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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

**If you have sold or transferred** all your shares in PICC Property and Casualty Company Limited, you should at once hand this circular, the accompanying proxy form and reply slip to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**PICC 中国人民财产保险股份有限公司**  
**PICC Property and Casualty Company Limited**

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

(Stock Code: 2328)

**BUSINESS OF THE ANNUAL GENERAL MEETING**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

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The AGM of PICC Property and Casualty Company Limited will be held at Wanchunyuan Villa, No. 28 Qinghua Road (W), Haidian District, Beijing, the People's Republic of China on 21 June 2013 (Friday) at 9:00 a.m. The notice of AGM is set out on pages 25 to 27 of this circular.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). If you intend to attend the AGM in person or by proxy, you are required to complete and return the accompanying reply slip in accordance with the instructions printed thereon on or before 3 June 2013 (Monday). Completion and return of a proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof if you so wish.

3 May 2013

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Wanchunyuan Villa, No. 28 Qinghua Road (W), Haidian District, Beijing, the PRC on 21 June 2013 (Friday) at 9:00 a.m.
“Articles of Association”	the articles of association of the Company, as amended from time to time
“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“CIRC”	China Insurance Regulatory Commission
“Company”	PICC Property and Casualty Company Limited, a joint stock limited company incorporated in the PRC with limited liability, whose H shares are listed on The Stock Exchange of Hong Kong Limited
“Director(s)”	director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Director(s)” or “Independent Non-executive Directors(s)”	independent non-executive directors(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, excluding, for the purposes of this circular only, Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Supervisor(s)”	member(s) of the supervisory committee of the Company
“Supervisory Committee”	the supervisory committee of the Company
“%”	per cent

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## LETTER FROM THE BOARD

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# **PICC** 中国人民财产保险股份有限公司 PICC Property and Casualty Company Limited

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

(Stock Code: 2328)

*Board of Directors:*

*Executive Directors:*

Wu Yan, *Chairman*

Wang Yincheng, *Vice Chairman, President*

Guo Shengchen

Wang He

*Registered office:*

Tower 2, No. 2 Jianguomenwai Avenue

Chaoyang District

Beijing 100022

the People's Republic of China

*Non-executive Directors:*

Zhou Shurui

Yu Xiaoping

Li Tao

Tse Sze-Wing, Edmund (GBS)

*Place of business in Hong Kong:*

15th Floor

Guangdong Investment Tower

148 Connaught Road Central

Hong Kong

*Independent Non-executive Directors:*

Luk Kin Yu, Peter

Ding Ningning

Liao Li

Lin Hanchuan

3 May 2013

*To the shareholders*

Dear Sir or Madam,

### **BUSINESS OF THE ANNUAL GENERAL MEETING AND NOTICE OF ANNUAL GENERAL MEETING**

#### **INTRODUCTION**

The purpose of this circular is to provide you the notice of AGM and the information on certain proposed resolutions to be considered at the AGM to enable you to make an informed decision on whether to vote for or against these resolutions at the AGM.

The duty report of the Independent Directors for 2012 will be tabled at the AGM as a reporting document for shareholders' review.

#### **BUSINESS TO BE CONSIDERED AT THE AGM**

The businesses to be considered at the AGM are stated in the notice of AGM set out on pages 25 to 27 of this circular.

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## LETTER FROM THE BOARD

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This circular also provides detailed information including explanatory information (see Appendix I) on certain matters to be submitted for shareholders' approval or review at the AGM and the full text of the (i) proposed amendments to the Articles of Association (see Appendix II); (ii) proposed amendments to the Procedural Rules for Shareholders' General Meeting (see Appendix III); (iii) proposed amendments to the Procedural Rules for the Board of Directors (see Appendix IV); (iv) proposed amendments to the Procedural Rules for the Supervisory Committee (see Appendix V); and (v) Duty Report of the Independent Directors for the Year 2012 (see Appendix VI).

### **ANNUAL GENERAL MEETING**

The notice of AGM is set out on pages 25 to 27 of this circular.

The proxy form and the reply slip for the AGM are enclosed. Shareholders who intend to appoint a proxy to attend the AGM shall complete and return the accompanying proxy form in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Shareholders who intend to attend the AGM in person or by proxy shall complete and return the accompanying reply slip in accordance with the instructions printed thereon on or before 3 June 2013 (Monday). Completion and return of a proxy form will not preclude a shareholder from attending and voting in person at the AGM or any adjournment thereof if he so wishes.

### **RECOMMENDATION**

The Directors consider that all the proposed resolutions set out in the notice of AGM for consideration and approval by shareholders are in the interests of the Company and the shareholders as a whole. Accordingly, the Directors recommend the shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,  
By Order of the Board  
**Zhang Xiaoli**  
*Secretary of the Board*

**1. TO CONSIDER AND APPROVE THE REPORT OF THE BOARD OF DIRECTORS, REPORT OF THE SUPERVISORY COMMITTEE, AUDITED FINANCIAL STATEMENTS AND AUDITORS' REPORT FOR 2012**

The Report of the Board of Directors for 2012, the Report of the Supervisory Committee for 2012 as well as the audited financial statements and the Report of the Auditors for the year ended 31 December 2012 of the Company were contained in the Company's 2012 Annual Report. This annual report was despatched to the Company's shareholders on 12 April 2013.

