

PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.

TERMS OF REFERENCE AND MODUS OPERANDI OF AUDIT AND RISK MANAGEMENT COMMITTEE

The terms of reference and modus operandi of the Audit and Risk Management Committee (the “Audit and Risk Management Committee” or the “Committee”) under the board of directors (the “Board”) of Ping An Insurance (Group) Company of China, Ltd. (the “Company”) are as follows:

Composition of the Committee

1. The Committee shall be comprised of three or more non-executive directors, more than half of which should be independent non-executive directors. Members of the Committee shall possess professional knowledge and work experience in either finance, audit, accounting or law or other fields and be elected by the Board.
2. The Committee shall have one chairman who shall be an independent non-executive director designated by the Board, responsible for presiding over the work of the Committee. The chairman is required to possess appropriate accounting expertise and the experience of risk management in insurance group or insurance company.
3. The Committee shall have the same term of office as the Board. A member will automatically lose his/her office as a member of the Committee if he/she no longer takes the position of director in the Company during the term of office, in which case, the Board will fill the vacancy according to the requirements under provisions 1 and 2 above.
4. The Committee shall have one secretary (the “Secretary of the Committee”) designated by the Board or elected by the Committee, responsible for daily liaison, organization of meetings and other matters of the Committee.

Duties and Powers of the Committee

5. The main duties and powers of the Committee are as follows:
 - (a) to be primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and deal with any questions arising from resignation or dismissal of those auditors;
 - (b) to act as the key representative body for overseeing the Company’s relations with the external auditors; to supervise the external auditors to be honest, trustworthy, diligent and responsible, and review and monitor the external auditors’ independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; and to discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;
 - (c) to develop and implement policy on engaging external auditors to provide non-audit services, and to report to the Board any matters in respect of which the Committee believes necessary actions or improvements are needed and to make recommendations as to the steps to be taken;

- (d) to review the Company's financial information and its disclosure, to monitor the truthfulness, completeness and accuracy of the Company's financial statements and annual reports and accounts, interim reports and quarterly reports, and to review significant financial reporting opinions contained in them; to disclose financial information in financial accounting reports and regular reports, and the internal control evaluation reports.

The Committee shall particularly focus on reviewing the following items in the annual reports and accounts, interim reports and quarterly reports of the Company prior to submission of the same to the Board:

- (1) any changes in accounting policies and practices;
 - (2) any major judgemental issues;
 - (3) significant adjustments resulting from audit;
 - (4) the going concern assumptions and any qualifications;
 - (5) compliance with accounting standards; and
 - (6) compliance with the listing rules and legal requirements of the place where the Company's securities are listed in relation to financial reporting;
- (e) in regard to (d) above:
 - (1) members of the Committee shall liaise with the Board and senior management, and the Committee must meet, at least twice a year, with the Company's auditors;
 - (2) the Committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts, and must give due consideration to any matters that have been raised by the Company's Chief Financial Officer (CFO) or auditors;
 - (f) to review the Company's financial controls, internal control and risk management systems and the following arrangements: employees of the Company can, in confidence, raise concerns about possible improprieties in financial reporting, internal control or other matters. The Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
 - (g) to discuss the risk management and internal control system with management to ensure that the management has performed its duty to have an effective internal control system, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
 - (h) to consider major investigations findings on risk management and internal control matters on its own initiative or as requested by the Board and management's response;

- (i) to ensure co-ordination between the internal audit and the work of external auditors, to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor the effectiveness of the internal audit function;
- (j) to review the Company's financial and accounting policies and practices, including changes in accounting policies and accounting estimates, or correction of significant accounting errors for reasons other than changes in accounting standards;
- (k) to review the external auditor's management letter, any material queries raised by the auditors to management in respect of the accounting records, financial accounts or systems of control and management's response;
- (l) to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) to report to the Board relevant issues as contained in the Corporate Governance Code set out in the Listing Rules of the Hong Kong Stock Exchange;
- (n) to review the overall objectives, basic policy and working system of risk management, and setting of risk management bodies and their duties, and to advise on risk assessment on major decisions and solutions for significant risks;
- (o) to monitor the operation of risk management, compliance management and internal audit of the Company and listen to relevant working reports, to understand the implementation of relevant policies and defects existed therein and to provide opinions and recommendations to the Board accordingly;
- (p) to advise the Board on the appointment or dismissal of the Company's Financial Director;
- (q) to be responsible for conducting the performance evaluation of the Company's directors;
- (r) to exercise other duties and powers of the supervisory committee as stipulated in the Company Law as the Company does not have a supervisory committee; and
- (s) other matters authorized by the Board, as well as other duties and powers to be performed by the Committee as stipulated by the laws, regulations, regulatory requirements and the Articles of Association.

Rules of Procedures of the Committee

6. The Secretary of the Committee shall be responsible for preliminary preparation for the matters to be submitted to the Committee for consideration, and provide any supporting documents as needed at the meetings.

7. The Committee shall hold at least one meeting every quarter, and may hold an extraordinary meeting when two or more members propose, or when the chairman of the Committee deems it necessary.

Notice of the meeting shall be served to all the members of the Committee seven days prior to the date of the meeting, while an extraordinary meeting may not be subject to this time restriction provided that members of the Committee are given sufficient time to review the meeting documents.

8. Meetings of the Committee shall be convened and chaired by the chairman of the Committee, who, if unable to attend, may appoint another member as proxy to act on his/her behalf.
9. Meetings of the Committee shall be convened by a quorum of more than two thirds of its members. Each member shall have one vote, and resolutions proposed at the meeting must be passed by a simple majority. If a member is unable to attend a meeting, he/she may authorize another member to attend and perform his/her duties on his/her behalf.
10. Meetings of the Committee may be held by way of on-site meetings, or circulating written resolutions. The Committee may vote by a show of hands or by poll in the case of an on-site meeting, or by written resolution in the case of a meeting held by circulating written resolutions.
11. The Committee may invite other directors and senior management of the Company to attend the meetings as observers when it considers necessary.
12. The Committee may, at the expense of the Company, engage professional parties to provide professional advice for its decision-making if necessary.
13. The procedures for convening the meeting, matters discussed and resolutions passed at the meeting of the Committee must comply with relevant laws, regulations, regulatory requirements, the Articles of Association of the Company and the terms of reference of the Committee.
14. Minutes should be permanently maintained for meetings of the Committee, which shall be prepared by the Secretary of the Committee, and members attending the relevant meeting shall sign the minutes.
15. Resolutions and voting results adopted at the meetings of the Committee shall be reported to the Board in writing.
16. Members of the Committee attending the meeting shall keep all matters discussed at the meeting confidential. Unauthorized disclosure of the relevant information shall be prohibited.

Note: This document was originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.