risk officer, <u>chief technology officer, chief investment officer, chief financial officer, compliance officer</u>, professional controllers and other senior management of the Company;</p> <p>.....</p>
<p>Article 168</p>	<p>The board of supervisors shall consist of five supervisors, one of which shall act as the chairman of the board of supervisors. The appointment and removal of the chairman of the board of supervisors shall be subject to an affirmative vote of a majority of not less than two-thirds of the members of the board of supervisors.</p> <p>Supervisors of the Company shall be of excellent conduct and reputation, possess the professional knowledge and working experience appropriate to their duties and satisfy the requirements under laws and regulations, conditions of the CIRC and other regulators.</p> <p>The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. Where the chairman of the board of supervisors is unable or fails to perform his functions and duties, a supervisor jointly elected by more than half of all supervisors shall convene and preside over the meeting.</p> <p>.....</p>	<p>The board of supervisors shall consist of five supervisors, one of which shall act as the <u>including one</u> chairman of the board of supervisors and one vice chairman of the board of supervisors. The appointment and removal of the chairman of the board of supervisors shall be subject to an affirmative vote of a majority of not less than two-thirds of the members of the board of supervisors.</p> <p>Supervisors of the Company shall be of excellent conduct and reputation, possess the professional knowledge and working experience appropriate to their duties and satisfy the requirements under laws and regulations, conditions of the CIRC <u>CBIRC</u> and other regulators.</p> <p>The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors, <u>and the vice chairman of the board of supervisors shall assist the chairman of the board of supervisors in work</u>. Where the chairman of the board of supervisors is unable or fails to perform his functions and duties, <u>the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors; where the vice chairman of the board of supervisors is unable or fails to perform his functions and duties</u>, a supervisor jointly elected by more than half of all supervisors shall convene and preside over the meeting.</p> <p>.....</p>

Appendix VI PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No. of articles of the Articles of Association	Contents of chapters and articles of the existing Articles of Association	Contents of chapters and articles after Proposed Amendments
Article 243	The Company shall publish announcements and information disclosure documents of the listed Company via the media designated by the CSRC, and publish the same relating to the insurance company via the media designated by the CIRC, pursuant to relevant laws, regulations and regulatory requirements.	The Company shall publish announcements and information disclosure documents of the listed Company via the media designated by the CSRC, and publish the same relating to the insurance Company via the media designated by the CIRC <u>CBIRC</u> , pursuant to relevant laws, regulations and regulatory requirements.
Article 252	The CIRC would provide supervision and guidance according to malfunctions of the corporate governance mechanism of the Company. If any material governance risks have been identified in the insurance company that have endangered or are likely to endanger insurance consumers' legitimate interests or safety of insurance funds severely, Shareholders and the Company shall undertake to adopt the regulatory measures as imposed by the CIRC such as capital increase, restriction on relevant Shareholders' rights, transfer of equity interests of the insurance company; in serious cases, Shareholders and the Company shall undertake to adopt rectification and take-over measures imposed by the CIRC.	The CIRC <u>CBIRC</u> would provide supervision and guidance according to malfunctions of the corporate governance mechanism of the Company. If any material governance risks have been identified in the insurance Company that have endangered or are likely to endanger insurance consumers' legitimate interests or safety of insurance funds severely, Shareholders and the Company shall undertake to adopt the regulatory measures as imposed by the CIRC <u>CBIRC</u> such as capital increase, restriction on relevant Shareholders' rights, transfer of equity interests of the insurance Company; in serious cases, Shareholders and the Company shall undertake to adopt rectification and take-over measures imposed by the CIRC <u>CBIRC</u> .
Article 267	For the purposes of these Articles of Association, the terms "at least"/"or more"/"not less than", "within" and "not more than" shall include the given figure; "over", "below", "beyond", "less than" and "more than" shall not include the given figure. The "accounting firm" referred to in these Articles of Association shall have the same meaning as an "auditor".	<u>Unless otherwise stipulated by laws, regulations and regulatory requirements,</u> for the purposes of these Articles of Association, the terms "at least"/"or more"/"not less than", "within", "not more than" and " not exceeding " shall include the given figure; "over", " exceeding ", "below", "beyond", "less than" and "more than" shall not include the given figure. The "accounting firm" referred to in these Articles of Association shall have the same meaning as an "auditor".

Note: The China Insurance Regulatory Commission ("CIRC") and the China Banking Regulatory Commission ("CBRC") have jointly established the China Banking and Insurance Regulatory Commission ("CBIRC") in March 2018. The China Insurance Regulatory Commission or CIRC in original Articles of Association is changed to the China Banking and Insurance Regulatory Commission or CBIRC as appropriate, and it will not be listed article by article.

The Articles of Association are written in Chinese without an official English version. Therefore, any English translation is for reference only. In case of inconsistency between Chinese and English version, the Chinese version shall prevail.

APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS

Pursuant to the latest regulatory rules issued by the regulatory authorities, the Company has made necessary amendments to the existing rules of procedure for Shareholders' general meetings ("**Proposed Amendments to the Rules of Procedure for Shareholders' General Meetings**") as follows:

- I. "Article 5: The place for the Company to hold Shareholders' general meeting is the Company's domicile place, or the place designated by the board of directors.

Shareholders' general meeting should set meeting place, and be held in the form of on-the-spot meeting. In the precondition of ensuring the legality and validity of Shareholders' general meeting, the Company shall provide convenience for Shareholders to attend Shareholders' general meeting through various methods and ways, with priority given to providing modern information technology means like online voting platform, etc. Shareholders attending the Shareholders' general meeting through the abovementioned methods shall be deemed as attendant.

A same voting power could only select one of the on-the-spot, online, or other voting methods. If a same voting power exercises repeated voting, the first voting result shall prevail."

is amended as:

"Article 5: The place for the Company to hold Shareholders' general meeting is the Company's domicile place, or the place designated by the board of directors.

Shareholders' general meeting should set meeting place, and be held in the form of on-the-spot meeting combined with online voting. In the precondition of ensuring the legality and validity of Shareholders' general meeting, the Company shall provide convenience for Shareholders to attend Shareholders' general meeting through various methods and ways, with priority given to providing modern information technology means like online voting platform, etc., and provide facilities to Shareholders attending the general meeting by adopting safe, economic and expedient methods in accordance with laws, administrative regulations and provisions of CSRC or the Articles of Association. Shareholders attending the Shareholders' general meeting through the abovementioned methods shall be deemed as attendant.

A same voting power could only select one of the on-the-spot, online, or other voting methods. If a same voting power exercises repeated voting, the first voting result shall prevail."

APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS

- II. “Article 14: The board of directors shall nominate director candidates to shareholders’ meeting by means of the resolution of the board of directors; and the board of supervisors shall nominate independent director candidate and non-worker representative supervisor candidates to shareholders’ meeting by means of the resolution of the board of supervisors. When nominating director candidates and non-worker representative supervisor candidates, nominator shall provide to shareholders’ meeting the resume and basic information (including educational background, work experience, and part-time job, etc.; whether they have relationship with the Company, controlling shareholder, and actual controller; the number of the Company’s stock held; whether they have been punished by securities regulatory department and other related departments, and been disciplined by securities exchange, etc.) of director candidates and non-worker representative supervisor candidates, as well as the statement about whether the nominees meet related requirements of CIRC, and have the situations in which they shall not act as the Company’s directors and supervisors, as regulated in Article 147 of Company Law and in the Articles of Association. If the board of directors plans to nominate independent director candidate to shareholders’ meeting, the notice of meeting sent to shareholders shall list the reasons why the board of directors imppanels this person, and the reasons why the board of directors considers that this person is independent.”

is amended as:

“Article 14: The board of directors shall nominate director candidates to shareholders’ meeting by means of the resolution of the board of directors; and the board of supervisors shall nominate independent director candidate and non-worker representative supervisor candidates to shareholders’ meeting by means of the resolution of the board of supervisors. When nominating director candidates and non-worker representative supervisor candidates, nominator shall provide to shareholders’ meeting the resume and basic information (including educational background, work experience, and part-time job, etc.; whether they have relationship with the Company, controlling shareholder, and actual controller; the number of the Company’s stock held; whether they have been punished by securities regulatory department and other related departments, and been disciplined by securities exchange, etc.) of director candidates and non-worker representative supervisor candidates, as well as the statement about whether the nominees meet related requirements of China Banking and Insurance Regulatory Commission, and have the situations in which they shall not act as the Company’s directors and supervisors, as regulated in Article 147~~8~~ of Company Law and in the Articles of Association. If the board of directors plans to nominate independent director candidate to shareholders’ meeting, the notice of meeting sent to shareholders shall list the reasons why the board of directors imppanels this person, and the reasons why the board of directors considers that this person is independent.”

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR SHAREHOLDERS' GENERAL MEETINGS**

III. "Article 51: The following matters shall be passed through ordinary resolution of Shareholders' general meeting:

.....

- (8) Matters other than those to be passed through special resolution according to laws, administrative rules, regulatory rules, or these Articles of Association."

is amended as:

"Article 51: The following matters shall be passed through ordinary resolution of Shareholders' general meeting:

.....

- (8) Matters other than those to be passed through special resolution according to laws, administrative rules, regulatory rules, or ~~these~~the Articles of Association."

IV. "Article 52: The following matters shall be passed through special resolution of Shareholders' general meeting:

.....

- (5) Amendment to the Articles of Association;

.....

- (11) Equity incentive plan;

.....

**APPENDIX VII PROPOSED AMENDMENTS TO THE RULES OF PROCEDURE
FOR SHAREHOLDERS' GENERAL MEETINGS**

(14) Other matters required by laws and regulations, regulatory rules or these Articles of Association, and passed through ordinary resolution by Shareholders' general meeting, and considered having great impact on the Company and necessary to pass through special resolution.”

is amended as:

“Article 52: The following matters shall be passed through special resolution of Shareholders' general meeting:

.....

(5) Amendment to the Articles of Association;

.....

(11) **Employee stock ownership scheme or eEquity incentive plan;**

.....

(14) Other matters required by laws and regulations, regulatory rules or ~~these~~the Articles of Association, and passed through ordinary resolution by Shareholders' general meeting, and considered having great impact on the Company and necessary to pass through special resolution.”

The rules of procedure for Shareholders' general meetings are written in Chinese without an official English version. Therefore, any English translation is for reference only. In case of inconsistency between Chinese and English version, the Chinese version shall prevail.

In accordance with the latest regulatory rules promulgated by the regulatory authority, the Company made necessary amendments to the Rules of Procedure for the Board of Supervisors (“**Proposed Amendments to the Rules of Procedure for the Board of Supervisors**”); details are as follows:

- I. “Article 6 The Chairman of the Board of Supervisors shall exercise the following functions and powers:
- (I) Convene and preside over the meetings of the Board of Supervisors;
 - (II) Organize to perform the duties of the Board of Supervisors;
 - (III) Review, approve and sign the reports of the Board of Supervisors and other important documents;
 - (IV) Report work to the General Meeting on behalf of the Board of Supervisors;
 - (V) Perform other duties as stipulated by laws, regulations or the Articles of Association.

Where the Chairman of the Board of Supervisors is unable or fails to perform his functions and duties, a Supervisor elected jointly by more than half of the number of the Supervisors shall perform the duties on his behalf.”

is amended as:

“Article 6 The Chairman of the Board of Supervisors shall exercise the following functions and powers:

- (I) Convene and preside over the meetings of the Board of Supervisors;
- (II) Organize to perform the duties of the Board of Supervisors;
- (III) Examine, approve and sign the reports of the Board of Supervisors and other important documents;
- (IV) Report work to the General Meeting on behalf of the Board of Supervisors;
- (V) Perform other duties as stipulated by laws, regulations or the Articles of Association.

The Vice Chairman of the Board of Supervisors shall assist the Chairman of the Board of Supervisors in work. Where the Chairman of the Board of Supervisors is unable to or fails to perform his duties, **the Vice Chairman of the Board of Supervisors shall convene and preside over the meetings of the board of supervisors; where the Vice Chairman of the Board of Supervisors is unable or fails to perform his functions and duties,** a Supervisor elected jointly by more than half of the number of the Supervisors shall perform the duties on his behalf.”

The rules of procedures for the board of supervisors are written in Chinese without an official English version. Therefore, any English translation is for reference only. In case of inconsistency between Chinese and English version, the Chinese version shall prevail.

Article 1 This system is established in accordance with applicable laws and regulations such as the Company Law of the PRC, the Articles of Association of China Pacific Insurance (Group) Co., Ltd., the Codes for the Corporate Governance of Listed Companies (上市公司治理準則), the Tentative Guidelines for Standardization of the Corporate Governance Structure (關於規範保險公司治理結構的指導意見(試行)) and the Guidelines on the Operation of the Board of Directors of Insurance Companies (保險公司董事會運作指引) with a view to optimizing the corporate governance of China Pacific Insurance (Group) Co., Ltd. (the “**Company**”) and reinforcing and regulating the remuneration management of the directors and supervisor of the Company.

Article 2 For the purposes of objectively reflecting the contribution of and the risks and responsibilities assumed by the directors and supervisors of the Company, and providing incentives to all directors and supervisor to actively and diligently fulfill their duties, the Company pays a fixed remuneration to each of the directors and supervisors in accordance with the provisions of this system.

Article 3 Based on the manner of appointment and the nature of duties of the directors and supervisors of the Company, the directors and supervisors are divided into the following categories:

1. Executive Directors: directors who are responsible for other duties of operation and management in addition to their services as directors, or whose salaries and benefits are paid by the Company.
2. Non-Executive Directors: directors who are not responsible for any other duties except for their services as directors of the Company and not being paid salaries and benefits by the Company other than the emoluments for their work performed as members of the board of directors.
3. Independent Directors: directors who are not responsible for duties other than their services as directors of the Company, and who do not have any relationship with the Company, its controlling shareholders and de facto controlling persons which may affect their independent and objective judgments on the affairs of the Company.
4. Shareholder Representative Supervisor: supervisors who are nominated by the shareholders of the Company and being elected at general meeting.
5. Employee Representative Supervisors: current employees of the Company who are elected at an employee representatives’ meeting or by any other democratic means.