**2. TO CONSIDER AND APPROVE THE PROFIT DISTRIBUTION PLAN FOR 2012**

According to the requirements of the relevant laws and regulations of the PRC, based on the profit after tax of the Company for 2012 of RMB10,439,396,193.65, 10% of which be appropriated to the statutory surplus reserve of the Company and another 10% of which be appropriated to the general risk reserve of the Company.

After taking into consideration of the operational conditions of the Company, the capital needs resulting from the business growth of the Company and the regulatory requirements, and in order to realise the continuing and steady development of the Company, the Board proposes that 55% of the profit after tax of the Company for 2012, totalling RMB5,741,667,906.51, be appropriated to the discretionary surplus reserve of the Company. The Board does not propose any final dividend for 2012.

**3. TO CONSIDER AND APPROVE THE DIRECTORS' FEES AND SUPERVISORS' FEES FOR 2013**

The Board proposes that for 2013, the Director's fee for each non-executive Director (not citizen of the PRC) to be RMB100,000 (after tax) or an equivalent amount in Hong Kong dollars and the Director's fee for each Independent Non-executive Director to be HK\$200,000 (after tax) or an equivalent amount in RMB. The other Directors will not receive Directors' fee for 2013.

It is proposed that for 2013, the Supervisor's fee for each independent Supervisor to be HK\$200,000 (after tax) or an equivalent amount in RMB. The other Supervisors will not receive Supervisors' fee for 2013.

**4. TO CONSIDER AND APPROVE THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The amendments are proposed to be made to the Articles of Association in order to reflect the latest requirements under the Insurance Law of the People's Republic of China and the *Administrative Regulations on Qualifications of Directors, Supervisors and Senior Management of Insurance Companies* as promulgated by the CIRC, the latest relevant amendments to the Listing Rules and minor amendments. The full text of the proposed amendments to the Articles of Association is set out in Appendix II to this circular.

The proposed amendments to the Articles of Association shall become effective subject to the approval by the CIRC after the AGM.

**5. TO CONSIDER AND APPROVE THE AMENDMENTS TO THE PROCEDURAL RULES FOR SHAREHOLDERS' GENERAL MEETING, THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS AND THE PROCEDURAL RULES FOR THE SUPERVISORY COMMITTEE**

The amendments are proposed to be made to the Company's (i) Procedural Rules for Shareholders' General Meeting; (ii) Procedural Rules for the Board of Directors; and (iii) Procedural Rules for the Supervisory Committee in order to be in line with the existing Articles of Association and its proposed amendments as set out in the preceding item (4). The full text of the aforementioned proposed amendments is set out respectively in Appendix III, Appendix IV and Appendix V to this circular.

The proposed amendments to the Procedural Rules for Shareholders' General Meeting, the Procedural Rules for the Board of Directors and the Procedural Rules for the Supervisory Committee shall become effective subject to the approval by the CIRC after the AGM.

**6. TO REVIEW THE DUTY REPORT OF THE INDEPENDENT DIRECTORS FOR 2012**

Pursuant to the requirements under the *Provisional Administrative Measures on Independent Directors of Insurance Companies* issued by the CIRC, Independent Directors shall report to shareholder' general meeting in respect of the discharge of their duties for 2012. The Duty Report of the Independent Directors for the Year 2012 will be tabled for shareholders' review at the AGM but shareholders' approval is not required. This report is set out in Appendix VI to this circular for shareholders' information.

The full text of the proposed amendments to the Articles of Association is set out below. The English version of the proposed amendments is a translation for reference only. In case of discrepancy between the Chinese and English versions, the Chinese version shall prevail.

**1. The second paragraph of the existing Article 1:**

Following approval by the China Insurance Regulatory Commission (the “CIRC”) in document Bao Jian Fu [2003]110, the Company was established on 6 July 2003 through the promoted method, registered with the State Administration for Industry and Commerce on 7 July 2003, and has obtained a business license. The number of the Company’s business license is 1000001003800.

**shall be amended to read as follows:**

Following approval by the China Insurance Regulatory Commission (the “CIRC”) in document Bao Jian Fu [2003]110, the Company was established on 6 July 2003 through the promoted method, registered with the State Administration for Industry and Commerce on 7 July 2003, and has obtained a business license. The number of the Company’s business license is 100000000038007.

**2. The existing Article 7:**

The Articles of Association shall be binding upon the Company and its shareholders, directors, supervisors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president. Each of such individuals may make any claims in relation to the Company’s affairs under the Articles of Association.

To the extent of not violating Chapter 24 of the Articles of Association, under the Articles of Association, a shareholder may bring an action against the Company, the Company may bring an action against a shareholder, a shareholder may bring an action against another shareholder, and a shareholder may bring an action against any of the Company’s directors, supervisors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president.

