



**CHINA VANKE CO., LTD.\***

**萬科企業股份有限公司**

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

**(Stock Code: 2202)**

**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 (the “Articles of Association”) and other relevant regulations, in order to further establish and improve the appointment and removal, performance appraisal and remuneration management systems and optimize the corporate governance structure of the Company.

**Rule 2** The Committee is a specialized working body of the Board and is accountable to the Board. It shall perform its duties in accordance with the Articles of Association and as authorized by the Board, the proposals considered by the specialized working body shall be submitted to the Board for approval.

**Rule 3** The directors mentioned in the Rules refer to Board members elected at general meeting; senior management refer to the manager (i.e. the “president”), deputy manager (i.e. the “executive vice president”), secretary of the Board and finance principal and other personnel appointed by the Board and holds management position.

### **Chapter 2 Composition**

**Rule 4** The Committee consists of three directors, and two of them shall be independent directors.

**Rule 5** Members of the Committee shall be nominated by the chairman of the Board or more than half of the independent directors or one-third of the Board, and shall be elected by the Board.

**Rule 6** The Committee shall have a convener (the “Convener”) who shall be an independent director. The Convener of the Committee shall be responsible for chairing meetings. The Convener of the Committee shall be nominated by more than one-third of all members of the Committee and elected by a simple majority of the Committee.

In the event that the Convener is unable to or fails to perform his/her duties, an independent director elected by more than half of the members shall perform his/her duties.

**Rule 7** The term of office of the members of Committee 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 Committee. If the number of members of the Committee falls below statutory requirement, the Committee is required to elect new member in accordance with Rules 4 to 6.

**Rule 8** The Committee has a Remuneration and Nomination Committee working team (“Remuneration and Nomination Committee Working Team”), which acts as a daily operation unit, and is in charge of the day-to-day liaison and organization of meetings.

### **Chapter 3 Duties and Authorities**

**Rule 9** The Committee is responsible for formulating the criteria and procedures for the selection of directors and senior management, identifying, selecting and reviewing the candidates for directors and senior management and their qualifications, formulating the assessment criteria for directors and senior management and conducting the assessment, formulating and reviewing the remuneration policies and packages for directors and senior management, including the mechanism for determining the remuneration and the remuneration structure, the decision-making process and the arrangements for payment and stop-payment recourse, ensuring that no director or any of his/her associates is involved in deciding his/her own remuneration, and making recommendations to the Board in respect of the following matters:

- (1) the nomination or appointment or removal of directors, and the formulation of Board succession plans, in particular for the chairman and managers;
- (2) the appointment or dismissal of senior management;
- (3) to review at least annually the structure, size and composition (including the skills, knowledge and experience) of the Board in order to implement the Company’s strategy, to assist the Board in developing the Board skills matrix and to support the Company in regularly assessing the performance of the Board;
- (4) to assess the independence of independent directors;
- (5) the remuneration of directors and senior management (taking into account the remuneration paid by comparable companies, the time commitment and the duties involved, and the terms of employment of other positions within the Group, etc.);
- (6) the compensation payable for loss or termination of office or appointment, or dismissal or removal of directors or senior management;
- (7) the formulation or change of share incentive schemes and employee stock ownership plans, the granting of entitlements to participants in such schemes, and the satisfaction of conditions for the exercise of such entitlements;
- (8) the arrangement of stock ownership plans for directors and senior management in the event of a proposed spin-off of a subsidiary;

- (9) other matters as prescribed by laws, administrative regulations, securities regulatory authorities of the State Council, rules of stock exchanges and the Articles of Association, and as authorized by general meetings and the Board.

Where the Board does not adopt or does not fully adopt the recommendations of the Committee, it shall record the opinions of the Committee and the specific reasons for not adopting such recommendations in the resolution of the Board and disclose the same.

#### **Chapter 4 Rules of Procedure**

**Rule 10** The meeting of the Committee is convened by the Convener, and shall notify all members by written notice 3 business days in advance for the convening of meeting. Under special circumstances that require the Committee to make decision immediately, the convening of meeting shall not be subject to the requirements for the form of notice and notification period set out in the preceding paragraph for the sake of the Company's interests.

The meeting notice of the Committee may be delivered to all members and attendees by mail, fax, email or personal delivery.

