

Company Name: Charter Ping An Insurance Corporation
Financial Year End: 2017
Sector: Insurance
Class: 1

| | | OECD Principle | Yes / No | Reference/Source Document | Links |
|--|---|---|----------|--|---|
| B Equitable Treatment of Shareholders | | | | | |
| B.1 Shares and voting rights | | | | | |
| B.1.1 | Do the company's ordinary or common shares have one vote for one share? | OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (1) Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 CPAIC observes the basic principle of "one vote per one common share" and does not intend to deviate from this principle. Amended By-Laws: Article II, Section 9 | Amended By-Laws |
| B.1.2 | Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)? | ICGN 8.3.1 Unequal voting rights Companies ordinary or common shares should feature one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both disclosed and justified. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 CPAIC only has one class of stocks. Amended AOI: Article VII | Amended AOI |
| B.2 Notice of AGM | | | | | |
| B.2.1 | Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution? | OECD Principle II (C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings: (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. | Y | The Notice of the ASM reflects CPAIC practice of one resolution for one item (no bundling of several items into the same resolution) Notice of 2018 ASM Minutes of 2018 ASM | Notice of 2018 ASM Minutes of 2018 ASM |
| B.2.2 | Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version? | | Y | CPAIC's notices are in the English language. Notice of 2018 ASM | Notice of 2018 ASM |
| Does the notice of AGM/circulars have the following details: | | | | | |

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| B.2.3 | Are the profiles of directors/commissioners (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) in seeking election/re-election included? | OECD Principle II (A) All shareholders of the same series of a class should be treat equally. (4) Impediments to cross border voting should be eliminated. ICGN 8.3.2 Shareholder participation in governance | Y | The qualifications of the nominees are available in the Annual Reports in the Company's Website and are made available to all stockholders during the ASM. Notice of 2018 ASM. Item 7 | Notice of 2018 ASM | |
| B.2.4 | Are the auditors seeking appointment/re-appointment clearly identified? | Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors in an individual basis and also the right to appoint external auditor. | Y | Revised Corporate Governance Manual: Page 16 Minutes of 2018 ASM: Item 4 | Corporate Governance Manual Minutes of 2018 ASM | |
| B.2.5 | Has an explanation of the dividend policy been provided? | | N/A | Not applicable item in IC Circular No. 2015-23 dated 08 May 2015 | | |
| B.2.6 | Is the amount payable for final dividends disclosed? | | N/A | Not applicable item in IC Circular No. 2015-23 dated 08 May 2015 | | |
| B.2.7 | Were the proxy documents made easily available? | ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote. | N/A | Not applicable item in IC Circular No. 2015-23 dated 08 May 2015 Proxy forms are included in the notices of the ASM. Each notice uploaded to the CPAIC website contains the proxy form. Notice of 2018 ASM | Notice of 2018 ASM | |
| B.3 Insider trading and abusive self-dealing should be prohibited. | | | | | | |
| B.3.1 | Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market? | | OECD Principle III (B) Insider trading and abusive dealing should be prohibited ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 AXA values are shared through its Group Compliance and Ethics Guide (the "Guide"). The Guide applies to all AXA's worldwide employees and subsidiaries, including CPAIC. AXA Group Compliance and Ethics Guide: Page 8 (item 14); Page 16 (item 4.2); Annex C (Policy statement on trading in AXA Group securities - Insider trading policy) | Compliance and Ethics Guide |
| B.3.2 | Are the directors and commissioners required to report their dealings in company shares within 3 business | ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or | N/A | Not applicable item in IC Circular No. 2015-23 dated 08 May 2015 | | |

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| | <u>days?</u> | oppressive conduct. | | Under the Revised Corporate Governance Manual, Directors are required to disclose any notifiable interests to the CEO and the Legal Counsel, and the Company Secretary 1) on the date that the director is appointed, and 2) upon a change in the notifiable interest of the director. "Notifiable Interest" means, among others, interests in securities of the Company. Revised Corporate Governance Manual: Disclosure of Director Interest, page 5 | Corporate Governance Manual |
| B.4 Related party transactions by directors and key executives. | | | | | |
| B.4.1 | Does the company have a policy requiring directors/commissioners to disclose their interest in transactions and any other conflicts of interest? | OECD Principle III (C) Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation. ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair. | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 | |
| | | | | Directors are required to disclose any conflicts of interest and to abstain from participating in any discussion or voting on any matter in which they have a material personal interest except with the prior approval of the Board. | Corporate Governance Manual |
| | | | | Revised Corporate Governance Manual: Ethics (Page 4, 11), Conflicts of Interest (page 5) | |
| | | | | AXA Group Compliance and Ethics Guide: Item 2 (pages 11-13) | Compliance and Ethics Guide |
| | | | | Guidelines on Related Party Transactions | Guidelines on RPTs |
| B.4.2 | Does the company have a policy requiring a committee of independent directors/commissioners to review material/significant RPTs to determine whether they are in the best interests of the company? | ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest. | Y | The Board Risk Management, Audit and Compliance Committee (BRMACC) which is composed of non-executive and/or Independent Directors has the oversight function for avoiding conflicts of interest of related parties. | Corporate Governance Manual |
| | | | | Revised Corporate Governance Manual (Appendix 4) | |
| | | | | Guidelines on Related Party Transactions | Guidelines on RPTs |
| B.4.3 | Does the company have a policy requiring board members (directors/commissioners) to abstain | | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 | |

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| | from participating in the board discussion on a particular agenda when they are conflicted? | | | Directors are required to disclose any conflicts of interest and to abstain from participating in any discussion or voting on any matter in which they have a material personal interest except with the prior approval of the Board. Revised Corporate Governance Manual: Ethics (Page 4), Conflicts of Interest (page 5) Under the RPT Policy, the members of the Board, stockholders, and management shall disclose to the BRMACC of any personal interest in the transaction and shall abstain from the discussion, approval, and management of such RPT. Guidelines on Related Party Transactions. Item D under Transactions Covered | Corporate Governance Manual Guidelines on RPTs | |
| B.4.4 | Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates. | | Y | Default Item in IC Circular No. 2015-23 dated 08 May 2015 Guidelines on Related Party Transactions | Guidelines on RPTs | |
| B.5 Protecting minority shareholders from abusive actions | | | | | | |
| B.5.1 | Were there any RPTs that can be classified as financial assistance to entities other than wholly-owned subsidiary companies? | | OECD Principle III (A) All shareholders of the same series of a class should be treated equally. (2) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. | N | There were no RPTs that can be classified as financial assistance as disclosed in CPAIC 2017 AFS 2017 AFS: Item 23 (Page 41-48) | 2017 AFS |

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| B.5.2 | Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length? | Y | <p>Revised Corporate Governance Manual: Appendices 2 and 4 (Item 4.1h, page 14)</p> <p>Guidelines on Related Party Transactions</p> | <p>Corporate Governance Manual</p> <p>Guidelines on RPTs</p> |
| | <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p> | | | |