The action referred to in the preceding paragraph includes a lawsuit brought with a court of law or an application for arbitration made with an arbitral institution.

References to senior management personnel in the Articles of Association are to the directors, supervisors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president.



**shall be amended to read as follows:**

The Articles of Association shall be binding upon the Company and its shareholders, directors, supervisors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president. Each of such individuals may make any claims in relation to the Company's affairs under the Articles of Association.

To the extent of not violating Chapter 24 of the Articles of Association, under the Articles of Association, a shareholder may bring an action against the Company, the Company may bring an action against a shareholder, a shareholder may bring an action against another shareholder, and a shareholder may bring an action against any of the Company's directors, supervisors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president.

The action referred to in the preceding paragraph includes a lawsuit brought with a court of law or an application for arbitration made with an arbitral institution.

References to senior management personnel in the Articles of Association are to the directors, supervisors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president.

**3. The second paragraph of the existing Article 9:**

The Company can invest in other limited liability companies and joint stock limited companies and the Company's liability to the investee companies is limited to the amount invested. In case where the management and operation of the Company requires, the aggregate investment amount of the Company in other limited liability companies and joint stock limited companies may exceed 50% of the net asset value of the Company (excluding the amount of capital converted from profits of the investee company after the investment), provided that such investment has been approved by the company examination and approval department authorised by the State Council. The funds of the Company cannot be used to establish an organisation dealing in securities, nor establish a non-insurance enterprise.

**shall be amended to read as follows:**

The Company can invest in other limited liability companies and joint stock limited companies and the Company's liability to the investee companies is limited to the amount invested. In case where the management and operation of the Company requires, the aggregate investment amount of the Company in other limited liability companies and joint stock limited companies may exceed 50% of the net asset value of the Company (excluding the amount of capital converted from profits of the investee company after the investment), provided that such investment has been approved by the company examination and approval department authorised by the State Council.

**4. The existing Article 56:**

The personnel of the Company shall be independent of the Company's controlling shareholder. The Company's president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president shall not hold any operating or managerial position in the controlling shareholder. Any senior management personnel of the controlling shareholder who acts concurrently as a director of the Company shall ensure that he has adequate time and energy to work for the Company.

**shall be amended to read as follows:**

The personnel of the Company shall be independent of the controlling shareholder. The Company's president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president shall not hold any operating or managerial position in the controlling shareholder. Any senior management personnel of the controlling shareholder who acts concurrently as a director of the Company shall ensure that he has adequate time and energy to work for the Company.

**5. The existing Article 78:**

Any vote of shareholders at a shareholders' general meeting must be taken by poll, and the Company must announce the results of the poll in such manner as prescribed under the Listing Rules of the Hong Kong Stock Exchange.

**shall be amended to read as follows:**

Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company must announce the results of the poll in such manner as prescribed under the Listing Rules of the Hong Kong Stock Exchange.

**6. Sub-paragraph (ix) of the existing Article 101:**

to appoint or remove the Company's president and the secretary of the board of directors, and to determine their remuneration, rewards and penalties; in accordance with the nomination by the president, to appoint or remove the Company's vice-presidents, responsible compliance officers, responsible financial officers and assistants to the president, and to determine their remuneration, rewards and penalties;

**shall be amended to read as follows:**

to appoint or remove the Company's president and the secretary of the board of directors, and to determine their remuneration, rewards and penalties; in accordance with the nomination by the president, to appoint or remove the Company's

vice-presidents, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president, and to determine their remuneration, rewards and penalties;

**7. The existing Article 125:**

The Company shall have one (1) president and several vice-presidents, responsible compliance officers, responsible financial officers and assistants to the president. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors. The vice-presidents, responsible compliance officers, responsible financial officers and assistants to the president shall be nominated by the president and appointed or removed by the board of directors. A director may also be appointed as president, vice-president, responsible compliance officer, responsible financial officer or assistant to the president, provided that the number of directors who act as president, vice-president, responsible compliance officer, responsible financial officer or assistant to the president concurrently shall not be more than half of the total number of directors.

**shall be amended to read as follows:**

The Company shall have one (1) president and several vice-presidents, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president. The president shall be nominated by the chairman of the board of directors and appointed or removed by the board of directors. The vice-presidents, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president shall be nominated by the president and appointed or removed by the board of directors. A director may also be appointed as president, vice-president, responsible compliance officer, responsible financial officer, responsible auditing officer or assistant to the president, provided that the number of directors who act as president, vice-president, responsible compliance officer, responsible financial officer, responsible auditing officer or assistant to the president concurrently shall not be more than half of the total number of directors.

**8. Sub-paragraph (vii) of the existing Article 126:**

he shall propose to the board of directors for the appointment or removal of the vice-presidents, responsible compliance officers, responsible financial officers and assistants to the president;

**shall be amended to read as follows:**

he shall propose to the board of directors for the appointment or removal of the vice-presidents, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president;

**9. The existing Article 130:**

The president, vice-presidents, responsible compliance officers, responsible financial officers and assistants to the president shall exercise their functions and powers honestly and diligently in accordance with laws, administrative regulations and the Articles of Association.