Article 4 The annual remunerations of each of the Non-Executive Directors, Independent Directors and Shareholder Representative Supervisors of the Company amount to RMB300,000 and are paid on a monthly basis. The method of payment of the remunerations for Non-Executive Directors and Shareholder Representative Supervisors are determined by the units of shareholders by which they are employed or nominated.

Article 5 Each of the directors acting as the chairman of the Special Committees of the Board of Directors entitles the position allowance of RMB50,000 per annum.

Article 6 The Executive Directors and Employee Representative Supervisors of the Company receive their remunerations in accordance with the provisions of the relevant remuneration system of the Company instead of this system.

Article 7 The directors and supervisors of the Company shall be remunerated subject to the dutiful and diligent performance of their duties in accordance with the due diligence requirements as stipulated in the Articles of Association.

Article 8 The travelling and accommodation expenses of the directors and supervisors of the Company incurred from their attendance of the meetings of the Board, Board of Supervisors and Special Committees of the Board and from their conduction of inspections and researches are completely reimbursed by the Company.

Article 9 The aggregate amount of remunerations referred herein excludes the expenses incurred by the directors and supervisors in their performance of duties and the fees paid to any consultants for the conduction of any researches and studies.

Article 10 The amounts mentioned above are pre-tax and net of individual income tax paid by the Company for the directors and supervisors in accordance with the relevant requirements.

Article 11 The remunerations of the directors and supervisors of the Company are subject to adjustment determined upon consideration at general meetings with reference to the overall economic environment, market rate and the operating condition of the Company.

Article 12 The system shall become effective upon approval at the general meeting of the Company.

The remuneration management system of directors and supervisors are written in Chinese without an official English version. Therefore, any English translation is for reference only. In case of inconsistency between Chinese and English version, the Chinese version shall prevail.

Routine transactions between the Company and its controlled subsidiaries and Shanghai Rural Commercial Bank Co., Ltd. (“**SRCB**”) in relation to capital utilisation, asset management and pension security business in accordance with the fair market price in the usual course of business constituted routine related party transactions between the Company and SRCB.

In order to further satisfy the business needs of subsidiaries, improve benefits of transactions and ensure the continuous and compliant routine transactions between the Company and its controlled subsidiaries and SRCB in relation to capital utilisation, asset management and pension security business, the Company proposed to enter into the Routine Related Party Transaction Agreement with SRCB, and set framework agreement on the type of transactions, pricing policy and transaction caps for the years from 2019 to 2021.

In accordance with relevant provisions of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (the “**SSE Listing Rules**”) and the Interim Measures for the Administration of Related Party Transactions of Insurance Companies (Bao Jian Fa [2007] No. 24), aforementioned transactions constituted material related party transactions between the Company and SRCB, and shall be subject to submission to and approval by the general meeting of the Company. It is hereby proposed to consider matters in relation to entering into the Routine Related Party Transaction Agreement between the Company and SRCB:

I. INTRODUCTION TO THE RELATED PARTY

As WANG Tayu, the director of the Company, also currently serves as the director of SRCB, SRCB is a related legal person of the Company under Rule 10.1.3 of SSE Listing Rules and Article 8 of the Interim Measures for the Administration of Related Party Transactions of Insurance Companies.

II. IMPLEMENTATION OF ROUTINE RELATED PARTY TRANSACTIONS IN 2018

The transactions between the Company and its controlled subsidiaries and SRCB in 2018 are as follows:

(RMB100 million)

Name of related party	Estimated transaction caps for 2018	Type of transaction	Content of transaction	Transaction amount as of 31 December 2018
SRCB	2,055	Capital utilisation, asset management and pension security business	Pledge-style repurchase of bonds	805.92
	170		Trading of bonds	24.04
	110		Deposits	1.55
	70		Asset management business	0.00
	2		Pension security business	1.54

Note: Estimated caps on transactions with SRCB were considered and approved at the 2017 Annual General Meeting.

III. PRINCIPAL TERMS OF THE ROUTINE RELATED PARTY TRANSACTION AGREEMENT

In light of the actual needs for capital utilisation and financial product business with SRCB and with reference to historical transactions, the Company proposed to enter into the Routine Related Party Transaction Agreement with SRCB. Main contents of the Agreement are as described below:

(I) Scope of routine related party transactions

1. Capital utilisation business: including trading of bonds, pledge-style repurchase of bonds, bank deposits (including certificate of deposit), investment in financial products (including wealth management schemes of commercial banks and other financial assets recognized by the CBIRC) and other capital utilisation business approved by the CBIRC.
2. Asset management business: including the asset management business recognised by the CBIRC, such as trading of insurance asset management product with the related party, infrastructure investment plan, property investment plan, project asset support plan, equity or property investment fund.

(II) Pricing principle and mechanism of routine related transactions

Type of transaction	Content of transaction	Pricing principle and mechanism	Estimated annual cap of transaction amount	Estimated years of the agreement
Capital utilisation	Trading of bonds	By the fair value in the interbank market	RMB213 billion	2019–2021
	Pledge-style repurchase of bonds			
	Bank deposit (including certificate of deposit)	By the deposit interest rate published by the People's Bank of China or deposit interest rate no more favourable than that offered to non-related party according to specific type of deposit and term		
	Investment in financial products (including wealth management schemes of commercial banks and other financial assets recognised by the CBIRC)	By the public offering price of wealth management scheme/product of commercial banks		
Asset management business	Sales of asset management products	By the nominal product value per unit as agreed in investment management product prospectus or net product value per share calculated upon market close on the date of application	RMB10.2 billion	

(III) Validity period of the agreement

Validity period of the agreement is three years, from 1 January 2019 to 31 December 2021.

IV. BASIS FOR SUBMISSION TO THE GENERAL MEETING

According to relevant provisions of the SSE Listing Rules, the Guidelines for Implementing Related Party Transactions of Companies Listed on the Shanghai Stock Exchange and the Notice on Issues concerning Further Strengthening the Information Disclosure of Related Party Transactions of Insurance Companies (Bao Jian Fa [2016] No. 52), each of the annual transaction caps agreed in the Routine Related Party Transaction Agreement to be entered into between the Company and SRCB reached the standard of submitting to the general meeting of the Company for consideration and approval; therefore, the transactions shall be submitted to the general meeting for approval after consideration at the Board meeting.

Matters on the proposed entering into the Routine Related Party Transaction Agreement between the Company and SRCB have been considered and approved at the 15th meeting of the 8th session of the Board of Directors of the Company.

V. MATTERS FOR CONSIDERATION

The following matters are hereby submitted to the general meeting for consideration:

- (I) To agree to the above related party transactions and that each transaction within the respective annual transaction cap under the Routine Related Party Transaction Agreement will not be separately submitted to the Board of Directors and the general meeting for consideration and approval. If the abovementioned estimated cap is exceeded in the actual implementation, the Company will re-submit to the Board of Directors or the general meeting for consideration and approval in accordance with the exceeded amount.
- (II) To authorize the management of the Company to enter into the Routine Related Party Transaction Agreement for 2019–2021 with SRCB within the scope of the resolution considered and approved, and to deal with all matters at its full discretion in relation to the signing of the Agreement, including but not limited to signing, revision, execution of the Agreement and other relevant documents; and to authorize the management of the Company to enter into corresponding transaction agreement or execute corresponding transactions with the related party according to actual business within the respective annual transaction cap under the final Routine Related Party Transaction Agreement signed.

