

**XINYUAN REAL ESTATE, CO., LTD.**

**COMPENSATION COMMITTEE CHARTER**

(as amended on Jan 20th, 2014)

The Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Xinyuan Real Estate Co., Ltd. (the “Company”) shall have the responsibility, authority and duties described in this charter (the “Charter”).

**Organization**

This Charter governs the activities of the Committee. The Committee shall be comprised of at least three directors, at least 50% of which shall be “independent” directors pursuant to the requirements of the New York Stock Exchange and applicable law and who constitute “outside directors” within the meaning of Internal Revenue Code Section 162(m). The initial members of the Committee shall be appointed by the Board and thereafter the Committee members shall be appointed annually by the Board upon the recommendation of the Nominating and Corporate Governance Committee. The Board shall designate one member as Chair of the Committee. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

**Purpose**

The Committee discharges the Board’s responsibilities relating to compensation of the Company’s executives and directors. The Committee approves the design of, assesses the effectiveness of, and administers executive compensation programs in support of stockholder interests. The Committee shall ensure that the Company’s compensation programs are designed to encourage high performance, promote accountability and assure that employee interests are aligned with the interests of the Company’s stockholders.

## **Meetings**

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's Memorandum and Articles of Association that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis at least two times per year and more frequently as the Chair deems necessary or desirable.

All non-management directors that are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, representatives of the independent auditor, the internal auditor, any other financial personnel employed or retained by the Company or any other person whose presence the Committee believes to be necessary or appropriate. Notwithstanding the foregoing, the senior management may not be present during voting or deliberations concerning his or her compensation, and the Committee may exclude from its meetings any persons it deems appropriate, including but not limited to, any non-management director that is not a member of the Committee.

## **Duties and Powers**

The Committee has the responsibility and authority to supervise and review the affairs of the Company as they relate to compensation and benefits. The following shall be the principal recurring functions of the Committee in carrying out its responsibilities:

1. Review the compensation philosophy of the Company at least annually.
2. Review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer on an annual basis, evaluate the annual performance of the Chief Executive Officer in light of those goals and objectives and determine the level of the Chief Executive Officer's Compensation based upon this evaluation. The Chief Executive Officer may not be present during such evaluation and deliberation. The Committee shall have sole authority to determine the Chief Executive Officer's compensation.
3. Determine, or recommend to the Board for determination, the annual base and incentive compensation of the Chief Financial Officer, the Chief Operating Officer, the Chief Administrative Officer and any other person who performs similar functions for the Company.

4. Make recommendations to the Board with respect to equity-based compensation plans and administer such plans.
5. Approve any issuance under, or any material amendment of, any tax qualified, non-discriminatory employee benefit plans or parallel nonqualified plans pursuant to which a director, officer, employee or consultant will acquire stock or options.
6. Approve any issuance under, or any material amendment of, any stock option or other similar plan pursuant to which a person not previously an employee or director of the Company, as an inducement material to the individual's entering into employment with the Company, will acquire stock or options.
7. In consultation with management, oversee regulatory compliance with respect to compensation matters, including overseeing the Company's policies on structuring compensation programs to preserve tax deductibility, and, as and when required, establishing performance goals and certifying that performance goals have been attained for purposes of Section 162(m) of the Internal Revenue Code.
8. Determine compensation policies and practice and approve any compensation, including issuance of stock-based awards, to non-employee directors.
9. Establish, or recommend to the Board for its consideration, any Company guidelines or requirements for ownership of securities of the Company by directors and executive officers.
10. Review, approve or make recommendations on executive employment agreements or any severance or similar termination payments proposed to be made to any current or former executive officer of the Company.
11. Review and discuss with the Company its disclosures in its Annual Report on Form 20-F relating to compensation matters.
12. Review periodically the need for a Company policy regarding compensation paid to the Company's executive officers in excess of limits deductible under Section 162(m) of the Internal Revenue Code, to the extent applicable to the Company and its executive officers.
13. Determine the Company's policy with respect to change of control or "parachute" payments.

14. Maintain minutes or other records of meetings and activities of the Committee.
15. Report the Committee's activities to the Board on a regular basis (in no event less frequently than once a year) and make such recommendations with respect to such activities as the Committee or the Board may deem necessary or appropriate.
16. Review the Committee's performance of all of its duties on at least an annual basis and provide any written material with respect to such evaluation to the Board, including any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.
17. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to the Company's compensation programs.

### **Resources and Authority**

The Committee shall have such resources and authority as are appropriate to discharge its responsibilities, including the authority to select, retain, terminate and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. The Committee shall have the sole authority to select, retain and terminate any compensation consultant or expert hired to assist in the evaluation of Chief Executive Officer, executive or senior officer or director compensation.

### **Delegation to Subcommittee**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee consisting of one or more members. In particular, the Committee may delegate the approval of certain transactions to a subcommittee consisting solely of members of the Committee who are "outside directors" for the purposes of Section 162(m) of the Internal Revenue Code.

### **Annual Review**

The Committee shall review, on at least an annual basis, this Charter and the scope of the responsibilities of this Committee. Any proposed changes, where indicated, shall be referred to the Board for appropriate action.

### **Operating Procedures**

Formal actions to be taken by the Committee shall be by unanimous written consent or by a majority of the persons present (in person or by conference telephone) at

a meeting at which a quorum is present. A quorum shall consist of at least majority of the members of the Committee.