**shall be amended to read as follows:**

The president, vice-presidents, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president shall exercise their functions and powers honestly and diligently in accordance with laws, administrative regulations and the Articles of Association.

**10. The existing Article 131:**

The Company shall have a supervisory committee which shall be a standing supervisory body of the Company responsible for supervising the board of directors and its members, the president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president, so as to prevent any abuse of their functions and powers and violation of the legal rights and interests of the shareholders, the Company and its employees.

**shall be amended to read as follows:**

The Company shall have a supervisory committee which shall be a standing supervisory body of the Company responsible for supervising the board of directors and its members, the president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president, so as to prevent any abuse of their functions and powers and violation of the legal rights and interests of the shareholders, the Company and its employees.

**11. The existing Article 134:**

None of the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president shall act as supervisors concurrently.

**shall be amended to read as follows:**

None of the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president shall act as supervisors concurrently.

**12. Sub-paragraph (ii) of the existing Article 136:**

to supervise the act of the directors, the president and other senior management personnel during the performance of their duties, and to propose the dismissal of the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president who have breached the laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' general meeting;

**shall be amended to read as follows:**

to supervise the act of the directors, the president and other senior management personnel during the performance of their duties, and to propose the dismissal of the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president who have breached the laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' general meeting;

**13. Sub-paragraph (vi) of the existing Article 136:**

to bring lawsuits against the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president in accordance with the Company Law;

**shall be amended to read as follows:**

to bring lawsuits against the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president in accordance with the Company Law;

**14. The existing Article 141:**

The following persons may not serve as a director, supervisor, the president or other member of senior management of the Company:

- (i) a person with no or restricted capacity for civil acts;
- (ii) a person who has been previously sentenced for offences involving corruption, bribery, infringement of property rights, misappropriation of property or the disruption of social economic order of the socialist market economy, or who has been deprived of his political rights due to a criminal conviction, where in each case less than five (5) years have elapsed since the expiration of the relevant sanction period;
- (iii) a person who is a former director, factory manager or manager of a company or an enterprise which was liquidated for insolvency, and who is personally liable for such insolvency, where less than three (3) years have elapsed since the date the liquidation proceedings were completed;

- (iv) a person who is a former legal representative of a company or an enterprise, which has had its business licence revoked or was ordered to close down for being in breach of the law, and who is personally liable for such matter, where less than three (3) years have elapsed since the business licence was revoked;
- (v) a person with a relatively large amount of outstanding and due debts;
- (vi) a person who is under on-going criminal investigation by a judicial authority for violating criminal law;
- (vii) a person who is ineligible to head an enterprise pursuant to any laws or administrative regulations;
- (viii) an individual who is not a natural person;
- (ix) a person convicted by a relevant authority of contravening securities-related regulations where such conviction involves a finding of fraud or dishonesty and less than five (5) years have elapsed since the date of conviction.

**shall be amended to read as follows:**

The following persons may not serve as a director, supervisor, the president or other member of senior management of the Company:

- (i) a person with no or restricted capacity for civil acts;
- (ii) a person who has been sentenced for offences involving corruption, bribery, infringement of property rights, misappropriation of property or the disruption of social economic order of the socialist market economy, or who has been deprived of his political rights due to a criminal conviction, where in each case less than five (5) years have elapsed since the expiration of the sanction period;
- (iii) a person who has been sentenced to other punishment, where less than three (3) years have elapsed since the expiration of the sanction period;
- (iv) a person who has had his qualification to act as a director, supervisor, senior management personnel of a financial institution cancelled or revoked by a financial regulatory authority for violating the law or disciplines, where less than five (5) years have elapsed since the date of cancellation or revocation of his qualification;
- (v) a person who has been prohibited from entering into the market by a financial regulatory authority, where less than five (5) years have elapsed since the expiration of the prohibition period;
- (vi) a person who was dismissed from public office by government department, where less than five (5) years have elapsed since the date of decision on the dismissal;

