



中国人民财产保险股份有限公司

PICC PROPERTY AND CASUALTY COMPANY LIMITED

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

(Stock Code: 2328)

Terms of Reference of the Nomination, Remuneration and Review Committee of the Board

Chapter I General Provisions

Article 1 In order to enhance the working mechanism of the board of directors (the “**Board**”) and standardise the operation procedures of the Nomination, Remuneration and Review Committee, these Terms of Reference are formulated pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”), laws and regulations, regulatory provisions, the Articles of Association of PICC Property and Casualty Company Limited (hereinafter referred to as the “**Articles of Association**”), as well as the Rules of Procedures of the Board of Directors of PICC Property and Casualty Company Limited (hereinafter referred to as the “**Rules of Procedures of the Board**”).

Article 2 The Nomination, Remuneration and Review Committee is a professional committee under the Board and is responsible for recommending candidates for directors, formulating remuneration plans and evaluation standards for directors, supervisors, the president and other senior management (including vice presidents, secretary of the Board, the responsible compliance officer, the responsible financial officer, the responsible auditing officer and assistants to the president, the same hereunder) and supervising implementation of the same.

When recommending candidates for directors, the Nomination, Remuneration and Review Committee shall ensure that the members of the Board have the skills, experience and diversity of viewpoints and perspectives that are appropriate and necessary in light of the Company's business.

Chapter II Composition

Article 3 The Nomination, Remuneration and Review Committee shall consist of three (3) to seven (7) directors who do not hold positions in the management and are not executive directors, who shall be nominated by the chairman of the Board, not less than half of the independent directors or not less than 1/3 of the directors, and elected by the Board, of which the independent directors shall constitute the majority.

Article 4 The Nomination, Remuneration and Review Committee shall have one (1) chairman, who shall be an independent director and shall be responsible for taking charge of the work of the Nomination, Remuneration and Review Committee. The chairman shall be nominated by the chairman of the Board and elected by the Nomination, Remuneration and Review Committee. When the chairman is unable to fulfill his/her duties, he/she shall appoint one (1) independent director in the Nomination, Remuneration and Review Committee to perform his/her duties on his/her behalf. If the chairman fails to do so, not less than half of the members shall elect an independent director in the Nomination, Remuneration and Review Committee to perform the duties of the chairman on his/her behalf.

Article 5 The term of office of the members of the Nomination, Remuneration and Review Committee shall be consistent with his/her term of office as a director, and the members are eligible for re-election and reappointment upon the expiration of their terms of

office. If a member ceases to be a director of the Company during the term, he/she shall be automatically disqualified as the member of the Nomination, Remuneration and Review Committee.

Article 6 In the event that the minimum required number of members of the Nomination, Remuneration and Review Committee is not reached, the Board shall fill the vacancy in accordance with the provisions of these Terms of Reference.

Chapter III Terms of Reference

Article 7 The main responsibilities and duties of the Nomination, Remuneration and Review Committee include:

1. evaluating the reasonableness of the structure of the Board, its size and composition (taking into account factors such as skills, knowledge, experience and diversity of the members of the Board) at least annually, and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

2. recommending to the Board candidates for directors, examining qualifications of candidates for directors, submitting review opinions and list of qualified director candidates to the Board;

3. evaluating the independence of independent directors;

4. proposing to the Board in respect of the appointment and re-appointment of directors and succession plan for directors, in particular the chairman of the Board and the president;

5. proposing to the Board in respect of the overall policy and structure for the remuneration of directors, supervisors, the president and other senior management and establishment of a formal and transparent procedure for developing remuneration policy;

reviewing the remuneration of the above-mentioned personnels with reference to the corporate goals and objectives formulated by the Board and making recommendations to the Board;

6. evaluating and approving the compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with relevant contractual terms or that such compensation is fair and reasonable;

7. evaluating and approving compensation arrangements relating to dismissal or removal of directors for misconducts to ensure that such arrangements are consistent with relevant contractual terms or that such arrangements are fair and reasonable;

8. formulating appraisal standards for directors, the president and other senior management, conducting annual appraisals and make recommendations in relation thereto;

9. making recommendations to and reviewing the election and appointment system of the directors and senior management;

10. reviewing the candidate for senior management and making recommendations to the Board;

11. monitoring whether the directors and senior management continue to hold relevant qualifications for their positions, and for those who have lost their qualifications during their terms of office, making recommendations to the Board in relation to the removal of such director or senior management;

12. nominating the independent directors;

13. determining the remuneration packages of individual executive directors and senior management as authorised by the Board or making recommendations to the Board on the

remuneration packages of individual executive directors and senior management (including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment);

14. making recommendations to the Board on the remuneration of non-executive directors;

15. considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company;

16. ensuring that no director or any of their associates is involved in deciding that director's own remuneration;

17. reviewing and approving share schemes as stated in the Listing Rules; and

18. other matters authorised by the Board.

Article 8 When the Nomination, Remuneration and Review Committee establishes criteria for the selection of director candidates, such criteria should serve the purpose of diversifying the Board, including but not limited to:

(1) selecting candidates for directors on a merit basis following objective standards, while taking into account factors such as gender, age, cultural and educational background and professional experience of the Board members;

(2) selecting candidates for directors in accordance with the business characteristics, specific requirements and future development of the Company.

