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## DEFINITIONS

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*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 2022 to be held at Shanghai Chongming International Nursing Community, Pacific Care Home, 88 Yihu Road, Chongming District, Shanghai at 1:30 p.m. on Friday, 26 May 2023
“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 SSE 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
“Company” or “the Company”	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
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“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” or “HKSE”	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

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“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
“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
“SSE”	Shanghai Stock Exchange

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

**1. REPORTS OF THE BOARD OF DIRECTORS AND THE BOARD OF SUPERVISORS FOR THE YEAR 2022**

According to the requirements of the Company Law and the Articles of Association, it is the responsibility of the general meeting 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 2022 is set out in the sections headed "Business Overview, Chairman's Statement, Review and Analysis of Operating Results, Report of the Board of Directors and Significant Events and Corporate Governance" in the annual report for the year 2022. The report of the Board of Supervisors for the year 2022 is set out in Appendix II to this circular.

**2. ANNUAL REPORT FOR THE YEAR 2022**

The Board proposes to approve the annual reports for the year 2022. The annual reports of the Company for the year 2022 were published on 27 March 2023 on the SSE website ([www.sse.com.cn](http://www.sse.com.cn)) and the London Stock Exchange website ([www.londonstockexchange.com](http://www.londonstockexchange.com)) and published on 21 April 2023 on the Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)).

**3. FINANCIAL STATEMENTS AND REPORT FOR THE YEAR 2022**

The financial statements and report for the year 2022 is set out in the Company's annual report for the year 2022.

**4. PROFIT DISTRIBUTION PLAN FOR THE YEAR 2022**

The Company intends to distribute annual dividend of RMB1.02 per share (inclusive of tax) in cash, amounting to RMB9,812,748,284.10 in aggregate, based on a total share capital of 9,620,341,455 shares. The remaining undistributed profits will be carried forward to the year 2023. No capitalisation from capital reserve will be implemented for the current year.

**5. PROPOSAL ON APPOINTMENT OF AUDITORS FOR THE YEAR 2023**

The Board proposed to appoint Ernst & Young Hua Ming LLP as the auditor and the internal control auditor of financial reports for the year 2023, which also undertakes other obligations of the foreign auditor as required by the Rules Governing the Listing of Securities on the Stock Exchange.

It is hereby proposed to the Shareholders at the Shareholders' general meeting to authorise the Board to authorise the management of the Company to determine their actual remunerations.

**6. DONATION BUDGET FOR THE YEAR 2023**

In order to better serve the national strategy, protect the bright life and demonstrate social responsibility, the Company intends to focus on health and elderly care, rural revitalization, public charity, green and low-carbon and other fields in 2023, and the total amount of donations will not exceed RMB80.0 million (inclusive) (the “**Total 2023 Donations**”).

According to relevant requirements of the Company, matters in which the total amount of external donation expenditure exceeds 5‰ (RMB48.1 million) of the registered capital of the Group shall be subject to consideration and approval at the general meeting.

It is hereby proposed to approve the above-mentioned Total 2023 Donations at the Shareholders’ general meeting, and to authorise the chairman to approve and implement specific donations within the above-mentioned Total 2023 Donations except for external donations that have been authorised to be handled by other persons in accordance with company management documents.

**7. PROPOSED ELECTION OF MS. LO YUEN MAN ELAINE AS INDEPENDENT DIRECTOR OF THE NINTH SESSION OF THE BOARD OF DIRECTORS**

Mr. WOO Ka Biu, Jackson, an Independent Non-executive Director of the Company, tendered his resignation to the Board on 23 March 2023 and Mr. WOO Ka Biu, Jackson has confirmed that he has no disagreement with the Board of the Company and there are no matters that need to be brought to the attention of the shareholders of the Company in relation to his resignation. In accordance with the provisions of the Company Law, the Articles of Association and the Hong Kong Listing Rules, the Board now proposes to elect Ms. LO Yuen Man Elaine as Independent Non-executive Director of the ninth session of the Board with the term of office expiring at the end of the ninth session of the Board and eligible for re-election after the election at the general meeting of the Company. Her appointment as an Independent Non-executive Director is subject to the approval of the Shareholders at the AGM and the approval of the CBIRC.

On the basis of the Company’s requirements about Independent Director, the Nomination and Remuneration Committee identified the candidate of Independent Director 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 convened a meeting to review the qualification of the first-round nominees based on the employment conditions, and submitted a proposal and related documents of the candidate of Independent Director to the Board. Ms. LO confirmed in writing that she 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. LO is an independent person of the Company. The Board holds the opinion that candidate of Independent Director, Ms. LO, has professional qualifications and extensive experience in law, and will provide the Board with professional advice in relevant fields.

As such, Ms. LO is capable of providing valuable opinions in terms of law. Considering the age, gender, cultural and educational background, professional experience, skills and knowledge, it is believed that Ms. LO is a suitable candidate and will make contribution to the diversity of the Board.

**Ms. LO Yuen Man Elaine**, born in January 1954, is the Chief Managing Partner of Jingtian & Gongcheng LLP in Hong Kong. Ms. LO is also currently an independent non-executive director of HSBC Provident Fund Trustee (Hong Kong) Limited and the Chairman of its Audit and Risk Committee, and a non-executive director of the Hong Kong Urban Renewal Authority and the Chairman of its Land, Rehousing and Compensation Committee.

Ms. LO has been appointed by the Chief Executive of the Hong Kong Special Administrative Region to a number of advisory committees and statutory bodies, including the Advisory Committee on Post-Office Employment for Former Chief Executives and Politically Appointed Officials of the Hong Kong Special Administrative Region, the Executive Council of the Hong Kong Special Administrative Region, the Independent Commission on Remuneration for Members of the Legislative Council and Officials under the Political Appointment System, the Independent Commission on Remuneration for Members of the District Councils of the Hong Kong Special Administrative Region. She is a member of the Standing Commission on Civil Service Salaries and Conditions of Service of the Hong Kong Special Administrative Region, a member of the Hong Kong Women's Commission, a member of the Working Group on Professional Services of the Hong Kong Economic Development Board, etc..

Ms. LO was awarded the Order of Merit by the Government of the Hong Kong Special Administrative Region in July 2021.

Ms. LO holds a university degree in law, a Bachelor of Laws degree with Honours, and is qualified to practise as a solicitor in Hong Kong, the United Kingdom, Australia and Singapore. She is also a China-appointed notary public appointed by the Ministry of Justice of the People's Republic of China.

Ms. LO has not entered into a service contract with the Company. The emoluments of Ms. LO will be determined according to relevant emolument policies of the Company.

Save as disclosed above, Ms. LO did not hold any directorships in any other listed companies in the last three years nor any other positions in the Company or any of its subsidiaries, has no relationship with any Directors, Supervisors, senior management, substantial or controlling Shareholders of the Company, nor does she have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong.

In addition, there is no information about Ms. LO required to be disclosed pursuant to the requirements set out in rules 13.51(2)(h) to (v) of the Hong Kong Listing Rules, nor are there any other matters that need to be brought to the attention of the Shareholders.