- (vii) a person who is a former lawyer, certified public accountant or professional of asset valuation, certification or other organisations, and whose professional qualification has been revoked for being in breach of the law or disciplines, where less than five (5) years have elapsed since the date of revocation of the professional qualification;
- (viii) a person who is a former director, factory manager or manager of a company or an enterprise which was liquidated for insolvency, and who is personally liable for such insolvency, where less than three (3) years have elapsed since the date the liquidation proceedings were completed;
- (ix) a person who is a former legal representative of a company or an enterprise, which had its business licence revoked or was ordered to close down for being in breach of the law, and who is personally liable for such matter, where less than three (3) years have elapsed since the business licence was revoked;
- (x) a person with a relatively large amount of outstanding and due debts;
- (xi) a person who was imposed on administrative punishment by the CIRC in form of warning or fine within the preceding year;
- (xii) a person who is under on-going investigation by the CIRC due to suspected involvement in serious illegal activities and the case has not been concluded;
- (xiii) a person who has been imposed on material administrative punishment by other administration and management authority, where less than two (2) years have elapsed;
- (xiv) a person who has been sentenced to any criminal penalty in Hong Kong, Macau, Taiwan or outside the PRC, where less than five (5) years have elapsed since the expiration of the sanction period, or who has been convicted of serious violation of the law and imposed on administrative punishment, where less than three (3) years have elapsed since the expiration of the sanction period;
- (xv) a person who is under on-going investigation by a judicial authority for violating criminal law and the case has not been concluded;
- (xvi) a person who is ineligible to head an enterprise pursuant to any laws or administrative regulations;
- (xvii) an individual who is not a natural person;
- (xviii) a person convicted by a relevant authority of contravening securities-related regulations where such conviction involves a finding of fraud or dishonesty and less than five (5) years have elapsed since the date of conviction;
- (xix) other circumstances where a person is regarded as inappropriate to act as director, supervisor, president or other senior management personnel of the Company under the requirements of laws, administrative regulations or the CIRC.

**15. The first paragraph of the existing Article 187:**

The appointment, removal or non-reappointment of auditors shall be decided by the shareholders' general meeting and reported to the State securities regulatory authority.

**shall be amended to read as follows:**

The appointment, removal or non-reappointment of auditors shall be decided by the shareholders' general meeting and reported to the State securities regulatory authority and the insurance regulatory authority. In case of the removal of auditors, reason shall be given.

**16. The second paragraph of the existing Article 198:**

After payment of the liquidation fees as the first priority, the Company's assets shall be applied to pay expenses in the following order: (1) wages of employees, social security fees and legal compensation costs; (2) compensation or insurance premiums; (3) unpaid taxes; (4) any outstanding debts.

**shall be amended to read as follows:**

After payment of the liquidation fees and the common benefits debts as the first priority, the Company's assets shall be applied to pay in the following order: (1) wages, medical expenses, disability allowance and pension of employees, basic endowment insurance and basic medical insurance expenses, statutory compensation; (2) compensation or insurance premiums; (3) outstanding social security expenses as required other than that set out in item (1) due by the Company and unpaid taxes; (4) ordinary liquidation debts.

**17. The existing Article 203:**

If an amendment to the Articles of Association involves matters provided for in the Mandatory Provisions, it shall only become effective after it has been approved by the company examination and approval department authorised by the State Council and the State securities regulatory authority.

**shall be amended to read as follows:**

If an amendment to the Articles of Association involves matters provided for in the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, it shall only become effective after it has been approved by the company examination and approval department authorised by the State Council and the State securities regulatory authority.

**18. The first paragraph of sub-paragraph (i) of the existing Article 209:**

Any disputes or claims arising between either the holders of overseas listed foreign invested shares and the Company, the holders of overseas listed foreign invested shares and the directors, supervisors, president or any other members of senior management,



or the holders of overseas listed foreign invested shares and holders of domestic shares in respect of any rights and obligations under the Articles of Association or the Company Law or any other relevant laws and administrative regulations and the affairs of the Company shall be referred by the relevant parties to arbitration.

**shall be amended to read as follows:**

Any disputes or claims arising between either the holders of overseas listed foreign invested shares and the Company, the holders of overseas listed foreign invested shares and the directors, supervisors, president or any other members of senior management, or the holders of overseas listed foreign invested shares and holders of domestic shares in respect of any rights and obligations under the Articles of Association or the Company Law or any other relevant laws and administrative regulations and the affairs of the Company shall be referred by the relevant parties to arbitration.

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## **APPENDIX III PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR SHAREHOLDERS' GENERAL MEETING**

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The full text of the proposed amendments to the Procedural Rules for Shareholders' General Meeting is set out below. The English version of the proposed amendments is a translation for reference only. In case of discrepancy between the Chinese and English versions, the Chinese version shall prevail.

**1. Sub-paragraph (x) of the existing Article 3:**

to decide on issues such as merger, division, dissolution and liquidation of the Company and other matters;

**shall be amended to read as follows:**

to decide on issues such as merger, division, change of company form, dissolution and liquidation of the Company and other matters;

**2. The existing Article 34:**

Any vote of shareholders at a shareholders' general meeting must be taken by poll, and the Company must announce the results of the poll in such manner as prescribed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**shall be amended to read as follows:**

Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company must announce the results of the poll in such manner as prescribed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

**3. The existing Article 51:**

The directors, supervisors, secretary of the board of directors and the legal counsels engaged by the Company shall attend the shareholders' general meeting, and the president, vice-presidents, responsible compliance officers, responsible financial officers, assistants to the president, representatives from the accounting firm as well as the guests and journalists invited by the board of directors may attend the shareholders' general meeting.

**shall be amended to read as follows:**

The directors, supervisors, secretary of the board of directors and the legal counsels engaged by the Company shall attend the shareholders' general meeting, and the president, vice-presidents, responsible compliance officers, responsible financial officers, responsible auditing officers, assistants to the president, representatives from the accounting firm as well as the guests and journalists invited by the board of directors may attend the shareholders' general meeting.