1. NON-EXECUTIVE DIRECTOR

Biographical details of the proposed non-executive Director are as follows:

Biographical details of Mr. LI Qiqiang

Mr. LI Qiqiang, born in November 1971, is currently the assistant to general manager and the general manager of Industry and Finance Integration Development Center of China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司), the director, general manager of Hwabao Investment Co., Ltd. (華寶投資有限公司). Currently, Mr. LI also serves as the chairman of Hwabao Duding (Shanghai) Finance Lease Co., Ltd. (華寶都鼎(上海)融資租賃有限公司), the chairman of Hwabao (Shanghai) Equity Fund Management Co., Ltd. (華寶(上海)股權基金管理有限公司), the chairman of board of supervisors of Baowu Carbon Materials Technology Co., Ltd. (寶武炭材料科技有限公司), the director of Shanghai Baodi Real Estate Asset Management Co., Ltd.(上海寶地不動產資產管理有限公司), the director of Baosteel Group Finance Co., Ltd. (寶鋼集團財務有限責任公司), the director of Siyuanhe Equity Investment Management Co., Ltd. (四源合股權投資管理有限公司), and the director of Huabao Metallurgical Assets Management Co., Ltd. (華寶冶金資產管理有限公司).

Mr. LI also served as, among others, the head of Finance Department of Baosteel Co., Ltd. (寶山鋼鐵股份有限公司), the chief accountant of Baosteel Group Xinjiang Bayi Iron and Steel Co., Ltd. (寶鋼集團新疆八一鋼鐵有限公司), the general manager of Finance Department of Baosteel Group Corporation (寶鋼集團有限公司), the general manager of Finance Department of China Baowu Steel Group Corporation Limited (中國寶武鋼鐵集團有限公司).

Mr. LI holds a master's degree, and the title of senior accountant.

Mr. LI Qiqiang did not enter into a service contract with the Company, and his emoluments will be determined according to the "Remuneration Management System of Directors and Supervisors" approved by the Shareholders at this annual general meeting.

Save as disclosed above, Mr. LI Qiqiang has not held any directorship in other listed public companies in the past three years or any position within the Company or any of its subsidiaries, is not connected with any Directors, Supervisors, senior management officers or substantial or controlling Shareholders, and does not hold any interest in shares of the Company under Part XV of the Hong Kong Securities and Futures Ordinance.

Furthermore, there is no information in respect of Mr. LI Qiqiang which needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules; nor is there any other matter which needs to be brought to the attention of the Shareholders.

2. INDEPENDENT NON-EXECUTIVE DIRECTORS**Biographical details of Ms. LAM Tyng Yih, Elizabeth**

Ms. LAM Tyng Yih, Elizabeth, born in October 1964, is currently the director and honorary treasurer of the Agency for Volunteer Service of Hong Kong.

Ms. LAM once served as the advisor and partner of Ernst & Young.

Ms. LAM holds the Bachelor of Business Administration and the Master of Accounting, and is a member of the Hong Kong Institute of Certified Public Accountants.

Biographical details of Mr. CHEN Jizhong

Mr. CHEN Jizhong, born in April 1956, served as the head of Division of Cadres of Directly Affiliated Units of Personnel Department of the State Development Planning Commission of the People's Republic of China, deputy director of Personnel Bureau, director of the Office, and president of Xi'an Branch, Shaanxi Branch and Shanghai Branch of China Development Bank, and the chief auditor of China Development Bank.

Mr. CHEN holds a postgraduate diploma and master's degree, and the title of senior economist.

Biographical details of JIANG Xuping

Mr. JIANG Xuping, born in May 1955, is currently the professor of the Department of Marketing of Tsinghua University School of Economics and Management, the researcher of the Research Center for Contemporary Management, Tsinghua University and the researcher of the Research Center for Business Management, Tsinghua University. Currently, Mr. JIANG also serves as the director of Internet Marketing and Management of College of Software, Beihang University, and the president (volunteer) of School of Internet Marketing and Management of Guizhou Forerunner College.

Mr. JIANG once served as the lecturer, associate professor and professor of Tsinghua University School of Economics and Management.

Mr. JIANG holds a postgraduate diploma, master's degree and the title of professor.

None of Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping have entered into a service contract with the Company, and their emoluments will be determined according to the “Remuneration Management System of Directors and Supervisors” approved by the Shareholders at this annual general meeting.

Save as disclosed above, none of Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping have held any directorship in other listed public companies in the past three years or any position within the Company or any of its subsidiaries, are connected with any Directors, Supervisors, senior management officers or substantial or controlling Shareholders, or hold any interest in shares of the Company under Part XV of the Hong Kong Securities and Futures Ordinance.

Furthermore, there is no information in respect of Ms. LAM Tyng Yih, Elizabeth, Mr. CHEN Jizhong and Mr. JIANG Xuping which needs to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules; nor is there any other matter which needs to be brought to the attention of the Shareholders of the Company.

Under the “Interim Measures for the Administration of related party transaction of Insurance Companies” (Bao Jian Fa [2007] No. 24, the “Interim Measures”) of the CBIRC, “the board of an insurance company shall report annually to the shareholders’ general meeting on the status of related party transaction and the implementation of a related party transaction management system”. Under the “Guidelines for Consolidated Supervision of Insurance Groups” (the “Guidelines for Consolidated Supervision”) promulgated by CBIRC, “the compliance department of the insurance group shall make annual appraisal reports by evaluating the internal transactions of the group. Such annual appraisal reports shall be submitted to the Board of Directors and the Board of Supervisors, and the Board of Directors shall submit the annual report to the General Meeting.” In particular, the “internal transactions” mentioned in the “Guidelines for Consolidated Supervision” shall mean within the scope of “related party transaction” stipulated by the Interim Measures. The status of related party transactions (including the internal transactions) of China Pacific Insurance (Group) Co., Ltd. (the “Company”) and the implementation of the management system for related party transactions are hereby reported as follows:

I. STATUS OF RELATED PARTY TRANSACTION (INCLUDING THE INTERNAL TRANSACTIONS) IN 2018

(I) Status and Appraisal of Internal Transactions

With a total transaction amount of RMB21.744 billion, the internal transactions among the member companies of CPIC Group for the year 2018 included capital increase, dividend distribution, purchase or sale of commodities (providing and receiving labor services), lease and other types of transactions. For details, please see the financial statements of the Company in 2018.

For the year ended 31 December 2018, the Company has formulated the “Management Measures for the Connected Transaction of China Pacific Insurance (Group) Co., Ltd.” and its implementation rules to set up the policy and procedure for monitoring, reporting, controlling and handling the internal transactions, which was in compliance with the regulatory requirements of “Guidelines for Consolidated Supervision”. The internal transactions have been conducted in accordance with the reasonable pricing and normal business standards, with neither damage to the clients’ benefits nor unfavorable impact on the stability of the Group.