**8. REPORT ON PERFORMANCE OF DIRECTORS AND APPRAISAL RESULTS FOR THE YEAR 2022**

In accordance with the regulatory requirements of the relevant regulatory authorities, the Board of Supervisors of the Company assessed the performance of Directors and created the Report on Performance of Directors and Appraisal Results for the Year 2022. Such report is set out in Appendix III to this circular for Shareholders' review but no approval by the Shareholders is required.

**9. REPORT ON PERFORMANCE OF SUPERVISORS AND APPRAISAL RESULTS FOR THE YEAR 2022**

Pursuant to the regulatory requirements of the relevant regulatory authorities, the Board of Supervisors of the Company assessed the performance of Supervisors and created the Report on Performance of Supervisors and Appraisal Results for the Year 2022. Such report is set out in Appendix IV to this circular for Shareholders' review but no approval by the Shareholders is required.

**10. REPORT ON PERFORMANCE OF INDEPENDENT DIRECTORS FOR THE YEAR 2022**

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 2022 to the Shareholders' general meeting. Such report is set out in Appendix V to this circular for Shareholders' review but no approval by the Shareholders is required.

**11. REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND THE IMPLEMENTATION OF MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS FOR THE YEAR 2022**

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 2022 at the AGM. Such report is set out in Appendix VI to this circular for Shareholders' review but no approval by the Shareholders is required.

**12. ASSESSMENT REPORT ON INTERNAL TRANSACTIONS FOR THE YEAR 2022**

In accordance with the regulations of the CBIRC, the Board shall report to the shareholders' general meeting on the assessment of internal transactions for the year 2022. Such report is set out in Appendix VII to this circular for Shareholders' review but no approval by the Shareholders is required.

In 2022, under the leadership of the general meeting and with the great support of the Board and the management, the Board of Supervisors, in accordance with the relevant laws, regulations and the Articles of Association, and with a highly responsible attitude towards supervision, Shareholders and employees, sticking to the Company's strategic objective for high-quality development, focusing on finance, risks, performance of Directors and senior management, business conditions, and so on. The Board of Supervisors solidly carried out supervision, gave full play to the independent supervisory role of the Board, promoted the improvement of corporate governance, and promoted the development of business compliance in accordance with the law. The major work report of the Board of Supervisors in 2022 are as follows:

## I. WORK OF THE BOARD OF SUPERVISORS IN 2022

### (I) Effective Regulation of Operation of the Board of Supervisors

In 2022, the Board of Supervisors convened 5 meetings in total (including 4 on-site meetings, 1 meeting through a written resolution signed by all members), where 22 resolutions have been considered and 31 reports have been heard. Assembling, convening and decision making of the meetings of the Board of Supervisors were in compliance with the statutory procedures. All Supervisors punctually attended meetings of the Board of Supervisors, and fully expressed their opinions. 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.

Name	Meetings requiring attendance	Meetings attended in person	Meetings attended by proxy	Absence
<b>Current Supervisors</b>				
ZHU Yonghong	5	5	0	0
JI Zhengrong	5	5	0	0
LU Ning	5	5	0	0
GU Qiang	5	5	0	0

On the basis of fully understanding the key businesses and operation of the Company, the Board of Supervisors carefully considered or hear to the profit distribution, financial statements, overall risk appraisal and management, development plans, compliance, the annual report on internal audit, the annual report on related party (connected) transactions, the annual report on corporate governance, consumer rights protection, solvency, reputation risk and other various annual reports and resolutions, and on the basis of self-technical expertise and work experience, conducted supervision and guidance with the focus on compliance, risks and audit to ensure a scientific decision-making of the Company.

**(II) Fully displaying the supervisory function by Supervisors**

The Board of Supervisors actively carried out various supervisory tasks in accordance with laws and regulations and closely followed the regulatory requirements to promote the sustainable, healthy and stable development of the Company.

1. **Focusing on corporate governance and strengthening the supervision on the Board of Directors and the senior management of the Company.** Supervisors attended the general meetings and Board meetings, and played a role in supervising the Board of Directors and the senior management in compliance with the laws and regulations, the Articles of Association, the relevant rules of procedure and rules and regulations, as well as the implementation of resolutions of the general meeting, the implementation of regulatory opinions and accountability for rectification of problems; the Supervisors supervised and evaluated the annual performance of the Company's Directors and Supervisors by means of such as information analysis, behavioural observation and questionnaire assessment, and monitored the incentive and restraint mechanism by following reports on the results of senior management performance appraisals and other means.
2. **Focusing on key areas and strengthening the performance supervision of the Board of Directors and senior management on reputation risk, solvency risk management and consumer rights protection.** First, Supervisors supervised the performance of duties and responsibilities of the Board of Directors and senior management on reputation risk management by convening meetings of the Board of Supervisors to hear special reports and attending meetings of the Board of Directors. Second, Supervisors regularly listened to the Company's quarterly operation, solvency report and risk management report to keep abreast of the Company's operation, pay attention to the major solvency risks that may arise in the course of operation, and supervise the risk management performance of Directors and senior management. Third, Supervisors supervised the performance of the Board of Directors and senior management in carrying out consumer protection work by listening to reports on consumer rights and interests, reports on the rectification of regulatory evaluations, and by attending meetings of the Board of Directors.
3. **Strengthening financial supervision and safeguarding Shareholders' interests.** 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 duly performed its duties of financial supervision by supervising the preparation and review procedures as well as content and format of reports in respect of their truthfulness, accuracy and promptness, 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.



4. **Reinforcing the supervision on internal control and improving the construction of risk management system.** The Board of Supervisors regularly received reports on the Company's internal control and risk control work, and paid attention to the optimization of the Company's internal control system; implemented regulatory requirements and supervised the Company's work of preventing and resolving major risks in the economic field and major risk investigation in key areas. Through monthly special reports, the Board of Supervisors continued to pay attention to the investigation of the five major areas and eight types of risks as well as the response plan for new risk events, and supervised the Company to do a good job of major risk prediction and active prevention and control.
5. **Carrying out performance appraisal, improving performance appraisal methods, and promoting the standardized performance of Directors and Supervisors.** From January to March, the Board of Supervisors completed the 2021 annual performance appraisal of 19 Directors and Supervisors of the Company within the prescribed time limit through information analysis, behavioral observation and questionnaire evaluation, combined with self-evaluation of Directors, self-evaluation of Supervisors and mutual evaluation, and formed the evaluation report on the performance of Directors and Supervisors, which was considered and approved by the meeting of the Board of Directors and Supervisors in March and submitted to CBIRC. In December, according to the Code of Professional Ethics for Directors, Supervisors and Senior Management in The Insurance Association of China, the Board of Supervisors revised the original Performance Appraisal Measures for Directors and Supervisors of the Company, integrated and improved the relevant contents of the Code of Professional Ethics for Directors, Supervisors and Senior Management with the contents of the original evaluation dimensions, and further clarified the professional ethical standards for Directors and Supervisors, which came into effect from 1 January 2023 upon consideration and approval at the meeting of the Board of Supervisors.
6. **Participating in thematic seminars and concerning the implementation of major business decisions.** First, the Board of Supervisors attended seminars for Directors and Supervisors to carry out exchanges and discussion through visiting "CPIC Home", focusing on the recreation industry and the preparation of ESG three-year plan, and conducted in-depth discussions on important matters in the process of the Company's operation and development to clarify the solution path. Second, the Board of Supervisors supervised the development strategy and business philosophy of the Company by considering the strategic plans and implementation of the Company's development, as well as listened to reports on the business development strategies, transformation initiatives and promotion of strategic work of the subsidiaries.