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## APPENDIX IV PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE BOARD OF DIRECTORS

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The full text of the proposed amendments to the Procedural Rules for the Board of Directors is set out below. The English version of the proposed amendments is a translation for reference only. In case of discrepancy between the Chinese and English versions, the Chinese version shall prevail.

**1. Sub-paragraph (ix) of the existing Article 4:**

appointing or removing the Company's president and the secretary of the board of directors, and determining their remuneration, rewards and penalties; in accordance with the nomination by the president, appointing or removing the vice-presidents, responsible compliance officers, responsible financial officers and assistants to the president, and determining their remuneration, rewards and penalties;

**shall be amended to read as follows:**

appointing or removing the Company's president and the secretary of the board of directors, and determining their remuneration, rewards and penalties; in accordance with the nomination by the president, appointing or removing the vice-presidents, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president, and determining their remuneration, rewards and penalties;

**2. Sub-paragraph (ii) of the existing Article 9:**

formulating the criteria for the appraisal of directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president, and carrying out the appraisal and providing comments on the appraisal results;

**shall be amended to read as follows:**

formulating the criteria for the appraisal of directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president, and carrying out the appraisal and providing comments on the appraisal results;

**3. Sub-paragraph (iii) of the existing Article 9:**

formulating the policies on the remuneration of directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president.

**shall be amended to read as follows:**

formulating the policies on the remuneration of directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president.

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**APPENDIX IV      PROPOSED AMENDMENTS TO THE PROCEDURAL  
RULES FOR THE BOARD OF DIRECTORS**

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**4.    The first paragraph of the existing Article 13:**

The chairman of the board of directors, one-third or more of all of the directors, two or more independent directors, the supervisory committee or the president may propose to convene a special board meeting. The chairman of the board of directors may convene such special board meeting within ten days after receiving the proposal.

**shall be amended to read as follows:**

The chairman of the board of directors, any shareholder holding ten per cent. or more of the voting shares of the Company, one-third or more of all of the directors, two or more independent directors, the supervisory committee or the president may propose to convene a special board meeting. The chairman of the board of directors may convene such special board meeting within ten days after receiving the proposal.

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## **APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL RULES FOR THE SUPERVISORY COMMITTEE**

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The full text of the proposed amendments to the Procedural Rules for the Supervisory Committee is set out below. The English version of the proposed amendments is a translation for reference only. In case of discrepancy between the Chinese and English versions, the Chinese version shall prevail.

### **1. The existing Article 2:**

The supervisory committee is accountable to the shareholders' general meeting and shall exercise the right to supervise the Company in accordance with the relevant laws and regulations, and shall supervise the financial affairs of the Company and the performance of duties by the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president (hereinafter referred to as the "Other Senior Management Personnel").

#### **shall be amended to read as follows:**

The supervisory committee is accountable to the shareholders' general meeting and shall exercise the right to supervise the Company in accordance with the relevant laws and regulations, and shall supervise the financial affairs of the Company and the performance of duties by the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president (hereinafter referred to as the "Other Senior Management Personnel").

### **2. Sub-paragraph (ii) of the existing Article 4:**

to supervise the act of the directors, president and Other Senior Management Personnel of the Company during the performance of their duties, and to propose the removal of the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president who have violated the laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' general meeting;

#### **shall be amended to read as follows:**

to supervise the act of the directors, president and Other Senior Management Personnel of the Company during the performance of their duties, and to propose the removal of the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president who have violated the laws, administrative regulations, the Articles of Association or the resolutions of the shareholders' general meeting;

### **3. Sub-paragraph (vi) of the existing Article 4:**

to bring lawsuits against the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers and assistants to the president in accordance with the Company Law;

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**APPENDIX V      PROPOSED AMENDMENTS TO THE PROCEDURAL  
RULES FOR THE SUPERVISORY COMMITTEE**

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**shall be amended to read as follows:**

to bring lawsuits against the directors, president, vice-presidents, secretary of the board of directors, responsible compliance officers, responsible financial officers, responsible auditing officers and assistants to the president in accordance with the Company Law;

In 2012, we had diligently discharged our duties and responsibilities and prudently exercised our rights as Independent Directors of the Company in accordance with the relevant laws and regulations and the provisions of the Articles of Association. The work of the Independent Directors is summarised as follows:

### I. Attendance at Meetings

In 2012, the attendance of Independent Directors at the meetings of the Board of Directors and the shareholders' general meeting is as follows:

Name	Board		Shareholders' General Meeting	
	Number of meetings attended/Number of meetings that require attendance	Attendance rate	Number of meetings attended/Number of meetings held	Attendance rate
Luk Kin Yu, Peter	8/9	89%	0/1	0%
Ding Ningning	9/9	100%	1/1	100%
Liao Li	9/9	100%	0/1	0%

*Note:* During the year, Mr. Luk Kin Yu, Peter attended eight Board meetings in person and attended one Board meeting by proxy by appointing other individual director to attend the meeting on his behalf.

