

**2015**  
**Noah Holdings Ltd.**  
**Sustainability Report**



## Editorial Policy

Since its establishment, Noah Holdings Limited (hereinafter referred to as "Noah") has provided comprehensive private wealth management services tailored to clients' needs. By virtue of its humanistic approach, long-term strategy, strict ethical standards, strong risk management and comprehensive portfolio of services, Noah has consistently created value for its high-net-worth clients. Our company works from a socially responsible philosophy and continuously makes contributions to society through a variety of management practices. This is the second edition of Noah's Sustainability Report. Noah has hopes that its initiatives and the release of annual sustainability reports will enable stakeholders to gain a greater understanding of Noah's endeavors towards fulfilling its Corporate Social Responsibility (CSR) whilst creating economically, environmentally and socially sustainable value. Meanwhile, Noah hopes to encourage more enterprises to communicate with the public and collaboratively creating a better environment.

## Scope and Boundaries of the Report

This report discloses Noah's management concepts in 2015 (from January 1 to December 31, 2015) on economic, social and environmental aspects, as well as its performance and achievements concerning these key issues. The contents and performance data in this report cover information from Noah's head office. Our company intends to progressively expand the scope of data coverage to include our subsidiaries to provide a more comprehensive disclosure. Also, in order to show project results and trends of related indicators, some performance data covers the 2013-2014 period to present a fuller and more accurate picture of Noah's concrete actions and progress in CSR.

The next Noah Sustainability Report will be issued in July 2017.

## References

This report is prepared in accordance with GRI G4 Core Option and Standard AA1000 (2008) and complies with Moderate Assurance Type I in AA1000.

We will issue a Sustainability Report around the same time each year. The report is published in both Simplified Chinese and English. An electronic version is available on our website.



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## Message from the Chairwoman



Chairwoman  
Board of Directors

This is the second “Enterprise Sustainable Development Report” published by Noah. 2015 has been a special year for Noah. To get to where we are today, with our glory and our dreams, we have enjoyed a joyous journey with more than 99,000 clients, collaborated with hundreds of partners and pulled together over two thousand staff-members.

Through it all, we are clear that every coin has two sides. On the one hand, China’s economy has been growing rapidly and continuously for ten years. The economic gross and household incomes have been significantly increasing. The high net worth individuals in China are growing by leaps and bounds and China now has amongst the world’s largest quantity of high net worth individuals, second only to the United States. China high-end wealth management industry will usher in its golden age in scope and customers’ demand. On the other hand, we are also more keenly aware of the challenges to enterprises inevitably brought by about the changing environment and see the negative impact on this industry and society struck by the fickleness, greed and rash actions. Even worse, the further far-reaching influences will be the food security crisis, aggravating air pollution, water resource shortage, land pollution and marginalization of the weak etc. All of these issues are really about everyone’s life and enterprise’s survival.

To keep a sense of these tribulations, Noah announced its first “Sustainable Development Report” in 2015, on the eve of the fifth anniversary of its public listing. Meanwhile, it is also the first “Sustainable Development Report” officially issued by Noah as the first independent wealth management organization in China to be listed on the New York Stock Exchange. For Noah, it is just a new beginning. It is the testimony that we run in sustainable management, the commitment that we promise to achieve sustainable investment with clients and the persistence that we put this into action step by step.

If 2014 was a year for self-examination and action, 2015 is the year that we struggled to expand our influence:

- Upgrade professional skills, enhance corporate governance and strengthen team building. We are firmly committed to investment education, holding the “Pioneer” series professional forums and starting the forum of “Investment Afternoon Tea”; bring in the experienced senior executives for cultivating the core team in next decade; caring about our employees’ spiritual and mental growth through a series of social and spiritual activities.
- Issue the “Noah Complaint Reporting System” and related management systems including internal audit and code of ethics; we actively participate in the application, preparation and operation of industry associations and strengthen the self-discipline of enterprises and industry with concrete actions.
- Promote a series of social marketing campaigns. Our company’s “We Media” platform and our workers have gained rapid development and we will increase interactions with stakeholders in the constantly changing Internet era.
- Expand cooperation with the Society of Entrepreneurs and Ecology (SEE). We will continue to promote the plan of “100 Billion Black Saxaul Trees” with our clients. Meanwhile, we also keep our sights firmly fixed on the more typical “Three River Sources Project” following in the footsteps of SEE for protecting and cleaning the fountainhead.
- Noah public welfare foundation will pay close attention to the spiritual growth, environmental protection and supporting the less fortunate. Some activities and courses are extended from clients to other social elite, such as starting the “Star Harbor Infantile Autism Project”.
- The education creators who upgrade Noah’s education into “Create Values and Gratitude by Learning” have opened domestic arrangements based on classical overseas courses such as an innovative journey to Israel, Yale University’s asset allocation seminars and Warren Buffett’s general meeting of stockholders. We gather superior resources on financial investment from all over the world, correspond with prominent academics and economists on cutting-edge information and emphasize the last career in your life investment.

Noah’s: “Be a sustainable development company, create the most famous and respectable brand in China to stimulate and nurse the humanistic spirit, help to manage the wealth of the high net worth individuals or families who are rich but willing to care for others with full of sense of social responsibility and to achieve noble, wealthy and happy life goals with clients, employees and shareholders.” We know that Rome was not built in a day. We need persistent efforts to keep faith. We have achieved a great deal in 2015 and we have already started our actions in 2016. We deeply understand that only by radically reforming can truly make each enterprise a sustainable operation and we hope to call upon more and more other organizations, high net worth individuals and other social elites to join us in this quest.

# | About Noah |

## The First Independent Wealth Management Firm in China

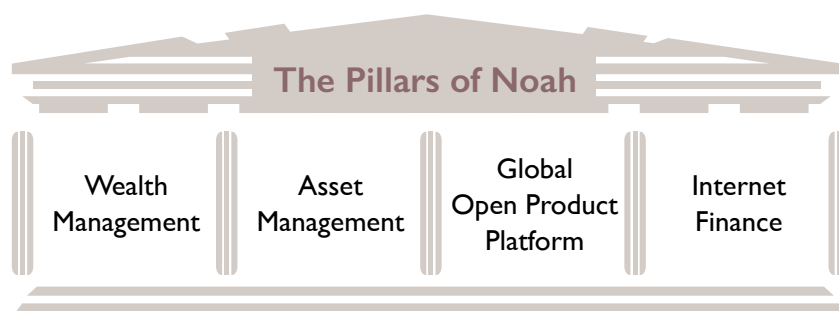
As an independent wealth management organization, we are not affiliated with any financial group and are free of any conflicts of interest. Operating from a truly independent and objective perspective, we offer our clients wealth management products from the entire financial market. We also provide wealth management solutions and asset portfolios that are tailored to whatever stage of life that our clients are in.



**We served more customers and customer volume increased by 40%**

**We managed more assets, increasing our wealth management scale by 55%**

**Forbes (Chinese edition) awarded us amongst  
the 2015 Top 12 listed companies in China with the most potential**



Founded in 2003, Noah is an independent pioneer and leader in China's wealth management industry. As a next-generation comprehensive financial service provider, we are a wealth management organization known for our strong asset management capabilities and our leadership in independent wealth management. Our mission is to safeguard your wealth and happiness.

Noah was listed on the New York Stock Exchange (NYSE: NOAH) on November 10, 2010 as the first and only independent China-based wealth management organization listed on NYSE.

Noah Holdings has emerged as an open platform for asset management and wealth management products from all over the world and is the main channel for a variety of businesses in internet finance. With branches established in 135 cities including Shanghai, Beijing, Guangzhou, Wenzhou and Hangzhou, Noah provides a full-range of financial services including wealth management, offshore asset allocation, high-end returns and investment education for more than 90,000 high-net-worth clients. Noah helps its clients to realize stable and secure growth for their assets.



**67**  
cities



**135**  
branch offices



**1,098** dedicated  
relationship manager



**279** billion  
assets under management



**99,019** registered  
high-net-worth clients

# Gratiously celebrated the 5<sup>th</sup> anniversary of our public listing

2015 is the 12th anniversary of Noah's founding, the 10th anniversary of our independence and the 5th anniversary of our listing on the market. We have planned a series of events with the theme of "Meanings of Yuan" to commemorate this special year and show our gratitude toward our customers who have been supporting and trusting us ever since.

Note: Yuan has many homophones in Chinese.

## Event series 1: Releasing the first "sustainability report"

Noah organized the press conference on the "Noah sustainability report" and the collaboration with the "Origin" charity as the premiere of event series. It marked Noah's making an important step in sustainable development; this is also the first sustainable development report issued by a domestic wealth management institution.

Ms. Frances Chang, the founding investor of Noah and Mr. Binghan Cai, the COO of Noah were the emcees of the press conference. Many Noah partners were invited, such as Mr. Wang Liming, the head secretary of the SEE Foundation, Mr. Chien Xiaohua, the supervisor of the SEE Foundation, Mr. Mark Han Jia-Hwan, the CEO and chairperson of DaChan Food (Asia) Limited in Taiwan, Mr. Liu Lei, the vice chairperson of the Sandhill Group and Mr. Shen Peiling, the chairperson of Somerley Investment Consulting (Shanghai) Limited. These corporate customers were quite passionate about their charitable activities.

Noah again showed its determination for sustainable business during the press conference. Through continued interaction with customers in the future, Noah will promote the concept of sustainable investment in order to realize a richer, happier and nobler lifestyle with our stakeholders.



## Event series 2: Flurorun of hundreds runners

On October 24, 2015, Noah organized the Flurorun of 100 runners with Noah employees and their families in 17 cities. We provided different environmentally friendly flurolight tools and paints for the event and decorated the entire running route. We hope to deliver the life philosophy of a healthy, low carbon, green, environmentally friendly and fashionable environment to the public, showing them that the basis for wealth is about having a healthy body and mind.



## Event series 3:

### Life is a circle- Noah visual diary photography exhibition

The "Circle" is everywhere in our lives. It represents life's experiences and trials, and the expectations in making your dreams come true. We collaborated with a famous artist currently residing in Germany, Ms Wang XiaoHui to release the online photography exhibition, "My visual diary at Noah." The theme is based on "life is a circle" to display Noah employees' observations and realizations on life. Noah hopes that people will be able to see the beauty of a circle through this grand visual showcase.

Since the exhibition was open for submissions, Noah employees have submitted over 200 splendid photographic works. Ms. Wang will choose the best three entries at the end; showing different degrees of interpretations on the perfections in life through these three different photos about circles.



"To us, the press conference today is simply a new beginning. From today onwards, we will continue to realize sustainable business operations and collaborate with our customers in sustainable investments. Also, we hope to attract more and more organizations and high net-worth individuals to join us."

——*Founding Partner  
Chairwoman of the Board and CEO Wang Jingbo*

#### Event series<sup>4</sup>: Noah's fifth anniversary celebration banquet

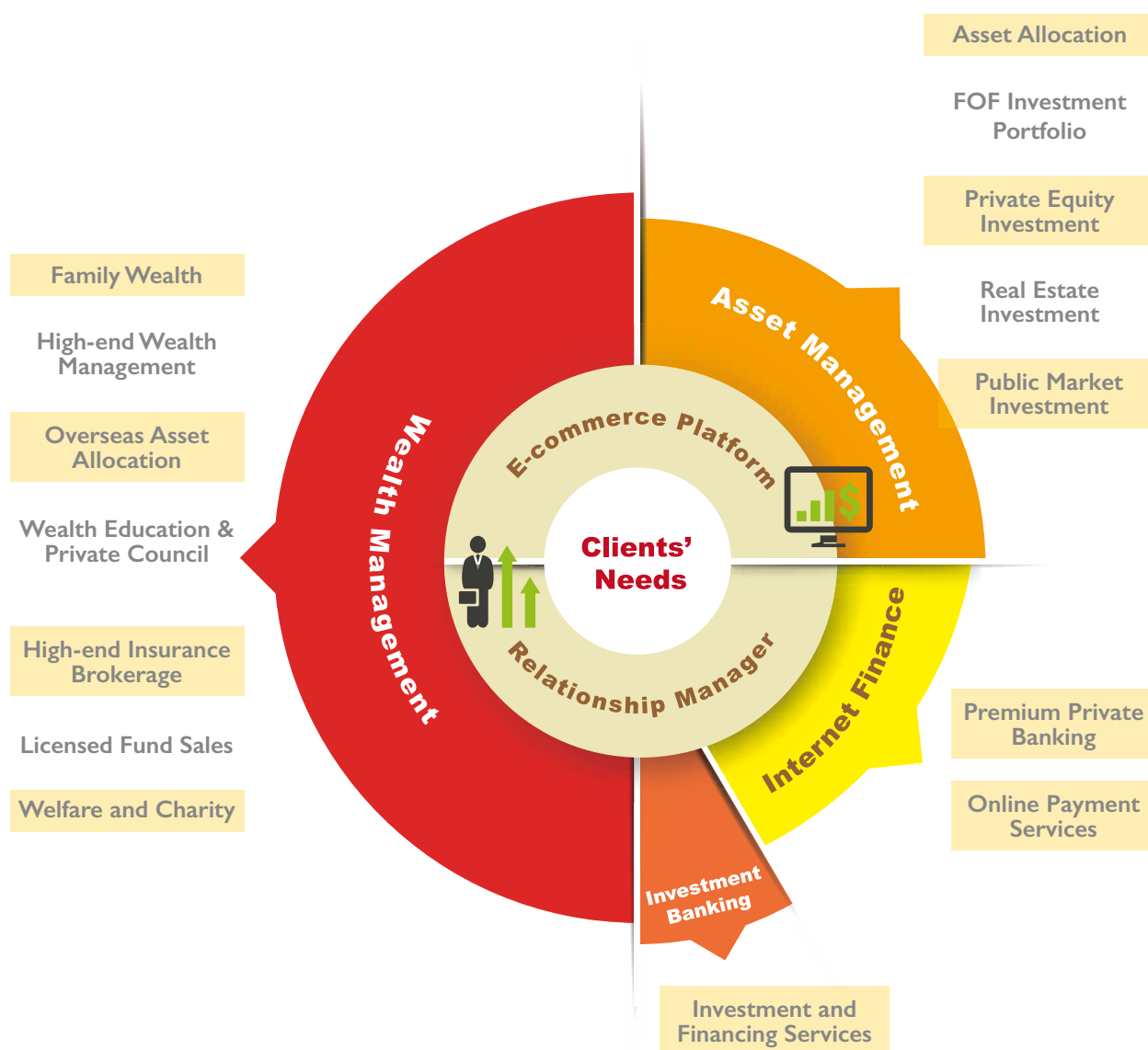
Noah's fifth anniversary celebration banquet was held on January 1st, 2015 so as to express our heartfelt gratitude and sincerest thanks to all who have supported our journey to prosperity thus far. It is because of the supports from all over — our clients, friends, partners, and family who have given us their infinite trust and encouragement time and time again — that we have been able to continuously move forward.

To celebrate, Noah invited around 400 guests to our headquarters in Shanghai. Among those invited are the earliest and most valued clients of our nine branches, which are established throughout the nation in five cities. Also on our guest list were the supplying partners of the leading financial institutions of China and the world over. We at Noah used this occasion to share with everyone our joy and conveyed our most profound gratitude



# Group Structure

Noah is a diversified financial service group dedicated to providing high-end wealth management products. Noah offers global and comprehensive portfolio management to high-net-worth individuals in China via the following subsidiaries: Gopher Asset, Noah Upright, Noah Holdings (Hong Kong) Limited, Noah Rongyao, Noah Ejet, and Noah Gold Way. Gopher Asset is designed for PE FOF, real estate fund and family estate planning. Noah Upright offers basic wealth management products. Noah Holdings (Hong Kong) Limited provides overseas wealth management products, while Noah Rongyao focuses on high-end insurance brokerage. Internet finance is run through Noah Ejet and Noah Gold Way, to offer the short-term financing and private banking services (e.g. CaiFuPai).



Comprehensive Wealth Management Services Based on Clients' Needs



**Gopher Asset**, founded in March 2010, is a wholly-owned subsidiary of Noah Group and a versatile asset management leader in China. Gopher Asset has posted rapid growth, primarily based on FOF products and services. Due to its continuous innovation, the volume of assets under its management has expanded rapidly, and the company is a leader in every asset category in the industry.

**Noah Holdings (Hong Kong) Limited**, as Noah Group's overseas wholly-owned subsidiary, was granted by the Securities and Futures Commission (SFC) Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses on January 4, 2012. It serves as a design and selection platform of overseas financial products.

**Noah Upright** is the first fund sales company with an independent fund sales license. Positioned as a private bank in the field of public funds, Upright has the advantages of private asset management services based on its proprietary 5D Model. The company carefully selects optimum public funds for investment, offers sophisticated recommendations, allocation advice, and dynamic combination suggestions for its clients.

**Noah Rongyao** is a nationwide insurance brokerage company which in 2008 was given permission to run. Adhering to its pledges of being Independent, Objective, and Reliable, it offers customized and comprehensive insurance protection plans for Noah Group's high-net-worth clients including personal and property insurance and offers consulting services for risk control.

**Noah Insurance (Hong Kong)**, as Noah Group's overseas wholly-owned subsidiary, is designed to meet the needs of clients by offering diversified wealth management plans, estate transfer planning, personal guarantees and other insurance programs. It has a management team with over 20 years' experience in insurance services and a variety of professional qualifications, such as FSA, CFA, CFP, etc.

**ARK Trust (Hong Kong) Limited**, founded in October 2014, is an overseas wholly-owned subsidiary of Noah Group and a public trust firm. It is also the only Chinese family trust firm registered overseas. It is designed to offer comprehensive global asset allocation services to its domestic high-net-worth clients.



**Noah Ejet Finance Technology**, as a subsidiary of Noah, offers comprehensive Internet finance services. It is dedicated to providing high-quality comprehensive financial services for China's professionals and Noah members. Ejet's Internet services improve the efficiency, equality, and inclusiveness of the financial ecosystem in China.

**Noah Gold Way**, as a wholly-owned subsidiary of Noah Group, was incorporated in the Shanghai Free Trade Zone in March 2014. It is designed to provide safe, flexible and convenient comprehensive payment solutions for the Group's clients, enterprises, public institutions and individuals, as well as accurate data mining, multilevel and all-round membership (credit) management system services.

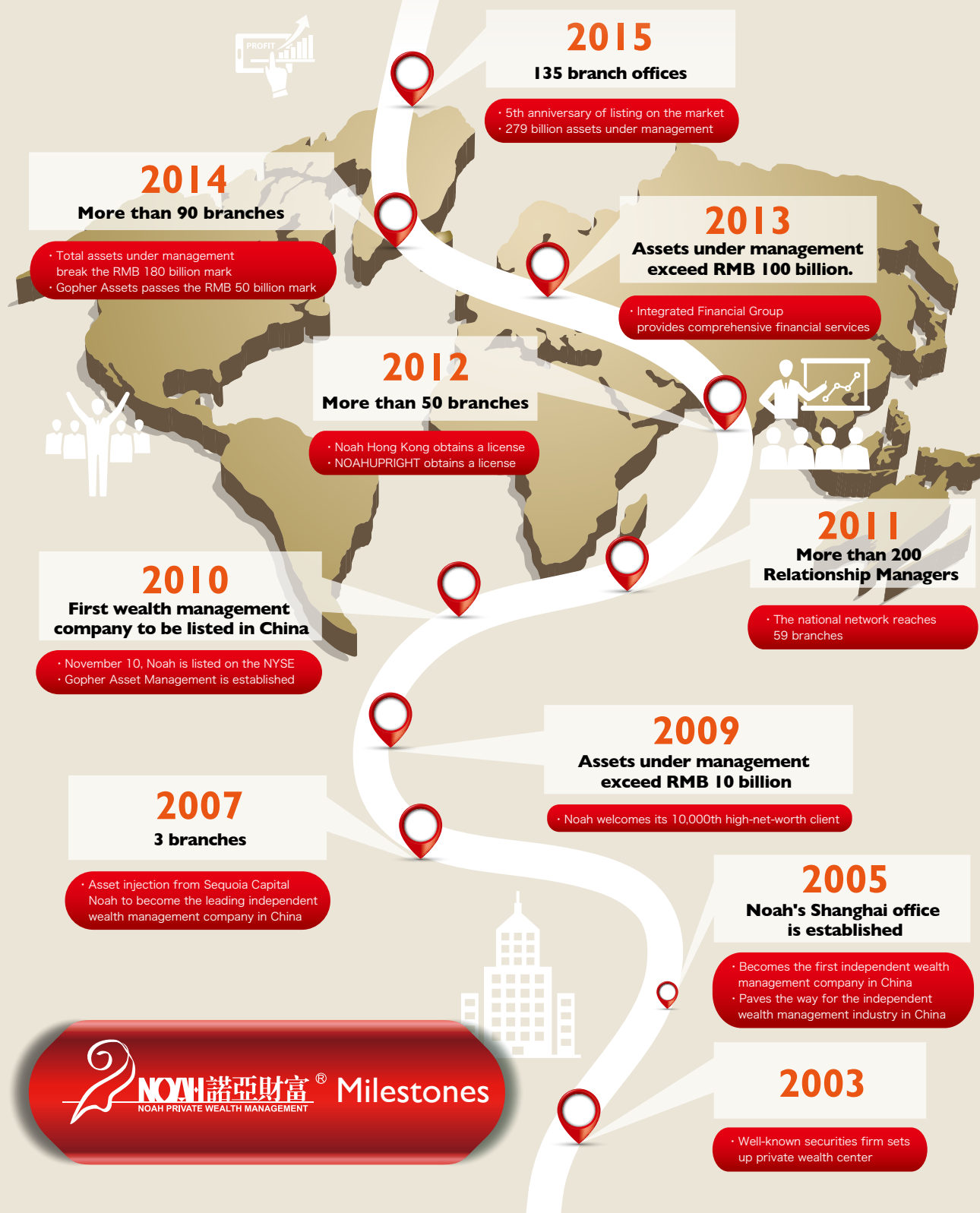
**Noah Family Office Center**, as an elite team for super-high-net-worth family clients, specializes in fully-delegated investment services, integrates group resources and offers all-round family office services, including asset allocation, advisory, consulting and value-adding services, wealth protection and wealth growth services, to enable families to pass on their wealth.

**Enoch Education**, was established with Noah Group's concepts of "Customer Service , Employee Improvement and Contribution to Society". Enoch Education's core course segments consist of the world's most valuable business education programs, the most prestigious healthcare programs, and spiritual growth and inspirational programs.

**Shanghai Noah Charity Foundation**, is a local private foundation initiated by Noah in 2014. Its mission may be summed up as: cultivate gratitude, practice kindness, live a rich and compassionate life, and assume corporate social responsibility (CSR). Its key focus areas are: spiritual growth, environmental protection, civic education and support to disadvantaged groups.

# Vision

Our vision is to become a great company, a renowned and respected brand in China, inspiring and nurturing a spirit of humanity, managing wealth for Chinese and global high-net-worth individuals and families and organizations with a sense of civic responsibility, and working closely with our clients, employees, and shareholders to realize the dream of an ethical, affluent, and fulfilling life.



# Corporate Culture

Life is like a tree; everyone must undergo the process of growth like a tree does. Even though we start as a lowly seed, as long as we have soil and though we may struggle to grow, we one day will become towering trees which can offer shade to passersby.

In order to grow from a seed into a towering tree, we must have high aspirations, a clear goal and be strong willed. Whilst growing, we will face fierce storms and baptisms of drought and we will accept these challenges from nature in order to learn and grow from these hardships.

In order to grow upwards as a tree does, we must go through the daunting process of growing downwards. This maturation will be solitary and difficult and the deep roots we grow will be invisible to the world, but these roots are paramount to ensuring that we stand longer and grow more steadily.

