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PING AN

Insurance · Banking · Investment

中国平安保险(集团)股份有限公司

Ping An Insurance (Group) Company of China, Ltd.

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

(Stock Code: 2318)

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

“The Announcement of Ping An Insurance (Group) Company of China, Ltd. regarding the Long-term Service Plan (draft)”, which is published by Ping An Insurance (Group) Company of China, Ltd. on the website of Shanghai Stock Exchange, is reproduced herein for your reference.

By order of the Board

Yao Jun

Company Secretary

Shenzhen, PRC, October 29, 2018

As at the date of this announcement, the Executive Directors of the Company are Ma Mingzhe, Sun Jianyi, Ren Huichuan, Yao Jason Bo, Lee Yuansiong and Cai Fangfang; the Non-executive Directors of the Company are Soopakij Chearavanont, Yang Xiaoping, Liu Chong and Wang Yongjian; the Independent Non-executive Directors of the Company are Yip Dicky Peter, Wong Oscar Sai Hung, Sun Dongdong, Ge Ming and Ouyang Hui.

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

Long-term Service Plan (Draft)

October 2018

Statement

The board of directors and all directors of Ping An Insurance (Group) Company of China, Ltd. (hereinafter referred to as “the Company”) confirm that there are no false representations, misleading statements or major omissions in the contents of this Long-term Service Plan, and severally and jointly accept the responsibility for the truthfulness, accuracy and completeness of its contents.

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Definitions

Unless otherwise stated, the following terms shall have the following meanings:

Shortened form	Definition
Ping An Group / Ping An / the Company	Refers to Ping An Insurance (Group) Company of China, Ltd.
The Long-term Service Plan / Plan	Refers to Ping An Insurance (Group) Company of China, Ltd. long-term service plan
Plan Participants/Participants	Refers to participants of Long-term Service Plan
Shareholders' General Meeting	Refers to shareholders' general meeting of the Company
Board of Directors	Refers to the board of directors of the Company
Remuneration Committee	Refers to the remuneration committee of the Board of Directors
Management Team	Refers to the executive directors and senior management of Ping An Group as stipulated in the “Administrative Measures for Insurance Group Company (Trial)” and the Articles of Association
Management Committee	Refers to long-term service plan daily managing authorities elected by all Plan Participants
Asset Managing Authorities / Managing Authorities	Refers to the third party institution with the asset management qualifications required by laws and regulations which provides the asset management services as entrusted by the Plan
Asset Management Plan	Refers to the asset management plan established by the Asset Managing Authorities as entrusted by the Long-term Service Plan and dedicated to the

	long-term service core talents
CSRC	Refers to China Securities Regulatory Commission
“Articles of Association”	Refers to articles of association of Ping An Insurance (Group) Company of China, Ltd as entrusted by the Long-term Service Plan.

I. The Purposes and Principles of the Plan

1. Purposes of the Plan

(1) The Plan is set up to strengthen the long-term binding of the Company's interests and employee's interests, and ensure that employees consciously promote the Company's sustainable development, benefit sharing risk sharing, and create long-term and sustainable value for shareholders.

(2) The Plan is set up to strengthen internal incentives, actively respond to increasingly fierce competition for talents, encourage core talents to be kept in the Company for long-time development and ensure the health and stability of the Company's talent team.

(3) The Plan is set up to improve the corporate governance structure and improve the Company's long-term incentive and restraint mechanism.

2. Principles followed by the Plan

(1) **Long-term service:** The Plan encourages long-term retention and long-term service of core talents, forms a long-term mechanism to motivate employees, and achieves long-term stability of the Company's core talents and operational results.

(2) **Binding of interests:** The Plan ensures that employees and the Company's interests are closely tied and highly consistent.

(3) **Value-orientated**: The Plan makes different grants according to each employee's contribution to the Company.

(4) **Risk bearing**: The employees voluntarily accept to participate in the Plan, and will bear the risks of future gains or loss under the grants in the future due to the volatility of the Company's share price.

(5) **Compliance Alliance**: The design and implementation of the Plan complies with corporate governance, regulatory laws and regulations, and the Company discloses information in a true, accurate, complete and timely manner.

II. Participants of the Plan

1. The Plan covers Ping An Group and its member companies. The Plan Participants should be core talents who play important roles in the overall performance and long-term development of the Company.

2. Any individual cannot be a Plan Participant of the Plan if he or she falls into the following circumstances:

(1) publicly condemned or declared as an improper candidate by any stock exchange in the past three years;

(2) receiving administrative punishment from the CSRC for major violations of laws and regulations in the past three years;

(3) due to the disclosure of state or company secrets, corruption, theft, embezzlement, offering or accepting bribery, dereliction of duty,

malfeasance and other violations of national laws and regulations, or violation of relevant regulatory requirements or company discipline and rules and regulations, causing serious damage to the Company's interests in the past three years;

(4) Other circumstances as stipulated in relevant laws, regulations or regulatory documents making the individuals impossible to participate the Plan.