The Independent Directors serve as members of the special committees of the Board. In 2012, the attendance of Independent Directors at the meetings of the special committees of the Board is as follows:

#### Audit Committee

Name	Number of meetings attended/Number of meetings that require attendance	Attendance rate
Luk Kin Yu, Peter	5/5	100%
Ding Ningning	5/5	100%
Liao Li	5/5	100%

**Nomination, Remuneration and Review Committee**

<b>Name</b>	<b>Number of meetings attended/ Number of meetings that require attendance</b>	<b>Attendance rate</b>
Luk Kin Yu, Peter	3/3	100%
Ding Ningning	3/3	100%
Liao Li	3/3	100%

**Strategic Planning Committee**

<b>Name</b>	<b>Number of meetings attended/ Number of meetings that require attendance</b>	<b>Attendance rate</b>
Ding Ningning	5/5	100%

**II. Expression of Opinions**

- (1) In 2012, none of the Independent Directors abstained from voting on or voted against the resolutions of the Board of Directors.
- (2) In 2012, all the Independent Directors expressed approval opinions and independent opinions on resolutions relating to major connected transactions, etc.

**III. Understanding the Operation and Management of the Company through Various Channels**

In 2012, each of the Independent Directors acquired information about the operation and management of the Company through various channels which laid a foundation for their scientific and prudent decision-making. The Independent Directors made regular contacts with senior management officers of the Company, listened to reports of the management and the Secretary of the Board of Directors, and maintained effective communication with the external auditors so as to acquire third party information. The Audit Committee of the Board of Directors closely communicated with the Supervisory Committee so as to strengthen the supervision over the Company. The Independent Directors also acquired knowledge about the Company and the insurance industry through various information provided by the Secretariat of the Board of Directors.



**IV. Other Work Done to Improve the Operation and Management of the Company**

During 2012, all the Independent Directors performed their duties and responsibilities in a diligent and faithful way, listened conscientiously to reports from relevant personnel on the business development, financial management, connected transactions and other affairs of the Company, got an understanding of the day-to-day operation and potential operational risks of the Company in a timely manner, gave opinions and exercised functions and powers at the meetings of the Board of Directors, performed their duties and responsibilities as Independent Directors proactively and effectively, and safeguarded the legal rights and interests of the Company and medium and minority shareholders.

**V. Role of Independent Directors in the Preparation of the Annual Report**

The Independent Directors faithfully performed their duties and obligations as Independent Directors in the preparation and disclosure of the 2012 Annual Report. The Independent Directors timely listened to the reports of the management and the finance department of the Company on the operation and management, financial position and major matters of the Company in 2012. The Independent Directors also listened to the report on the audit work arrangement. Upon the issuance of the initial audit opinion by the auditors, the Independent Directors communicated with such auditors through the Audit Committee, which mainly consists of Independent Directors, to fully understand the auditing process.

**VI. Self-Appraisal and Appraisal of the Performance of the Board of Directors and the Management for the Year**

During 2012, each of the Independent Directors acted honestly and in good faith for the interests of the Company as a whole and paid special attention to the legal rights and interests of the public shareholders and medium and minority shareholders in the decision-making process.

In 2012, all the Independent Directors participated earnestly in continuous professional development. All Independent Directors received trainings or were updated on researches conducted in areas of corporate governance, information disclosure, relevant laws and regulations, professional knowledge and professional norms, etc., which continuously enhanced their related knowledge and skills, and they proactively put forward various timely and appropriate advice and suggestions on the Company's management and development.

It is the opinion of the Independent Directors that, under the leadership of the Chairman, the Board of Directors acted objectively and made collective decisions on the development strategy, business plan, financial control, personnel management and other matters of the Company. All Directors used their best efforts to handle the affairs of the Board of Directors and the corporate governance of the Company was further enhanced.

It is the opinion of the Independent Directors that the management of the Company were devoted to their duties and responsibilities and acted bravely to continuously strengthen the operation and management of the Company, took it as their mission to promote the development of the industry and played a leading role in the industry, and fulfilled various business targets set by the Board of Directors for 2012 in a relatively satisfactory way.

*Independent Directors*  
**Luk Kin Yu, Peter,**  
**Ding Ningning, Liao Li**

25 March 2013

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## NOTICE OF ANNUAL GENERAL MEETING

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# **PICC** 中国人民财产保险股份有限公司 PICC Property and Casualty Company Limited

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

(Stock Code: 2328)

**NOTICE IS HEREBY GIVEN** that an annual general meeting of PICC Property and Casualty Company Limited (the "Company") will be held at Wanchunyuan Villa, No. 28 Qinghua Road (W), Haidian District, Beijing, the People's Republic of China on 21 June 2013 (Friday) at 9:00 a.m. for the purposes of considering and, if thought fit, passing the following resolutions:

### **ORDINARY RESOLUTIONS**

1. To consider and approve the Report of the Board of Directors of the Company for 2012.
2. To consider and approve the Report of the Supervisory Committee of the Company for 2012.
3. To consider and approve the audited financial statements and the Report of the Auditors of the Company for the year ended 31 December 2012.
4. To consider and approve the profit distribution plan of the Company for the year ended 31 December 2012.
5. To consider and approve directors' fees for 2013.
6. To consider and approve supervisors' fees for 2013.