## Noah's Founders

**Wang Jingbo**

Founding Partner  
Chairwoman of the Board and CEO



**Yin Zhe**

Founding Partner  
CEO of Gopher Asset



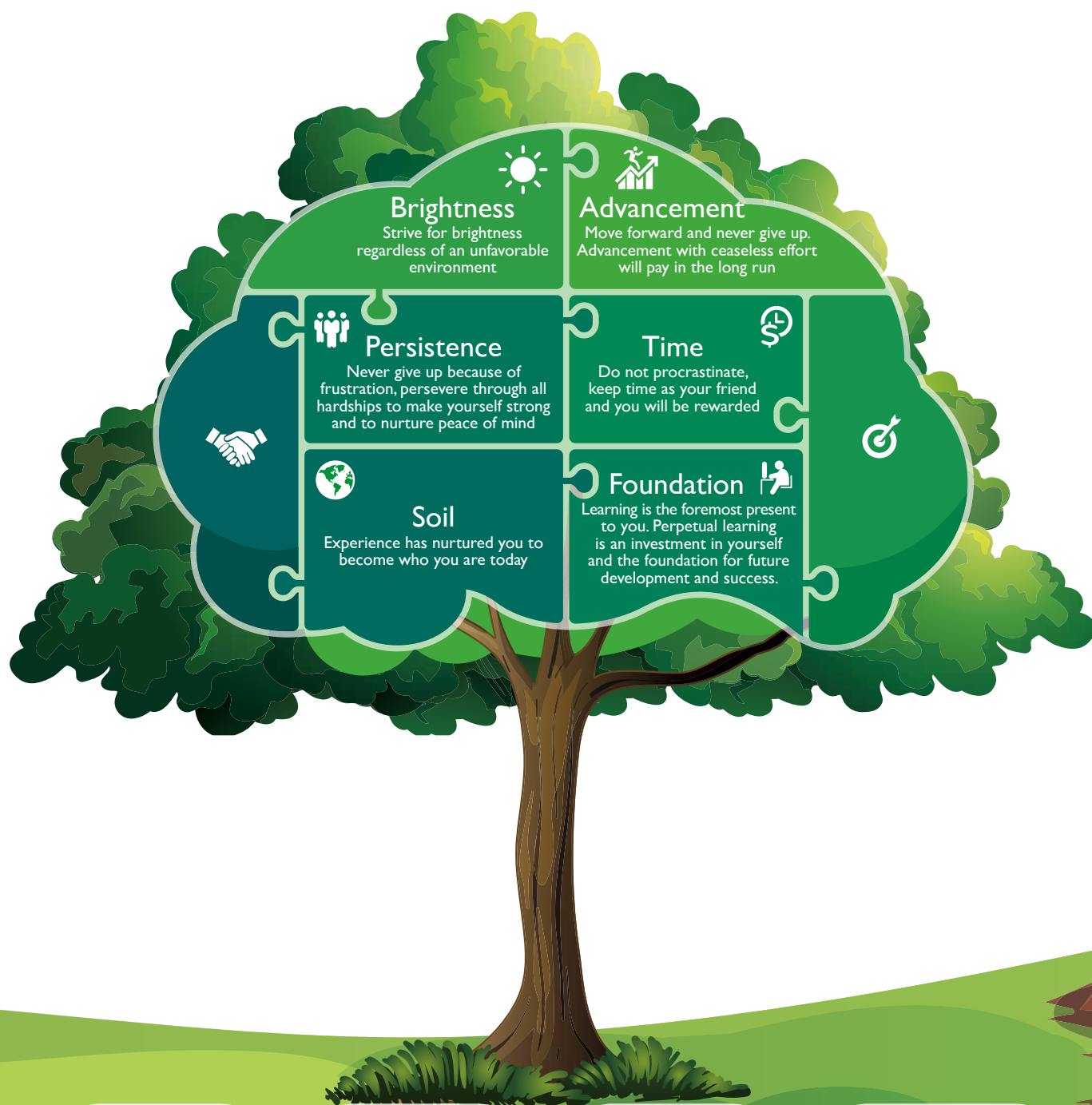
**Wei Yan**

Founding Partner  
Deputy General Manager  
for the Shanghai Region



**Zhang Xinjun**

Founding Partner  
Wuxi Branch General Manager



#### Clients

- Client's interest first.
- Dedicated service.
- Compliant with the law, without any exception.
- Build a durable relationship of trust.
- Their needs and feedback drive the innovation of Noah.



#### Employees

- Carefully listen to our relationship managers.
- Care for one another, and pay it forward.
- Build and foster a culture of innovation.
- Focus on core values.
- Recognize and encourage good work.



#### Partners

- Always be professional.
- Cooperate for lasting win-win situations.
- Work with partners that share our values.
- Be professional and dedicated.
- Client's interest comes first.



#### Shareholders

- Ensure long-term, stable returns.
- Build a good governance structure.
- Return value to those who give us value.
- Don't go for quick gains.
- Create value for society.

# Corporate Values

Over time, Noah has identified and developed five core values: integrity, care, innovation, professionalism, learning and maturity. These values act as the lighthouse that shines on every employee's heart and guides our actions at work.

**INTEGRITY** Practicing integrity will allow us to reach greater heights in life.

**CARE** We believe that "Customer Care" consists of dedication, concentration, and sophistication.

**INNOVATION** Innovation requires knowledge, but also the acceptance of failure as part of progress, dedication to the client's interest, and keen insight. At Noah, we are proud of this spirit of innovation.

**PROFESSIONALISM** In today's market, the division of labor is becoming ever more refined, and changes come faster than ever before. Professionalism is the only way to be stable in such a volatile environment.

**LEARNING & MATURITY** Wealth in life is not just about money. It is about freedom, fulfillment, and happiness. Therefore at Noah we stay humble, we welcome change, and we never stop learning.

## August 26 is the annual Values Day for Noah

Noah greatly prioritizes corporate values. August 26 is designated as the annual Values Day for Noah. On this day, every Noah employee is invited to complete a series of missions and activities surrounding corporate values instead of working. This will allow Noah's employees to increase their acknowledgment and understanding of our corporate values.

The theme for 2015 event is "togetherness". Noah wants to deliver the message of "Starting with love, then come choices and finally belief" and runs a 2-month long event for "Noah Thank You Coins". In this event, every employee will receive 3 Noah thank you coins to give to colleagues of his/her choice to express their gratitude. Every three coins collected can be redeemed for one cup of coffee. Every department has a "thank you" wall that allows to stick the Noah thank you coins to and show our mutual gratitude.



## Teamwork is the source of sustainable development for Noah

As the organization grows, team cultures develop under our core values, gradually becoming the important strength at Noah. We deeply believe that a positive teamwork culture is also an important trigger in sustainable development; Noah can only keep on moving forward when each team knows its position.



I asked everyone in the team to write down “Three Negatives & Three Positives: not complaining, not comparing, no excuses; owns responsibility, be grateful, work toward target”. Writing them down, these will work as a constant reminder. For me, I cannot complain regardless of the degree of suffering. This is our departmental culture.

——*Corporate Information Center, Zhao Yi*



Where is customer experience? Every transaction tells a story to us. What did you learn? I do not mind that work is not done perfectly, but more important is that people must learn and grow! When the focus on “people” is more than “work”, growth will happen naturally.

——*Corporate Branding Market Center, Frances Chang*



Since the products are being updated rapidly and the launching at a fast pace, the greatest issue sales team faces is patience. The sales team needs to find a balance between seemingly never-ending repetitive tasks and innovations of superior quality. You have to work harder than the rest of others to be in front of them. The first challenge in this industry is about speed.

——*Jiangsu sales team, Wan Lei*



Before I came to Noah, I had no oversea business experience. Nobody knows what it is like in the overseas market. There were no standard answers for many questions and those answers needed to be created and adjusted. Chasing the dream itself was a process of continuous trial and error and clearing stages. As long as there is a possibility, we will do it. The dream is never just about having a dream, it is about the possibility of making it come true.

——*Noah Holdings (Hong Kong) Limited, Zhuang ShanYuan*



”Seeking the truth” is believing in the truth. Sometimes, we discover that the work is not done perfectly because you did not do it completely. You think the work is done with an easy and light attempt, then you will enter into the stage of waiting for the results to automatically happen. But at Ejet, we emphasize a closed loop, we are seeking the ending for everything. This is not just an attitude, it is the soul of the Ejet team.

——*Noah Ejet, Huang Junpeng*

# Achievements in 2015

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|  |   |
|--|---|
| 21 Century Business Herald                         | Best Integrated Wealth Management Company   |
| Securities Times                                   | Best Third Party Wealth Management Company in China   |
| Money Journal                                      | Most Popular Wealth Management Company for investors  |
| Forbes (Chinese edition)                           | One of the Top 12 listed companies in China with the most potential                                 |
| Hurun Report                                       | Most popular independent Wealth Management Company  |
| International Finance News                         | Most Trustworthy Wealth Management Company  |
| Fortune  | One of the Top 5 of 1000 USA companies with stocks increases  |
| China Venture Capital & Private Equity Association | Best third party Wealth Management Company  |
| The Economic Observer                              | Most Trustworthy Wealth Management Company  |
| Chinese Business News                              | Top 10 Wealth Management Company in China   |
| China Family Business Review                       | Best Wealth Management Company  |
| Fortune Today                                      | Best Independent Wealth Management Company in China   |
| National Business Daily                            | Annual top integrated Wealth Management Company   |
| Society of Entrepreneurs & Ecology                 | The annual contributor award of The Society of Entrepreneurs & Ecology SEE in Eastern China project |
| Money Journal                                      | National Wealth management institution annual award   |
| Milestone Management                               | Best partnering institution   |
| Animals Asia Foundation                            | Best brand with card award  |
| YANGPU Investment promotion office                 | Economic contribution award for YANGPU region   |

## —— Wang Jingbo ——

|  |  |
|--|--|
| China Entrepreneur   | Business Person of the Year Mulan by China Entrepreneur magazine |
| uTan.com   | Outstanding contribution for 10 years for females                |
| Fortune Today  | Independent wealth leaders in China                              |
| Shanghai Communist committee office, Shanghai municipal human resources and social security bureau | Leaders in Shanghai  |

一个阶层的生意与生活

**中国企业家**  
CHINA ENTREPRENEUR



**胡润百富**  
HURUN REPORT

**21世纪经济报道**  
21<sup>st</sup> CENTURY BUSINESS HERALD



**NBD** 每日经济新闻  
NATIONAL BUSINESS DAILY

**Forbes**

**国际金融报**  
INTERNATIONAL FINANCE NEWS

**第一财经**

**家族企业** 杂志  
CHINA FAMILY BUSINESS REVIEW

理性·建设性  
**经济观察报**  
The Economic Observer

About Noah

2015 Noah (China) Holdings Ltd.  
Sustainability Report



# | Sustainable Governance |



**We have created more values for shareholders, revenue has increased by 38.7%**

**We have added a family office business and added 3 international asset management institutions as collaborators**

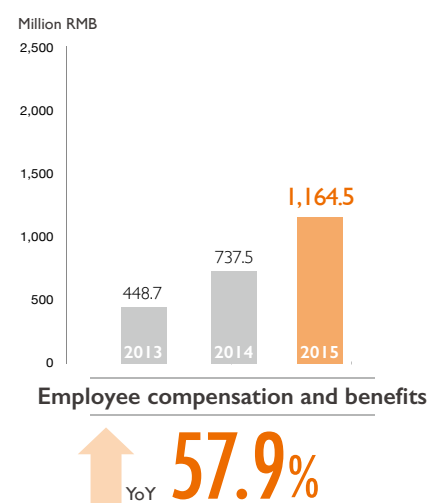
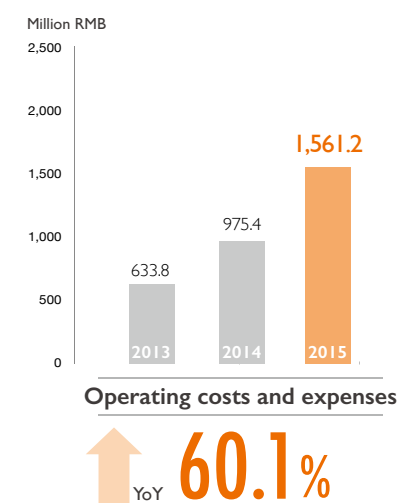
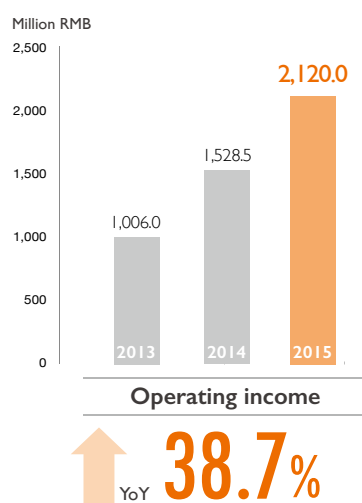
**We stood by the highest ethical standards and there were NO legal violations for unethical behavior**

## Financial Performance at a Glance

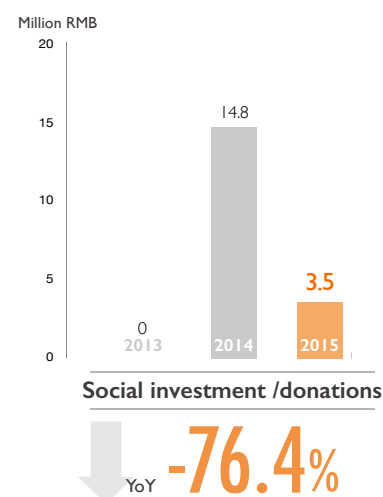
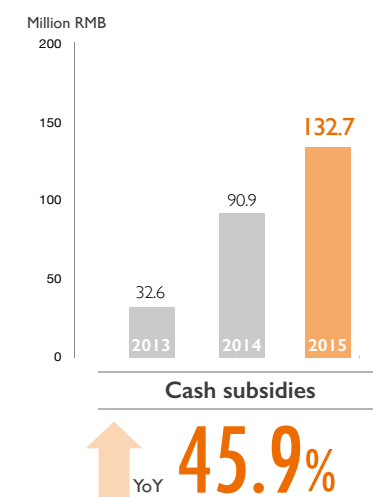
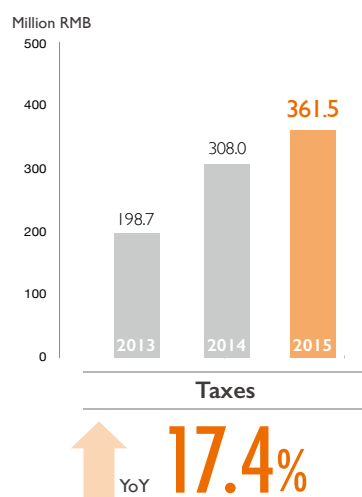
According to the BCG The Global Wealth Report 2015: in 2014, the Asia Pacific (excluding Japan) surpassed Europe (including Eastern and Western Europe), becoming the second richest region in the world with total values of private wealth reaching 4.7 Billion USD and is estimated to account for 1/3 of the total private wealth values in the world by 2019. The U.S is first in the world, with 7 Million families with assets worth millions of USD. China is in second place with 4 million families and Japan places third with 1 million families.

Other information also showed that wealth management is becoming a necessity for the Chinese people. Chinese HNWI's intend to invest in savings, stocks, bonds, trust funds, wealth management products, life insurance etc. Wealth management organizations such as trust fund companies or private banks will profit from management fees and commission charges. The income of wealth management organizations is expected to exceed RMB 500 billion in 2020.

In this quickly growing and rapidly changing industry, Noah expects that its forward-looking and sophisticated strategies and practices will be able to continue to deliver high value growth to its stakeholders.



Note: including financial assistance from Government





# Corporate Governance

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Noah's most precious asset is the trust that our clients place in us and that foundation of trust forms our corporate culture of integrity. Noah is built upon prudent governance, comprehensive integrity practices, and continuous training. Benefiting from these core processes, Noah can adopt a client's perspective and responsibly provide products and services with a sense of social responsibility. Noah will continue to pursue sustainable growth and endure as the leading independent wealth management firm in China.

## **Corporate Governance Based on Transparent Compliance**

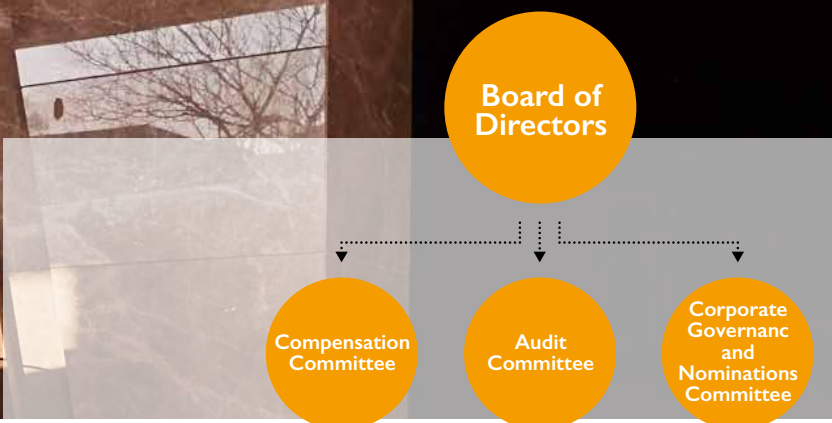
Noah's board of directors currently has nine directors, four of whom are independent and three of whom are female. Independent directors make up nearly half of the board which fosters effective monitoring of the board, and the impartment of objective and professional advice to the company. In 2015, the Board of Directors convened four times, and held one investor conference, where directors and stakeholders had in-depth discussions that increased Noah's Year-on-Year operating performance by 38.7%.

Noah is listed on the NYSE, therefore we strictly abide by the regulations set by the US Securities and Exchange Commission (SEC) to enhance the transparency and efficiency of Board of Directors. All Board members were elected and appointed by the Corporate Governance and Nominating Committee and they all have backgrounds and expertise in the financial industry. (details may refer to Noah's 2015 Form 20-F)

In addition, all transactions of board members are disclosed in the Annual Report. Each year, board members are required to fill in a questionnaire to inform the public of which other positions our board members hold, to establish norms of conflicts of interest to be avoided, and to protect the rights and interests of shareholders and stakeholders.

## **Board Structure and Function**

Noah has a complete management structure: the Board has a Compensation Committee, Audit Committee, and Corporate Governance and Nominating Committee, where the Audit and Compensation Committee both are chaired by independent directors. Members' positions are described as shown on P.23.



### Composition of Board of Directors

|              | Male     | Female   |
|--------------|----------|----------|
|              | <b>6</b> | <b>3</b> |
| 30-50 years  | 3        | 2        |
| 50 and older | 3        | 1        |

|                    |  |  |  |
|--------------------|--|--|--|
| Ms. Jingbo Wang    |  |  |  |
| Mr. Zhe Yin        |  |  |  |
| Mr. Boquan He      |  |  |  |
| Ms. Chia-Yue Chang |  |  |  |
| Mr. Steve Yue Ji   |  |  |  |
| Ms. May Yihong Wu  |  |  |  |
| Mr. Shuang Chen    |  |  |  |
| Mr. Jinbo Yao      |  |  |  |
| Mr. Zhi Wu Chen    |  |  |  |

\*Members of board of directors: [http://ir.noahwm.com/Corporate\\_Profile/Board\\_of\\_Directors](http://ir.noahwm.com/Corporate_Profile/Board_of_Directors)

### Disclosure Channels

In compliance with SEC guidelines, Noah publishes annual reports detailing the company's major information over the past year and assessments of future risk, financial forecasts, etc. In addition, we regularly communicate the latest information, product news, and research reports to our stakeholders through our website.

In addition to practicing information transparency and rigorous corporate governance, we also attach great importance to the ethical conduct of our business executives; they must perform their duties to the fullest, including the fair treatment of all shareholders. The group's interest will not be allowed to suffer in order to serve the interests of a single person or specific group.

### A Corporate Culture of Integrity

Integrity is the bedrock of the financial services. Therefore, we have developed a Compliance Manual, which our employees are expected to internalize and follow at all times. The manual describes our compliance management system, our anti-bribery standards, as well as our regulations on dealing with illicit conduct.

To save paper and protect the environment, the Manual became an online document and posted on the intranet 'Noah Garden'. A mandatory study feature means that every employee must study the manual once a year, and take a test. There is additional reinforcement and testing on anti-bribery conduct. In 2015, Noah was not found to have been involved in any cases of corruption or bribery either investigated internally or by the authorities.

# Risk Management

The financial industry can only develop in a sustainable manner if it shoulders the necessary social responsibilities. As a company, we pursue a healthy bottom-line philosophy with transparent information disclosure, and we believe that risk management is key to how we strategize and operate. We also look at the social impact of our operations and products. This management philosophy permeates through our corporate strategy and daily operations.

Noah's risk management is based on five key features: compliance, comprehensiveness, suitability, timeliness, and completeness. These key features cover our operations and products and are embedded in every subsystem. We also formed a complete risk management system that ensures a timely and effective grasp of risk information and risk profile of each business segment. With the help of this system, Noah can rationally identify, assess and manage risk as well as study and implement risk reduction measures.

## Noah Risk Management Concept



### Subsidiary Risk and Compliance Department / Officer

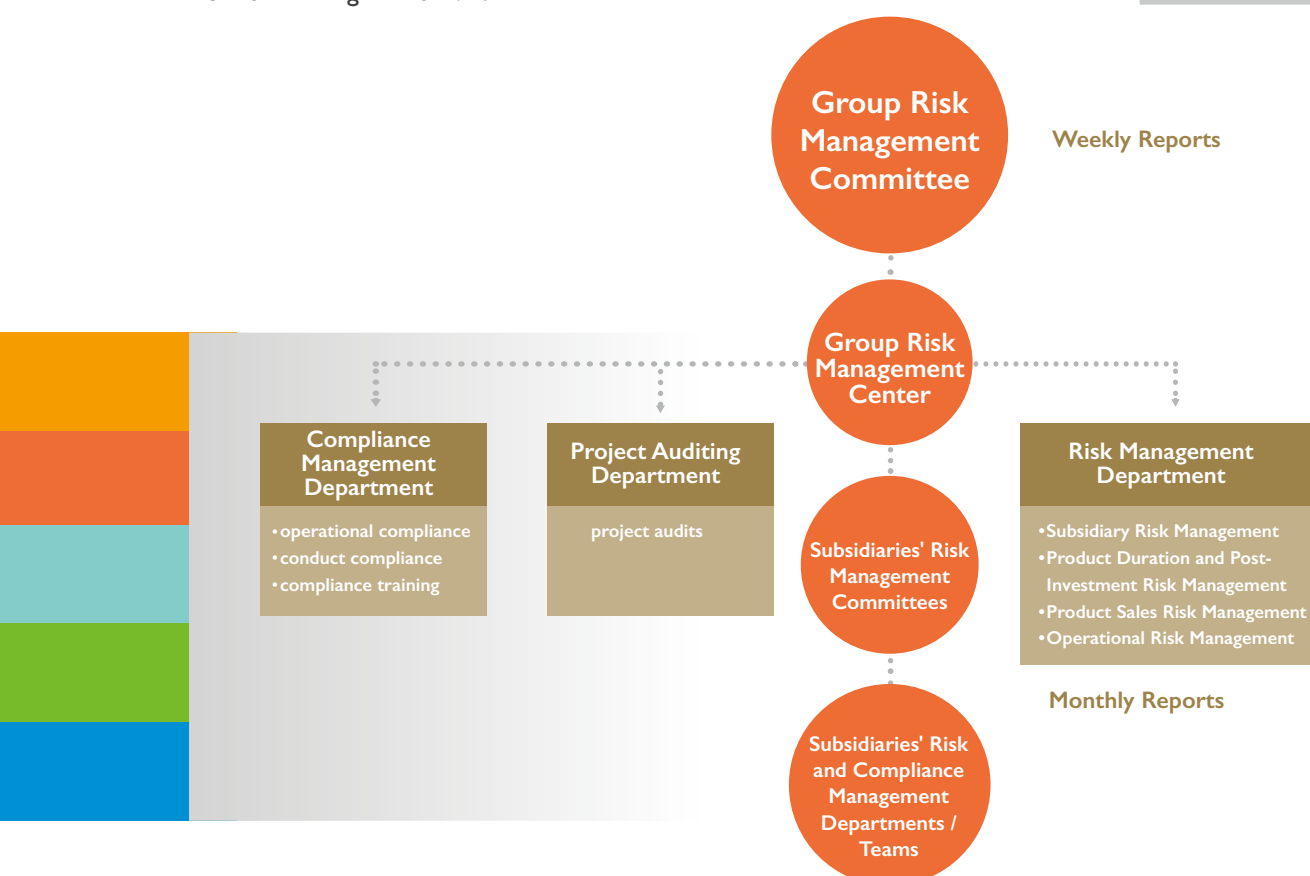
Each subsidiary must establish this unit or position that is involved in all stages of operations, from proposal to assessment.

