

CHINA VANKE CO., LTD.

IMPLEMENTATION RULES OF THE REMUNERATION AND NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS

Chapter 1 General Provisions

- Rule 1 These implementation rules (the “Rules”) are formulated for the Remuneration and Nomination Committee (the “Committee”) of the Board of Directors (the “Board”) established by China Vanke Co., Ltd. (the “Company”) in accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Standards on Corporate Governance of Listed Companies, the Articles of Association of the Company (“Articles of Association”) and other relevant regulations, in order to further establish sound performance appraisal and remuneration management systems and optimize the corporate governance structure of the Company.
- Rule 2 The Remuneration and Nomination Committee is a specialized working body of the Board and is accountable to the Board. It is mainly responsible for studying and making recommendations for the selection criteria and procedures for directors and the president; searching extensively for qualified candidates for the positions of directors and the president; examining the background of the candidates for directors and the president, and offering recommendation; studying the appraisal standards for directors and the president of the Company, and conducting relevant appraisal and offering recommendation; studying and examination remuneration policy for directors and senior executives of the Company; examining the structure and composition of the Board and assessing the independence of the independent directors.
- Rule 3 The directors mentioned in the Rules refer to Board members elected at general meeting, including the chairman, vice chairman, directors and independent directors of the Board; senior executives refer to the president, executive vice president, secretary of the Board and other senior management hired by the president and confirmed by the Board.

Chapter 2 Composition

- Rule 4 The Remuneration and Nomination Committee consists of three directors, and two of them shall be independent directors
- Rule 5 Members of the Remuneration and Nomination Committee shall be nominated by the previous session of the Board, the chairman of the Board, or nominated by more than half of the independent directors or one-third of the Board, and shall be elected and approved by a simple majority of the Board.

- Rule 6 The Remuneration and Nomination Committee shall have a convener who shall be an independent director. The convener of the Committee shall be responsible for convening and chairing meetings, examining the implementation of resolutions approved by the Committee, and representing the Committee to report its work to the Board. The convener of the Committee shall be elected by more than one-third of the members of the Remuneration and Nomination Committee and approved by a simple majority of the Committee.
- Rule 7 The term of office of the members is the same as that of the Board. A member is eligible for serving successive terms if being re-elected upon expiry of his/her term. If a member ceases to be a director of the Company, he/she shall automatically lose his/her position in the Committee. The Board can discuss the termination of the term of members of Remuneration and Nomination Committee. If the number of members of the Remuneration and Nomination falls below statutory requirement, the Committee is required to elect new member in accordance with Rules 4 to 6.
- Rule 8 There is a working team set up under the Committee for providing the Company relevant operational information, information about appraisees and other information necessary for the members to fulfill their duties; responsible for organizing meetings of the Committee and execution of resolutions approved by the Committee.

Chapter 3 Duties and Authorities

- Rule 9 Major duties and authorities of the Remuneration and Nomination Committee shall include:
- (1) Study the criteria for being elected, selection process and term of office of directors and the president and make recommendation to the Board in accordance with relevant rules and regulations, and the Articles of Association, and with reference to actual situation of the Company,;
 - (2) Conduct extensive search for qualified candidates for the positions of directors and the president, examine the background of such candidates, and make recommendations;
 - (3) Examine other senior executives who are required to be submitted to the Board for appointment and make recommendations to the Board.
 - (4) Study and design the appraisal standards for directors and the president
 - (5) Examine the performance of duties by directors and the president and conduct annual performance appraisal
 - (6) Taking into account the Company's performance, performance of industry peers and its existing remuneration scale, duties of and time spent by the incumbents, performance of the individual, to study and examine remuneration policy and proposal for the directors and senior executives.

- (7) Establish standardized and transparent procedures for the performance of aforementioned duties, supervise the implementation of remuneration system for the directors and senior executives;
- (8) Examine the structure and composition of the Board and assess the independence of the independent directors
- (9) Other matters authorized by the Board and other duties conferred to the Committee by the Hong Kong Listing Rules from time to time.

Rule 10 Other than those matters authorized by the Board to the Committee, other resolutions by the Committee shall be considered and approved by the Board before implementation. The Committee also needs to submit a work report to the Board annually.