**Rule 11** The meeting of the Committee shall be convened within 10 business days in any of the following circumstances:

- (1) the Convener considers necessary;
- (2) the Chairman of the Board so requests;
- (3) more than two members so request jointly.

**Rule 12** If, after the written notice of meeting of the Committee is served, it is necessary to change the time, venue, etc. of the meeting or add, change or cancel proposals, the date of meeting shall be postponed accordingly or remain unchanged if agreed by all attending members of the Committee.

**Rule 13** The meeting notice of the Committee shall at least include the following items:

- (1) method, time and venue of the meeting;
- (2) time limit of the meeting;
- (3) agenda items to be discussed in the meeting;
- (4) date of notice of the meeting.

**Rule 14** The meeting of the Committee shall only be convened with the presence of at least two members; each member will have one vote. Resolutions of a meeting shall be adopted by a simple majority of affirmative votes by all members.

**Rule 15** Any member who is not able to attend may assign another member to attend and vote on his/her behalf in writing. Where a member appoints another member to attend and vote on his/her behalf, the power of attorney shall be submitted. The power of attorney shall be submitted to the Chairman of the meeting no later than the voting of the meeting. The power of attorney shall set out the name of the appointee, the scope of authorization and validity of the time limit of the proxy.

A member absent from a meeting of the Committee without assigning a proxy shall be considered as forfeiting his/her voting rights.

**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 to preside over the meeting on his/ her behalf.

**Rule 17** Meetings of the Committee shall be held on site (including by way of video conference and teleconference, etc.). As long as the members can fully express their opinions, the meetings may be held by way of fax or email, etc., and resolutions passed shall be signed by attending members.

Where a meeting of the Committee is held by fax or email, etc., the number of attending members shall be counted according to the valid votes such as fax or email, etc., actually received before the close of the meeting date as contained in the meeting notice.

**Rule 18** Resolutions at the meeting shall be passed by a show of hands, poll, fax or email and other methods.

**Rule 19** Members of the Remuneration and Nomination Committee Working Team may attend meetings of the Committee. If necessary, directors and senior executives of the Company may also be invited to attend a meeting.

**Rule 20** 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 21** When the Committee discusses issues concerning personnel related to the Committee, such individual should refrain from participating in the discussion.

**Rule 22** The procedures for convening meetings, voting method and resolutions passed by the Committee shall be in compliance with the relevant law and regulations, the Articles of Association and provision of the Rules.

**Rule 23** 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 24** 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 25** All members present at a meeting are obliged to keep confidential all matters discussed at the meeting and shall not disclose or disseminate such information in any form without authorization or permission.

## Chapter 5 The Board Diversity Policy

**Rule 26** The nomination and appointment of the members of the Board shall take “Employ People Based on Their Abilities” as principle, and demands of daily business as benchmark, and consider the benefits of diversity of Board members.

**Rule 27** The Committee shall take the business model and specific requirements of the Company as major consideration, supported by a series of diversity dimensions as reference benchmark, including but not limited to gender, ethnicity, language, cultural background, educational background, industry experience and professional experience, when screening the candidates for the members of the Board.

**Rule 28** The Company shall endeavor to avoid a single gender Board.

**Rule 29** The Committee reports and discloses the composition of the Board in the level of diversity and monitor the implementation of this policy.

**Rule 30** The Committee assumes the responsibility for the review and amendment of the Board Diversity Policy and reports to the Board.

## Chapter 6 Supplementary Provisions

**Rule 31** The Rules shall come into effect since the date of approval by the Board.

**Rule 32** All references to “more than”, “within”, “below”, “at least” in the Rules shall be inclusive of the stated figure; all references to “over”, “not more than”, “other than” shall be exclusive of the stated figure.

**Rule 33** Any matters not specified in the Rules shall be implemented in accordance with relevant laws, regulations, relevant regulatory rules of the place where the securities are listed and the Articles of Association of the Company. Should any of the Rules be found in conflict with relevant laws or regulations or relevant regulatory rules of the place where the securities are listed issued on a later date or in conflict with the Articles of Association amended in a lawful procedure, the relevant laws, regulations or relevant regulatory rules of the place where the securities are listed and the Articles of Association shall prevail.

**Rule 34** The power of interpretation of the Rules shall be vested in the Board.