### Subsidiary Risk Management Committee

1. Disclose and report the risk points in operations; determine appropriate risk mitigation measures and implement guiding opinions from head office.
2. Perform regular audits on subsidiaries, disclose and arrange risks of each type of business.

The architecture of Noah Group's risk management consists of four levels: the Group Risk Management Committee, the Group Risk Management Committee's departments, the subsidiaries' Risk Management Committees, and the subsidiaries' Risk Management Teams. The operation and collaboration of these four levels ensure that risk information, measures and results can be timely communicated upwards, and risk management measurement proposals and resource safeguarding measures can be effectively communicated downwards from the management level.

We are convinced that wealth cannot be created overnight, that it is the outcome of sustained effort and balanced risk taking.



#### Group Risk Management Center

1. The Project Assessment Department is involved in the risk management of complete processes for products.
2. Risk Management and Compliance Department are responsible for the management of operational risks, integrated financial risks, post-investment product risks, business compliance, action compliance and regulatory training.
3. The Asset Protection Department performs due diligence, and coordinate asset disposal programs.

#### Group Risk Management Committee

1. Organized monthly by the Group Risk Management Center to assess and evaluate risk points, sales methods and prices of all products to reflect the subsidiaries' risk points in sales and management, and overall risks. All committee members hold discussions and give guidance and general opinions as well as instructions on the overall risks.
2. The committee includes the Group Chairman, CEO, Assets management CEO, CRO, CPO, COO, CMO, CFO and Chief Researcher, etc.

## The Vision of the Risk Management Center

Managing risk well is a prerequisite to the sustainable development of any financial institution, and Noah is no exception. Risk management is both a craft (systems and technologies) and an art (culture and conduct), which must be practiced and combined properly to yield the best outcome.

Therefore, the vision of the Noah Risk Management Center is to adopt the clients' and stakeholders' perspective, to enhance and apply its risk management based on values, competencies, and conduct that effectively identifies, assesses, and manages different risks. Noah effectively balances benefits and risks, keeping objective and reasonable risk within a tolerance range, while helping clients to maximize their revenue.

The Noah Group Risk Management Center is involved in every stage of our financial products and fulfills different risk management functions in each part. Therefore, product risks are effectively managed, and the interests of our clients and our company are safeguarded.

## The Risk Management Process of Innovative Business

Despite placing risk control first, we also effectively support the development of innovative business, and seize market opportunities to provide the best possible products to our clients. For every innovation our business undergoes, Noah will collect a multitude of resources to timely and effectively control the risk of the innovative business and support the start, take-off, and development of the aforementioned business.



## Business Continuity Management Procedure



## Risk Management Process



## The Management Process of Business Continuity

In recent years natural disasters have occurred frequently. To ensure continued operation of our system in the event of natural disaster and the recovery of our IT infrastructure and IT services within a specified period of time, and to support the company's need for business continuity, we have designed our management processes and responsibilities such that the impact of a disaster on the company's operations is mitigated, so as to achieve continuous business and customer service.

The business continuity management scope consists of the upper management, the Information Security Department, the Support Director, and the Systems Support Department which oversee the processes of: identifying business continuity requirements for IT services, identifying, assessing, and managing risks and threats and their impacts on IT infrastructure and IT services, and disaster preparedness and drills.

### Continuity drill

- The System Support Director holds regular or irregular continuity drills, as needed.
- Check feasibility, suitability, and efficacy of the continuity plan.

04

### Drill review

- Review whether the continuity drill result meets the targets set.
- Check whether processes were completed, and how far actions progressed.
- Assess whether the drill meets the business needs.
- Make recommendations for improvement.
- Draw up a drill report.

05

### Online approval

Migrate some approval items to the online approval system.

06

### IT system construction

Enhance IT system. Automate and standardize IT service management.

07

# Supplier Management

To ensure employee safety and to prevent harm to the environment, Noah strictly selects its major suppliers of goods and services. For example, when our offices were remodeled, we afforded special attention to the eco-friendliness of construction materials and furniture. We screened suppliers for certain qualifications and evaluations, and insisted that their supplied products had green certification. We also laid down these procurement principles in writing to ensure that administration enforced these principles and integrated them in its control processes.

As we generally procure in bulk, we screen our suppliers on multiple aspects including brand reputation, impact on environmental, labor, human, and social rights. If our screening yields some negative news coverage (such as improper treatment of employees or wage docking), Noah will exclude such potential suppliers. If such situations occur during our process of cooperation, we will eliminate such suppliers when the contract comes due for renewal after a year.

In the future we will continue and deepen our cooperation with CSR-certified suppliers, and invite them to subscribe to our CSR philosophy and join us in corporate social responsibility, environmental protection or relevant public charity events. This will also help expand our positive influence on society.

Noah moved its headquarters into the Chang Yang Valley at the end of 2015. During the end of construction, we worked with the Fair Air Technology Co, Ltd from ShenZhen city (hereafter referred to as Fairair) to **use the air cleaner machine for filtering out materials harmful to the human body**. Fairair strives to provide top quality air cleaning products and services. Its air cleaning equipment won the “2014 Most Popular Innovative product of The Makers”.



The 3W coffee on the first floor of Chang Yang Valley headquarter is also a new partner of Noah. **3W coffee is the first crowdsourcing coffee shop in China**. Despite being a crowdsourcing coffee shop, it prioritizes the quality of coffee beans and other raw materials. In addition to serving coffee, 3W coffee also periodically organizes internet knowledge sharing salons, inviting top entrepreneurs from various industries to share their in-depth knowledge. Due to its location, it indirectly promotes Noah to many other entities.



## Noah's Criteria for Suppliers

Prior to signing, suppliers must show proof of their qualifications.

One safety staff member observes whether appropriate safety precautions are followed during construction.

Suppliers must offer good after-sales service.

Suppliers must have their own manufacturing and processing facilities.

Suppliers must have national environmental certification for their materials. (such as: GREENGUARD, ISO 9001-1994, ISO 9001-2000, etc.)

Suppliers are assessed for their CSR philosophy, principles and practices.





## Strategy and Operations

The needs of wealth management for high net-worth customers in China are increasing exponentially. As the leader in providing wealth and asset management for high net-worth customers in China, Noah felt the necessity and urgency of fulfilling our customers' changing needs by establishing a globally integrated asset allocation platform in the past decades. Thus, Noah started with family office business in the beginning of 2015 and witnessed the highly increasing needs from customers towards shifting from a fully authorized domestic business to an active global asset allocation.

To improve our capacity in global market research and global product designs to provide more comprehensive global asset allocation services, we often strategically collaborate with international asset management institutions and investment experts.

In 2015, we formed a strategic partnership with UBP Asset Management (Asia) Limited, McKinley Capital and Professor Raphael Amit from the Wharton School of Business to receive consulting support from investment experts and senior international fund managers. Additionally, by strengthening our global service capacities and speeding up our overseas product platform, we are able to create meaning and values more than wealth itself and realize Noah's vision in becoming an excellent global wealth management provider in China.



UNION BANCAIRE PRIVÉE



# | Sustainable Management |

## Noah Sustainability Committee Structure



### Meeting Frequency

Every six months

### Mechanism

Group Decision-Making Committee decides on a sustainable development strategy. The Sustainability Committee plans related projects and targets, monitors performance of each team and reports to the Group Decision-Making Committee. Each team implements sustainable projects and makes reports.

# Sustainable Development Strategy

Noah is an early player in the family wealth management business. Our biggest difference with our competitors is that from the very beginning, we were not just focused on the protection and growth of wealth, but we believed and still believe that the transfer of spiritual wealth is of more importance than the transfer of material wealth, and that creating a family spirit and family culture is helpful to developing family governance. An entrepreneur's most important legacy to his or her offspring, or the community, is not simply money, but a spirit, a culture.

Therefore, Noah continuously creates new value from products and services, providing its HNW clients with a sense of security regarding their wealth management. Noah also lives by its core values and social responsibilities, employing its core competencies and expertise to contribute to the sustainable development of society.

## Strategy

### 1

## We fully incorporate environmental, social and governance (ESG) issues into our decision-making

### • ESG risk management

- Periodically assess and manage ESG issues affected by decisions made by the Board of Directors and by employees of the senior management level.
- Incorporate ESG issues into recruitment, training and employee engagement plans.
- Establish processes capable of identifying and assessing ESG risks of products and services
- Fully integrate ESG issues into risk management processes.

### • Products & Services

- Reduce ESG risk at the development stage of products and services.
- Discuss, develop, and support products and services that address ESG

### • Marketing Practices

- Train employees and marketing personnel on ESG issues related to their products and services.
- Describe the content of products and services in a transparent and clear manner to ensure the transparency of marketing information.
- Fully incorporate ESG assessments and criteria in investment decision-making processes (such as developing principles for responsible investment)

## Strategy

### 2

## Enhance knowledge of ESG, identify ESG risks and develop ESG solutions in cooperation with clients and business partners.

- Enhance clients' and partners' understanding, expectations, and requirements regarding ESG issues.
- Provide clients and suppliers with tools to help them manage ESG issues.
- Encourage clients and suppliers to disclose ESG issues, using relevant disclosure or reporting frameworks

## Strategy

### 3

## Periodically present and disclose information related to ESG issues to enhance transparency.

- Assess, measure, and inspect the company's progress on ESG initiatives. Periodically disclose relevant information to maintain a dialogue with other stakeholders, to increase communication and understanding through the principles of integrity, transparency, and mutual trust.

# Material Aspects and Boundaries

In accordance with the GRI G4, this report makes disclosures on important issues, called 'material aspects' in GRI terms. To determine the material aspects to be reported on, we held internal meetings and collected views from stakeholders. Following the four steps of Identification, Prioritization, Validation, and Review, we determined the CSR issues to be reported in this and future annual CSR reports of Noah.

## The Process of Identifying Noah's Material Aspects

### Preparatory work to identify aspects



#### Information sources

Industry data; GRI aspects; GRI guidance for the Financial Sector; and concerns in the international financial industry.



#### Identification criteria

Views from professionals and stakeholders, level of impact on Noah's CSR.

## 2015 Noah's Materiality Aspects

### Category Materiality Aspects



#### Economic

Economic Performance, Market Presence, Indirect Economic Impacts



#### Social

Employment, Labor/Management Relations, Training and Education, Diversity and Equal Opportunity, Equal Remuneration for Women and Men, Non-discrimination, Anti-corruption, Anti-competitive Behavior, Compliance, Product and Service Labeling, Marketing Communications, Customer Privacy



#### Environment

Emissions, Transport

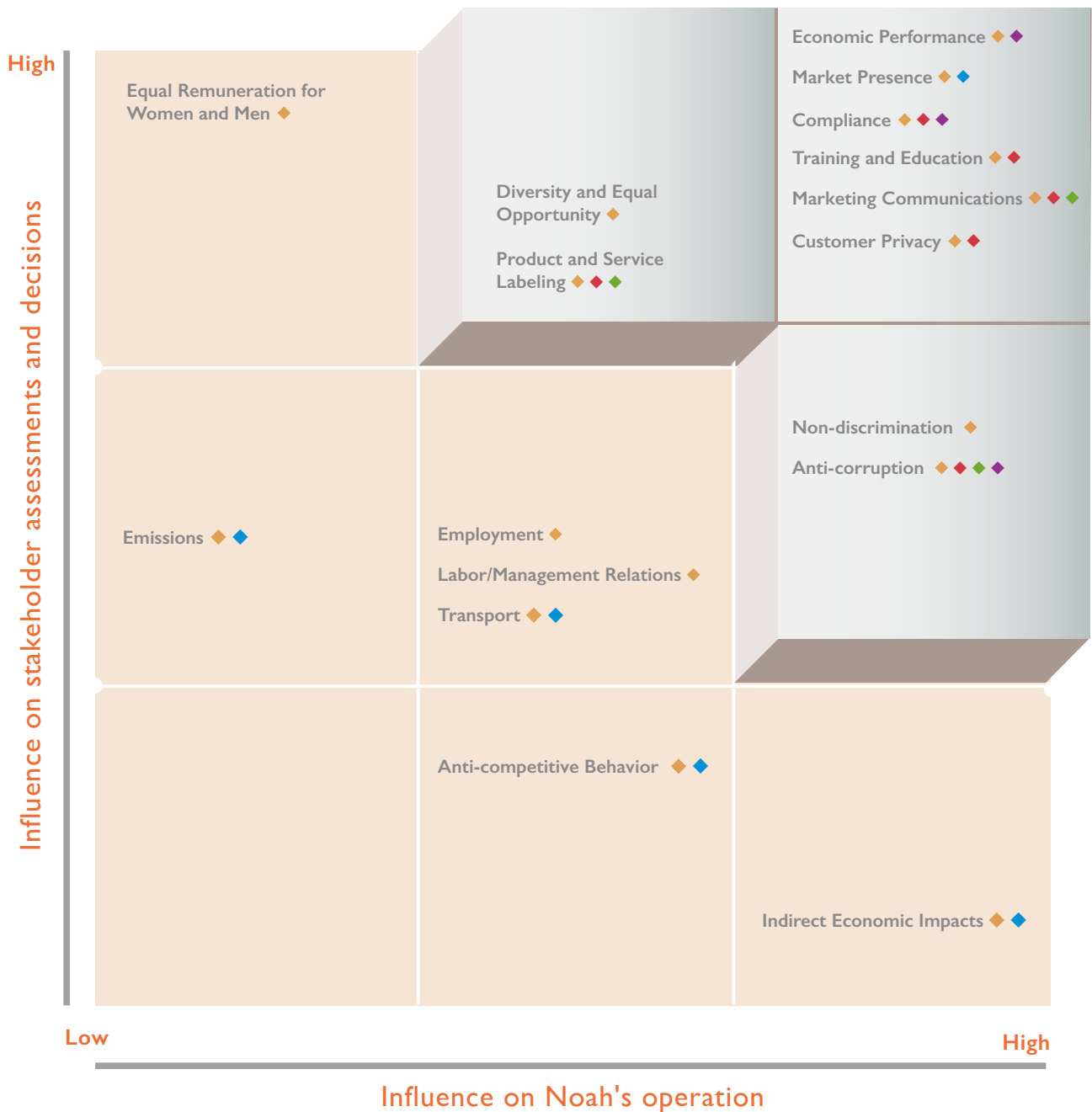


#### Others

Financial-Services-Sector-Disclosures

## Aspects Prioritization and Boundaries

Aspect boundaries are remarked after each aspect { within - ♦Noah  
outside - ♦Client ♦Supplier ♦Society ♦Shareholders



### Prioritization of aspects

After we identified aspects with an impact within the boundaries of our organization, we held internal meetings to determine which are 'material aspects' and we've placed them in a matrix chart.

# Communication with Stakeholders

We communicate through various interfaces and channels with stakeholders to understand their expectations and needs, and carefully gather and assess their feedback which feeds into the development and implementation of our corporate social responsibility policies. We have established departments and channels to timely communicate with stakeholders.



## Promoting social media marketing - my self-media generation

Living in today's ever more interconnected society, the impact of social media marketing growing rapidly. Following this trend, Noah released a series of social media marketing events in 2015, increasing interaction channels with stakeholders and increasing brand awareness and stickiness.

### 1

#### Diamond annual assembly online meeting helper

- **Function:** online meeting agenda, meeting room arrangements, online questionnaires.
- **Interaction planning:** organizing financial service fairs online and offline, FQ tests, thank you e-card.
- **Marketing results:** 62,840 visits; 3,330 unique visitors; 1,056 service questionnaires, 1,066 brand research questionnaires and 1,143 investment research questionnaires.

### 2

#### Official weibo promotion

- Completed the “technical solution for forced following of Noah official Weibo from V live”, and thus increased official Weibo fans free batch-by-batch. The increasing speed of fans has doubled since May.
- Activates the official weixin promotional plan through target promotion, fans increased by batches and two rounds of promotions, which resulted in total increases of 16,000 fans.

### 3

#### Noah ambassador

- With eight ambassador accounts and five more newly added, producing 61 original and effective articles.
- Seven ambassadors reached over 1,000 points and 15 ambassadors reached over 500 points.
- 1,654 forwards within the friendship circle, 1,469 original posts within the friendship circle, 13,334 likes and 1,301 reviews.
- The baidu search index for the “Noah Wealth Management” increased by 129% within 4 months.

### 4

#### Fifth anniversary of listing in the market

- **Sanjiangyuan nature knowledge test:** generates followers on weibo and 3,000+ PV flows through their interesting Q and A format.
- **Noah visual diary:** Using an interactional HTML5 format with text and visuals, the diary presents the pre-stage, actual stage and post show stage, creating the cultural image for Noah, resulting in 80,000+ accumulated page views.
- **Cool run+ Fifth anniversary celebration:** Uses series posters, offline interactional tools, official weibo picture/word display to spread out Noah's corporate culture and creates flooding on the screen.

Noah talent impact self-media plan

<http://www.goldenmouse.cn/html/case/anlilei/shehuihuayingxiaolei/2016/0123/3444.html>

# | Innovation |

Continuous innovation is not just a slogan or a fad but rather a long-term effort. Continuous innovation happens when the culture, mechanism, and mission of a company are aligned.

**We promote social media marketing;  
the Baidu search index for  
“Noah Wealth Management” increased by **129%**  
within **four** months**

At the heart of daring innovation lies inspired diligence and a meticulous attention to customer needs. It is also about a sense of purpose that runs across our company. – "At Noah, we're different in that we're trying to exceed customer expectations."

We take pride in our continuous innovation. In just a decade, we pioneered more than a dozen financial products that were firsts in the industry, and our endeavors have increasingly attracted attention from clients, and ever more diamond-level clients are joining us. These clients experience, witness, and support Noah's innovation.

Innovation in financial products requires an open mind and a broad asset and product base to build on. When a new frontier has been selected to be pushed back, innovative products must be designed, the necessary technology must be developed, market segments must be chosen and market share must be expanded, to achieve scale and margin.

For instance, asset securitization presents an enormous opportunity for development. Bank loans, car financing, lease financing and other nimble prime assets are highly suitable for public offering and private placement. They bring about structural innovation and serve the market with low-risk, moderate-return products. We hope that everyone at Noah can adopt and nurture this core value of innovation, so it becomes part of the collective spirit of Noah.

In order to maintain the momentum of continuous innovation, Noah undertakes the following initiatives:

- 01 We encourage employees to put forward new approaches to problems.
- 02 We build a work environment and mechanisms that are conducive to innovation.
- 03 We listen with respect and embrace different views.
- 04 We allow errors and mistakes, and welcome employees who raise different views.
- 05 We stretch ourselves, and we don't give up easily.
- 06 We are building an inclusive and open corporate culture.



**Who are Noah's partners in product development?**

Noah works with a wide variety of partners, from leading enterprises in every industry in China and listed companies, for basic assets, to banks, securities companies, insurance companies, fund companies, etc. for sophisticated financial products.

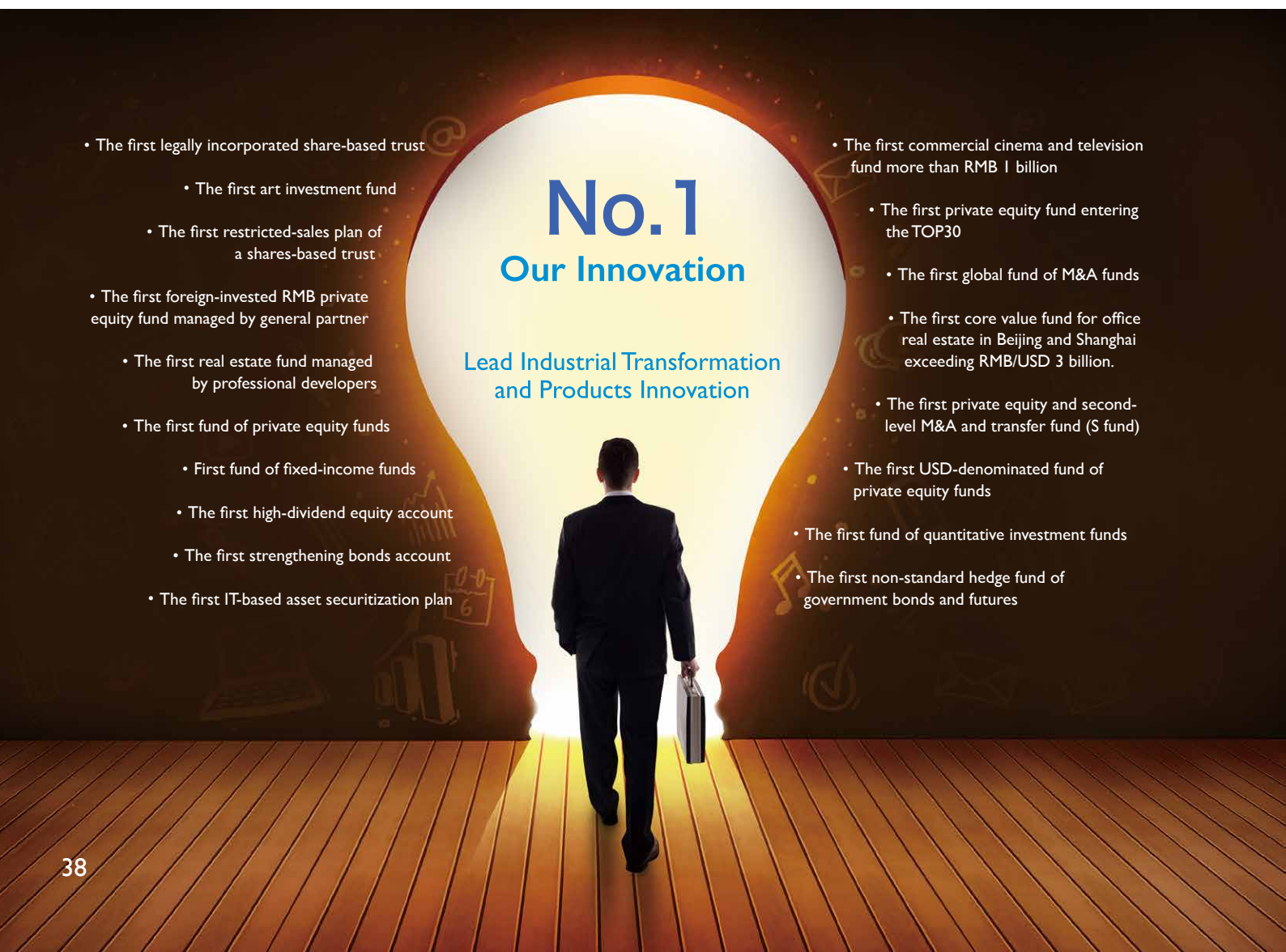
**What value do Noah's products create for our clients and society?**

Noah's core value is created from micro-segmentation of markets and the development of products with manageable risk, good performance, and sufficient scale that make good investment targets for our clients.