7. **Preparing work manuals to provide support and guarantee for Supervisors to perform their duties.** From June to October, the Board of Supervisors prepared the “Supervisors Performance Work Manual”, which summarizes the operational requirements for the Board of Supervisors in terms of laws and regulations, regulatory policies and the Company’s system, covering the duties, powers and performance practices of Supervisors, and continuously enhances the breadth and depth of the Supervisors’ performance. From March to December, the Board of Supervisors prepared the “Operation of the Board of Supervisors” and sent it to all members of the Board of Supervisors every month to enable Supervisors to understand the operation of the Board of Supervisors, corporate governance, important work of the Board of Supervisors of subsidiaries, etc., and provide information support for Supervisors’ supervision and performance of their duties.

### (III) Taking active actions to join different trainings

Constantly improving performance capacity and level of duties as a starting point, the Supervisors actively participated in online training on green financial governance practices and risks in performing their duties, company regulation and operation, information disclosure supervision, etc. from Shanghai State-owned Assets Supervision and Administration Commission, China Insurance Association (CIA) and China Association for Public Companies to learn and exchange the excellent experience of board of supervisors of financial companies in corporate governance, risk identification and response, and supervisors’ performance of duties. Supervisors researched and studied the monthly Briefing for Directors and Supervisors of CPIC and Operational Updates of the Board of Supervisors to understand the policies and information related to the governance structure of the Company and the operation of the Board of Supervisors, and continuously strengthen their ideological and theoretical learning, development of business capacity and performance of their duties.

### (IV) Independent Opinions of the Board of Supervisors

In 2022, the Board of Supervisors focused on the key performance of their duties and provided their independent opinions:

1. **The Company was able to adhere to maintain legally compliant operations.** 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 senior 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.

2. **Truthfulness and accuracy of the financial statements.** The financial statements of the Company for the year were audited by Ernst & Young Hua Ming LLP, based on its independent auditing standards, who has 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 2022 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.
3. **During the reporting period, the use of proceeds was consistent with that in the Prospectus.** For details of the proceeds raised above, please refer to the section “Use of proceeds received from issuance of GDRs” in the 2022 annual report.
4. **During the reporting period, the Company made no major asset acquisition or major disposal of assets.**
5. **Fair and reasonable related party transactions.** The Board of Supervisors is of the view that during the reporting period, the Company’s related party transactions were fair and reasonable. The consideration, voting and disclosure procedures of related party transactions were legitimate. No conduct was found to have damaged the interests of the Company and Shareholders.
6. **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.
7. **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 both the Board of Directors and the Board of Supervisors are able to effectively implement the resolutions approved by Shareholders at the general meetings.

**II. WORK PLAN OF THE BOARD OF SUPERVISORS IN 2023**

In 2023, there will still be great pressures and uncertainties in economic recovery at home and overseas. Amid the more complicated and severe global economic landscape, the Board of Supervisors will continue to comply with the requirements of relevant laws and regulations and the Articles of Association, focusing on the Company's goal of "adhering to value orientation, seizing new opportunities of Chinese-style modernization and achieving new victories in high-quality development" to actively and practically conduct supervision in accordance with laws and regulations, and prioritize the following aspects:

**(I) Performing supervisory duties in accordance with laws**

In strict accordance with the relevant national laws and regulations, the Board of Supervisors will convene meetings of the Board of Supervisors in accordance with the law, strengthen its supervision of the performance of its duties in the areas of finance, compliance and internal control by considering resolutions, listening to reports and reviewing reports, and supervise the Company's decision-making procedures and the performance of its directors and senior management personnel by attending shareholders' meetings and Board meetings, and reviewing the materials of meetings of the Board of Directors and its special committees, so as to promote the Company's adherence to the bottom line of risk.

**(II) Optimizing the joint prevention and control mechanism of supervision forces**

The Board of Supervisors will continue to promote the play of supervisory synergy, optimize and improve the joint prevention and control mechanism between the Board of Supervisors and supervisory forces such as compliance and risk control, discipline inspection and supervision, and patrol inspection, integrate information resources, promote the sharing of supervisory information in various lines and the reference and application of inspection results; strengthen communication and contact with the Board of Supervisors of subsidiaries, learn from each other's excellent experience, continue to improve the supervision system and enhance the quality and efficiency of supervision.

**(III) Conducting research and special inspections**

The Board of Supervisors will penetrate into front-line institutions and conduct research through on-site inspections, seminars, individual interviews and access to information to grasp an understanding of Company's operation, risk compliance and internal control, and pay attention to the current operation and future planning of the Company. The Board of Supervisors will implement regulatory requirements, carry out special inspections on specific matters, continuously supervise the Company in anticipation of major risks and proactive prevention and control, and better perform the supervisory function of the Board of Supervisors to promote the Company's development in compliance with the law.

**(IV) Advancing the self-construction of the Board of Supervisors**

The Board of Supervisors will actively attend various trainings organised by CBIRC, Shanghai SASAC, SSE, the Stock Exchange and other authorities to learn about relevant policies, regulations and regulatory developments and cutting-edge research achievements on corporate governance to continuously strengthen itself. The Board of Supervisors will review internal audit, financial and risk control reports and meeting materials in real time through the Company's meeting system, so as to research and study the monthly Briefing for Directors and Supervisors and the Operational Updates of the Board of Supervisors, keep abreast of all types of business management and other information required for the performance of its duties and to continuously improve the efficiency and level of supervision and strengthen its ability to perform its duties.

According to the relevant provisions of the Corporate Governance Standards for Banking or Insurance Institutions, the Measures for Evaluating the Performance of Duties by Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation), and the Performance Appraisal and Accountability Measures for Directors and Supervisors of the Company, the Company has supervised and evaluated the performance of duties of Directors for the year 2022, and the report is set out below:

## **I. PERFORMANCE APPRAISAL OF DIRECTORS**

The Board of Supervisors evaluated the performance of the Directors of the Company in 2022 by means of data analysis, behavior observation, questionnaire evaluation, combined with the Directors' self-evaluation and Supervisors' evaluation. As of the end of 2022, the Board of the Company had 14 incumbent Directors, including 2 Executive Directors, 7 Non-executive Directors and 5 Independent Non-executive Directors. During the Reporting Period, Ms. LIANG Hong, a Non-executive Director of the Company, resigned due to change in work arrangement, and as she had served for more than half a year, her performance was included in the scope of this evaluation.

### **(I) Performance of Directors' Duty of Loyalty**

During the Reporting Period, the Directors of the Company strictly adhered to their due diligence commitments in accordance with regulatory regulations and the requirements of the Company; truthfully informed of their own work and part-time work; timely reported their related relationships and changes. There were no acts of using his/her position and authority in the Company to seek personal interests, using related relationships to damage the interests of the Company, accepting illegitimate interests, divulging the secrets of the Company, etc..