III. Implementation of the Plan

1. Accrual mechanism of Long-term Service Plan Amount

The Plan is divided into phases by each calendar year. The Plan amount is calculated according to a certain percentage based on the achieved percentage (“**R**”) of the Company's net profit¹ growth rate target² determined by the Board of Directors:

Upper limit of the amount of the Plan of the year

= net profit of the year x N, of which:

- (1) When $R \leq 100\%$, $N=0$
- (2) When $100\% < R \leq 150\%$, $N=3\%$
- (3) When $150\% < R \leq 250\%$, $N=4\%$
- (4) When $R > 250\%$, $N=5\%$

2. Grant, Share Purchase and Vesting of the Long-term Service

Plan Amount

¹ Net profit refers to the net profit after the accrual budget amount and tax.

² Net profit growth rate target: determined by the Board of Directors, currently at 12.5%

(1) **Grant:** according to the actual needs of attracting, stimulating and retaining core talents in the coming years, the Company will grant certain amount to employees who meet specific requirements from the aggregate sum of the Long-term Service Plan amount as part of the payroll payable to employees.

(2) **Share purchase:** all the amount granted under the Long-term Service Plan is used to purchase and hold shares of Ping An from the secondary market through the Asset Management Plan.

(3) **Vesting:** The relevant interests of the Plan shall be vested in the Plan Participants, subject to the confirmation of their applications made when they reach the retirement age as stipulated under the laws of China and no longer have any employment relationship with the Company and its subsidiaries, as well as the payment of the applicable taxes. Specific methods include:

a) directly assigning the shares of the Company corresponding to the granted interests under the Plan to his or her personal securities account;

b) entrust the Asset Managing Authorities to sell or transfer the granted interests under the Plan and redeem the benefits thereafter.

(4) Long-term Service Plan may not buy or sell shares to the Company during the following periods

- a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results;
- b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results;
- c) Within 10 days immediately preceding the Company's results forecast or results briefing;
- d) Within the period from the occurrence of material event that may have a material impact on the Company's stock trading price or during the decision-making process to two trading days after the disclosure of the event according to relevant laws or regulations.
- e) Other prohibited circumstances as stipulated by relevant laws and regulations.

The aforementioned period during which stocks may not be bought or sold will be adjusted in accordance with changes in relevant laws and regulations.

(5) Equity management

The stock dividend rights under the Plan are enjoyed by the Plan Participants since the date of granting. Before vesting of the stocks according to the Plan to the grantee's personal account, the relevant stock interests are uniformly exercised and arranged by the Management Committee. In case of capitalization, bonus issue, allotment, stock split or consolidation of the company stock, relevant interests under the Plan shall be amended accordingly.

3. Cancellation

(1) If the following circumstances occurs, the unvested Long-term Service Plan amount will be cancelled:

- a) The labor contract is terminated by the Company or not renewed after expiration, except for the normal retirement, death or incapacity during employment of the Plan Participant;
- b) The Plan Participants violate the laws and regulations or seriously violate the Company's rules and regulations;
- c) The other circumstances under which cancellation is stipulated by the Company.

(2) All shares and subsequent dividends corresponding to the cancelled Long-term Service Plan amount can be redistributed according to the needs of talents attraction, incentive and retention. They will be continually held by the Asset Management Plan before redistribution.

IV. Term, Amendment and Termination of the Plan

1. The term of the Plan is ten years from the date of approval, and may be extended by the Board of Directors after the expiration of the term.

2. When the actual control is changed, merged or split, the Plan will not be changed and be continuously effective, except where the Shareholders' General Meeting or the Board of Directors decides to change or terminate the Plan;

3. During the existence of the Long-term Service Plan, if the Company undertakes financing through placing, offering or issuance of convertible bonds, the Management Team shall advise whether to participate in such activities and make recommendations on the funding solutions, which shall be reviewed and approved by the Board of Directors.

4. If one of the following circumstances occurs, the implementation of the Plan shall be terminated in accordance with the provisions of relevant laws, regulations and regulatory documents:

(1) The Company files for winding-up, liquidation, and dissolution;

(2) The Company experiences serious operational difficulties and the Plan is terminated by resolution of the Board of Directors;

(3) The Company encounters other material events, and the Plan is terminated by the Board of Directors;

(4) Other circumstances under the relevant laws, regulations and regulatory documents require to terminate the Plan.