# Leading Industrial Transformation

Continuous product innovation is the major factor behind Noah's strong reputation among its clients and in society at large. Noah's asset categories now cover cash management, fixed income, enhanced fixed income, the secondary market, real estate funds, private equity, overseas assets, and insurance. These 8 categories contain more than 100 products. Each product reflects Noah's philosophy: a full understanding of client needs, and creating a product with the right balance of reduced risk, improved profitability, and sufficient liquidity. To achieve this, Noah has developed a 'product innovation management approach' to encourage employees to innovate. Also, in KPI calculations, performance from innovative products weighs 5 times more than incumbent products. Lastly, an annual Innovation prize of RMB 1 million has been set up to assess and reward innovative products.

| Noah Product Category  | Product Features  |
|------------------------|---|
| Asset securitization   | Develop a diversified and secure asset base. Offer prime assets to the market through a structured design.                                  |
| Supply chain financing | Develop through software and risk analysis techniques, combined with integrated management of logistics, and information and capital flows. |



- The first legally incorporated share-based trust

- The first art investment fund

- The first restricted-sales plan of a shares-based trust

- The first foreign-invested RMB private equity fund managed by general partner

- The first real estate fund managed by professional developers

- The first fund of private equity funds

- First fund of fixed-income funds

- The first high-dividend equity account

- The first strengthening bonds account

- The first IT-based asset securitization plan

- The first commercial cinema and television fund more than RMB 1 billion

- The first private equity fund entering the TOP30

- The first global fund of M&A funds

- The first core value fund for office real estate in Beijing and Shanghai exceeding RMB/USD 3 billion.

- The first private equity and second-level M&A and transfer fund (S fund)

- The first USD-denominated fund of private equity funds

- The first fund of quantitative investment funds

- The first non-standard hedge fund of government bonds and futures

## CaiFuPai a trustworthy internet private banking

CaiFuPai is Noah's high quality wealth management platform tailored for high potential people such as white-collar workers and the middle classes. It went online on June 18, 2014. Following Noah's 12-year legacy of greatness, it retains trust from the customers and strives to work in collaboration with first class trading parties while providing trustworthy and superior wealth management products for its customer. All products on the platform have passed through the strict risk control system of Noah and have strong post-investment management. By the end of December 2015, the accumulated AUM was over RMB 12 billion.



## Three major services

### Classes-Three Minutes of capitalism

Tracking stock updates and learning about capitalism. The classes are interesting, brilliant and professional and are shown two episodes per day, with three minutes for each episode. Information is delivered in the morning and discussions continue during the night. We look forward to providing this wealth management service for you.

### Classes-Financial VIP

One top scholar is invited per show to teach an investment topic to investors in China, and to help clarify financial logic and shape a financial mindset in order to understand the true value of investment.

### Water Spring-Educational public finance

Jointly implemented with the China Europe International Business School (CEIBS) and Noah (alumni) and CaiFuPai; they creatively combine financial tools with internet technology to build an alumni sponsored student loan platform. Alumni sponsors can lend their funds to provide low interest student loans for qualified CEIBS MBA students, helping young talent take advantage of opportunities in advancing their academic plans without fear of economic pressures.

## Noah Mini App Wealth management expert right at your fingertips

We have set up the Noah Mini application and a WeChat channel, two mobile service platforms to reach out to our clients. On the app, clients can pre-book products, enjoy real-time service, make inquiries regarding their assets and receive financial advice. The Noah Mini app enables good two-way communication with our clients. On our WeChat channel during holidays and popular events, we launch flexible upgrades and pre-sales activities for new and existing clients.

## Four characteristics

**Select:** Users can learn about popular private and public product offerings at any time and purchase/reserve various securities, income and liquidity financial products.

**Check net value:** Comprehensive and convenient notifications on the net value of all invested private offering funds of Noah (excluding products on sale in Hong Kong).

**Check balance:** With the balance of your investments shown in detail, you can check private and public product offerings at any time.

**Live:** Members only benefits such as large summits, investment meetings, talks by various famous investors, investment strategies are broadcasted live.



您手边的理财专家

# | Integrity |

Noah's policy of "integrity and honesty" is to adhere to the highest ethical standards and social norms, walk the talk, honor commitments with dedication. We sincerely hope that every person in Noah can operate with the integrity and honesty that the country and society needs.

We released the  
**“Complaint and reporting policy”**  
to strictly maintain anti-money laundering  
and anti-fraud activities!

## Strict Marketing Strategy

Noah operates in the industry of wealth, assets, and money, which is often intimately linked with greed and fear. More than any other profession, the wealth management profession requires "integrity".

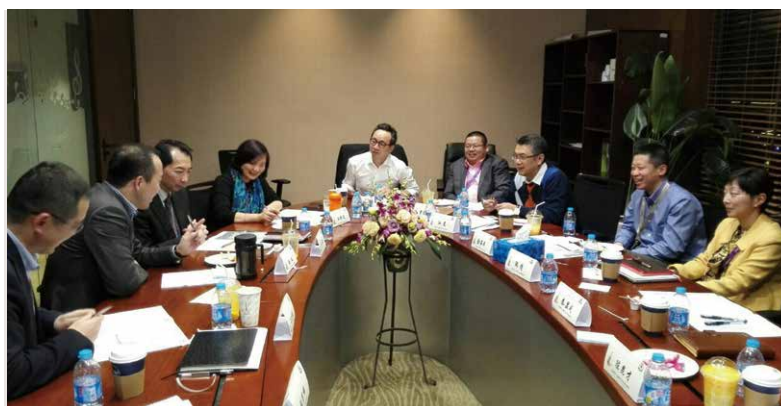
Therefore we hope that at the end of every day, each Noah employee is able to say: Today, I've again done my job with prudence, integrity, and honesty. Integrity is the paramount standard by which we do business with our clients and partners. In order to provide reliable service, everyone at Noah adheres to the highest professional ethical standards and social norms.

We hold ourselves by the strictest standards in everything we say and do:

|    |  |
|----|--|
| 01 | Do not harm the interests of anyone. Dare to point out illegal or inappropriate conduct. |
| 02 | Protect company secrets. Refuse transactions that violate norms or standards.            |
| 03 | Disclose and communicate complete and adequate information.                              |
| 04 | Right speech leads to right action. Right action leads to right outcomes.                |
| 05 | Adhere to the highest ethical social norms and Noah's Code of Conduct.                   |

Noah has laid down Regulations Governing the Management of Advertising and Promotion, based on the spirit and the letter of the Law of the People's Republic of China on Funds for Investment in Securities, Measures for the Sale of Securities Investment Funds, and other relevant laws and regulations. These regulations require that all advertising and promotion materials produced, distributed, and published must be truthful, accurate, and fully compliant with the law and oversight norms. We also require ourselves to educate and guide our clients to help them develop sound investment concepts.

Before launch, every product must pass the Noah Pre-Launch Checklist to ensure it complies with all relevant laws and regulations, reviewing for any exaggerated content. After the product launch, monitoring will continue to check whether the product risk, if and as it develops, and clients' risk profiles continue to match. If relatively large gaps are found between the risk of the product and the clients' risk tolerance, we will further communicate with customers in order to prevent misunderstandings and to protect the interests of our customers.



# Anti-Money Laundering and Anti-Fraud

## Anti-Money Laundering

We strongly support China's anti-corruption initiative. Thus, we actively cooperate to implement the "People's Republic of China Anti-Money Laundering Law", "Provisions on Anti-Money Laundering through Financial Institutions", "Measures on the Administration of Reporting Large and Doubtful Payment Transaction in Renminbi", and other laws and regulations related to the issue.

In particular, we carry out the following activities:

- 01 Set up an anti-money laundering webpage to spread knowledge and awareness of the issue.
- 02 Established an anti-money laundering system, requiring new clients to fill out forms and visit our offices in person, and other procedures.
- 03 Clients must pay for transaction fees from their own accounts.
- 04 Keep proper records of our clients' identity details and transactions.
- 05 Actively cooperate with financial regulatory bodies for investigation in suspicious transactions.

To prevent money laundering and financing of terrorism, Noah Gold Way has integrated anti-money laundering and anti-terrorist financing supervision and management into its work processes. As a non-financial institution with payment services, we play more than our part to counter money laundering and terrorism.

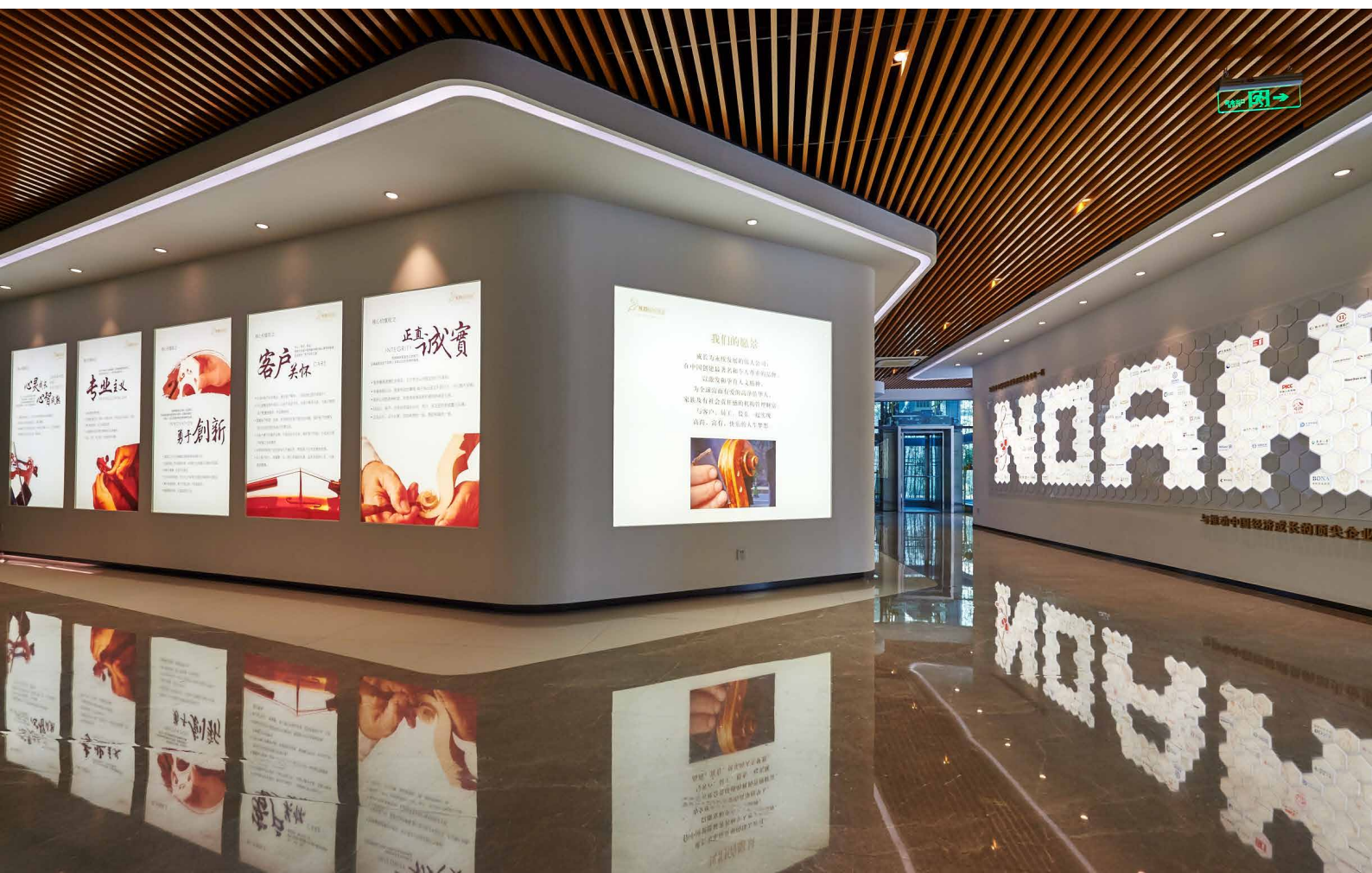
As new types of corruption and money laundering continue to emerge in the market, we continuously optimize our anti-money laundering systems, processes, and capabilities. We make a contribution to our national policies to create a clean financial environment.



## Anti-Fraud

On March 2015, Noah released “Complaint and reporting policy for Noah” and relevant management systems such as internal audits and codes of conduct to ensure that all employees and relevant external units and staff have efficient channels to report legal violations and frauds anonymously. The reporting issues cover every regulatory, legal, systemic and political violations applicable for Noah, as well as any violations on “Ethical Business Code of Conduct for Noah”; it is applicable for all employees of Noah and its subsidiaries.

- Customer complaints through email: [tousu@noahwm.com](mailto:tousu@noahwm.com)
- Customer complaint line or SMS: 021-80358372
- Customer complaints through mail: 200082 Shanghai City, Yangpu District, Changyang road No.1687 Chang yang valley 2nd floor
- Recipient: To Noah Wealth Management Audit department



A background image showing a man in a light blue suit and dark tie smiling. In the foreground, two hands are shaking in a firm grip. The hand on the left is older, with visible wrinkles, while the hand on the right is younger. The background is slightly blurred, focusing attention on the handshake.

# | Care |

Noah takes pride in its superior customer service and the relationships of trust built over time. We strive for maximum fulfillment of client expectations through highly personalized exclusive wealth management services. Everything we learn is applied to our clients' benefit.



### Focus on the Client, Sharing Expertise

The core business of the wealth management industry is wealth management and estate or inheritance management. To this end, Noah offers four core services: assistance to clients in developing good concepts of wealth, support for their proactive management of the risks in their life and wealth, personalized asset portfolios, and value-added services.

Everything we do is centered on our clients' core needs. Noah strives to create unique 'customer value' that can't be readily copied through its comprehensive care-based service. Besides managing our clients' assets and estates, we care about the root of their well-being; we work to ensure our clients and their offspring have wealthy and healthy lives rooted in affluence and happiness.

### Innovative Services Serve Our Clients on a Deeper Level

- |    |  |
|----|--|
| 01 | Noah e-Wallet serves our clients' liquidity and short-term financing needs.  |
| 02 | We offer premium health insurance to HNWI in their middle age.   |
| 03 | Our Enoch Education program offers high-end study tours on family wealth management and estate planning to client entrepreneurs. |

### Noah's Client Care

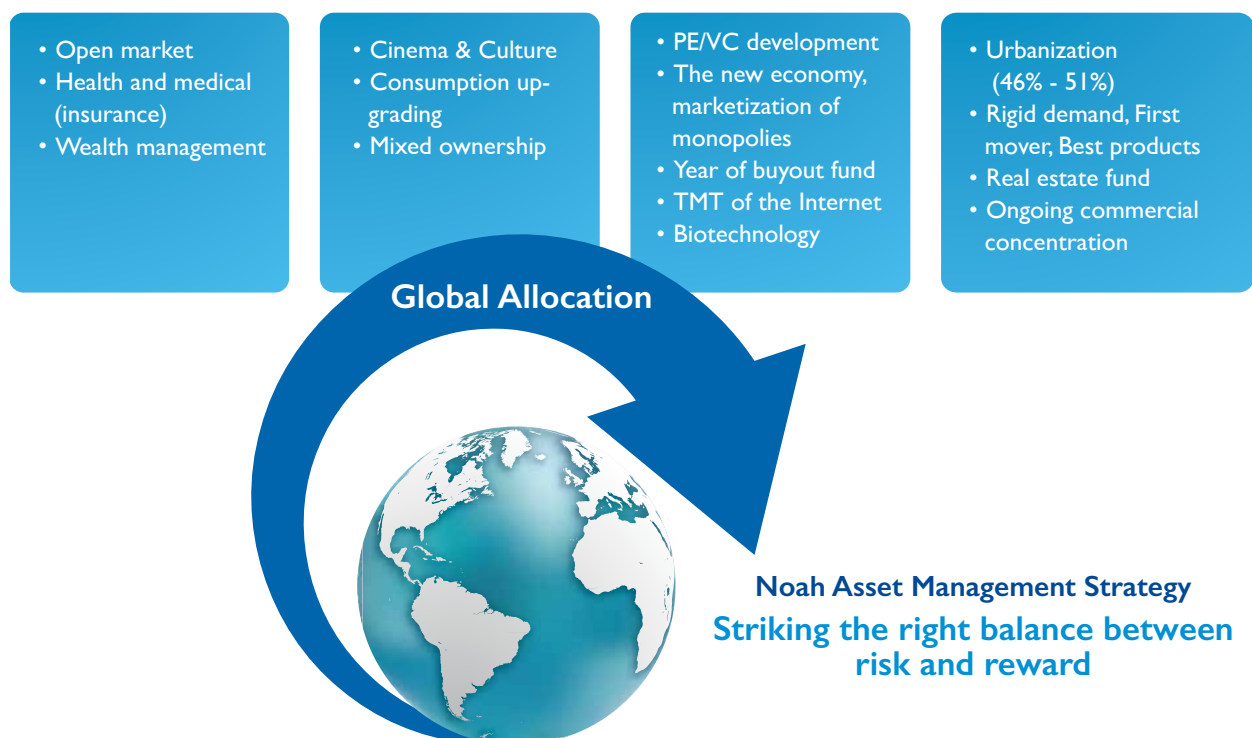
- |    |   |
|----|---|
| 01 | We have "shortened" the traditional financial industry supply chain, to offer our clients low-cost access to superior products in the financial market.                               |
| 02 | We adhere to lean operations, and turn our cost savings into value for clients.   |
| 03 | Through systematic, careful and detailed economic and industry research, we identify the best partners to offer innovative products and rare investment opportunities to our clients. |

# Customer-Oriented

Noah believes that investment is a specialized profession. Viewed from a long-term perspective, our purpose is to create a better life for our clients.

Thus, Noah's Client Care concept stresses the values of 'Concentrated, Dedicated and Professional'. We place ourselves in the clients' shoes, and communicate in an open and sincere manner. We look at growth in various industries to find opportunities and develop solutions that match our clients' needs.

Our business model is built around service rather than sales and transactions. Each of our products comes with clear information disclosure, which helps prevent bad investment decisions caused by a combination of non-transparent product information and improper understanding





### Strict Product Screening for Optimum Risk Control

Our superior asset management is built on a keen insight into the real quality of investment objects. Furthermore, our continually updated Product Risk Control Guidelines, which details investment project evaluation criteria, and our Risk Management Committee (RMC) at the top management level ensure the quality of each product and reduce product risk.

Noah's RMC consists of 7 senior executive members from various departments that works with the veto power system. The Committee assesses product risks, sales methods, and pricing. All products that Noah finds and designs each year must pass various quality control standards. Less than 10% of all reviewed products can pass our standards.



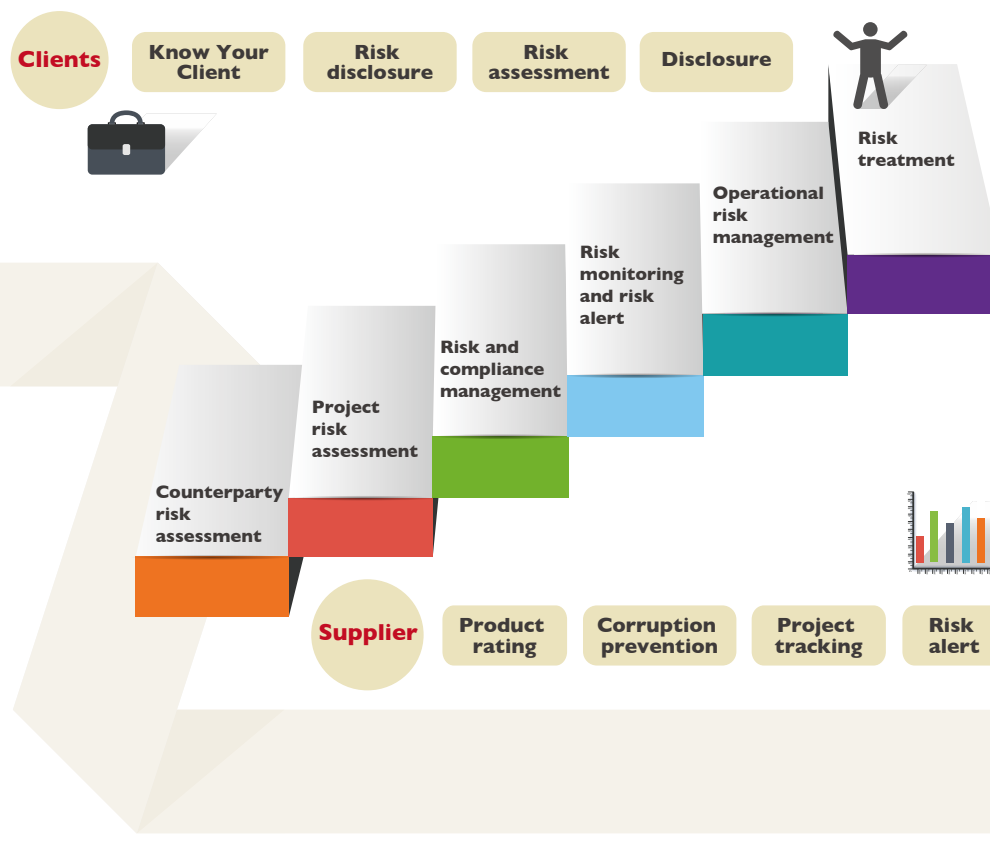
Noah's Comprehensive Risk Management

### Noah Principles for Product Selection

- 01 Independent and objective thinking
- 02 Sufficient margin of safety, always
- 03 Anti-cyclical thinking, portfolio spread beyond lifecycles
- 04 Risk is the permanent loss of capital
- 05 Seeing is believing: on-site inspection of objects
- 06 Anything unsustainable will eventually disappear
- 07 Research focus on underlying assets



## The Noah Risk Control System

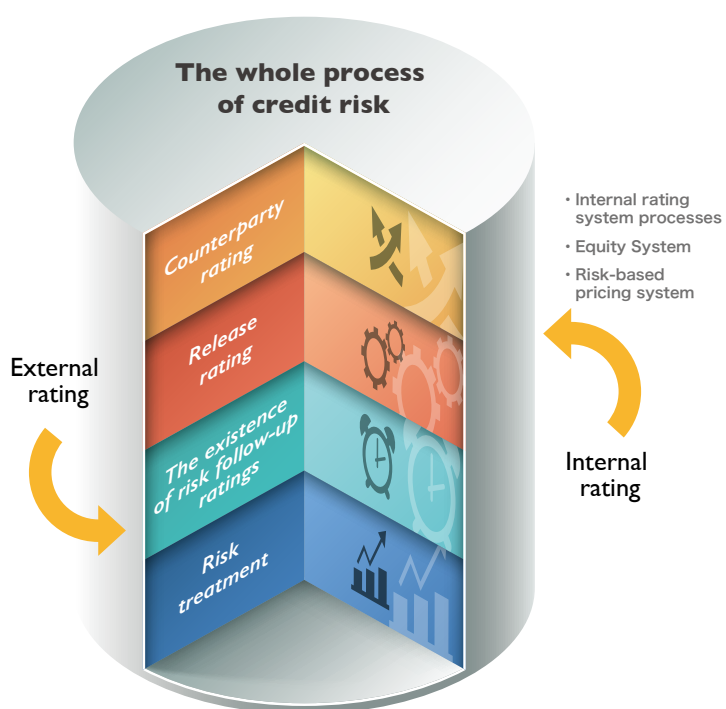




### The Product Screening Process



### Noah's Product Risk Assessment System





## Service Orientation

At Noah, we believe that wealth management is 60% about communication, 20% is client education, and selecting investment objectives makes up the remaining 20%. Therefore our services focus primarily on communication and clarification, to help our clients develop a complete and correct concept of wealth.

At Noah, we always focus on our clients' needs, understanding our clients, and building long-term and strong relations of trust. What we strive for is to turn our clients into fans and long-term partners.