### **(II) Performance of Directors' Duty of Diligence**

During the Reporting Period, the Directors of the Company fulfilled their duties, attended the meetings of the Board of Directors and relevant Board Committee on time, took the initiative to understand the operation and development of the Company, carefully reviewed the meeting materials, discussed the reviewed proposals and made independent, professional and objective judgments, so as to promote the scientific decision-making of the Board. By participating in various special seminars, listening to the progress of the big health strategy, ESG three-year planning and Transformation 2.0 summary report, the Company combined with the its current operation and future planning to clarify the solution path; held communication meetings between Independent Directors and the Chairman to deeply communicate and discuss matters related to the development of the Company; taught the "First Lesson of Consumer Protection" to the cadres and employees of the whole system, popularized the basic knowledge of consumer protection, and cultivated the cultural concept of consumer protection.

In 2022, the Board of Directors of the Company convened 7 meetings (including 1 written circulation) in total. Directors were entitled to attend the meetings 103 times in total, of which 103 attendances were made in person.

**(III) Professional Performance of Directors**

The Directors of the Company generally have rich working experience and working background in international financial institutions, including senior executives of international leading insurance institutions, well-known economists, experts in capital operation, senior lawyers, Internet marketing management experts, etc. During the Reporting Period, the Directors of the Company earnestly studied the new regulatory regulations, studied the Briefing for Directors and Supervisors of CPIC, Analyst Research Reports, Capital Market Newsletters and risk audit and other relevant materials prepared by the Company, fully understood the Company's operation and management and the relevant policies and information of the operation of the Board of Directors, actively participated in the trainings organised by regulatory authorities, industry associations and the Company, and continuously improved the ability and level of performance of duties.

**(IV) Independence and Code of Ethics of Directors in Performing Their Duties**

During the Reporting Period, the Directors of the Company adhered to high standards of professional ethics in performing their duties, treated all Shareholders fairly, safeguarded the legitimate rights and interests of stakeholders, exercised voting rights independently and actively fulfilled social responsibilities.

**(V) Compliance of Directors' Performance of Duties**

During the Reporting Period, the Directors of the Company strictly complied with laws and regulations, regulatory provisions and the Articles of Association, attended the meetings of the Board of Directors in accordance with laws and regulations, and continued to standardize their performance of duties. In 2022, the Directors of the Company were not punished by the regulatory authorities for violating the compliance of duty performance.

**II. PERFORMANCE APPRAISAL RESULTS OF DIRECTORS**

The Board of Supervisors is of the opinion that: during the Reporting Period, the Directors of the Company were able to perform the duties entrusted by various laws and regulations, regulatory provisions and the Articles of Association, diligently perform various Directors' duties, participate in meetings and seminars on time, fully consider and discuss the Company's business performance and key concerns, make independent voting on the basis of prudent judgment, strengthen the driving force of transformation on operation, accelerate the transformation of business development momentum, promote the implementation of major strategic plans and business decisions, and help the Company achieve high-quality development.

The performance appraisal results of all Directors of the Company in 2022 are "competent".



According to the relevant provisions of the Corporate Governance Standards for Banking or Insurance Institutions, the Measures for Evaluating the Performance of Duties by Directors and Supervisors of Banking and Insurance Institutions (for Trial Implementation), and the Performance Appraisal and Accountability Measures for Directors and Supervisors of the Company, the Company has supervised and evaluated the performance of duties of Supervisors for the year 2022, and the report is set out below:

## **I. PERFORMANCE APPRAISAL OF SUPERVISORS**

The Board of Supervisors evaluated the performance of the Supervisors of the Company in 2022 by means of data analysis, behavior observation, questionnaire evaluation, combined with the Supervisors' self-evaluation and mutual evaluation. As of the end of 2022, the Board of Supervisors of the Company had 4 incumbent Supervisors, including 2 equity Supervisors and 2 employee Supervisors.

### **(I) Performance of Supervisors' Duty of Loyalty**

During the Reporting Period, the Supervisors of the Company strictly adhered to their due diligence commitments in accordance with regulatory regulations and the requirements of the Company, truthfully informed of their own work and part-time work, timely reported their related relationships and changes. There were no acts of using his/her position and authority in the Company to seek personal interests, using related relationships to damage the interests of the Company, accepting illegitimate interests, divulging the secrets of the Company, etc..

### **(II) Performance of Supervisors' Duty of Diligence**

During the Reporting Period, the Supervisors of the Company fulfilled their duties, attended the meetings of the Board of Supervisors on time, carefully reviewed the meeting materials, fully reviewed the resolutions of the Board of Supervisors and expressed their opinions independently, professionally and objectively, so as to promote the effective supervision by the Board of Supervisors. By attending the general meeting, the meetings of the Board of Directors and meetings of relevant Board Committees, the Supervisors of the Company supervised the performance of duties of the Board of Directors and senior management; supervised the Company's major risk investigation and promoted the Company's prediction and active prevention and control of major risks; participated in special seminars and conducted exchanges and discussions on key matters and development strategies of the Company; carried out the performance evaluation of Directors and Supervisors in 2021 to strengthen the performance standards of Directors and Supervisors; and prepared the "Supervisors Performance Work Manual" to enhance the breadth and depth of the Supervisors' performance.

In 2022, the Board of Supervisors of the Company convened 5 meetings (including 1 written circulation) in total. Supervisors were entitled to attend the meetings 20 times in total, of which 20 attendances were made in person.

**(III) Professional Performance of Supervisors**

The Supervisors of the Company have relevant professional background and management experience in economic and financial enterprises, and have the professional knowledge required for their positions. During the Reporting Period, the Supervisors of the Company regularly studied the Briefing for Directors and Supervisors, the Operational Updates of the Board of Supervisors and Analyst Research Reports, understood the relevant policies of corporate governance and the operation of the Board of Supervisors of the Company, actively participated in the trainings organised by regulatory authorities, industry associations and the Company, learned and exchanged the excellent experience of peers in risk identification and response, performance of duties, etc., and continuously improved the ability and level of performance of duties.

**(IV) Independence and Code of Ethics of Supervisors in Performing Their Duties**

During the Reporting Period, the Supervisors of the Company adhered to high standards of professional ethics in performing their duties, treated all Shareholders fairly, safeguarded the legitimate rights and interests of stakeholders, exercised voting rights independently, actively fulfilled social responsibilities, revised the Performance Appraisal and Accountability Measures for Directors and Supervisors of the Company, integrated and improved the relevant contents of the Code of Professional Ethics for Directors, Supervisors and Senior Management in The Insurance Association of China with the contents of the original evaluation dimensions, and further clarified the professional ethical standards for Directors and Supervisors.

**(V) Compliance of Supervisors' Performance of Duties**

During the Reporting Period, the Supervisors of the Company complied with laws and regulations, regulatory provisions and the Articles of Association, attended the meetings of the Board of Supervisors in accordance with laws and regulations, continued to standardize their performance of duties, and promoted and supervised the law-abiding and compliant operation of the Company. In 2022, the Supervisors of the Company were not punished by the regulatory authorities for violating the compliance of duty performance.