(II) New Material Related Party Transactions

In 2018, there were six material related party transactions in total, all traded in fair market price and reported and disclosed in accordance with the rules of CBIRC. In addition, according to the listing rules of the places where the shares of the Company are listed and the rules of the CBIRC, the Company made appropriate estimate on routine related party transaction amount in relation to capital utilisation and financial product business, which is subject to the approval of the Board/the general meeting before implementation.

1. Material Related Party Transactions

- (1) On 31 January 2018, the Company and CPIC AMC entered into the Contract on Entrusted Asset Management (《委託資產管理合同》), with the cumulative asset management fee not exceeding RMB50 million per year. Upon consideration, the 6th meeting of the 8th session of the Board of the Company approved the related party transaction conducted between the Company and CPIC AMC in relation to entrusted asset management, and the authorisation of the Board to the management of the Company to sign corresponding transaction agreement with the related party within the estimated cap and with reference to actual business requirement. If the transaction cap is exceeded in the actual implementation, the transaction will be reviewed again in accordance with the management system of related party transactions set by the Company.
- (2) On 21 June 2018, the Company and China Everbright Bank (“CEB”) entered into a transaction for bond selling (selling interbank deposit “18 SPD Bank CD085”), with a transaction value of RMB98.97 million. Upon consideration, the 6th meeting of the 8th session of the Board of the Company approved the estimated cap for routine related party transactions (including capital utilisation) conducted between the Company and its controlled subsidiaries and related parties including CEB during 2018. The transaction was within the estimated cap; therefore, it would not be submitted to the Board separately for consideration and approval.

- (3) On 25 June 2018, the Company entered into a transaction for bond buying (18 Interest-bearing Treasury Bond 11) with Shanghai Rural Commercial Bank Co., Ltd. (“SRCB”) acting as the counterparty and a transaction value of RMB50.70 million. Upon consideration, the 2017 annual general meeting approved the estimated cap for routine related party transactions conducted between the Company and its controlled subsidiaries and SRCB in relation to capital utilisation and financial product business during 2018. For routine related party transactions within the estimated cap, the transaction was within the estimated cap; therefore, it would not be submitted to the Board separately for consideration and approval.
- (4) On 29 June 2018, the Company and CPIC Life entered into the Contract on Shared Allocation (《共享分攤合同》), with estimated annual cost sharing not exceeding RMB700 million. Upon consideration, the 6th meeting of the 8th session of the Board of the Company approved the related party transaction conducted between the Company and CPIC Life in relation to cost sharing for the Sharing Centre, and the authorisation of the Board to the management of the Company to sign corresponding transaction agreement with CPIC Life within the estimated cap and with reference to actual business requirement. If the transaction cap is exceeded in the actual implementation, the transaction will be reviewed again in accordance with the management system of related party transactions set by the Company.
- (5) On 30 June 2018, the Company and CPIC P/C entered into the Contract on Shared Allocation (《共享分攤合同》), with estimated annual cost sharing not exceeding RMB700 million. Upon consideration, the 6th meeting of the 8th session of the Board of the Company approved the related party transaction conducted between the Company and CPIC P/C in relation to cost sharing for the Sharing Centre, and the authorisation of the Board to the management of the Company to sign corresponding transaction agreement with CPIC P/C within the estimated cap and with reference to actual business requirement. If the transaction cap is exceeded in the actual implementation, the transaction will be reviewed again in accordance with the management system of related party transactions set by the Company.
- (6) On 9 July 2018, the Company entered into a transaction for bond buying (18 Interest-bearing Treasury Bond 13) with SRCB acting as the counterparty and a transaction value of RMB100.89 million. Upon consideration, the 2017 annual general meeting approved the estimated cap for routine related party transactions conducted between the Company and its controlled subsidiaries

APPENDIX XII REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND THE IMPLEMENTATION OF MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS FOR THE YEAR 2018

and SRCB in relation to capital utilisation and financial product business during 2018. The transaction was within the estimated cap; therefore, it would not be submitted to the Board separately for consideration and approval.

2. Authorisation of the Routine Related Party Transactions

In the ordinary course of business, the Company and its controlled subsidiaries conducted ordinary transactions in respect of capital utilisation with counterparties at fair market prices, which included trading of bonds, securities investment funds, pledge-style repurchase of bonds, trust products, asset management products and bank deposits. The Company approved the routine related party transactions of the capital utilisation and financial product businesses conducted by the Company and all controlled subsidiaries within the estimated annual caps at the 6th meeting of the 8th session of the Board, the 9th meeting of the 8th session of the Board and the 2017 annual general meeting, without the necessity for separate submission to the Board of Directors for consideration for each of such transactions. The routine related party transactions in relation to capital utilisation and financial product business in 2018 are categorised and summarised as follows:

Unit: RMB100 million

Content of Transaction	Related Party	Estimated	Actual	Total Amount	
		Transaction Cap for 2018	Amount in 2018	of Comparable Transaction	Proportion
Trading of bonds	Orient Securities	65	28.17	4,148.61	0.68%
	Haitong Securities	65	3.49		0.08%
	SRCB	170	24.04		0.58%
Subscription and redemption of bonds	Hwabao WP Fund	65	1.94	1,162.41	0.17%
Pledge-style repurchase of bonds	SRCB	2,055	805.92	110,291.79	0.73%
	Orient Securities	65	5.00		0.00%
	Taikang	65	4.44		0.00%
Trust products	Hwabao Trust	65	0.90	474.04	0.19%
Bank deposits	China Bohai Bank	65	23.90	1,349.30	1.77%
	SRCB	110	1.55		0.11%
Sales of asset management products	Orient Securities	65	0.01	2,927.16	0.00%
Sales of pension products	SRCB	2	1.54	12.24	12.58%
Pension security businesses	Related natural person	2	0.00	1,344.68	0.00%

The above authorisation of routine related party transactions have been approved by the Board of the Company, and relevant information disclosure and reporting procedures have been completed in accordance with the regulatory requirements.

The above related party transactions relating to ordinary operations, which were conducted by the Company and each of its controlled subsidiaries in accordance with the normal commercial terms during its ordinary course of business, have no influence on the independence of the Company. Pursuant to the Listing Rules, the above routine related party transactions should be disclosed in the annual report of the Company.

II. IMPLEMENTATION OF MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS

In order to carry out the regulatory requirements in full and prevent risks related to related party transactions, the Company and its subsidiaries attach great importance to and keep improving the management of related party transactions. It has built a management system of related party transactions that is in line with policy requirements, establishing a review and decision making mechanism with clear responsibilities and requiring each level to fulfil the responsibility of managing related party transactions. It also maintains coordinated measures and control, and sets up a whole-process closed-loop management that covers list management, identification, review, report disclosure and supervision. In 2018, in addition to accumulation of experience in managing related party transactions, the Company continuously improved the risk control and management effectiveness in respect of related party transactions, and ensured that related party transactions of the Company met the requirements of regulatory authorities and listing rules of places where shares of the Company were listed, and complied with the principal of compliance, integrity, fairness and justice, so as to safeguard the interests of the Company and its Shareholders.