Everyone at Noah must perform these key service initiatives:

- |    |   |
|----|---|
| 01 | Solicit advice from clients, to meet client needs. (also applies to internal clients)               |
| 02 | Don't be performance-oriented. The client's interests come first.                                   |
| 03 | Understand client expectations. Respond quickly and effectively. Uphold the client's right to know. |
| 04 | Build a strong and lasting relationship of trust with the client.                                   |
| 05 | Stay calm amidst changes and uncertainties in the investment industry.                              |
| 06 | Care about the client's mental and physical well-being.   |



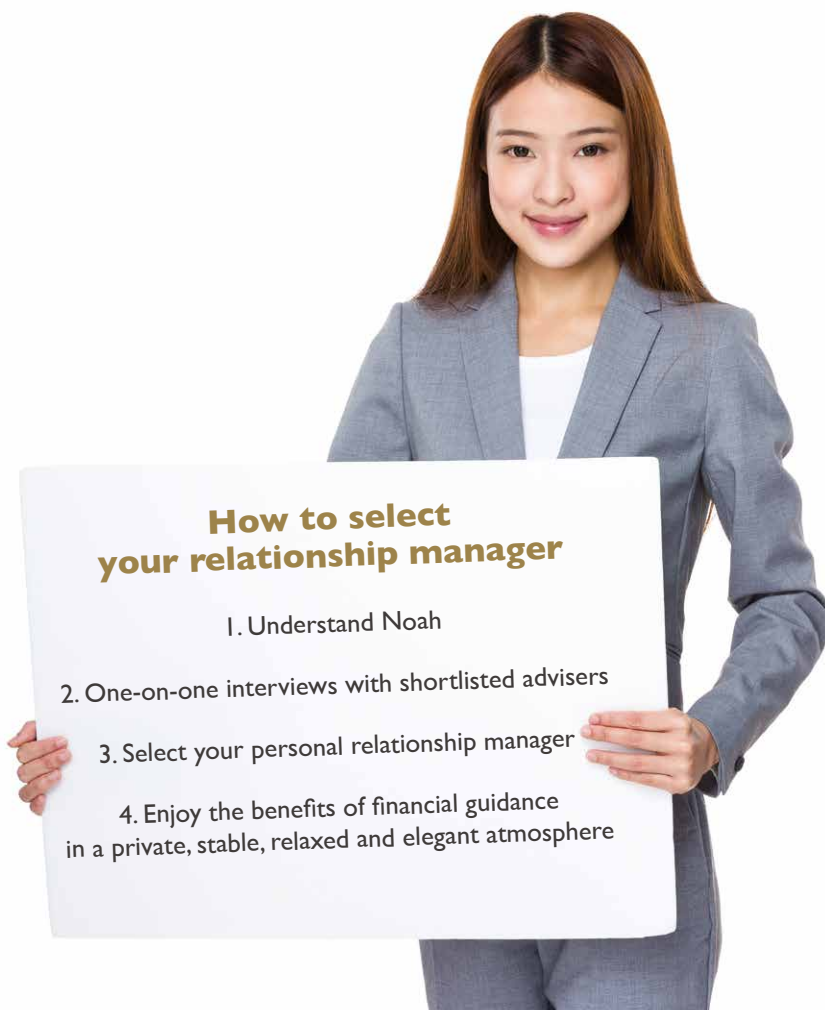
## Professional Wealth Management

Noah has always been committed to providing objective and independent financial solutions for HNW clients. This has made us the largest independent third-party professional financial institution in China.

Honoring the principle of loyal service, we build and maintain long-lasting relationships of mutual trust. We maximize fulfillment of client needs, and care what clients care. All our experience is used to serve our clients in a private, stable, relaxed and elegant atmosphere.

### How to select your relationship manager

1. Understand Noah
2. One-on-one interviews with shortlisted advisers
3. Select your personal relationship manager
4. Enjoy the benefits of financial guidance in a private, stable, relaxed and elegant atmosphere





### **Proprietary Payment Information Services Platform**

In order to provide our clients with a secure, flexible, convenient, and integrated payment solution, we offer a sophisticated data mining service and a multi-level, comprehensive membership system through our subsidiary Noah Gold Way.

Noah is dedicated to build up the “internal bank” of Noah through the establishment of an internal payment and data processing platform that supports the internal settlement of Noah, payment for customers’ purchases of products, allocation of income from return on products and other clearing and settlement processing. In addition, all relevant settlement data will be provided through personalized settlement information services. By matching information flow and capital flow, Noah can provide efficient and effective services and reduce the cost of business operations.

The value adding service platform and membership service platform under the Noah Financial Channel can provide an effective information processing service, comprehensive statement management, employee reward planning service and multiple accounts in one card service for its clients. Through its financing services with targeted groups, Noah can build up a distinctive membership service circle and provide exclusive products and services to its clients.

Noah Gold Way provides the following service:

- |    |  |
|----|--|
| 01 | Multi-channel clearing platform to provide information and transaction services.   |
| 02 | A value-adding employee reward program that helps clients enrich their employees’ benefits, and strengthen caring for employees. |
| 03 | A membership consumer finance service for clients’ employees through a dedicated Noah service zone.                              |

## Client Satisfaction Management

In order to understand our clients' evaluation of our goods and services, we offer multiple feedback and complaint channels to our clients: written, email, telephone and other means. This feedback goes into our training programs, our service and politeness, and our corrective and preventive programs. Thus we continuously improve our service quality.

We conduct periodic client satisfaction surveys, and we listen to our clients on a daily basis to collect information for improvement. Our survey priority lies with client interfaces, such as our Relationship Managers, and the delivery of goods and services. Whenever a client complaint is presented, our client service agents first conduct an inquiry to clarify the issue, and then decide whether to forward it to a product division or a business division. In the event of a complaint possibly involving illegal or unethical conduct, the Compliance Department will investigate the matter.

## Security Training to Ensure the Comfort and Safety of Our Visitors

To ensure that every visitor to Noah is respected, we strictly require that all security staff of our service offices hold a national license that hire personnel with a military background and a clean criminal record. Our security personnel also follow training which teaches emotional safety, politeness, and etiquette. Any conduct that conflicts with the law is strictly forbidden. In addition, the main channels of movement in our buildings are equipped with surveillance equipment. All security personnel have received regular training.



## Noah's Security Measures

- 01 All security personnel must be licensed and have a clean criminal record.
- 02 All security personnel must also follow Noah's professional etiquette training.
- 03 All security personnel must also possess basic fire fighting skills.
- 04 Identification of personnel entering or leaving is strictly checked.
- 05 Documentation of goods entering and leaving is strictly checked.
- 06 Standard operating procedures for routine patrols.
- 07 Strict handing procedures for patrols in extreme weather.
- 08 Identification of construction and repair personnel entering or leaving is strictly checked.
- 09 Strict requirements regarding public safety management.
- 10 Strict requirements regarding fire fighting skills of personnel.
- 11 Strict discipline requirements regarding daily conduct. Polite manners, and etiquette.
- 12 Prevention and contingency plans for all types of emergency situations.



# | Professionalism |

Noah's employee care extends not just to employees but also to their families in all respects. We hope employees can stay and grow with us, and reap the rewards of our company's growth.

**We are providing more benefits for our employees;  
increasing critical illness insurance coverage by 2-5 times**

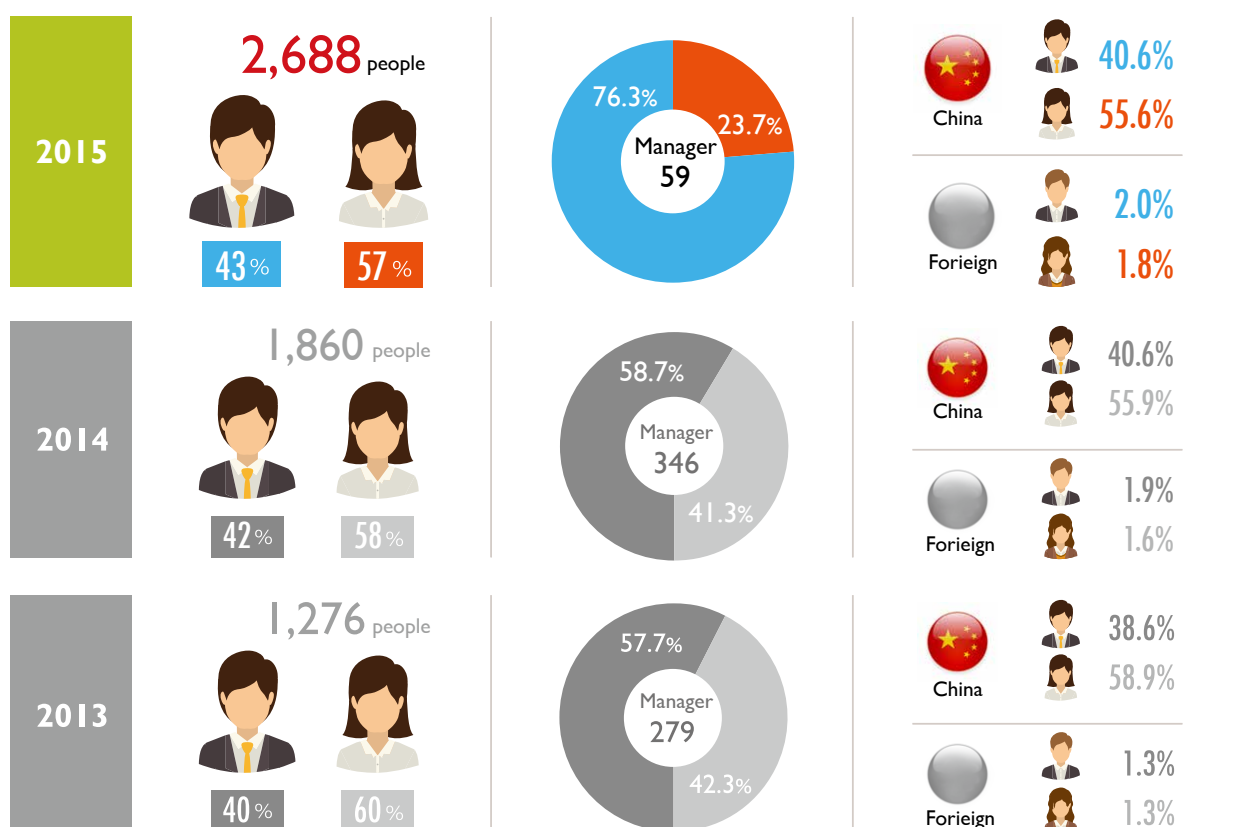
**We provide more comprehensive training,  
establishing 12 deluxe training projects,  
and increasing the average training hours per person by 15%**

**We have started the Key man plan and  
there are significant increases  
in performances and retention rates,  
the promotion rate has reached 36.5%**

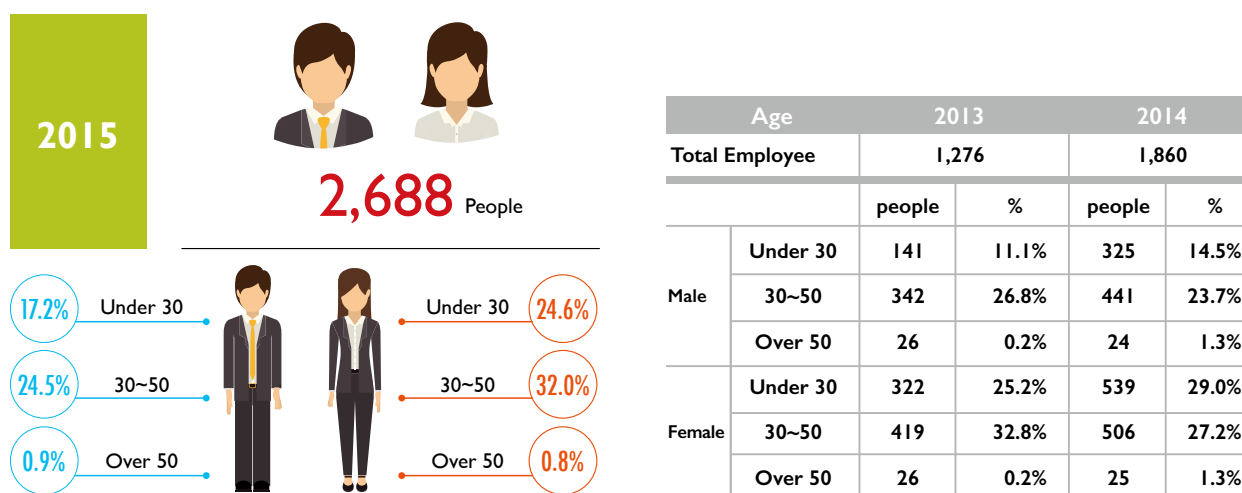
**We organized public investment afternoon teas for investor education  
with over 20,000 people participating!**

# Human Resource Structure

## Human Resource Structure



## Employee Status by Age

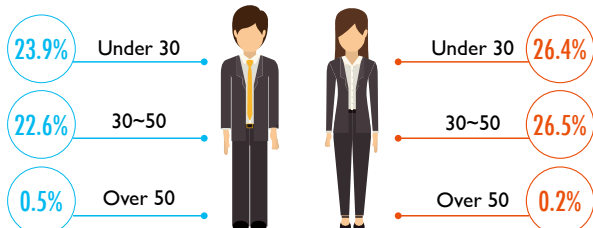


## New Recruits

2015



**1,643** People



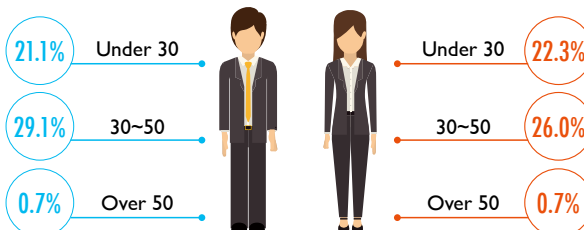
| Age          |          | 2013   |       | 2014   |       |
|--------------|----------|--------|-------|--------|-------|
| New Recruits |          | 659    |       | 1,213  |       |
|              |          | people | %     | people | %     |
| Male         | Under 30 | 116    | 17.6% | 288    | 23.7% |
|              | 30~50    | 183    | 27.8% | 299    | 24.6% |
|              | Over 50  | 14     | 2.1%  | 8      | 0.7%  |
| Female       | Under 30 | 180    | 27.3% | 360    | 29.7% |
|              | 30~50    | 156    | 23.7% | 252    | 20.8% |
|              | Over 50  | 10     | 1.5%  | 6      | 0.5%  |

## Employee Turnover Status

2015



**834** People  
**31.0%**



| Age                    |          | 2013       |       | 2014       |       |
|------------------------|----------|------------|-------|------------|-------|
| Turnover Number / Rate |          | 428/ 33.5% |       | 629/ 33.8% |       |
|                        |          | people     | %     | people     | %     |
| Male                   | Under 30 | 85         | 19.9% | 104        | 16.5% |
|                        | 30~50    | 126        | 29.4% | 200        | 31.8% |
|                        | Over 50  | 3          | 0.7%  | 10         | 1.6%  |
| Female                 | Under 30 | 112        | 26.2% | 142        | 22.6% |
|                        | 30~50    | 84         | 19.6% | 166        | 26.4% |
|                        | Over 50  | 8          | 1.9%  | 7          | 1.1%  |

2015  
Absentee Rate  
(AR)



**0.57%**



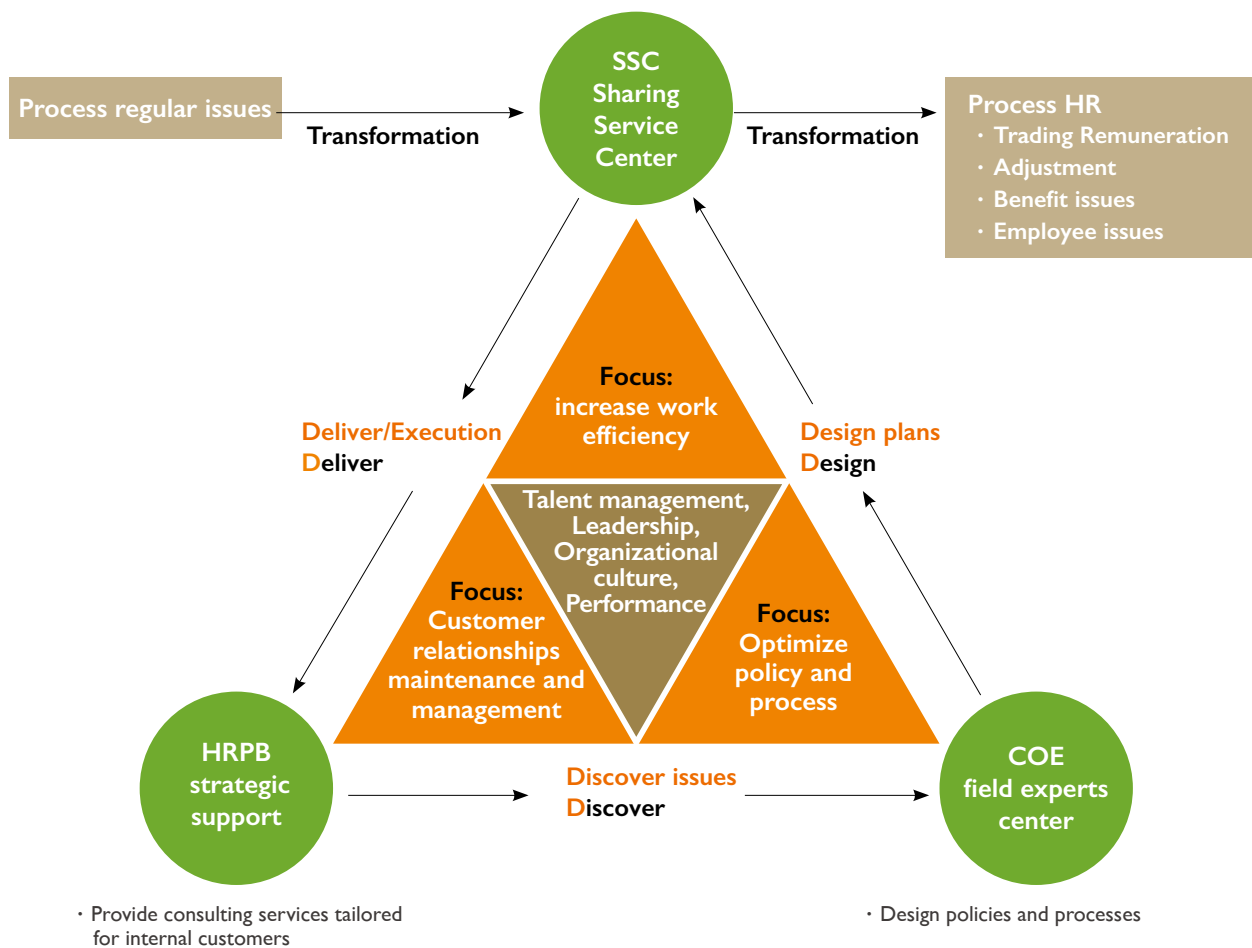
**0.68%**

AR=Total number of missed (absentee) days / Total number of workforce days

# More Efficient Human Resource Management System

In 2015, Noah completed the arrangement in fast and diverse business development in responding to the speedy growth of the organization. In addition to re-classifying job levels, the human resource management strategy has been adjusted from “centralized management” to “differential management”: the “Three pillars” management model is now used for better functionality, a more flexible project system has been introduced (PS system) and compensation management has been adjusted.

The management model of the “Three pillars” forms from the Center of expertise (COE), the Human resource business partner (HRBP) and the Shared service center platform in the first step and jointly supports business development. In particular, the role of HRBP has had a significant effect in 2015 and was recognized by the sales department in terms of business development support, business direction and solutions centered to the business issues. On this basis, the SSC sharing platform will be focused in 2016 to significantly increase HR service efficiency rate and corporate HR procedure management.



## New job levels system has been implemented

|    |   |
|----|---|
| 01 | Expanded career advancement for employees.  |
| 02 | Provided more development pathways for employees, the original single development path was replaced with dual paths based on management development and professional development. |
| 03 | Provided more comprehensive management rules and mechanisms in order to realize the normalization and systemization of job promotion management.                                  |
| 04 | We have provided job-level management systems custom-tailored to different business needs.  |

## Transparent Recruiting

We are committed to creating a workplace with opportunities for career development, to be the first choice for talented individuals with great ambitions in the wealth management industry, and to become a sustainable company and a renowned and respected brand in China. The Noah corporate strategy, five core values and Noah specific employee competency modules are followed to build a standardized recruitment system. We try hard to attract more ambitious, interesting and loving people to join us and become hardworking, professional and confident Noah employees.

All Noah staff are fixed-term staff, who are evaluated every three years for contract renewal. Noah recruits and equally rewards talent regardless of gender, race, sexual orientation, physical condition, religion, political belief and marital status. This equal treatment is also applied in salary compensation. Because the Noah Group belongs to the service sector, it comes with certain requirements, Noah currently does not have any employees with severe physical or mental disabilities, but Noah does contribute to a disability fund.

**Hiring Procedure:** When a department needs new people, they submit a recruitment application and then the recruitment team analyzes and evaluates the hiring needs before releasing a job ad through recruitment websites, public weixin account, weibo, employee referrals and campus recruitment.

**Interview procedure:** There are four stages of interviews, the first interview with the candidate is conducted by the HR department, the second interview is conducted by the recruiting department, and senior executive conducts the final interviews with confirmation from HRBP. Meanwhile, professional recruitment tools such as Noah hiring system, competency tests, psychological test and Enneagram test are used to search for the right Noah employee.

**New hire:** All new entrants are subject to probationary period of 6 months with eventual evaluation on performance. Those who demonstrated their strength with distinction will be officially employed in advance.

## 100 Days Hiring Plan

The hiring plan allows for a speedy adaptation of the work environment, Noah culture and increase retention rates for new hires. In order to train proactive, responsible and loyal Noah employees, we strive to do our best to help new hires build a good development basis using various extensive training resources such as face to face teaching, video training, teambuilding activities, tests, mentors and interviews.

## Management Trainee Recruitment Plan

Start from 2016, management trainee, along with the existing common/excellent fresh graduates recruitment, will be a new recruitment plan for fresh graduates. A deluxe strategy is to be adopted for management trainees with stricter entrance requirements to attain the most excellent candidates. Through the 2 + 2 module of 2 years in positional rotations and 2 years in services and diverse training methods, Noah strives to develop management trainees to become talented managers in the future to support long-term development of Noah.

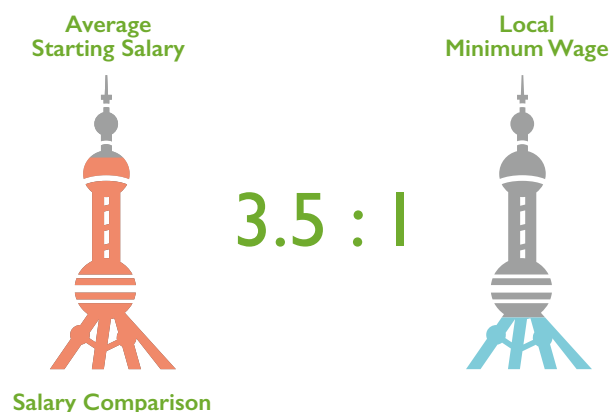


## Competitive Compensation System

In 2015, Noah established an entirely revamped compensation system, which aims for unification, individualization, compensation level positioning and payment concerns for the new Noah compensation strategy. The new compensation strategy sets the compensation standards for various businesses and a set of normalized salary management rules. The system implementation will be completed in 2016.

Noah's compensation is better than what the rest of the market offers. It includes salary, bonuses, benefits, stock, and stock options. These are awarded based on work content, seniority and salary level. The bonuses depend on annual performance and the nature of the job. Part of our personnel also receives quarterly bonuses, and some part-time management staff enjoy a supervision allowance.