Article 9 The Nomination, Remuneration and Review Committee shall make constructive recommendations to the Board by proactively carrying out the following endeavours:

(1) collecting information on the status and development trend of remuneration of senior management in the same sector at home and abroad, carrying out research on the innovation of the remuneration system for senior management, and making proposals on the optimal combination of the components of remuneration;

(2) studying the assessment system of key performance indicators for senior management, proposing a scientific plan for setting qualitative and quantitative assessment indicators, and encouraging senior management to focus on maximising the Company's value and creating long-term shareholder value;

(3) regularly evaluating the effectiveness of senior management's remuneration incentives and making timely improvement proposals to meet the needs of the Company's development strategy, promoting the maximisation of the effectiveness of remuneration incentives and avoiding the senior management's short-sighted behaviors;

(4) researching on long-term incentives such as equity incentives for senior management and employee share ownership, and formulating implementation drafts.

Chapter IV Rules of Procedure

Article 10 The meetings of the Nomination, Remuneration and Review Committee shall include regular meetings and extraordinary meetings. Regular meetings shall in principle be held before the regular meetings of the Board, and shall be notified in writing to all members not less than seven business days prior to the meeting. In case of emergency, the preceding time limit for notification of meetings shall not apply.

Article 11 An extraordinary meeting may be convened upon the proposal of the chairman or not less than one-third of the members. Extraordinary meetings shall be notified

in writing to all members not less than three business days before the meeting. In case of emergency, the preceding time limit for notification of meetings shall not apply.

Article 12 The notice of the meeting shall be in Chinese, with English if necessary, and shall contain the time, place and method of convening the meeting, the convenor of the meeting, the proposal for the meeting, the contact person and contact information, and the date of issuing the notice.

Article 13 The meeting materials shall be provided to all members at least three business days in advance. In case of emergency, the preceding time limit shall not apply.

Article 14 A meeting shall be held only if not less than half and not lower than the minimum number of members are present. Provided that all members are able to fully express their opinions, the meetings may be held in the form of on-site meetings (including video, telephone and other means which ensure immediate communication and discussion among attendees) or by way of written resolutions.

Article 15 The meetings shall be convened and presided over by the chairman. When the chairman is unable to attend, he/she may entrust another member who is an independent director to preside over the meeting on his/her behalf. When the chairman fails to make such entrustment, an independent director shall be elected by not less than half of all members to preside over the meeting.

Article 16 The members shall attend the meetings in person. If a member cannot attend the meeting in person for any reason, he/she may entrust another member in writing to attend the meeting on his/her behalf. The proxy letter shall specify the proxy's name, entrusted matters, the scope of authorization and the valid term, and shall be affixed with the signature or seal of the principal.

The member who attends the meeting on behalf of another member shall submit the written proxy letter before the meeting and exercise the right of a member within the scope of authorization. If a member entrusted another member to attend the meeting on his/her behalf, the legal liability of the decision made by the attorney within the scope of authorization shall be borne by the principal independently.

Article 17 Voting in the meetings shall be conducted by a show of hands, voice vote or open ballot. Each member shall have one vote. Resolutions of the meeting must be passed by more than half of all members.

Article 18 Directors, supervisors, senior management, persons in charge of relevant departments and intermediary personnels may be invited to attend the meeting when necessary, and the list of such attendees shall be agreed in advance by the chairman or the member presiding over the meeting on behalf of the chairman.

Article 19 Members and attendees shall keep confidential of all matters considered at the meetings. Unauthorized disclosure of the relevant information is prohibited.

Article 20 Minutes shall be taken for the meetings. The first draft of the minutes shall be sent to all members within one week after the meeting, and each member has the right to express his/her opinion within a week after the receipt of the first draft, when the final draft is sent to all members, the members attending the meeting and the recorder(s) shall sign on the minutes. The minutes shall be kept at the Company's domicile in China. Resolutions and minutes of the meeting shall be clearly traceable.

Article 21 With the consent of the Board, the Committee may, for the purpose of performing its duties under the Articles of Association, the Rules of Procedures of the Board

or these Terms of Reference, engage intermediaries to provide professional services at the Company' s expense.

Chapter V Miscellaneous

Article 22 In these Terms of Reference, the meaning of “not less than” includes the number itself, while “more than” excludes the number itself.

Article 23 Matters not covered in these Terms of Reference shall be implemented in accordance with the relevant national laws, regulations, rules, Listing Rules and other regulatory documents and the provisions of the Articles of Association, Rules of Procedure of the Board and other rules and regulations of the Company. Where otherwise provided in the relevant national laws, regulations, rules, Listing Rules or other regulatory documents, such provisions shall prevail.

Article 24 These Terms of Reference shall be interpreted and amended by the Board and shall come into effect on the date of consideration and approval by the Board.

(The Terms of Reference were prepared in Chinese. The English translation is not an official version and is for reference only. In case of any inconsistencies and discrepancies between the Chinese and English versions, the Chinese version shall prevail.)