**II. PERFORMANCE APPRAISAL RESULTS OF SUPERVISORS**

The Board of Supervisors is of the opinion that: during the Reporting Period, the Supervisors of the Company were able to perform the duties entrusted by various laws and regulations, regulatory provisions and the Articles of Association, participate in various meetings on time and fully consider various resolutions, vote independently on the basis of prudent judgment, and diligently perform various Supervisors' duties to promote the further improvement of the corporate governance system and enhance the management level of the Company.

The performance appraisal results of all Supervisors of the Company in 2022 are "competent".

In 2022, 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, Rules for Independent Directors of Listed Companies promulgated by the CSRC, the Rules Governing the Listing of the Shanghai Stock Exchange and the Hong Kong Listing Rules, and internal regulations, including the Articles of Association, and the Terms of Reference for Independent Directors, 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 2022 by the Independent Directors is set out below:

## I. BASIC INFORMATION OF INDEPENDENT DIRECTORS

The Company currently has 14 Directors, including 5 Independent Directors with expertise in finance, investment, auditing, risk management, law and technology, as well as required expertise and capability to perform their functions. In 2022, the Independent Directors of the Company provided professional support for the decision-making of the Board with diversified professional background and rich experience, excellent strategic decision-making ability and broad international vision.

The basic information of Independent Directors of the Company are set out as follows:

**Ms. LIU Xiaodan**, currently serves as Independent Non-executive Director of the Company, general manager of Chenyi Investment (Beijing) Co., Ltd. and chairman of Chenyi Fund Management (Beijing) Co., Ltd. Previously, Ms. LIU was president and chairman of Huatai United Securities Co., Ltd. and chairman of Asset Mark Financial Holdings, Inc., a company listed on the New York Stock Exchange (stock code: AMK). Previously, Ms. LIU worked at Peking University. She also served as a member of the 4th and 5th Committees for Mergers, Acquisitions, and Restructuring of China Securities Regulatory Commission. Ms. LIU holds a master's degree.

**Mr. CHEN Jizhong**, currently serves as Independent Non-executive Director of the Company. Previously, Mr. CHEN served as head of the Personnel Department for Entities under Direct Administration of the Personnel Division of the State Planning Commission, deputy director of the Human Resources Department of China Development Bank, director of the Executive Office of China Development Bank, successively general manager of Xi'an Branch, Shaanxi Branch, and Shanghai Branch of China Development Bank, and chief internal auditor of China Development Bank. Mr. CHEN holds a master's degree and the title of senior economist.

**Ms. LAM Tyng Yih, Elizabeth**, currently serves as Independent Non-executive Director of the Company, an independent non-executive director of Fubon Bank (Hong Kong) Limited, and director and honorary treasurer of HK Agency for Volunteer Service. Previously, Ms. LAM served as consultant and partner of Ernst & Young. Ms. Lam holds a bachelor's degree in business administration and a master's degree in accounting, and is a member of the Hong Kong Institute of Certified Public Accountants.

**Mr. WOO Ka Biu, Jackson**, currently serves as Independent Non-executive Director of the Company, CEO of Challenge Capital Management Limited, consultant of Guantao Law Firm (Hong Kong), director of Kailey Enterprises Limited and Fong Fun Enterprises Limited, director of the board of stewards of The Hong Kong Jockey Club and independent non-executive director of Henderson Land Development Company Limited listed on the SEHK (stock code: 00012), honorary member of the Board of Trustees of Tsinghua University, notary public entrusted by the Ministry of Justice of the People's Republic of China, a practising solicitor member on the panel of the Solicitors' Disciplinary Tribunal in the Hong Kong Special Administrative Region, member of the Takeovers and Mergers Panel and the Takeovers Appeals Committee of Securities and Futures Commission of Hong Kong, member of the Main Board and GEM Listing Review Committee of The Stock Exchange of Hong Kong Limited, honorary advisor of the Hong Kong Accounting and Financial Reporting Council (formerly known as the Financial Reporting Council) and member of the Policy, Registration and Oversight Committee (formerly known as the Oversight, Policy and Governance Committee), and a panel member of the Resolution Compensation Tribunal appointed by the Chief Executive under the Financial Institutions (Resolution) Ordinance (Cap. 628). Mr. WOO was a member of the Public Shareholders' Rights Group of Securities and Futures Commission of Hong Kong, a member of the Investigation Committee of the Hong Kong Financial Reporting Council, chairman of Beijing Guantao Zhongmao Law Firm (International), a partner of Ashurst Law Firm, founding partner of Woo Ka Biu Law Firm, director and co-head of Investment Banking of Great China of N.M. Rothschild & Sons (Hong Kong) Limited, partner of Messrs. Woo, Kwan, Lee & Lo of Hong Kong, independent non-executive director of Ping An Insurance (Group) Co., Ltd., a company listed on both SSE and SEHK (SSE stock code: 601318, SEHK stock code: 02318), non-executive director of Sun Hung Kai Properties Limited (stock code: 00016) and Henderson Investment Limited listed on SEHK (stock code: 00097), and alternative director of Sir Po-shing Woo. Mr. WOO holds a master's degree, and is a Qualified Solicitor in the Supreme Courts of Hong Kong, England and Wales and the Australian Capital Territory, and a licensee of the Securities and Futures Commission of Hong Kong.

**Mr. JIANG Xuping**, currently serves as Independent Non-executive Director of the Company, professor with the Department of Marketing of the School of Economics and Management, Tsinghua University, research fellow at the Research Centre for Contemporary Management, Tsinghua University, and research fellow at the Centre for Corporate Governance of Tsinghua University. Mr. JIANG also serves pro bono as dean of the School of Internet Marketing and Management of Guizhou Forerunner College. Previously, Mr. JIANG served as lecturer, associate professor, professor of School of Economics and Management of Tsinghua University. Mr. JIANG holds a master's degree and the title of professor.

## II. PERFORMANCE OF INDEPENDENT DIRECTORS

### (I) Attendance of Meetings

#### 1. The General Meeting

In 2022, the Company held a total of 1 general meeting. Independent Directors' attendance of meeting are as follows:

Name of Independent Directors	General meetings requiring attendance	Meetings attended in person	Percentage of attendance (%)	Absence
LIU Xiaodan	1	1	100	0
CHEN Jizhong	1	1	100	0
LAM Tyng Yih, Elizabeth	1	1	100	0
WOO Ka Biu, Jackson	1	1	100	0
JIANG Xuping	1	1	100	0

**2. The Board Meetings**

In 2022, the Company held a total of 7 Board meetings. All Independent Directors attended the meetings in person. Details are as follows:

<b>Name of Independent Directors</b>	<b>General meetings requiring attendance</b>	<b>Meetings attended in person</b>	<b>Meetings attended by proxy</b>	<b>Absence</b>	<b>Notes</b>
LIU Xiaodan	7	7	0	0	
CHEN Jizhong	7	7	0	0	
LAM Tyng Yih, Elizabeth	7	7	0	0	
WOO Ka Biu, Jackson	7	7	0	0	
JIANG Xuping	7	7	0	0	

**3. The Board Committee**

The Board of the Company has five committees, namely, the Strategic and Investment Decision-Making & ESG Committee, the Audit Committee, the Nomination and Remuneration Committee, the Risk Management and Related Party Transaction Control Committee and the Technological Innovation and Consumer Rights Protection Committee. Except that the chairman of the Strategic and Investment Decision-Making & ESG Committee is the chairman of the Board, the chairmen of the other four committees are all Independent Directors.