Chapter 4 Decision Making Process

Rule 11 The Committee has a working team which is in charge of the preparatory work for the Committee to make decision and provide relevant information related to the Company on the following aspects:

- (1) Provide details on accomplishment of major financial guidance and operating targets of the Company
- (2) Provide details on accomplishment of performance guidance of directors and the president
- (3) Provide other information required by the Committee

Rule 12 Selection processes of directors and the president:

- (1) Remuneration and Nomination Committee to study the Company's requirement for new directors, president, and formulate written materials;
- (2) Remuneration and Nomination Committee may search extensively within and outside the Company for candidates for directors and the president, collecting information on candidates' education, job title, detailed working experience, all part-time work etc., and formulate written materials;
- (3) Seek the nominee's consent regarding the nomination; otherwise he/she cannot be regarded as a candidate for director and president;
- (4) Convene Remuneration and Nomination Committee meeting. Examine candidates' qualification according to the appointment requirements of directors and president;
- (5) Before the election of new directors and the appointment of a new president, provide recommendations and relevant information of candidates of directors and the president to the Board;
- (6) Perform other follow up works in accordance with the Board's decisions and feedback

Rule 13 Appraisal processes of directors and president

- (1) Directors and the president report their works to the Committee
- (2) The Committee evaluates the performance of directors and the president;

- (3) Consider the proposal of remuneration for directors and president in accordance with the performance review and remuneration policy;
- (4) When the relevant resolution is passed, report to the Board for consideration.

Chapter 5 Rules of Procedure

- Rule 14 The Committee shall convene at least one meeting annually. The working team shall inform all the members at least five business days prior to the convention of the meeting and provide relevant information stipulated under Rule 11 to all members three business days before the meeting.
- Rule 15 The meeting shall only be convened with the presence of more than two-thirds of members; each member will have one vote. Any member who is not able to attend may assign another member to attend on his/her behalf in writing. The letter of attorney should set forth the name of proxy, issue to be handled by the proxy, authority and valid period and should be signed or sealed by the appointer. The member attending the meeting on others' behalf shall exercise a member's rights within the scope of the letter of attorney. A member absent from a meeting of the Committee without assigning a proxy shall be considered as forfeiting his/her voting rights. Resolutions of a meeting shall be adopted by a simple majority of affirmative votes by the members.
- Rule 16 The convener shall preside over the meeting. In case the convener fails to attend the meeting, he/she can appoint an independent director in writing to preside over the meeting on his/ her behalf.
- Rule 17 Resolutions at the meeting shall be passed by a show of hands or by poll; provisional meeting can be passed by way of communication vote
- Rule 18 If necessary, directors, supervisors and senior executives of the Company may be invited to attend a meeting.
- Rule 19 If necessary, with the approval of the Board, the Committee may engage professional agencies to provide professional opinion for its decision. The fee will be borne by the Company.
- Rule 20 When the Committee discusses issues concerning personnel related to the Committee, such individual should refrain from participating in the discussion.
- Rule 21 The procedures for convening meetings, voting method and remuneration policy and distribution proposal passed by the Committee shall be in compliance with the relevant law and regulations, the "Articles of Association" and provision of these implementation rules.

Rule 22 The Committee's meetings shall be documented in meeting minutes, which shall be signed by members attending the meeting. The minutes shall be kept by the secretary of the Board of the Company.

Rule 23 Passed resolutions and relevant voting results taken at a meeting of the Committee shall be reported in writing to the Board of the Company.

Rule 24 All members present at a meeting are obliged to keep confidential all matters discussed at the meeting and shall not disclose such information without authorisation.

Chapter 6 Supplementary Provisions

Rule 25 The Rules shall come into effect since the date of approval by the Board.

Rule 26 Any matters not specified in the Rules shall be implemented in accordance with relevant laws, regulations, regulatory documents and the Articles of Association. Should any of the Rules be found in conflict with relevant laws or regulations or regulatory documents issued on a later date or in conflict with the Articles of Association amended in a lawful procedure, the relevant laws, regulations or regulatory documents, and the Articles of Association shall prevail, and the Company shall amend the Rules immediately, and submit to the Board for approval.

Rule 27 The power of interpretation of the Rules vested in the Board.

Board of Directors
China Vanke Co., Ltd.
23 June 2014