(I) Standardisation of Management of Information of Related Parties

According to the requirement of Bao Jian Fa [2017] No. 52 document, the Company further optimised the management of information of related parties. Under the integrated management and control model for information of related parties, “following the general coordination of the Group and the self-governance of each of the legal person”, during the reporting period, all member companies strictly implemented the regulatory requirements of regular and in-time update of information. They endeavored to ensure a high-quality and effective management of list of related parties by accurately classifying related parties in accordance with regulatory rules and by legal entity, standardising the release of list of related parties and engaging lawyers and accountants to offer professional assistance. Updated information of related parties would be submitted in a timely manner to the controlling committee of related party transactions for review, so that management of

information of related parties would be in orderly progress and comply with regulations and rules. As at 31 December 2018, the Company had 153 related legal persons and other organisations, and 263 related natural persons under the rules of CIRC.

(II) Effective Execution of Review Procedures for Related Party Transactions

According to the requirement of Bao Jian Fa [2017] No. 52 document, the Company established a sound internal control mechanism of related party transactions, under which, all parties involved in review of related party transactions should duly performed their duties, and records should be kept for review of key parts including business, finance and compliance. In 2018, the controlling committee of related party transactions was in effective operation. It held four meetings in 2018, made resolutions and kept record for these meetings and resolutions. In accordance with the Management Measures on Related Party Transactions of China Pacific Insurance (Group) Co., Ltd. and the Interim Management Measures on Connected Transactions of H Shares of China Pacific Insurance (Group) Co., Ltd., major related party transactions will be submitted to the Board or Shareholders' general meeting of the Company for approval upon reviewing by the controlling committee of related party transactions, while the Company and its relevant departments are authorised to review general related party transactions and shall file such transactions with the controlling committee of related party transactions on a regular basis.

(III) Proper Information Disclosure and Reporting

In compliance with the relevant regulations, the Company duly completed the information disclosure on related party transaction as well as a variety of reporting work. Based on the regulations of "Standards for Disclosure of Information on Funds Utilisation by Insurance Companies No. 1: Related Party Transaction" (Bao Jian Fa [2014] No.44) and Bao Jian Fa [2016] No.52 document of the CBIRC, the Company made public disclosure and reporting of information in respect of related party transactions through the website of the Company and the website of Association of Insurance Industry in time. In 2018, the Company disclosed and reported 17 related party transactions in accordance with regulatory requirements, and there was no delay or omission of reporting.

(IV) Regular Audit on Related Party Transactions

Based on the requirements of the Interim Measures of CIRC, the audit department of the Company carried out special audits on related party transactions and the implementation of such transactions during the year of 2018, and proposed to further improve the management system of related party transactions and optimise relevant system and management procedures. The compliance management department of the Company asked relevant

departments to promptly rectify such problems so as to ensure the compliancy and fairness of the Company's related party transactions and to safeguard the legitimate interests of the Company and its Shareholders.

III. CHALLENGES IN THE COURSE OF MANAGING RELATED PARTY TRANSACTIONS AND MEASURES TAKEN

Following the merger of the CBRC and the CIRC in 2018, the CBIRC maintained a strict regulation on related party transactions. In the meantime, as businesses of the Company developed and the scale of assets managed by the Group further expanded, the consolidation of financial statement of subsidiaries of the Group expanded their business scopes to insurance, asset management, pension, funds and other fields. As a company listed both in Shanghai and Hong Kong markets and subject to industry regulation, the Company's management of related party transactions must comply with standards set by different places, legal systems and industries. In addition, the management involved coordination for departments and subsidiaries, included several procedures, and covered a long control chain. All of these led to the great complexity of the management.

In response to the above challenges, the Company will further optimise the internal control mechanism of related party transactions, focus on improving the effectiveness of the Group's centralised management system for related party transactions, and urge the first defense line to duly fulfil the management responsibility, so as to improve management effectiveness. Firstly, the Company will continuously adopt new technology to upgrade the risk management and control in respect of related party transactions. Focuses will be improving management effectiveness, expanding the coverage of the management system of related party transactions, optimising system functions, and promoting the refinement of identification, review and report disclosure procedures in respect of related party transactions and the systematic management of transaction cap monitoring. Secondly, the Company will further strengthen the effective implementation of the routine evaluation mechanism of related party transactions. It will urge every entity involved in the management to duly fulfil the management responsibility, optimise evaluation indicator setting, clarify the management responsibility of each entity at each procedure of management, and stimulate every entity involved in the management to duly perform its duties through evaluation and accountability mechanism. Thirdly, the Company will reinforce the construction of professional team for related party transaction management. It will strengthen manpower support via post setting and training system development, enhance study and training of business departments in relation to requirements about related party transaction management, and effectively improve the capabilities of personnel of related party transaction management to perform their duties.

NOTICE OF THE ANNUAL GENERAL MEETING



中國太平洋保險(集團)股份有限公司
CHINA PACIFIC INSURANCE (GROUP) CO., LTD.
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 02601)

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (“AGM” or “**Annual General Meeting**”) of China Pacific Insurance (Group) Co., Ltd. (the “**Company**”) will be held at C&D Hotel, Fuzhou City, Fujian Province, the PRC, on Wednesday, 5 June 2019 at 1:30 p.m., for the purpose of considering, and if thought fit, passing the following resolutions. Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meaning as defined in the circular of the Company dated 18 April 2019.

AS ORDINARY RESOLUTIONS:

1. To consider and approve the report of the Board of Directors of the Company for the year 2018
2. To consider and approve the report of the Board of Supervisors of the Company for the year 2018
3. To consider and approve the main body and the summary of the annual report of A Shares of the Company for the year 2018
4. To consider and approve the annual report of H Shares of the Company for the year 2018
5. To consider and approve the financial statements and report of the Company for the year 2018
6. To consider and approve the profit distribution plan of the Company for the year 2018
7. To consider and approve the proposal on the appointment of auditors of the Company for the year 2019
8. To consider and approve the due diligence report of the Directors of the Company for the year 2018
9. To consider and approve the report on performance of Independent Directors of the Company for the year 2018

NOTICE OF THE ANNUAL GENERAL MEETING

10. To consider and approve the election of Directors of the 8th session of the Board
 - 10.1 To consider and approve the election of Mr. LI Qiqiang as Non-executive Director of the 8th session of the Board of the Company
 - 10.2 To consider and approve the election of Ms. LAM Tyng Yih, Elizabeth as Independent Non-executive Director of the 8th session of the Board of the Company
 - 10.3 To consider and approve the election of Mr. CHEN Jizhong as Independent Non-executive Director of the 8th session of the Board of the Company
 - 10.4 To consider and approve the election of Mr. JIANG Xuping as Independent Non-executive Director of the 8th session of the Board of the Company
11. To consider and approve proposed amendments to the Remuneration Management System of Directors and Supervisors of China Pacific Insurance (Group) Co., Ltd.