In 2022, the Strategic and Investment Decision-Making & ESG Committee held 5 meetings; the Audit Committee held 8 meetings; the Nomination and Remuneration Committee held 5 meetings; the Risk Management and Related Party Transaction Control Committee held 6 meetings, and the Technological Innovation and Consumer Rights Protection Committee held 3 meetings. All Independent Directors attended such Board committee meetings in person and details are as follows:

Name of Independent Directors	Strategic and Investment Decision-Making & ESG Committee (meetings held/ meetings attended)	Audit Committee (meetings held/ meetings attended)	Nomination and Remuneration Committee (meetings held/ meetings attended)	Risk	Technological
				Management and Related Party Transaction Control Committee (meetings held/ meetings attended)	Innovation and Consumer Rights Protection Committee (meetings held/ meetings attended)
LIU Xiaodan	5/5	/	5/5	/	/
CHEN Jizhong	/	/	5/5	6/6	/
LAM Tyng Yih, Elizabeth	/	8/8	/	6/6	/
WOO Ka Biu, Jackson	/	8/8	/	6/6	/
JIANG Xuping	/	8/8	5/5	/	3/3



**(II) Expression of Opinions**

The Board meetings and general meetings of the Company in 2022 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 2022 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, technology empowerment, corporate governance, business operation, financial management, director 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 2022. 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 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 report 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 2022. 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 on the Operation of the Company through Various Channels**

In 2022, Independent Directors performed their duties with due diligence and proactively kept abreast of the operations and management of the Company through various channels:

1. Attending the meetings of the Board of Directors and Board committee meetings in person, listening to the management's report on operation and management. In 2022, the Independent Directors adhered to the main business of insurance and grasped the main line of high-quality development: insisting on the value core to strengthen and improve state-owned enterprises; insisting on customer orientation to enhance the level of "CPIC Service"; insisting on long-termism to build comprehensive competitiveness across the cycle; insisting on technology empowerment to stimulate new momentum of data-driven development; insisting on synergy and coexistence to deepen the integrated development model; and insisting on bottom-line thinking to strengthen the construction of an integrated risk control system. The Independent Directors actively played the role of strategic decision-making and supervision and balances, fully discussed the Company's operating results and key concerns, and requested to strengthen the driving force of strategic transformation on operation and management, accelerated the transformation of business development momentum and improved the service level through product innovation.
2. Taking into account the current operation and future plans of the Company, the Independent Directors listened to the special reports of the group companies and subsidiaries. In 2022, the Independent Directors focused on the construction of profitability of underwriting for property and casualty insurance, the development strategy of new energy vehicle insurance business, the implementation of the "core" basic law for life insurance, the deepening of the Changhang Transformation measures, the progress of the big health strategy, the preparation of the ESG three-year planning and Transformation 2.0 summary report. The Company also conducted an in-depth discussion on important matters in the course of the Company's operation and development, and clarified the solution path. The Independent Directors expressed their affirmation of the Company's continuous advancement and active practice in reforming the institutional mechanism, innovating products and services, responding to new regulatory policies, fulfilling social responsibilities and serving national strategies.

3. All Independent Directors and the chairman of the Board held a separate communication meeting in Hangzhou where other Directors and senior management did not participate, and conducted in-depth communication on corporate governance optimization, professional manager assessment, product service innovation, health and pension layout, risk compliance management, corporate culture construction and other aspects.
4. 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.
5. In addition, some Independent Directors also strengthened their understanding and guidance of the Company's operating by participating in the Company's consulting expert seminars, annual audit work and research on scientific and technological innovation projects.

Independent Directors were of the view that they 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**

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 2022, 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, related party transactions, profit distribution, appointment and dismissal of the senior management and remuneration and performance assessment of the senior management of the Company.

In 2022, there was no external guarantee or misappropriation of funds of the Company. The use of proceeds was consistent with the use of proceeds as committed by the Company's general meeting and the resolution of the Board of Directors, all of which were used to enrich the capital of the Company to support the continuous development of its business.

In 2022, 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 accordance with the relevant regulations of the Ministry of Finance, Ernst & Young Hua Ming LLP was engaged by the Company as the auditor of financial statements under PRC GAAP and the auditor for the internal control since 2022. The Independent Directors are of the view that the appointment of the aforesaid accounting firm 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 2022, 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 2022 and an audit report was issued by the auditor. The Independent Directors are of the view that the Company has established a scientific, standardised and effective internal control system. The acts of the Company regarding corporate governance, business operation, 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 2022, 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 standardised 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 2022. 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 2023, 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.

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**APPENDIX VI                      REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND  
THE IMPLEMENTATION OF MANAGEMENT SYSTEM FOR  
RELATED PARTY TRANSACTIONS FOR THE YEAR 2022**

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According to the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions (CBIRC Order No. 1 [2022]) issued by the China Banking and Insurance Regulatory Commission (the “CBIRC”), “The board of directors of banking and insurance institutions shall make annual special reports on the overall status of related party transactions to the shareholders’ (general) meeting and submit to the CBIRC or its dispatched institutions”. The status of related party transactions of China Pacific Insurance (Group) Co., Ltd. (the “Company”) is hereby reported as follows:

**I.        STATUS OF RELATED PARTY TRANSACTIONS IN 2022**

**(I)      General Status of Related Party Transactions**

In 2022, there were 42 new related party transactions with an accumulated amount of RMB5,795.02 million and 7 continuing related transactions with an accumulated amount of RMB358.69 million that met the disclosure standards. The main types of transactions were capital utilization and service related party transactions, which were reported to the CBIRC on a quarterly basis and disclosed in a consolidated manner by category.

**(II)     New Material Related Party Transaction**

In 2022, the Company added one material related party transaction. Details are as follows:

The Company made additional capital contribution to China Pacific Life Insurance Co., Ltd. (the “CPIC Life”). 208,200,000 ordinary shares were newly issued to all shareholders in equal proportion to their current shareholdings in cash, at a subscription price of RMB12.01 per share. The Company subscribed 204,644,734 shares in proportion to its current shareholding, with a capital contribution of RMB2,457,783,255.34. The relevant resolutions were considered and approved at the third meeting of the Risk Management and Related Party Transaction Control Committee of the ninth session of the Board of Directors in 2022 and the seventeenth meeting of the ninth session of the Board of Directors. On 27 May 2022, the Company entered into the Capital Increase Agreement with CPIC Life, and has disclosed the above material related party transaction on the website of The Insurance Association of China and the official website of the Company and reported to the CBIRC.