In addition, Noah offers a variety of allowances for life and work, such as telecom allowances, travel allowances, etc. as part of our employee care, one of our CSR issues.



### Salary Comparison

In 2015, the minimum wage in Shanghai was RMB 2,020 per month. Noah uses Management Trainee that graduated less than a year as its baseline.

|  |         |          |
|--|---------|----------|
|  | A level | 1 : 1.08 |
|  | B level | 1 : 0.91 |
|  | C level | 1 : 0.89 |
|  | D level | 1 : 0.79 |

**Salary ratio of male and female employees compared for different levels**

# Complete Employee Care System

Noah regards its employees as family. We believe that offering genuine care and good benefits will increase our employees' engagement in their jobs.

## Team Activities

- Outdoor club / Fitness club / Study club
- Annual party / Team building / Company trips
- Extra holiday to visit family back home

## Benefits Related to Festivals

- Chinese New Year/ International Women's Day/ Children's Day
- Mother's Day/ Dragon Boat Festival/ Father's day
- Mid-Autumn Festival/ Christmas/ Lantern festival

## Physical and Mental Health

- Health check-ups/ TCM clinic / General accident insurance
- Noah Care / Public Foundation / EAP hotline
- Overtime meal allowance / Transportation allowance / All-day meal allowance / Leisure rooms

## Career Development

- Dual development path
- Personal Development Plan
- Personal attention





## Physical Health



## Welfare

Each day at 10:15 on each floor we offer a food bar. At 15:00 we offer a healthy afternoon tea with fruit. For those who work overtime after 18:00 we have yogurt, bread, cakes and the like. There's also a monthly birthday party with cake and gifts. In addition to that we offer the following allowances:

- Telecom allowance: dependent on position;
- Expat allowance: assignment allowance, housing allowance, travel allowance for home visits, and extra paid leave for family visits;
- Single-child allowance: for employees who are one-child parents;
- Allowances for weddings and bereavements; in the event of weddings and funerals we provide traditional cash gifts;
- Optimized tax planning: provide the best possible tax planning for our employees within the limits of the law.



## Insurance Benefits

In 2015, while Noah is enjoying fast business development, we have also began care more about our employees' health. On top of the original mandated insurance benefits and commercial insurance coverage, we have further increased the insurance coverage in key fields. There are two to five-fold increases in critical illness insurance. We have also begun to establish a comprehensive and multi-level employee protection system that covers all employees including interns and blue collar laborers. Meanwhile, we provide tailored protection for senior executives and foreign employees as well as optional insurance plans at preferential rates for employees' partners and children.



## Employee Relations and Promote the Welfare of Health

We hold annual travel trips, clubs, parent-child activities, care activities, and offer basketball courts, a gym, video room, shower and so on, to ensure employees' health; part of those facilities are also open to our clients. We hope employees and clients feel at home when they think about Noah.

Noah offers its employees annual health checks at specialized medical institutions. In addition, we offer special medical assistance for women. If an employee has a major disease, Noah will seek and provide appropriate assistance measures.

In 2015, we organized an employee lottery and annual banquet for the New Year, then provided gifts for Noah employees on New Year's day, Children's day, the Dragon Boat festival and the Moon festival. We even organized a gift exchange party on Christmas day. There are various activities for Women's day, Mother's day, Father's day and Qiqiao Festival; we also have 6 clubs for yoga, Taichi, running, basketball, book reading, dance and soccer that run once or twice a week.



## Flexible Work Schedule

Noah has a flexible work schedule. Employees may arrive between 08:45 and 09:15 and leave between 17:30 and 18:00 to avoid traffic congestion. It raises productivity and improves the quality of life for our employees and their families.





## Parenting Welfare

Noah takes care of female employees, safeguards their rights, and provides a good working environment. In accordance with national laws, our female employees can enjoy a maximum of 143 days of maternity leave, during which they receive 80% salary, in addition to the legal maternity allowance. They can return to their original position without worry. Until their child reaches one year of age, they can take one hour of paid feeding leave per day.



## Noah Veteran Employee Care Program

In gratitude for senior employees' tenure, Noah offers long-term employees special privileges and care, so they can rejuvenate and reach new heights.



## Smooth Communication Channels

We encourage employees to express their ideas and provide multiple channels of communication, to enhance Noah's identity and cohesion among employees, and benefit our organizational development.

If staff have any concerns regarding unethical or illegal matters, employees can report to their team supervisors, related department head, or directly to senior management through the Intranet.

Clients, too, have multiple venues for reporting complaints. In case of doubt, a client can first contact their Relationship Manager to share it, use the client service email, through Noah Mini App, or the service line (400-820-0025). Problems and opinions will be handled with the utmost care and investigated in accordance with our Standard Operating Procedure. We will clarify the facts as soon as possible and inappropriate conduct will be penalized.



# Employee Education and Training

**“Learning changes fate, training creates values and makes professionalism become simpler”**

To provide optimum service and superior value, Noah needs employees with special knowledge and a professional attitude. Therefore we require that our employees display a high degree of professionalism, including a high sense of responsibility, courage to commit, systematic thinking, focus, and dedication.

To display professionalism, Noah does have a training department. The core-training participants fall into six major categories: new hires, senior executives, middle management, management trainees, investment professionals and internet finance staff. The training covers five categories in spiritual growth, general skills, leadership and management skills, internet finance, investment and finance professions.

Based on the career development cycle of Noah employees, twelve deluxe training projects focusing on spiritual growth are offered in three stage program, investment afternoon teas and Noah public programs are open to employees' families and customers. Currently, the leadership development programs and three stage program are undergoing commercial operations.

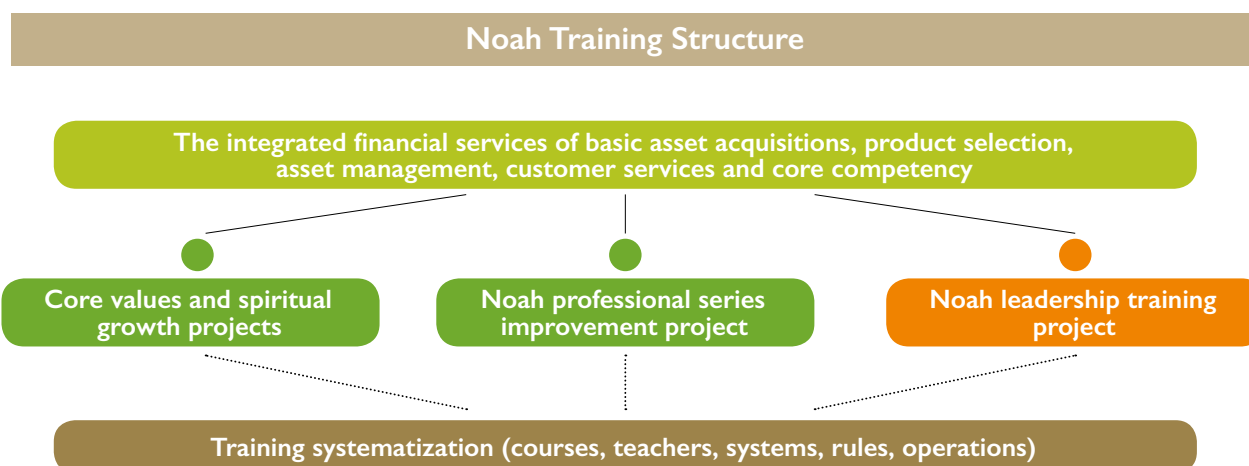
Beside face-to-face programs, Noah also regularly releases deluxe E-learning training programs through PC, mobile and other media for multi-directional communication. The new electronic and mobile learning platform are continuously upgraded in the hope of establishing Noah as a learning organization and to strengthen the core professional abilities of Noah employees. In addition to improving employee's professional skills and career competitiveness, the best professional services are provided to customers and ultimately form a positive cycle.

Our staff training is carried out by in-house trainers and by invited specialists. The training sessions are tailor-made to suit our corporate culture and needs and to help employees to provide the best professional service.

## Talent Development Strategy







- 01 Experience and affirm Noah's culture and core values.
- 02 Understand our business strategy, organizational structure, product knowledge, and development.
- 03 Help new employees adapt to Noah and master professional skills necessary for the job.
- 04 Improve team work capabilities, team spirit, creativity, and ownership.





### “Walk into Noah”- New Hire Training

To allow new hires to adapt and acknowledge the corporate culture of Noah, become familiar with business models and our organizational structure, prevent financial career risks, become familiar with essential skills and establish key working relations, we designed five major training modules: “Adapting Noah, Familiar with business, financial risk control, career training, project discussion” that last nearly one year in the hope of assisting new hires in establishing a good foundation for future career development.

|   | Training Type                                  | Content   | Participant             |
|---|--|---|-------------------------|
|  | Management Training                            | Executives, mid-level and technical level<br>Leadership training for general managers of subsidiaries   | Managers                |
|  | Enterprise and Core Values Training            | Corporate culture and core values<br>Three-stage training   | All employees           |
|  | Professional Training                          | Professional training for relationship manager<br>Graphic design, IT, customer service, HR training<br>Other  | Related employees       |
|  | General skill training                         | Communication skills<br>Application and writing<br>Emotions and stress management (such as workplace anger management)<br>Business etiquette<br>Presentation skills   | All employees           |
|  | Team training for departments and subsidiaries | Noduo group<br>One-step group   | Subsidiaries' employees |
|  | Training for new employees                     | The management trainee program, which includes on-the-job training, job rotation, coaching and supervision, training seminars and external communication strategy, aims to strengthen the abilities of new employees. | New employees           |

## Noah Care Institute

We not only provide our employees professional skill training, but also invest a lot of resources in taking care of their mental health. We established Noah Care Institute and every year we will hold many lectures covering health fitness, children education, spiritual growth, etc. Details please refer to page 93.

## Key Man Plan (Plan K)

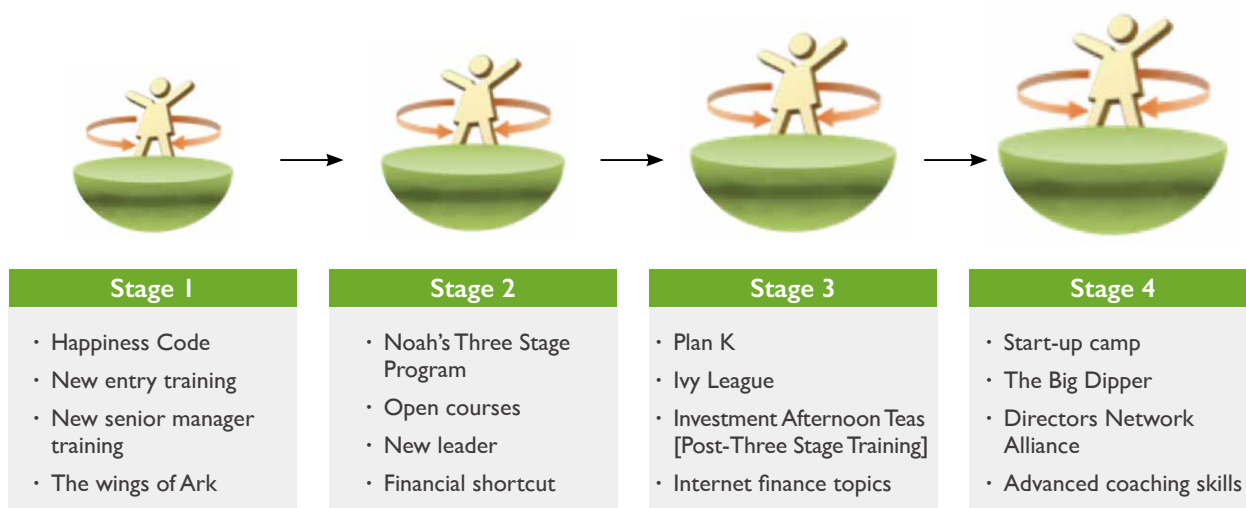
In 2015, Noah started to implement a strategic development project – the K plan. By recognizing and training key B, C, D level employees (Key men), Noah aims to build a database of talented senior executives. Through a thorough analysis of performance and potential, a talent pool of 100 Key men was built in 2015, and paired up with mentors and head mentors for work instruction, career advancement and spiritual growth.

Mentor and Key men will jointly establish an individual development plan (IDP) of non-performance targets, specific personal ability is augmented through on the job training, dual mentor system and training projects. Seventy-nine events were held in 2015 with 633 participants in total. At these events, on-the-job training, such as the mentoring, working with admirable colleagues for the day, visits to outstanding enterprises, KM talk on values were very popular.

By the end of 2015, there were 95 Key men in the company. The retention rate was higher than the average of the intermediate to senior positions. Two candidates were promoted to senior executive positions. The performance grade of A+ increased by 4%, around 97% achieved the expected IDP rates and above and the promotion rate was as high as 36.5%.

The K plan will be continuously optimized in the future with an organizational operation system that aims to increase ability through workshops, mobile learning and project completion. Meanwhile, we will strengthen our efforts with agreements on key talent entrance/exit, then gradually build up a network of high potential individuals internally to further systemize Noah talent development and maintaining team dynamics.

## The training path based on the core of Noah employee's development cycle



## Noah's Three Stage Program

Noah's Three Stage Program is an important class in the Noah employee training system. The program aims to increase leadership skills and awaken the potential of the employees. It is key to training employees toward ascending to management levels and a source of healthy development for Noah. The classes will not be easy, nor will they provide a single direction for participants on how to become leaders. They instead provide an extensive self-reflection environment, allowing participants to further understand themselves, improve their mental wellbeing and gain the leadership qualities. The 18th series has been held in 2015, with about 900 employees receiving such training since its inception.

In addition, we also combined charity events with the three stage programs. We helped at the Baby's Home, Rubin Flower residence and Senior home by accumulating charitable donations of about 840 thousand over three terms. We also helped 24 handicapped orphans to undergo rehabilitation surgery, then donated 200 hours of "accompanying time" for every participant to visit senior homes and spend quality time with them during the holidays.

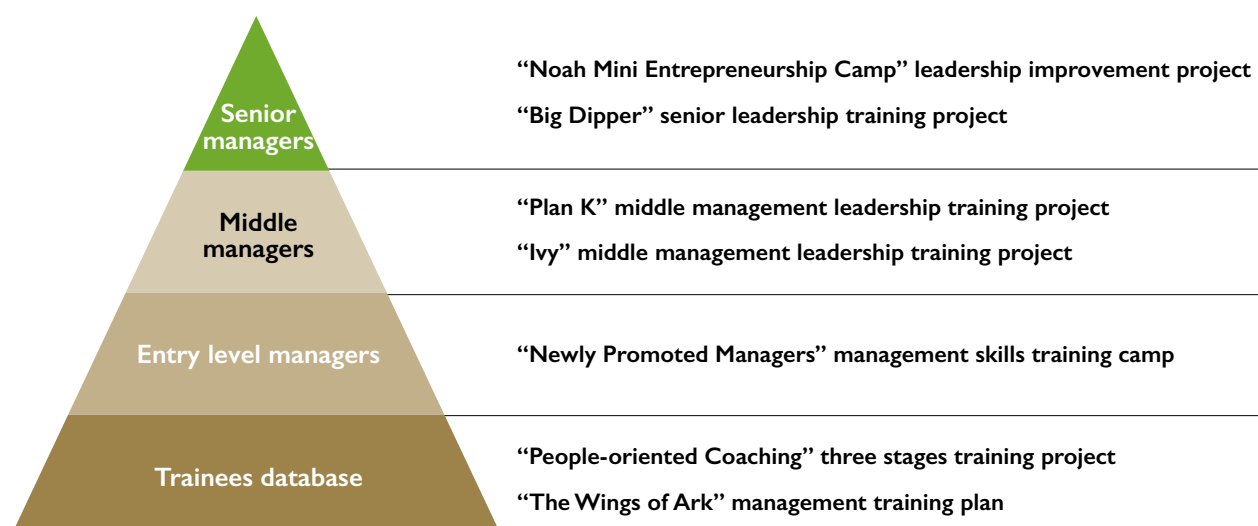
## Investment Afternoon Teas

The Chinese financial market crisis in 2015 made Noah even more adamant in the belief that investor education requires time, effort, systemization and continuous management. Thus, the "Investment afternoon tea" project was organized.

This deluxe professional training project organized by Noah and its subsidiary, Gopher Asset, invites senior investors in the industry to lead seminars regularly for Noah's employees and customers. This will strengthen the depth of investor education and influence more investors with Weixin live streaming to expand the audience of investor education. Not only is this beneficial for the growth of employees and customers but is also a solid investor education event, a way for Noah to fulfill its social responsibility.

A total of 20 events were organized in 2015 with over 20,000 participants, including audiences from live streaming.

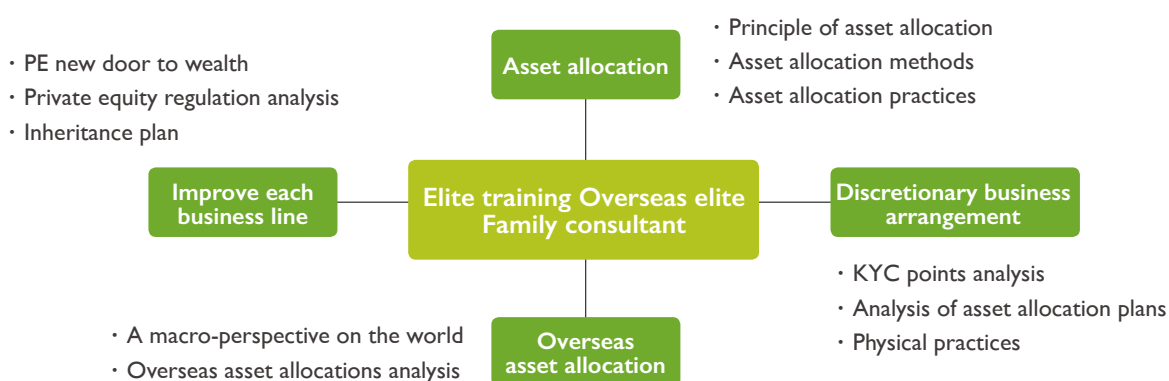
## Noah leadership development system



## Training for New Relationship Manager

| Item     | Objective   | Participants               | Frequency       | Modules   | Assessment  |
|----------|---|----------------------------|-----------------|---|---|
| Take-off | <ul style="list-style-type: none"> <li>Helping new hires to get to know Noah, adapting to Noah, familiarize themselves with business logic, improving skills and getting into the action.</li> <li>The clientele development tool allows new hires understand the process of finding new customers.</li> </ul>  | 0-2 months in the company  | Monthly         | <ul style="list-style-type: none"> <li>Business products</li> <li>Values and perspectives</li> <li>Building clientele</li> <li>Business operations</li> </ul>   | <ul style="list-style-type: none"> <li>On-site test</li> <li>Online test</li> <li>Actual practice</li> </ul>          |
| Ascent   | <ul style="list-style-type: none"> <li>Help new hires to practice asset allocation through investment strategy learning and asset allocation rehearsals.</li> <li>Increase new hires' self-confidence by sharing experiences from elites</li> <li>Help new hires to understand the risk control process and core logic at Noah, and solve any problems and questions met during the sales process.</li> <li>Explain benefits of Basic Law and instruct the MOB plan formulation to help new hires in self-breakthrough and achieve performance targets.</li> <li>Support new relationship managers who have been hired for less than 1 year to grow systemically and quickly into outstanding wealth managers through systematic training.</li> </ul> | 3-6 months in the company  | Bi-monthly      | <ul style="list-style-type: none"> <li>Investment strategy</li> <li>Risk control logics</li> <li>Asset allocation</li> <li>In- depth product training</li> <li>Setting target</li> <li>Sharing from colleagues</li> <li>Actual practices</li> </ul> | <ul style="list-style-type: none"> <li>On-site test</li> <li>Online test</li> <li>Case analysis</li> </ul>            |
| Cruising | <ul style="list-style-type: none"> <li>Expand service systems multi-dimensionally for customers through understanding of tax laws.</li> <li>With topic-specific learning in trust and insurance, new hires can understand how to complete reasonable arrangements on inheritance and taxes for customers through legal and other financial tools.</li> </ul>  | 7-12 months in the company | Every half year | <ul style="list-style-type: none"> <li>Mindset in focus</li> <li>Discretionary business</li> <li>Value adding services</li> </ul>   | <ul style="list-style-type: none"> <li>Personal assessment</li> <li>Special sharing</li> <li>Case analysis</li> </ul> |

## Training for Outstanding Wealth Management Talent











## Project Manager Training

| Stages            | Prior to training  | During training   | Post-training  |
|-------------------|--|---|--|
| Training progress | <ol style="list-style-type: none"> <li>1. Feedback from the new hires in each region</li> <li>2. Headquarters training application</li> <li>3. Internship plan communications</li> </ol>   | <ol style="list-style-type: none"> <li>1. On-the-job training of 1.5 months</li> <li>2. Learn at least two product lines</li> <li>3. Submit product line specific analysis to instructor</li> </ol>   | <ol style="list-style-type: none"> <li>1. Follow up on actual work status</li> <li>2. Monthly work summary and feedback</li> </ol>   |
| Target mission    | <p>Communications:</p> <ol style="list-style-type: none"> <li>1. Feedback from new hires in the region</li> <li>2. Project communications</li> <li>3. Designated instructor</li> <li>4. Planning work and training plan</li> </ol> <p>Report to headquarters:</p> <ol style="list-style-type: none"> <li>1. Reporting of new hires</li> <li>2. Confirmation of work and training plan</li> </ol> | <p>Training details:</p> <ol style="list-style-type: none"> <li>1. Participate in various required meetings</li> <li>2. Professional knowledge of product lines</li> <li>3. Product listing processes and steps</li> <li>4. Product selling strategy formulation and producing marketing materials</li> <li>5. Learning corporate cultures and values</li> <li>6. Specific project follow up by instructor</li> <li>7. Other related trainings</li> </ol> | <p>Training summary:</p> <ol style="list-style-type: none"> <li>1. Summary and reporting of internships to headquarters</li> <li>2. Training completion interview, departmental head, staff in charge of product line and instructors are invited to attend.</li> </ol> <p>Post-training follow-ups:</p> <ol style="list-style-type: none"> <li>1. Deliver monthly work summary to headquarters</li> <li>2. Tracking monthly training results and feedback through phone or email</li> </ol> |

## Relationship Manager Training in 2015

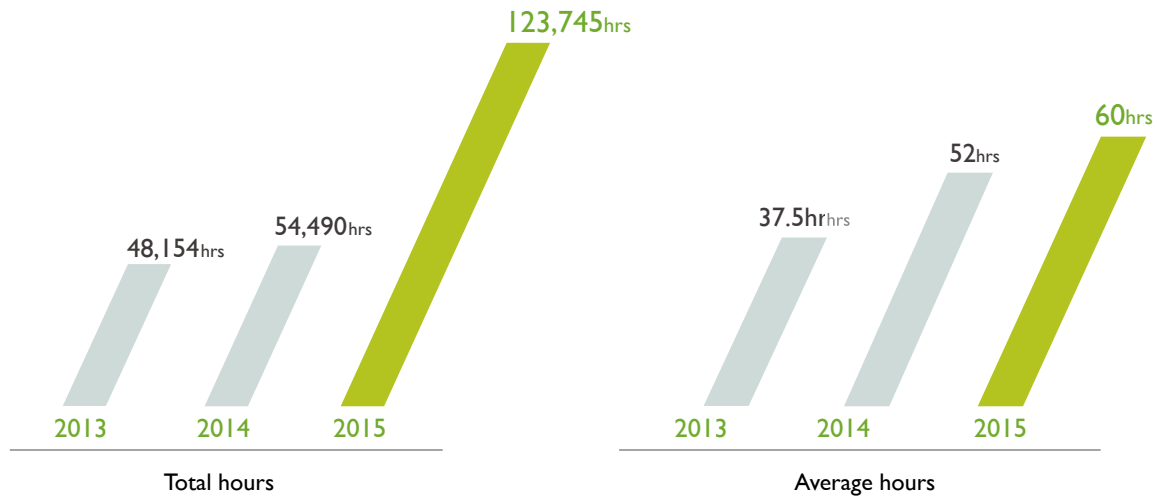
|   |  |   |  |   |  |
|---|--|---|--|---|--|
| <br><b>Take-off</b>                              | <b>8</b><br>Programs<br><b>733</b><br>Participants   | <br><b>Cruising</b>        | <b>6</b><br>Programs<br><b>353</b><br>Participants | <br><b>Elite</b>                     | <b>2</b><br>Programs<br><b>135</b><br>Participants |
| <br><b>Elite/ Subsidiaries' general managers</b> | <b>3</b><br>Programs<br><b>1,004</b><br>Participants | <br><b>Project manager</b> | <b>3</b><br>Programs<br><b>172</b><br>Participants | <br><b>Outsourced sales training</b> | <b>5</b><br>Programs<br><b>131</b><br>Participants |