AS SPECIAL RESOLUTIONS:

12. To consider and approve the proposed amendments to the Articles of Association of the Company in the manner stipulated in the section entitled “9. Proposed Amendments to the Articles of Association, the Rules of Procedure for Shareholders’ General Meetings and the Rules of Procedure for the Board of Supervisors” as set out in the circular of the Company dated 18 April 2019 and to authorize the chairman or his authorized person to make such revisions to the proposed amendments to the Articles of Association as he deems necessary and appropriate in accordance with the requirements of regulatory authorities during the Company’s approval process for the amended Articles of Association.
13. To consider and approve the proposed amendments to the rules of procedure for Shareholders’ general meetings in the manner stipulated in the section entitled “9. Proposed Amendments to the Articles of Association, the Rules of Procedure for Shareholders’ General Meetings and the Rules of Procedure for the Board of Supervisors” as set out in the circular of the Company dated 18 April 2019 and to authorize the chairman or his authorized person to make such revisions to the proposed amendments to the rules of procedure for Shareholders’ general meetings as he deems necessary and appropriate in accordance with the requirements of regulatory authorities during the Company’s approval process for the amended rules of procedure for Shareholders’ general meetings.

NOTICE OF THE ANNUAL GENERAL MEETING

14. To consider and approve the proposed amendments to the rules of procedure for the Board of Supervisors in the manner stipulated in the section entitled “9. Proposed Amendments to the Articles of Association, the Rules of Procedure for Shareholders’ General Meetings and the Rules of Procedure for the Board of Supervisors” as set out in the circular of the Company dated 18 April 2019 and to authorize the chairman or his authorized person to make such revisions to the proposed amendments to the rules of procedure for the Board of Supervisors as he deems necessary and appropriate in accordance with the requirements of regulatory authorities during the Company’s approval process for the amended rules of procedure for the Board of Supervisors.

15. As special business, to authorize the Board of Directors of the Company to determine if the Company shall allot, issue and deal with, A Shares and H Shares, separately or concurrently, according to market conditions and the needs of the Company, provided that the respective number of shares shall not exceed 20% of each of the A Shares or H Shares of the Company in issue on the date of the passing of this special resolution. However, notwithstanding the granting of the general mandate to the Board of Directors, any issue of new A Shares would require another shareholders’ approval at a Shareholders’ meeting in accordance with the relevant PRC laws and regulations.
 - (1) Subject to paragraphs (3) and (4) below and pursuant to the Company Law of the People’s Republic of China (the “**Company Law**”) and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed, the Board of Directors shall be granted a general and unconditional mandate to exercise all the powers of the Company to allot, issue and deal with new shares during the Relevant Period (as hereinafter defined) and to determine the terms and conditions for the allotment and issue of new shares which include, without limitation, the following terms:
 - (a) the class and number of new shares to be issued;
 - (b) the method of determining the issue price and/or the issue price (including the price range of new Shares);
 - (c) the starting and closing dates for the issue;
 - (d) class and number of the new shares to be issued to existing shareholders; and
 - (e) the making or granting of offers, agreements and options which might require the exercise of such powers.

NOTICE OF THE ANNUAL GENERAL MEETING

- (2) The approval in paragraph (1) shall authorize the Board of Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period.
- (3) The aggregate nominal amount of the new A Shares and new H Shares allotted, issued and dealt with conditionally or unconditionally (whether pursuant to an option or otherwise) by the Board of Directors pursuant to the approval in paragraph (1), other than the shares issued pursuant to a Rights Issue (as hereinafter defined) or the rights to purchase the shares of the Company under any option scheme or similar arrangement, shall not exceed 20% of each of the A Shares and H Shares of the Company in issue as at the date of passing this resolution.
- (4) In exercising the powers granted in paragraph (1), the Board of Directors must (a) comply with the Company Law and the relevant regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed; and (b) obtain approval from China Securities Regulatory Commission and other relevant PRC government departments.
- (5) For the purpose of this resolution:

“**Relevant Period**” means the period from the date of passing this resolution until the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the 12-month period following the passing of this resolution; and
- (c) the revocation or variation of the mandate granted under this resolution by a special resolution of the Company’s shareholders in a general meeting.

“**Rights Issue**” means the allotment or issue of shares in the Company or other securities which would or might require shares to be allotted and issued pursuant to an offer made to all the shareholders of the Company (excluding for such purpose any shareholder who is resident in a place where such offer is not permitted under the law of that place) and, where appropriate, the holders of other equity securities of the Company entitled to such offer, pro rata (apart from fractional entitlements) to their existing holdings of shares or such other equity securities.

NOTICE OF THE ANNUAL GENERAL MEETING

- (6) The Board of Directors, subject to the approval of the relevant authorities of the PRC and in accordance with the Company Law, shall be authorized to increase the registered capital of the Company to the required amount upon the exercise of the powers pursuant to paragraph (1) above.
- (7) The Board of Directors shall be authorized to sign the necessary documents, complete the necessary formalities and take other necessary steps to complete the allotment, issue and listing of new shares, provided that the same do not violate the relevant laws, administrative regulations, and regulatory stipulations (as amended from time to time) of the places where the shares of the Company are listed, and the Articles of Association.
- (8) Subject to the approval of the relevant PRC authorities, the Board of Directors shall be authorized to make amendments to the Articles of Association as appropriate and necessary after the completion of the allotment and issue of new shares according to the method of the allotment and issue of new shares by the Company, the type and number of new shares to be allotted and issued by the Company, and the actual shareholding structure of the Company at the time of completion of the allotment and issue of new shares, in order to reflect the changes in the share capital structure and the registered capital of the Company pursuant to the exercise of this mandate.

Proposal for Approval by Holders of A Shares of the Company (For Information Purposes Only and Not Subject to Approval by Holders of H Shares of the Company):

16. Proposal on entering into the Routine Related Party Transaction Agreement with Shanghai Rural Commercial Bank Co., Ltd.

Report for Review Only

17. Report on the status of related party transactions and the implementation of management system for related party transactions of the Company for the year 2018.

Note: The English version of this notice is an unofficial translation and is for reference only. In case of any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

By Order of the Board of Directors
China Pacific Insurance (Group) Co., Ltd.
KONG Qingwei
Chairman

Hong Kong, 18 April 2019

NOTICE OF THE ANNUAL GENERAL MEETING

Notes:

1. ELIGIBILITY FOR ATTENDING THE ANNUAL GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS FOR H SHARES

The Annual General Meeting of the Company will be held on Wednesday, 5 June 2019. The H Share Register of Members of the Company will be closed for the purpose of determining H Share shareholders' entitlement to attend the AGM, from Monday, 6 May 2019 to Wednesday, 5 June 2019 (both days inclusive), during which no transfer of H Shares will be registered. In order to attend the AGM, H Share shareholders should ensure that all transfer documents, accompanied with the relevant share certificates, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Friday, 3 May 2019.

2. PROPOSED FINAL DIVIDEND

On 22 March 2019, the Board recommended a final dividend of RMB1.0 per share (including tax) for the year ended 31 December 2018, amounting to approximately RMB9.062 billion in aggregate. The proposed final dividend is subject to the approval of Shareholders at the Annual General Meeting. If approved, it is expected that the payment of the final dividend will be made on or before Tuesday, 23 July 2019 to the Shareholders whose names appear on the H Share Register of Members of the Company on Thursday, 20 June 2019.

3. WITHHOLDING OF DIVIDEND INCOME TAX

Pursuant to the applicable provisions of the Enterprise Income Tax Law of the PRC and its implementation rules enacted in 2008, the Company is required to withhold 10% of corporate income tax when it distributes the final dividend to its non-resident enterprise H Share shareholders of the Company who is entitled to receive the proposed final dividend.