5. When the Long-term Service Plan is changed, terminated, or expired due to various reasons, the Management Team should make recommendations on settlement of the Plan, which should be reviewed and approved by the Board of Directors.

V. Risk Handling Arrangement for the Plan

1. The total number of shares and the relevant percentage held by the Plan should comply with the relevant laws and administrative regulations, and shall not affect the controlling rights over the Company.

2. Sufficient predictions and arrangements have been made for various risks that the Plan Participants may encounter, and the Plan Participants will be fully informed of the risks in order to fully understand the relevant rules and risks.

3. The Management Committee is responsible for the risk handling of the Plan, and organizes meetings on an irregular basis as needed to communicate and control the risk or emergencies in a timely manner; under the circumstance of a risk event, the Management Committee

should coordinate to solve the relevant problems according to procedures to ensure that the impact is controllable.

VI. The Managing Authorities and Its Responsibilities

1. Shareholders' General Meeting: Being the highest authority of the Company, and being responsible for setting the Plan implementation objectives, accrual principles and main frameworks, and approving the Plan for implementation.

2. The Board of Directors: Being responsible for drafting the Long-term Service Plan for consideration at the Shareholders' General Meeting; reviewing and adjusting the rules for the accrual mechanism of the Long-term Service Plan amount according to the Company's profit growth target; reviewing, formulating, revising and improving the specific implementation plans; making decisions on adjusting the Plan according to changes in relevant laws and regulations; making decisions on required resolutions for the management to participate in the Plan in future years; making decisions on extension of the duration of the Long-term Service Plan; explaining the Long-term Service Plan; deciding on the termination of the Long-term Service Plan or other necessary matters.

3. Remuneration: Being responsible for formulating the Long-term Service Plan for consideration by the Board of Directors; reviewing the

necessary resolutions for participation in the Plan by the Management Team and reporting to the Board of Directors.

4. Management Team: Being responsible for determining the list of core talents (except for management team) according to the Company's operation and the actual needs of talent attraction, motivation and retention and arranging the grant within the total amount.

5. Long-term Service Plan Management Committee: Being formed by 5-7 representatives elected by all the Plan Participants. Members of the Management Committee shall not be the Company's directors, supervisors or Management Team. The Management Committee is responsible for the daily operation of the Long-term Service Plan, including but not limited to: uniformly arranging the Company stock interests corresponding to the shares held under the Long-term Service Plan; selecting and managing the Asset Managing Authorities; deciding the settlement of the cancelled amount and related dividends pursuant to the rules; and other daily duties. The Management Committee performs its duties through the collective voting by the representatives.

6. Asset Managing Authorities: Being determined by the Management Committee and acting as the trustee organization of the Long-term Service Plan. The Asset Management Plan is set up and operated according to the relevant asset management agreement.

VII. Selection of the Managing Authorities, Calculation and Payment of Management Fees and Terms of the Asset Management Agreement

1. Selection of the Long-term Service Plan Managing Authorities:
The Long-term Service Plan Managing Authorities should be selected by the Management Committee.

2. The calculation and payment methods of the management fee shall be agreed by the Management Committee and the Managing Authorities. For details, please refer to the relevant provisions of the management agreement.

3. Major terms of the management agreement include:

(1) Name of the Asset Management Plan

(2) Types

(3) Status of asset entrustment

(4) Investment of the entrusted assets

(5) The rights and obligations of the principals, managers and trustees

(6) Information disclosure

(7) Management fees, trust fee and other related fees

(8) Entrusted asset clearing and return

(9) Other related matters

VIII. Supplementary Articles

1. The Plan will be implemented from 2018 after fulfilling the following corporate governance and review procedures.

(1) Attorney to issue legal opinions on the Long-term Service Plan (draft).

(2) Independent directors issue independent opinions on the Long-term Service Plan (draft).

(3) The Board of Directors and the Supervisor Committee respectively review and approve the Long-term Service Plan, and announcement is published with regard to the Long-term Service Plans and its abstract, independent directors' opinion and legal opinion.

(4) Employee representatives' meeting is held to fully seek employees' opinions on the Long-term Service Plan.

(5) Shareholders' General Meeting is convened to review and approve the Long-term Service Plan.

2. In the future implementation of the Plan, relevant important information shall be disclosed in accordance with the regulations of the CSRC, the Shanghai Stock Exchange and The Stock Exchange of Hong Kong Stock Limited.

3. The right to interpret of the Long-term Service Plan is reserved by the Board of Directors of the Company.

The Board of Directors

Ping An Insurance (Group) Company of China, Ltd.

October 29, 2018

The Plan is written in Chinese. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.