Total

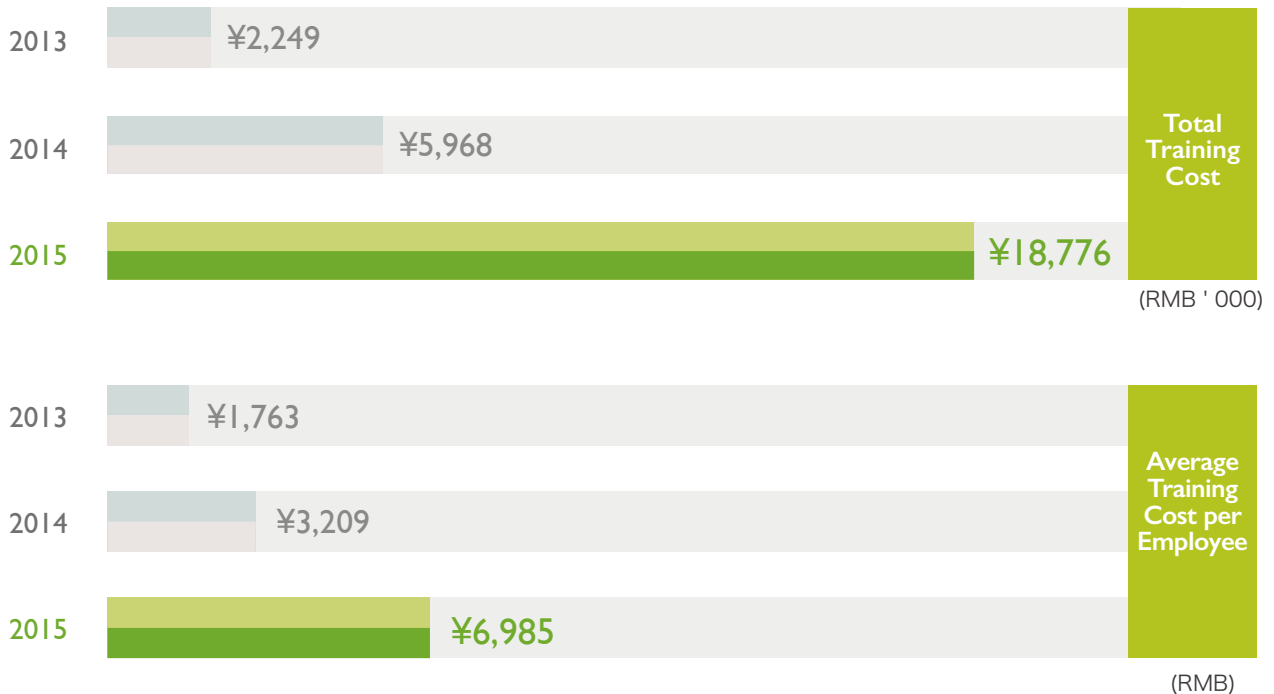
**23**  
Programs

**2,528**  
Participants

### Average Hours of Employee Training



### Total Annual Cost of Employee Education and Training



Note: The scope of education cost has included Noah's head office and its subsidiaries since 2015, therefore, the number is quite different than previous years.



### In-House-Based Training System

The in-house trainers are accomplished Noah professionals who are gradually groomed into their roles as trainers. This system has proved effective in developing Noah-specific and high-caliber training talent in a systematic manner, which has contributed to Noah's strategy, sales growth, and talent development.

| Levels of In-House Part-Time Trainers at Noah | Assessment Method  |
|---|--|
| Three-stage training model                    | Graduates from the Three-stage training model. Based on their performance and seniority.   |
| Noah expert trainer                           | Volunteered or recommended by managers.  |
| Noah senior trainer                           | 1. Directly screened and certified by the training department of the parent company for taking training.                                     |
| Noah trainer                                  | 2. Obtain approval from the training head of subsidiaries first, and then screened and certified them by parent company for taking training. |
| Noah assistant trainer                        |  |

# Maintaining a Sound Workplace

Noah values employees' rights to work, assembly, and association. To maintain these rights and interests, we have established related personnel management practices and complaint regulations. In addition, we have promoted gender equality in the workplace, and established policies and complaint mechanisms to prevent sexual harassment in the workplace. We ensure that employees are not treated differently on the basis of gender, race, etc. and everybody at Noah is afforded equal respect and treatment.



## Anti-Bribery Training Mechanism

To provide clients with the most reassuring service, we value ethical behavior for our relationship manager and other employees. We established the Anti-bribery Rules for all contract signings in 2015. In addition, we have continuously improved anti-bribery training programs and hired a lawyer to provide anti-bribery training for all employees. We have produced a video recording of this training and placed it on the Noah Intranet for employees to watch at any time. This training video is mandatory for new hires.

Each year Noah runs an anti-bribery test on the Intranet to assess our employees. As of the end of 2015, the total number of employees who have taken the test stood is 3,547.

## Change of Job

Noah respects the human rights of its employees. If operational changes lead to adjustments of duties or internal transfers, we inform staff well in advance to allow time for proper planning and transfer. Depending on the circumstances will also offer employees options to choose from, so they can remain at Noah and continue their professional growth.

To provide clients with the most reassuring service, we value ethical behavior of our relationship manager and all other employees.





## Listening to Employee Feedback

---

Noah values the voices of our employees. We regard their voices as important opinions to support our growth and progress as a company. To encourage our employees to express different ideas, we offer a variety of platforms and feedback channels where employees can voice their opinions freely and openly. We hope that Noah feels as warm as home to our employees, where constructive feedback and positive contributions are cherished.

### **Continuous Performance Management**

Alignment of employees' individual goals and organizational goals contributes to achieving our corporate goals and mission. To this end, we use Key Performance Indicators (KPI) at all levels in the organization for daily coaching and communication, and as an instrument to help managers notice and deliver the support that their team members need. KPIs also help employees to stretch, learn, and develop.

### **Employee Communication and Complaint Channels**

Noah offers a variety of communication channels, including a Maintenance and Repair Desk (Tel 2288), an IT helpdesk (Tel 6677), an IT department, administrative department, branding department, etc. Each regional branch office has a regular questionnaire to ensure that employee feedback is heard and answered. The IT Helpdesk (Tel 6677) handles 110 phone calls per day, and 29,000 calls over a year. In 2015, the Maintenance and Repair Desk (Tel 2288) took a total of 1,857 calls.



### Executive Debriefings

Debriefing is a major feature of executive performance management. Its main objectives are to strengthen horizontal communication between executives, deepen their knowledge and understanding of the work of all units, optimize internal information flow, and strengthen their overall view.

Furthermore, the debriefing of Noah executives includes "360-degree democratic assessment" and "debriefing meetings". The 360-degree assessment covers one's values, while the debriefing meetings focus on performance. These two reviews aim to fully bring out Noah's corporate spirit.

Noah executive debriefing outcomes typically include:

- 01 Record the debriefing meeting for further distribution to support implementation.
- 02 The total score of the debriefing counts toward the annual performance appraisal score.



# | Environmental Protection |



**We have effectively conserved energy.**  
It is estimated that the total energy conserved  
should be around **170,000KW**

**We increased energy usage efficiency in a large scale;**  
the energy usage per million revenue earned  
has been reduced by **33%**

# Energy and Resource Management

In comparison with many other industries, Noah's wealth management products and services do not cause significant damage or pollution to the environment. Nevertheless, when financial specialists serve customers and personnel of back office provide administrative support, it is inevitable to consume energy (such as electricity) and other resources (such as papers and consumables).

However, as a global corporate citizen, Noah is aware of the importance of energy conservation, greenhouse gas emission reduction and environmental protection and sustainability. We have fully implemented environmental protection starting from the management level, business strategy and organization structure, promoted environmental protection projects in offices, and strived for minimizing our impact on the environment.

## Noah's Sustainable Homeland

In recent years, energy shortage has become a global issue. Long-term dependence on coal, oil and other non-renewable energy sources is depleting these resources. Until we find more effective alternative energy resources, energy is a key issue to the world's socio-economic development. On the sustainability dimension of our corporate responsibility, Noah has created a blueprint for a Sustainable Homeland, which drives a variety of sustainability initiatives within the company.

Internally, we promote electronic communications to reduce paper consumption as well as reduce power consumption and lower our greenhouse gas emissions. Externally, we encourage our clients to make optimum use of our online services to reduce resource consumption. In addition, we request our suppliers to comply with Noah's Sustainable Homeland initiative and deliver environmentally friendly products and services to create a greener and cleaner environment together.

Noah is a wealth management group that not only provides sophisticated and reassuring wealth management services, but also does so in a sensible and sustainable way. In the process, we serve as goodwill ambassadors for environmental sustainability management. Noah shows its care toward the environment and fulfills the promises of earth friendliness through our actions.



## Energy Consumption of the Noah Head Office

| Item - Unit  | 2013  | 2014  | 2015  |
|--|-------|-------|-------|
| Electricity - GJ                                       | 1,868 | 3,180 | 3,315 |
| Energy intensity - GJ / RMB 1mio                       | 1.86  | 2.08  | 1.56  |
| GHG emission quantity - tCO <sub>2</sub> e             | 420   | 716   | 745   |
| GHG emission intensity - tCO <sub>2</sub> e / RMB 1mio | 0.42  | 0.47  | 0.35  |
| Water consumption - ton                                | 3,728 | 7,334 | 7,269 |
| Gas consumption - L                                    | —     | 5,819 | 6,357 |

Remarks: Energy intensity = electricity usage / net revenue  
 GHG emission intensity = GHG emissions / net revenue  
 Carbon conversion factor = 0.8095 tCO<sub>2</sub>e / MWh

## Environmental Actions in the Noah Office

For a financial services provider, the office is the main workplace for our employees. Overall, resources used are limited to stationary, cleaning and meeting necessities. Among these, paper usage stands out as the largest resource consumed.

Noah encourages employees to actively promote environment actions in the workplace. We have adopted centralized building management model to analyze, monitor, and control electricity consumption. We also encourage our staff to reduce, reuse, and recycle (3R), and furthermore, take these habits back to their families and communities.

At the end of 2015, the headquarters of Noah was moved to the Changyang Valley Park from Qinhuangdao Port due to organizational growth. There are six floors in the new building and can accommodate 1,200 people (double our previous capacity). Most of the interior decorations use certified environmentally friendly materials such as paintings and mats made with plant fibers and artificial flooring and wall paintings are used in place of large installations. Energy conserving LED lights are used for the lighting and an energy efficient air conditioning system has been installed. Compared with previous consumption, around 30% energy is conserved. A water filtering system has replaced older water barrel delivery services for drinking water, which reduced the power consumption of water coolers.

## Consideration for the Construction of a Noah Workplace

|    |  |
|----|--|
| 01 | Must be built in strict accordance with construction norms to avoid adverse effects on the environment.  |
| 02 | Build and furnish with safe and environmental friendly materials.  |
| 03 | Workers wear respirators during coating, painting, and dust-producing work. Welders must wear goggles. Work done aloft requires safety harnesses and ropes.  |
| 04 | Our construction sites are equipped with fire extinguishing equipment.   |
| 05 | A specialized company will test the indoor air quality to ensure hazardous gases do not exceed norms. Also air purification equipment will be installed to clean the air as a basic condition for employees' physical and mental health. |





## Environmental protection actions participated

| Projects - Unit  | 2014      | 2015      |
|--|-----------|-----------|
| Electricity reduced in improved procedures - kw                                  | 86,457    | 89,945    |
| Estimated total energy conserved - kw  | 150,000   | 170,000   |
| Cleaning expenses - RMB  | 1,451,415 | 1,483,772 |
| Total amount invested in energy conservation and carbon reduction projects - RMB | 255,000   | 6,861,690 |
| · Drinking water for Changyang Valley - RMB                                      | —         | 111,690   |
| · Replacement of air conditioners in Changyang Valley - RMB                      | —         | 4,470,000 |
| · Fees of LED lights exchanges - RMB   | 255,000   | 2,280,000 |

## Promote Environmental Protection

From 2013, the Administrative Department and the Operations Department offer training and a manual for green workplace management to administrative and operations departments within the Noah Group.

## Workplace Environmental Management

| Item  | Description  |
|---|--|
| <b>Electricity</b><br>                       | <ul style="list-style-type: none"> <li>• Air conditioners are set at 26°C.</li> <li>• Replace the lighting to LED, which offers sufficient lighting and saves more energy.</li> <li>• Turn off air conditioners in unused spaces during security personnel's daily patrols.</li> <li>• During night-time patrols, our security personnel turn off lights and air conditioners.</li> </ul>  |
| <b>Water</b><br>                           | <ul style="list-style-type: none"> <li>• The pantries and bathrooms use motion-sensor-activated taps to save water.</li> <li>• Notices encourage prudent use of paper towels and air-driers.</li> <li>• Pond water is used to flush ditches and clean the roads.</li> </ul>  |
| <b>Administration Control Measures</b><br> | <ul style="list-style-type: none"> <li>• Office plants are used to absorb CO<sub>2</sub> and improve indoor air quality.</li> <li>• Screens and computers are set to sleep after a set time of inactivity.</li> <li>• Set recycling boxes for (non-confidential) single-sided printed waste paper to be reused.</li> <li>• Stationery is centrally managed to prevent overstocking and waste.</li> </ul>                           |
| <b>Behavioral Changes</b><br>              | <ul style="list-style-type: none"> <li>• Annually plan an Eco Month to promote energy and resource saving.</li> <li>• Employees are encouraged to turn off screens when leaving their desk for a while.</li> <li>• During lunch and after work, the last person turns off the air conditioning, light, printer or other equipment.</li> <li>• When vacating a meeting room, switch off the air conditioning and lights.</li> </ul> |

## Reduction of Paper Usage

To reduce the paper usage, and to increase the reuse of the paper we consume, we set up a paper usage reduction program that visualizes the cost of paper to control our overall paper usage.

We use the latest technology for printer management centered on a card system. Our employees have to use their staff pass to activate the printers to keep statistics of individual paper usage. Also, printers are set to sleep after a set time of inactivity.

## Encourage the Use of Video Conferencing

To save the costs, time, manpower, and energy involved in physical meetings, and to increase meeting efficiency, all of our offices are equipped with teleconferencing facilities that allow information sharing and consensus building without distance restriction, which eliminates the hassle of travel and the CO2 emissions from transportation.



## Number of Attendance of Video Conferencing





## Healthy Work Environment

Most people spend one-third of their day in the workplace. In 1999, a World Health Organization study in the Western Pacific region indicated that creating healthy and safe workplaces will improve employee morale, reduce employee turnover and absenteeism, increase productivity, and reduce costs of health care and insurance.

To create a comfortable and safe workplace for our employees, we designed each department and office with their particular needs in mind, which include a large amount of greens plants and comfortable space that allows a symbiosis of plants and technology. We aim to create an office environment that resembles nature. For example, every meeting room in the new headquarters has green plants or flowering plants, added power outlets with flipping covers that are more user-friendly. Rooftops and corridors are decorated with artificial greens and natural plants to create a green office space. There are more exercise equipment and recreational furniture installed that enable employees to be as comfortable as if they were in their own homes.

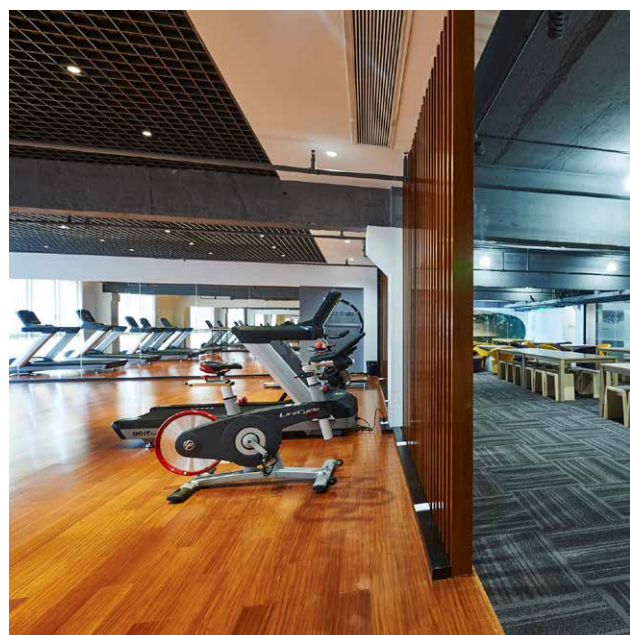
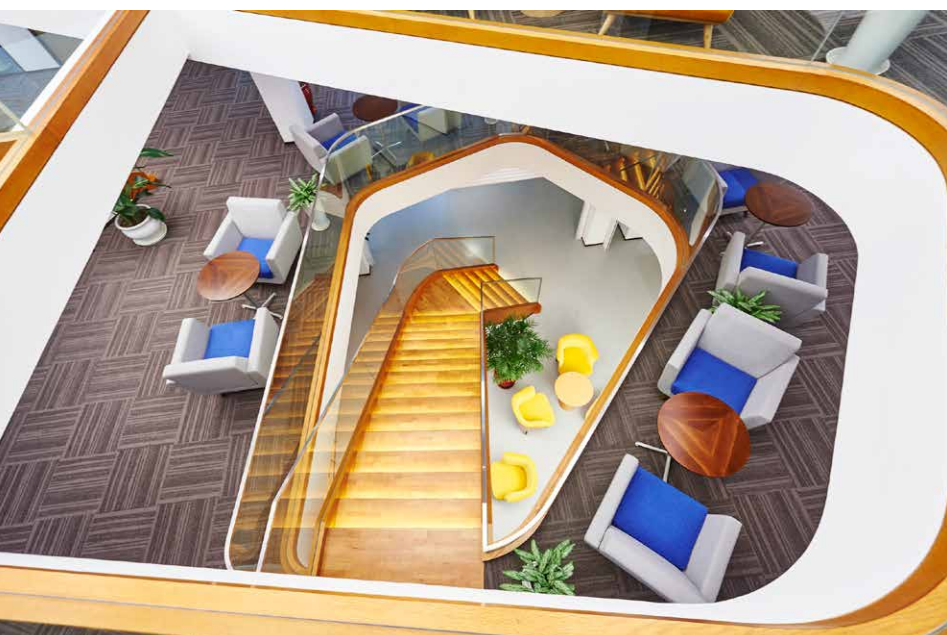
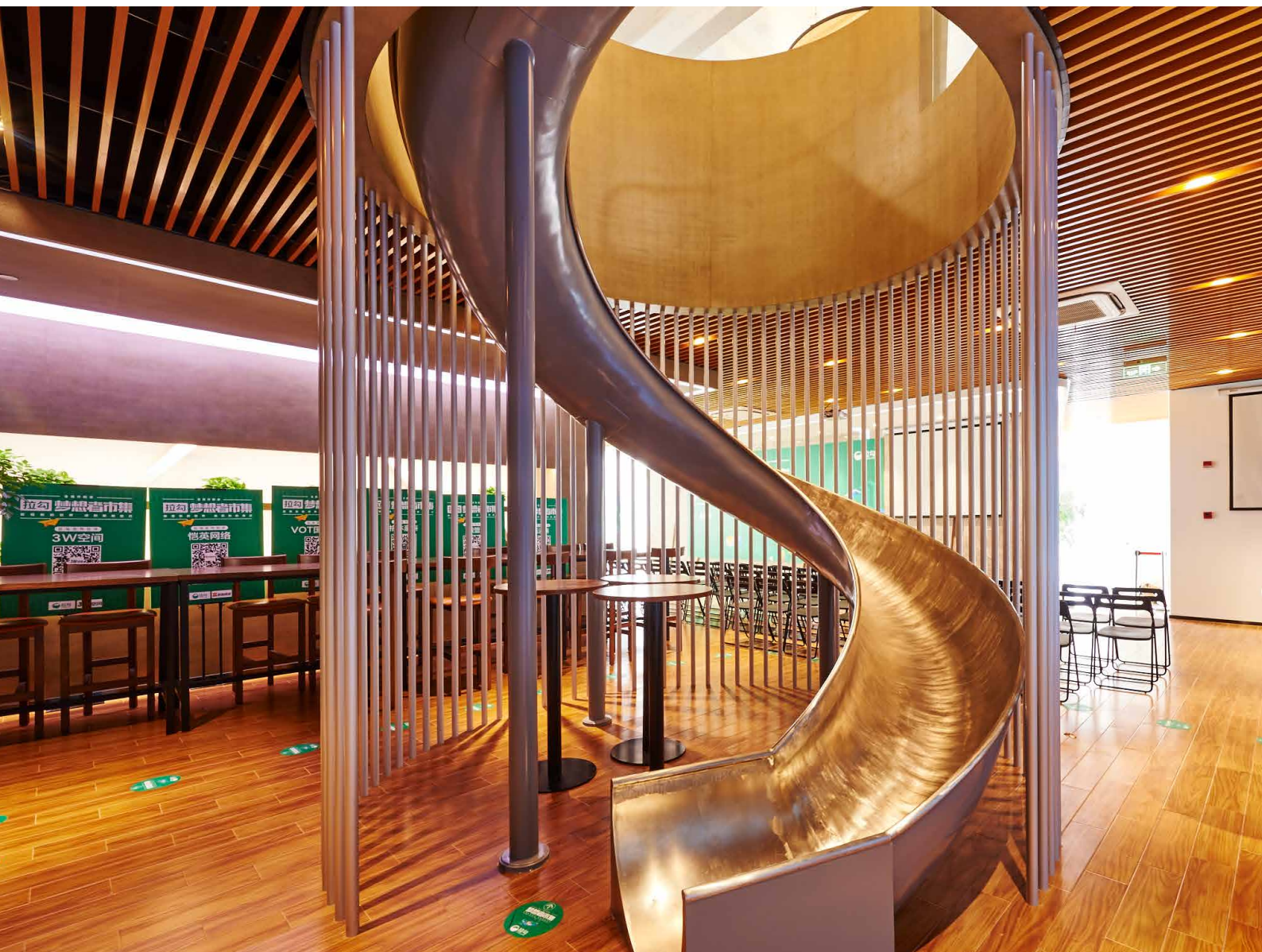


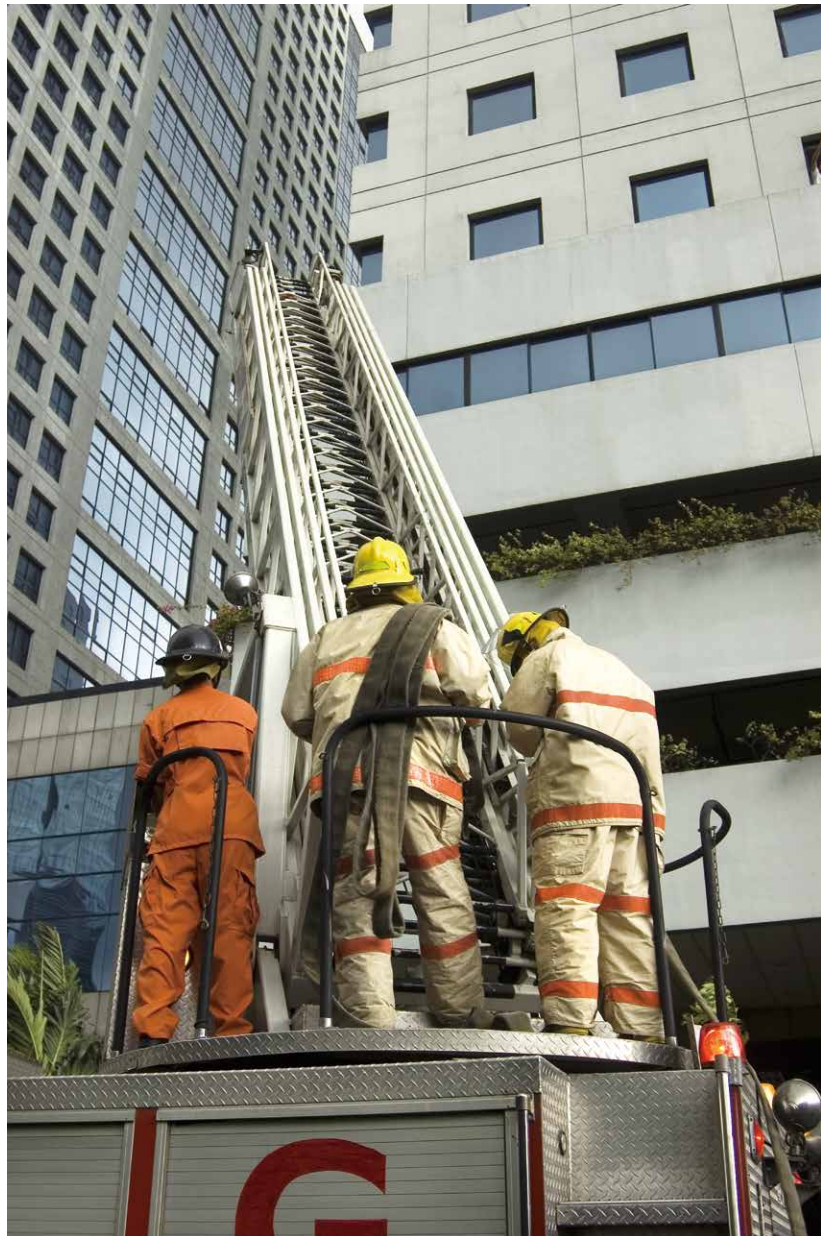


In addition, we also increased interaction with neighborhoods, employee cards not only act as an access card but are also compatible with purchase payments. These cards can be used to shop at stores in the park; the “all in one card” function is popular with Noah employees.