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**APPENDIX VI                      REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND  
THE IMPLEMENTATION OF MANAGEMENT SYSTEM FOR  
RELATED PARTY TRANSACTIONS FOR THE YEAR 2022**

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**(III) Authorization of the Routine Related Party Transactions**

In the ordinary course of business, the Company and its controlled subsidiaries conduct ordinary transactions with a number of counterparties in relation to the use of funds and sales of financial products such as bond trading, securities investment funds, pledge-style repurchase of bonds, trust products and asset management products at fair market prices, and ordinary related party transactions in relation to the reinsurance business with Swiss Reinsurance Company Ltd. The Company approved the maximum amount of related party transactions between the Company and its controlled subsidiaries and related parties in relation to the capital utilisation, sales of financial products and reinsurance-type business in 2022, without the necessity for separate submission to the Board of Directors for consideration for each of such transactions. In 2022, the routine related party transactions in relation to capital utilisation, sales of financial products and reinsurance business are categorised and summarised as follows:

*Unit: RMB million*

<b>No.</b>	<b>Related Party</b>	<b>Content of Transaction</b>	<b>Estimated Cap of Daily Related Party Transactions for 2022</b>	<b>Actual Amount as of 31 December 2022</b>	<b>Proportion to the Amount of Similar Transactions</b>
1	Hwabao WP Fund Management Co., Ltd.	Subscription and redemption of bonds	1,800	366	0.09%
2	Baowu Group Finance Co., Ltd.	Sales of financial products	2,500	1,030	0.10%
3	Hwabao Trust Co., Ltd.	Sales of financial products	8,000	37	0.00%
4	Swiss Reinsurance Company Ltd.	Reinsurance business	9,600	3,372	13.44%

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**APPENDIX VI                      REPORT ON THE STATUS OF RELATED PARTY TRANSACTIONS AND  
THE IMPLEMENTATION OF MANAGEMENT SYSTEM FOR  
RELATED PARTY TRANSACTIONS FOR THE YEAR 2022**

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The above related party transactions in relation to ordinary operations are settled in cash, which are conducted by the Company in the ordinary course of business on normal commercial terms, and have no influence on the independence of the Company. The above-mentioned ordinary related party transactions did not exceed the amount approved by the Board/general meeting, and should be categorised, summarised and disclosed in the annual report of the Company in accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and other regulatory requirements.

**(4) Implementation of the Unified Transaction Agreement**

The Company currently has no unified transaction agreements in execution.

**(5) Proportion of related party transactions on capital utilisation**

In 2022, the ratios of each share and balance of the related party transactions in relation to the capital utilisation of the Company were in compliance with the regulatory requirements, and all of them were reported to the CBIRC on a quarterly basis.

**II. REVISION OF THE MANAGEMENT SYSTEM OF RELATED PARTY TRANSACTIONS**

In accordance with the regulatory rules of Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions (CBIRC Order No. 1 [2022]) and the Solvency Regulatory Rules (II) for Insurance Companies (Yin Bao Jian Fa [2021] No. 51) issued by the CBIRC, the Company revised the Management Measures on Related Party Transactions of China Pacific Insurance (Group) Co., Ltd. (Tai Bao Fa [2022] No. 18) and the Implementation Rules of Management Measures on Related Party Transactions of China Pacific Insurance (Group) Co., Ltd. (Tai Bao Fa [2022] No. 66) to improve the internal control of related party transactions and regulate the conduct of related party transactions of the Company in 2022, and reported it through the related party transaction supervision system of the CBIRC.



**III. IMPLEMENTATION OF MANAGEMENT SYSTEM FOR RELATED PARTY TRANSACTIONS**

In order to carry out the new 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. The Company has built a management system of related party transactions that is in line with regulatory requirements, establishing a review and decision making mechanism with clear responsibilities and requiring each level to fulfil the responsibility of managing related party transactions. The Company also maintains coordinated measures and control, sets up a whole-process closed-loop management that covers list management, transaction identification, review, report disclosure and supervision, further strengthens the construction of the related party transaction management system and enhances the systematic management of the whole process. In 2022, 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 regulatory requirements, and complied with the principal of compliance, integrity, fairness and justice.

**(I) Standardisation of Management of Information of Related Parties**

In accordance with regulatory requirements and the Company's internal management regulations, the Company continued to implement normalized mechanism management for the update of the list of related parties, and carried out the update, verification, review, release and submission of the list of related parties in a compliant and orderly manner; according to the regulatory requirements of the CBIRC, the Company proactively collected information on substantial shareholders, insurance subsidiaries and other important related parties, and completed the supervision and submission of the list of related parties on time. At the same time, 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", all insurance member companies strictly implemented the regulatory requirements to update related party information files in a timely manner. 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, introducing third-party data verification services and engaging lawyers and accountants to offer professional assistance. As of 31 December 2022, the Company had 4,265 related legal persons, 386 related natural persons and 16 other organisations under the rules of the CBIRC.

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

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. According to the Management Measures on Related Party Transactions of China Pacific Insurance (Group) Co., Ltd. (Tai Bao Fa [2022] No.18) and the Implementation Rules of Management Measures on Related Party Transactions of China Pacific Insurance (Group) Co., Ltd. (Tai Bao Fa [2022] No. 66), major related party transactions will be submitted to the Board of the Company for approval upon reviewing by the Risk Management and Related Party Transactions Control Committee under the Board, while the Company and its relevant departments are authorised to review general related party transactions and shall file such transactions with the Risk Management and Related Party Transactions Control Committee under the Board on a regular basis. In 2022, the Risk Management and Related Party Transactions Control Committee under the Board operated effectively, held four meetings to consider matters regarding the related party transactions, at which resolutions were passed and filed. The Company has set up a Related Party Transaction Management Office, which is headed by the Compliance Officer. Members include the heads of the Group's Legal and Compliance Department, the Board Office, the Human Resources Department, the General Finance Department, the Asset Management Department, the Science and Technology Management Department, Risk Management Department, Strategic Research Center and Financial Sharing Center. In 2022, seven meetings were held, and resolutions were formed and archived.

**(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. In accordance with the Standards for the Disclosure of Information on Funds Utilisation by Insurance Companies No. 1: Related Party Transactions (Bao Jian Fa [2014] No. 44) and the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions (CBIRC Order No. 1 [2022]) issued by the CBIRC, the Company made public disclosure and reporting of information in respect of related party transactions in a timely manner through the Company's website and the website of Association of Insurance Industry. In 2022, the Company disclosed a total of 21 related party transactions item by item in accordance with regulatory requirements.

**(IV) Regular Audit on Related Party Transactions**

According to the requirements of the CBIRC, the Audit Center of the Company conducted special audits on the soundness, rationality and implementation effectiveness of related party transactions and internal control from January to December 2022. The audit work found that the Company had problems such as “inadequate collection of information on individual related parties” and “failure to identify individual related transactions in a timely manner”. It is recommended that the Company should strengthen the timeliness of internal information collection and transmission, optimize the identification function and enhance training and publicity in accordance with regulatory requirements.

**(V) Construction of Related Party Transaction Management System**

In view of the current management situation of the Company, in order to solve the pain points and problems in the management and control of related party transactions, the Company has launched a construction project of related party transaction management system and fully deployed and promoted the system construction program to comprehensively upgrade the intelligent and informative management capability of the Company’s related party transactions. The system starts from the collection and verification of related party information, identification and monitoring of related party transactions, transaction data statistics, reporting and disclosure, and builds a data platform for the management of related party transactions of CPIC Group, comprehensively integrates and opens up key management links, strengthens the accuracy and data processing capabilities of all aspects of related party transaction management, and basically realizes systematic management and control of the whole process of related party transactions.