Pursuant to the applicable provisions of the Individual Income Tax Law of the PRC and its implementation rules and confirmed by the relevant tax authorities in the PRC after consulting with them by the Company, the Company will withhold individual income tax at the tax rate of 10% when it distributes the final dividend for 2018 to individual holders of H Shares of the Company who is entitled to receive the proposed final dividend. However, if it is otherwise stated in the tax regulations and relevant tax treaty, the Company will withhold individual income tax based on their dividend at the required tax rate and in accordance with the relevant procedures. If the applicable dividend tax rate is less than 10%, the individual H Share shareholders are entitled to apply for refund of the over-deducted amount on their own or appoint an agent to act on their behalf according to the tax treaty entered into between their countries of domicile and the PRC and the regulations of the relevant PRC tax authorities.

The Company will withhold the relevant enterprise income tax as well as the individual income tax as required by law. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual H Share Shareholders and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual H Share Shareholders or any disputes over the withholding mechanism or arrangements.

NOTICE OF THE ANNUAL GENERAL MEETING

Withholding of Income Tax for Holders of H Shares via the Hong Kong Stock Connect

Pursuant to the Notice of the Ministry of Finance, State Taxation Administration and CSRC on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) promulgated on 17 November 2014:

- In respect of the dividends received by Mainland individual investors who invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect Program, the Company will withhold individual income tax at the rate of 20%. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Company Limited for tax credit relating to the withholding tax already paid abroad. In respect of the dividends received by Mainland securities investment funds that invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect Program, the Company will withhold individual income tax in the same way as the foregoing requirements;
- In respect of the dividends received by Mainland corporate investors that invest in the H shares of the Company via the Shanghai-Hong Kong Stock Connect Program, the Company will not withhold any income tax from the dividend and the Mainland corporate investors shall file the tax returns on their own.

In accordance with the Notification of the Ministry of Finance, State Taxation Administration and CSRC on Relevant Tax Policies for Pilot Operation of Transaction Interconnection Mechanism of Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《財政部、國家稅務總局、證監會關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)) put into force on 5 December 2016:

- In respect of the dividends received by Mainland individual investors who invest in the H shares of the Company via the HK-Shenzhen Stock Connect, the Company will withhold individual income tax at the rate of 20%. Individual investors may, by producing valid tax payment proofs, apply to the competent tax authority of China Securities Depository and Clearing Company Limited for tax credit relating to the withholding tax already paid abroad. In respect of the dividends received by Mainland securities investment funds that invest in the H shares of the Company via the HK-Shenzhen Stock Connect, the Company will withhold individual income tax in the same way as the foregoing requirements;
- In respect of the dividends received by Mainland corporate investors that invest in the H shares of the Company via the HK-Shenzhen Stock Connect, the Company will not withhold any income tax from the dividend and the Mainland corporate investors shall file the tax returns on their own.

Withholding of Income Tax for Holders of A Shares via the Shanghai Stock Connect

For investors of the Hong Kong Stock Exchange (including enterprises and individuals) investing in the A shares of the Company listed on the SSE (the “**Shanghai Stock Connect**”), the dividends received by them will be distributed in RMB by the Company through the Shanghai Branch of China Securities Depository and Clearing Corporation Limited as the nominee account holding such A shares. Pursuant to the Notice on Relevant Taxation Policies Concerning the Pilot Inter-connected Mechanism for Trading on the Shanghai Stock Market and the Hong Kong Stock Market (Cai Shui [2014] No. 81) (《財政部、國家稅務總局、證監會關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)), the Company will withhold income tax at the rate of 10% on behalf of those investors and will undertake the reporting procedures on the tax withholding and payment with the tax authorities, and the after-tax cash dividend will be RMB0.90 per share. For investors of Shanghai Stock Connect who are tax residents of other countries and whose country of domicile is a country which has entered into a tax treaty with the PRC stipulating a dividend tax rate of lower than 10%, those enterprises and individuals may apply to the competent tax authorities for the entitlement of the rate under such tax treaty. Upon approval by the tax authorities, taxes shall be refunded based on the discrepancy between the levied taxes and the taxes payable pursuant to the tax rate of the tax treaty.

NOTICE OF THE ANNUAL GENERAL MEETING

All investors should read this notice carefully. Shareholders are recommended to consult their tax advisors on the PRC, Hong Kong and other tax effects regarding their holding and disposing of H shares of the Company.

4. ELIGIBILITY FOR PROPOSED FINAL DIVIDEND AND CLOSURE OF H SHARE REGISTER OF MEMBERS

The H Share Register of Members of the Company will be closed from Saturday, 15 June 2019 to Thursday, 20 June 2019 (both days inclusive), during which period no transfer of H Shares will be registered. In order to be eligible for the entitlement of the final dividend, H Share shareholders should ensure that all transfer documents, accompanied with the relevant share certificates, are lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by no later than 4:30 p.m. on Friday, 14 June 2019.

5. PROXY

- (1) Each shareholder entitled to attend and vote at the Annual General Meeting may appoint one or more proxies in writing to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
- (2) The instrument appointing a proxy must be in writing by the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorized attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorizing that attorney to sign or other document of authorization must be notarized. To be valid, for holders of H Shares, the form of proxy and notarized power of attorney or other document of authorization must be delivered to Computershare Hong Kong Investor Services Limited, not less than 24 hours before the time appointed for the Annual General Meeting (i.e. no later than 1:30 p.m. on Tuesday, 4 June 2019) (Form of proxy for use at the Annual General Meeting is attached herewith).
- (3) If a shareholder appoints more than one proxy, such proxies shall only exercise the right to vote by poll.

6. REGISTRATION PROCEDURES FOR ATTENDING THE ANNUAL GENERAL MEETING

- (1) A shareholder or his proxy should produce proof of identity when attending the Annual General Meeting. If a shareholder is a legal person, its legal representative or other person authorized by the board of directors or other governing body of such shareholder may attend the Annual General Meeting by producing a copy of the resolution of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.
- (2) Shareholders of the Company intending to attend the Annual General Meeting in person or by their proxies should complete and return the reply slip for attending the Annual General Meeting to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before Wednesday, 15 May 2019.

NOTICE OF THE ANNUAL GENERAL MEETING

7. VOTING BY POLL

According to Rule 13.39(4) of the Hong Kong Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, the chairman of the Annual General Meeting will demand a poll in relation to all the proposed resolutions at the Annual General Meeting in accordance with Article 92 of the Articles of Association.

8. MISCELLANEOUS

- (1) The Annual General Meeting is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
- (2) The address of Computershare Hong Kong Investor Services Limited is: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (3) The address of China Securities Depository and Clearing Corporation Limited Shanghai Branch is: Level 36, China Insurance Building, 166 East Lujiazui Road, Pudong New District, Shanghai, the People's Republic of China.
- (4) The registered office of the Company is at:

South Tower, Bank of Communications Financial Building, 190 Central Yincheng Road, Pudong New District, Shanghai, the People's Republic of China
Postal Code: 200120
Contact office: Office of the Board of Directors
Contact Person: JIANG Zhenxiang
Telephone No.: 86 (21)3396 8598
Facsimile No.: 86 (21)6887 0791