### **SPECIAL RESOLUTIONS**

7. To grant a general mandate to the Board of Directors to separately or concurrently issue, allot or deal with additional domestic shares and H shares in the Company not exceeding 20% of each of the aggregate nominal amount of the domestic shares and H shares of the Company in issue within 12 months from the date on which shareholders' approval is obtained, and to authorise the Board of Directors to increase the registered capital of the Company and make corresponding amendments to the Articles of Association of the Company as it thinks fit so as to reflect the new capital structure upon the issuance or allotment of shares.
8. To consider and approve the proposed amendments to the Articles of Association as set out in Appendix II to this circular, and to authorise the chairman of the Board of Directors or his authorised person to make amendments to the Articles of Association as he deems necessary, appropriate and expedient in accordance with the applicable laws, regulations and the requirements of China Insurance Regulatory Commission and other relevant authorities. The amendments to the Articles of Association as referred to in this special resolution shall become effective subject to the relevant approval of China Insurance Regulatory Commission.

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## NOTICE OF ANNUAL GENERAL MEETING

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9. To consider and approve the proposed amendments to the Procedural Rules for Shareholders' General Meeting as set out in Appendix III to this circular, and to authorise the chairman of the Board of Directors or his authorised person to make corresponding revisions to these proposed amendments as he deems necessary and appropriate in accordance with the requirements imposed by the relevant regulatory authorities and by the stock exchange of the place where the Company is listed from time to time during the approval process. The amendments to the Procedural Rules for Shareholders' General Meeting as referred to in this special resolution shall become effective subject to the relevant approval of China Insurance Regulatory Commission.
10. To consider and approve the proposed amendments to the Procedural Rules for the Board of Directors as set out in Appendix IV to this circular, and to authorise the chairman of the Board of Directors or his authorised person to make corresponding revisions to these proposed amendments as he deems necessary and appropriate in accordance with the requirements imposed by the relevant regulatory authorities and by the stock exchange of the place where the Company is listed from time to time during the approval process. The amendments to the Procedural Rules for the Board of Directors as referred to in this special resolution shall become effective subject to the relevant approval of China Insurance Regulatory Commission.
11. To consider and approve the proposed amendments to the Procedural Rules for the Supervisory Committee as set out in Appendix V to this circular, and to authorise the chairman of the Supervisory Committee or his authorised person to make corresponding revisions to these proposed amendments as he deems necessary and appropriate in accordance with the requirements imposed by the relevant regulatory authorities and by the stock exchange of the place where the Company is listed from time to time during the approval process. The amendments to the Procedural Rules for the Supervisory Committee as referred to in this special resolution shall become effective subject to the relevant approval of China Insurance Regulatory Commission.

### AS REPORTING DOCUMENT

12. To review the Duty Report of the Independent Directors for the Year 2012.

By Order of the Board  
**Zhang Xiaoli**  
*Secretary of the Board*

Beijing, the PRC, 3 May 2013

*Notes:*

1. The register of members of the Company will be closed from 22 May 2013 (Wednesday) to 21 June 2013 (Friday), both days inclusive, during which period no transfer of shares will be effected. Holders of H shares and domestic shares whose names appear on the register of members of the Company on 21 June 2013 (Friday) are entitled to attend and vote at this meeting. In order for holders of H shares to qualify for attending and voting at this meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 21 May 2013 (Tuesday) for registration.

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## NOTICE OF ANNUAL GENERAL MEETING

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2. A shareholder entitled to attend and vote at this meeting may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company but must attend this meeting in person to represent the relevant shareholder.
3. The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorised attorney. If that instrument is signed by an attorney of the shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
4. In order to be valid, the proxy form together with the notarised power of attorney or other authorisation document (if any) must be deposited at the Secretariat of the Board of Directors of the Company for holders of domestic shares and at the Company's place of business in Hong Kong for holders of H shares not less than 24 hours before the time fixed for the holding of this meeting or any adjournment thereof (as the case may be). Completion and return of a proxy form will not preclude a shareholder from attending and voting in person at this meeting or any adjournment thereof if he so wishes.
5. Holders of domestic shares and holders of H shares who intend to attend this meeting in person or by proxy should deposit the reply slip at the Secretariat of the Board of Directors of the Company and at the Company's place of business in Hong Kong respectively on or before 3 June 2013 (Monday) by hand, by post or by fax.
6. Shareholders or their proxies attending this meeting (and any adjournment thereof) shall produce their identity documents.
7. Pursuant to the Articles of Association of the Company, any vote of shareholders at a general meeting must be taken by poll. As such, the resolutions set out in the notice of this meeting will be voted on by poll.