**IV. FURTHER MEASURES OF MANAGING RELATED PARTY TRANSACTIONS**

In recent years, the Company has attached great importance to the management of related party transactions, continued to improve the construction of systems and mechanisms, and continuously met the new requirements of regulatory authorities. The implementation of the Administrative Measures for the Related Party Transactions of Banking and Insurance Institutions (CBIRC Order No. 1 [2022]) put forward higher requirements for the management of related party transactions, further clarifying the objectives of substantive penetration and strict prevention of improper transfer of benefits, which significantly improved the Company’s requirements for active management and systematic construction. The Company will further improve the internal control mechanism of related party transactions, focus on the management initiative of related party transactions, continuously strengthens the management and governance of related party transaction data, and vigorously improve the information management level of related party transactions.

**Firstly, the Company will focus on “management initiative”.** The Company will strengthen the communication and publicity of the Company’s related party reporting responsibility subjects, and urge related parties to declare related relations in a timely, accurate and complete manner. The Company will continue to improve the mechanism for active verification and review of related party transactions to ensure the fulfillment of the Company’s active internal control responsibilities and the compliance and fairness of related party transactions.

**Secondly, the Company will adhere to “high data standards”.** The Company will comprehensively strengthen the accuracy and data processing capability of all aspects of related party transaction management, introduce third-party data verification channels, improve the information management mechanism of related parties, strengthen the management and governance of related party transaction data, deepen the application of data analysis, and effectively enhance the risk management capability of related party transactions.

**Thirdly, the Company will strengthen the “process systematization”.** The Company will actively promote the systematic management and control of the whole process of related party transactions, strengthen the systematic support of the whole process of related party transaction management, comprehensively improve the coverage of intelligent risk monitoring and automatic system identification, strengthen the effectiveness, timeliness and accuracy of all aspects of related party transaction management, and effectively reduce the compliance risks in the field of related party transactions.

According to the “Guidelines for Consolidated Supervision of Insurance Groups” (Bao Jian Fa [2014] No. 96, the “Guidelines for Consolidated Supervision”), “the compliance department of the insurance group shall make annual assessment reports by evaluating the internal transactions of the group. Such annual assessment reports shall be submitted to the Board of Directors and the Board of Supervisors, and the Board of Directors shall report to the General Meeting annually.” The status of internal transactions of CPIC Group and its member companies (the “Group”) for the year 2022 is hereby appraised as follows:

## **I. STATUS OF INTERNAL TRANSACTIONS IN 2022**

### **(I) Status of Internal Transactions**

The Group set up the system 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 of the Group included capital increase, dividend payment, purchase or sale of commodities (providing or receiving labor services), lease and other types of transactions. For details, please refer to the 2022 financial statements of the Company.

### **(II) New Material Internal Transactions**

According to the Statistical Rules for the Consolidated Supervision of Insurance Groups (Bao Jian Fa [2016] No. 29), material internal transaction refers to “the transfer of assets, funds, services or other resources, labour, or obligations that occur between member companies of an insurance group (legal entities), where the amount of the transaction representing at least 1% of the net assets of the insurance group at the end of the previous year and exceeding RMB5 million”. During the Reporting Period, there were four material internal transactions within the Group, details of which are as follows:

1. Capital Increase in China Pacific Life Insurance Co., Ltd. (“CPIC Life”) by China Pacific Insurance (Group) Co., Ltd. (the “Company”)

CPIC Life newly issued 208,200,000 ordinary shares, which were subscribed for by all shareholders in equal proportion to their current shareholdings in cash, at a subscription price of RMB12.01 per share. The Company subscribed 204,644,734 shares in proportion to its current shareholding, with a capital contribution of RMB2,457,783,255.34. The relevant resolutions were considered and approved by the Board of Directors of the Company, the Board of Directors and the general meeting of CPIC Life. On 27 May 2022, the Company entered into the Capital Increase Agreement with CPIC Life, and has disclosed the above material related party transactions on the website of The Insurance Association of China and the official website of the Company on 7 June 2022.

2. Reinsurance Business between China Pacific Life Insurance Co., Ltd. and Pacific Health Insurance Co., Ltd. (“CPIC Health”)

To further promote the cooperation in reinsurance business and clarify the rights and obligations of both parties, CPIC Life and CPIC Allianz Health Insurance Co., Ltd. (later renamed as “Pacific Health Insurance Co., Ltd.”) renewed the Unified Transaction Agreement on 31 December 2020, effective from 1 January 2021 to 31 December 2023. The Unified Transaction Agreement was considered and approved by the Board of Directors of CPIC Life and CPIC Health. Both parties agreed to carry out reinsurance transactions within an amount not exceeding RMB10 billion in annual reinsurance premiums and to conduct accounting settlement and other matters in accordance with the reinsurance conditions as agreed in the reinsurance contract entered into during the term of the Agreement.

In accordance with the reinsurance ratios of specific products as agreed in the reinsurance list entered into by both parties, the amount of reinsurance premiums accrued in 2022 is RMB3,515.71 million. The pricing of the transaction was determined by both parties through negotiation in accordance with the market-oriented principle, which is in line with the requirements of relevant laws and regulations, as well as the needs of business development and risk diversification, and is not detrimental to the interests of insurance companies, insurance consumers or related parties.

3. Dividend Payment to China Pacific Insurance (Group) Co., Ltd. by China Pacific Property Insurance Co., Ltd. (“CPIC P/C”)

CPIC P/C paid dividends of RMB4,410,991,193.40 to the Company. The relevant dividend payment was approved by the Board of Directors and the general meeting of CPIC P/C, with complete approval procedures and accurate accounts.

4. Dividend Payment to China Pacific Insurance (Group) Co., Ltd. by China Pacific Life Insurance Co., Ltd.

CPIC Life paid dividends of RMB6,869,262,666.40 to the Company. The relevant dividend payment was approved by the Board of Directors and the general meetings of CPIC Life, with complete approval procedures and accurate accounts.

**(III) Conclusion of the Appraisal on Internal Transactions**

The approval process for internal transactions of the Group complied with regulatory requirements; 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. MANAGEMENT SYSTEMS OF INTERNAL TRANSACTIONS**

In order to standardize the Group's consolidated management, effectively prevent the Group's operational risks and promote the healthy and stable development of the Group, in December 2022, the Company formulated the Consolidated Management Measures of China Pacific Insurance (Group) Co., Ltd. (Trial) (Tai Bao Fa [2022] No. 119) in accordance with the Administration Rules on Supervision of Insurance Group Companies (CBIRC Order No. 13 [2021]), the Guidelines for Consolidated Supervision and other regulatory regulations, which clearly defines the management responsibilities of internal transactions and regulates the identification, analysis, evaluation, disclosure and reporting of internal transactions.

**III. STATUS OF SPECIAL AUDITS ON INTERNAL TRANSACTIONS**

The Audit Center of the Company conducted special audits on the soundness, rationality and implementation effectiveness of internal transactions and internal control from January to December 2022, and found that the specific management process of internal transactions was not clear enough. It is recommended to clarify the specific management process of internal transactions as soon as possible to strengthen the internal control and management of internal transactions.