We believe that 'people' are the greatest asset of our company. Therefore, we are committed to creating a working environment that offers the best conditions for work and life to our employees. We hope that Noah employees enjoy their work without other worries. In order to understand our employees' job satisfaction, we conduct periodic employee surveys measuring their satisfaction with our administration and service, which always stands at more than 90%.







### The Fire and Emergency Response Mechanism

Noah operates a platform that connects to the fire departments of the cities it's located in. When a fire breaks out or someone activates the smoke detectors or sprinklers, the fire department arrives swiftly. We hold one or two fire drills per year to raise awareness of fire prevention, practice response time, and educate basic knowledge and use of fire escapes.

We also request our building management and security staff take special training in the use of fire extinguishing equipment and the best techniques to evacuate crowds as quickly and safely as possible. All Noah office buildings comply with local safety regulations; all of our fire safety equipment is checked once a year.

# Environmental Philanthropy

In the current Chinese society, the role and meaning of family to an individual is gaining more and more significance. However, the impacts of enterprise, one of the most important cells of a society, on the individual are frequently ignored. In fact, in Maslow's hierarchy of needs, enterprise is at an essential position for love and belonging needs—it is the most beautiful sense of belonging through working in a position we love, earning a living, serving customers and receiving respect from the society.

Noah has always been striving to become just such an enterprise! About 10 years ago, we started with providing professional wealth management that customers while focusing on the spiritual growth of our employees and customers. We also show our gratitude towards customers and employees by participating in social responsibility events that protect our environment and society.

## Why Haloxylon Trees?

Haloxylon, tamarisk, and poplar are called the 'desert guards'. Among these, the haloxylon stands out for its tenacity and low planting and maintenance cost, which is the best choice for plants that are used to combat desertification in western Inner Mongolia. In the 1950s, a total area of 11,300 km<sup>2</sup> was planted from Bayanmuren Sumu in Zuoqi, to the east of the Alxa Desert, to Mazongshan Sumu, in Ejin, to the west of the Alxa Desert. This 800-kilometer area called the Green Corridor inside the Alxa Desert broke sand storms and protected ecological equilibrium. Over time, the corridor shrank, and today only 5,560 km<sup>2</sup> of low-quality forest remains.

## Noah Partners with 100 Million Haloxylon Project of SEE

In 2010, Noah became a member of the SEE Conservation and has become very much engaged in SEE's ecological preservation work. Each year we invest at least RMB 100,000 in SEE projects and actively participate in their activities. In 2014 we became the first Council Member of its 'green supply chain' and sponsored SEE's 10th Anniversary Concert.

Protecting these faraway lands is caring for our country; this is the reason that Noah supports the 100 Million Haloxylon Project to make a difference to society. Our first donation coincided with the Mid-Autumn Festival. We held a fundraising activity entitled "Love your Land, Plant a Tree", which raised RMB 600,000 among our employees, and all the donation went directly to the project fund.

The Society of Entrepreneurs & Ecology (SEE, for short) is China's first public institution whose entrepreneur membership has made ecological preservation its main social responsibility. It's one of the most influential environmental organizations.

Early 2014, SEE initiated the 100 Million Haloxylon Public Project, which aims to raise RMB 1 billion to plant 100 million haloxylon trees on the eastern edge of the Tengger Desert. When completed, the planted area will be 5 km long and 2 km wide. Since 2014, Noah has worked with SEE to donate an average of 50,000 haloxylon trees. It is estimated that in 2016, the accumulated number of trees donated will be over 150 thousand.

In 100 Million Haloxylon Project, Noah is committed to:

01

Reforesting 2 million hectares of the Alxa desert with haloxylon trees to reduce sandstorms originating from or passing through this desert.

02

Developing effective mechanisms and successful models for cooperation with stakeholders to halt desertification, restore biodiversity, and improve people's livelihood.





## Large-Scale Ecological Restoration

### Ecological value

Halt desertification of 1,000 km<sup>2</sup>

+

### Economic value

Yield: RMB 1 billion

Benefiting nomad families: 4000

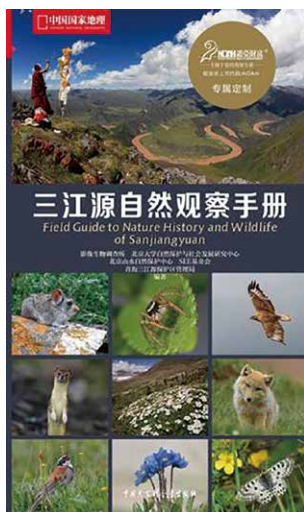
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### Social value

Sponsoring companies: 500

Tree-planting volunteers: 20,000





## Sanjiangyuan Conservation Plan

In 2015, we followed SEE to work on the representative Sanjiangyuan water resources. It contains the headwater of the Yellow River, the Yangtze River and the Mekong River. It has cultivated centuries of civilization in China and Indo-China. SEE, Imaging Biodiversity Expedition Inc., Peking University Center for Nature and Society and Shan Shui Conservation Center have conducted large-scale observations and research at Sanjiangyuan before Noah joined the team. We joined the work to uphold our simple and plain belief:

**Origin, is the origin of life,** Noah cares about the sustainable development of employees, customers and society in terms of wealth and spiritual well-being as well as the ecosystem.

**Origin, is not to forget one's origins.** Noah is grateful to our customers and strives to be a responsible company with sustainable development. We want to provide wealth management services to rich and caring Chinese in the world as well as to institutions that own up to their corporate social responsibility. We want to enjoy an ethical, affluent and fulfilling life with our stakeholders! Therefore, we turn our appreciation of our prosperity and growth into physical actions of protecting the headwater source that gave rise to the Chinese community and the environment.

**Origin is about cleaning our roots and origins.** Noah wishes to participate in the protection of the foundation of our ecosystem, just as financial and capital markets in China are the sources that nourish the development of China's economy, Sanjiangyuan is the source of life for China. As the leader and pioneer of the independent wealth management in China, Noah is committed to self-discipline, keeps away from the unspoken rules in the industry, and strives to lead industry in complying with professional ethics and industry regulations. Noah actively promotes the "rule of virtue" of the entire industry to allow investors to receive fair and justified trading opportunities to support the healthy development of the market.

The Society of Entrepreneurs & Ecology (SEE, for short) is China's first public institution whose entrepreneur membership has made ecological preservation its main social responsibility. It's one of the most influential environmental organizations.



# | Learning and Maturity |

Wealth in life is not just about money. It's about freedom, fulfillment, and well-being. Since our establishment, we have presented ourselves as companions to our clients on their journey toward creating, preserving, and sharing wealth and love.

**Our social investment increased  
by 1.87 million dollars**

**Noah "Employee emergency fund"  
donated 180 thousand dollars  
to 6 employees in need.**

**Noah CARE increased its program  
coverage to 2,241 people**

**We have helped hundreds of  
vulnerable families and underprivileged students**



# The Noah Charity Foundation

Life is beautiful, and is not all about business and wealth. We hope and encourage that everyone at Noah to care about their colleagues and partners, and the communities around us, to make the world a better and sustainable place. Our clients actively participate in public welfare and charity work to make the world a little better.

The Noah Charity Foundation was registered on 21 February 2014. The registered capital was RMB 4 million. The purpose of the Foundation is to foster gratitude and good deeds, furthering lives with wealth and love and fulfilling the founder's corporate social responsibility. The foundation focuses on charity in areas of spiritual growth, environmental protection and helping the disadvantaged.

Currently, we are among the few foundations in China concerned with spiritual growth. We strive to become the backbone of Chinese society that fosters leaders with wealth, love and well-being, paying forward their good fortune and good intentions to create a better world. The foundation works closely with such influential organizations as SEE, the Narada Foundation, and the Foundation Center.

- 01 The main areas of concern: spiritual growth, environmental protection, helping the disadvantaged.
- 02 Standards of conduct: openness, transparency, integrity and love.

As long as people at Noah continue to improve, the Noah Group will continue to grow, and spread its light and warmth to all of China's society. We believe that spiritual growth may benefit from a number of key initiatives:

- ◆ Serving wealthy and caring individuals, and enterprises with a sense of social responsibility
- ◆ Foster physical, mental, and spiritual growth, wealth, and health
- ◆ Actively participate in related training, and make colleagues, relatives, and clients join as well
- ◆ Actively engage in public welfare and charity outside the company



# Stringent Social Participation Evaluation System

Performance evaluation on the organization and each charity project is done regularly through qualitative and quantitative indicators by the foundation to ensure operational efficiency, allowing the resources invested to generate maximum benefits and enrich each participant' goals.

## Organization self-evaluation

Key Performance Indicators (KPI) are used by the organization for self-evaluation. An annual evaluation is done based on three dimensions: sales indicators, customer orientation and internal operations.

## Project evaluations

Evaluation indicators include project design, annual progress, team management, financial status and social impacts.

Since spiritual growth needs a longer time before showing results, the foundation expects to collaborate with additional professional institutions to discover more effective evaluation systems and continuously improve the quality of spiritual programs to help more people.

As of the end of 2015, with the added support of various groups, the foundation has raised over 17 Million dollars and organized over 80 public spiritual courses with over 10,000 participants. Noah also donated a few million dollars in the areas of environmental protection, civic education and support for disadvantaged groups, striving to contribute more resources to charity groups in China.

| Projects  | Donated amount   |
|---|------------------|
| 2015 Noah CARE  | 1,986,360        |
| Daliangshan charity project   | 23,000           |
| Beautiful rural education for China   | 126,800          |
| Disaster Relief in Nepal & Tibet  | 50,000           |
| United Way projects: Moon Bear protection charity and captive animals welfare | 35,000           |
| Zhongxian Primary Schoo project   | 20,900           |
| Shanghai International Youth Orchestra  | 130,000          |
| Love under the blue sky   | 30,000           |
| Donations to the Angel Confidant Salon of Cao Peng                            | 98,000           |
| SEE "100 Million Haloxylon Public Project"                                    | 500,000          |
| Employee emergency fund   | 180,000          |
| Other items   | 5,147            |
| <b>Total</b>  | <b>3,165,207</b> |



## Spiritual Charity - Noah CARE

In early 2013, Noah and Forbes jointly issued a Happiness Index White Paper, which clearly indicated that 'Wealth is not the first prerequisite to happiness for people. On the contrary, family, marriage, connection with one's children, and self-realization, were found to be more important sources of one's happiness.'

Noah launched "Noah CARE", a program for physical, mental, and spiritual growth that has been the key charity project of the foundation for years. The program covers parent-child relations, marital relations and parental care. It aims to realize one's capability for happiness through attaining internal and external peace to find his/her true self while helping out people in need and positively influencing others.

Since the launching of Noah CARE, almost every session of the program has been filled to capacity demonstrating that when the material conditions of life have been fulfilled to a certain extent, one's pursuit shifts to physical, mental and spiritual growth. We will gradually expand the program and increase the number of participants. 3.5 Million dollars should be invested in 2016 for 50 sessions and the number of people directly benefited is estimated to be more than 6,000.



### 2015 Noah CARE Performance



# Other Social Participation

## Starry Bay Autisms Caring Project

According to the statistics, there are 22 currently registered autism groups in Shanghai, over 20,000 autism kids are registered and about 300 special education teachers work with the autism groups. The incidence rate of autistic children has increased from 1/68 to 1/50 slowly. This data allows us to discover autistic patients and groups that need more attention and resources for sufficient care.

On April 2, 2015, the foundation officially launched the “Starry bay autisms caring project” to spread our love to patient’s family, autism groups and special education teachers. Firstly, we organized two Starry bay spiritual programs with 192 participants involved in autism and related groups. Then we started in-depth communication and collaboration with four autism institutions; donated 100 thousand dollars to support music training for autistic children at the Angel Confidant Salon of Cao Peng in Shanghai.

In 2016, Noah plans to donate 1 Million dollars after seeing research by the autism groups and areas of need. The two areas of sponsorships are focused on: funding donations that help with daily operations and development of excellent and sustainable autism groups and to build up special teams to train autism specialized teachers in the hope of assisting autism groups through professional support



## Employee Emergency Fund

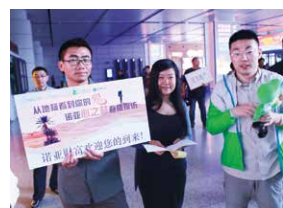
On Christmas 2014, a colleague suffered from accident and urgently needed financial assistance. Therefore, class members of Noah’s 15th three stage program started a “Employee emergency fund” As the word spread around, the fund officially became an internal charity project in mid-2015 and carried forward our belief in helping each other out. By the end of 2015, a total of 180 thousand dollars of sponsorship applications have been received from six employees.

When employees and their immediate families suffered critical accidents or illness, we will provide an assistance fund of RMB 20,000 to 40,000. If Noah has around 3,000 employees, including their direct families, it is estimated that 330 thousand dollars will be required annually based on the calculations of 1/1000 mutual fund toggle rate.

In 2016, we will start from the perspectives of corporate culture and corporate caring to encourage all employees in joining the mutual assistance project in order to provide more assistance and support for people in need.



## Noah Environmental Protection Projects



In 2015, Noah environmental protection projects have sponsored 650 thousand dollars in total – 500 thousand dollars for Haloxylon trees and 150 thousand dollars for water resource protection, collaborating with professional environmental protection agencies. We have participated in environmental protection projects for 2 years now, creating opportunities for both Noah's customers and employees, hoping through our reputation, more people will understand the importance and join in the effort towards supporting environmental protection charity.

In 2016, the foundation plans to invest 500 thousand dollars to continuously support the Haloxylon trees project, organize related events and encourage society to keep focusing on environmental issues such as environmental protection and desert management. We will also try to develop our own environmental project.

## Other Projects Supporting Disadvantaged Groups

Noah cares and wishes to help out disadvantaged groups that include students in poverty, teachers, seniors, handicapped, impoverished people and victims of accidents. We hope to improve the living conditions of disadvantaged groups and bring them more opportunities and possibilities through our assistance. The charity projects we have assisted include "Project of Warming the West Persons" and "Caring for Hope primary school".

In 2015, Noah invested 1.09 million dollars in total to support the charity projects "Moon Bear protection charity" "Beautiful rural education for China", provided assistance for impoverished schools and students and donated to the victims of the Nepal earthquakes.

Since 2016, we hoped to budget the fund annually to support Noah branch offices in actively assisting disadvantaged groups that match with Noah's purpose and focus. "Student Loans" will be our primary focus. For example, we could plan interest-free loans to support the 2 million dollars of "From droplets to water student loan" that sponsor schools in impoverished regions to improve teaching environmental concepts and to support impoverished students.

## Public Welfare Partners



# GRI Index

| GENERAL STANDARD DISCLOSURES               |   |  |
|--|---|--|
| Indicator                                  | Disclosure Item   | Page Number and Comment                      |
| STRATEGY AND ANALYSIS                      |   |  |
| G4-1                                       | Statement from the most senior decision-maker of the organization   | 4~5  |
| G4-2                                       | Description of key impacts, risks, and opportunities  | 4, 21  |
| ORGANIZATIONAL PROFILE                     |   |  |
| G4-3                                       | Name of the organization  | Noah Holdings Limited                        |
| G4-4                                       | Primary brands, products, and services  | 10~12  |
| G4-5                                       | Location of the organization;s headquarters   | Shanghai                                     |
| G4-6                                       | Number and names of countries where the organization operates   | China  |
| G4-7                                       | Nature of ownership and legal form  | 7  |
| G4-8                                       | Markets served  | 7  |
| G4-9                                       | Scale of the organization   | 7, 21  |
| G4-10                                      | Total number of employees   | 2,688 people                                 |
| G4-11                                      | Percentage of total employees covered by collective bargaining agreements   | 100%   |
| G4-12                                      | Describe the organization's supply chain  | 28   |
| G4-13                                      | Significant changes during the reporting period   | None   |
| G4-14                                      | Whether and how the precautionary approach or principle is addressed by the organization  | 24~27  |
| G4-15                                      | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses | 86~89  |
| G4-16                                      | List memberships of associations and national or international advocacy organizations   | 95   |
| IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES |   |  |
| G4-17                                      | List all entities included in the organization's consolidated financial statements or equivalent documents  | Please refer to Noah's Form 20-F Exhibit 8.1 |
| G4-18                                      | Explain the process for defining the report content and the Aspect Boundaries.  | 32   |
| G4-19                                      | List all the material Aspects identified in the process for defining report content   | 33   |
| G4-20                                      | For each material Aspect, report the Aspect Boundary within the organization  | 33   |
| G4-21                                      | For each material Aspect, report the Aspect Boundary outside the organization   | 33   |
| G4-22                                      | Effect of any restatements of information provided in previous reports, and the reasons for such restatements   | None   |
| G4-23                                      | Significant changes from previous reporting periods in the Scope and Aspect Boundaries  | None   |
| STAKEHOLDER ENGAGEMENT                     |   |  |
| G4-24                                      | Provide a list of stakeholder groups engaged by the organization.   | 34   |
| G4-25                                      | Basis for identification and selection of stakeholders with whom to engage.   | 34   |
| G4-26                                      | Organization;s approach to stakeholder engagement.  | 34   |
| G4-27                                      | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded  | 32   |

## GENERAL STANDARD DISCLOSURES

| Indicator                   | Disclosure Item  | Page Number and Comment                                   |
|-----------------------------|--|---|
| <b>REPORT PROFILE</b>       |  |   |
| G4-28                       | Reporting period   | 2015/1/1~2015/12/31                                       |
| G4-29                       | Date of most recent previous report  | August, 2015  |
| G4-30                       | Reporting cycle  | Annual  |
| G4-31                       | Contact point for questions regarding the report or its contents   | Jin, Han<br>+86-21-80358000                               |
| G4-32                       | 'In accordance' option the organization has chosen   | Core  |
| G4-33                       | Organization's policy and current practice with regard to seeking external assurance for the report  | I   |
| <b>GOVERNANCE</b>           |  |   |
| G4-34                       | Governance structure of the organization, including committees of the highest governance body  | 22~23   |
| G4-36                       | Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body  | 31  |
| G4-38                       | Composition of the highest governance body and its committees  | 22~23   |
| G4-39                       | Whether the Chair of the highest governance body is also an executive officer  | Yes   |
| G4-41                       | Processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders  | 22  |
| G4-48                       | Highest committee or position that formally reviews and approve  | Chairman  |
| G4-54                       | Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country   | 37.11 times   |
| G4-55                       | Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country | 0% : 0%<br>Note: Both their compensations were no change. |
| <b>ETHICS AND INTEGRITY</b> |  |   |
| G4-56                       | Describe the organization's values, principles, standards and norms of behavior  | 14~17   |
| G4-57                       | Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity   | 63, 74  |
| G4-58                       | Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity   | 43  |

| SPECIFIC STANDARD DISCLOSURES |         |  |                         |
|-------------------------------|---------|--|-------------------------|
| Indicator                     |         | Disclosure Item  | Page Number and Comment |
| ECONOMIC                      |         |  |                         |
| ECONOMIC PERFORMANCE          |         |  |                         |
| DMA<br>p.22                   | G4-EC1  | Direct economic value generated and distributed  | 21                      |
|                               | G4-EC3  | Coverage of the organization's defined benefit plan obligations  | 60~63                   |
| MARKET PRESENCE               |         |  |                         |
| DMA<br>p.57                   | G4-EC5  | Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation   | 59                      |
|                               | G4-EC6  | Proportion of senior management hired from the local community as significant locations of operation   | 55                      |
| INDIRECT ECONOMIC IMPACTS     |         |  |                         |
| DMA<br>p.78~79                | G4-EC7  | Development and impact of infrastructure investments and services supported  | 39, 81                  |
|                               | G4-EC8  | Significant indirect economic impacts, including the extent of impacts   | 39, 82                  |
| ENVIRONMENT                   |         |  |                         |
| MATERIAL ASPECT: EMISSIONS    |         |  |                         |
| DMA<br>p.78~79                | G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (SCOPE 2)   | 77                      |
|                               | G4-EN18 | Greenhouse gas (GHG) emissions intensity   | 77                      |
| TRANSPORT                     |         |  |                         |
| DMA<br>p.80                   | G4-EN30 | Significant environmental impacts of transporting products and other goods and materials for the organization's operation, and transporting members of the workforce | 80                      |
| SOCIAL                        |         |  |                         |
| EMPLOYMENT                    |         |  |                         |
| DMA<br>p.53                   | G4-LA1  | Total number and rates of new employee hires and employee turnover by age group, gender and region   | 55~56                   |
|                               | G4-LA2  | Benefits provided to full-time employees that are not provided to temporary or part time employees, by significant locations of operation                            | 60~63                   |
| LABOR/MANAGEMENT RELATIONS    |         |  |                         |
| DMA<br>p.73                   | G4-LA4  | Minimum notice periods regarding operational changes, including whether these are specified in collective agreements   | Yes                     |
| TRAINING AND EDUCATION        |         |  |                         |
| DMA<br>p.64                   | G4-LA9  | Average hours of training per year per employee by gender, and by employee category  | 70                      |
|                               | G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings                | 66~69                   |
|                               | G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and by employee category   | 68~69                   |

| SPECIFIC STANDARD DISCLOSURES        |         |   |                         |
|--------------------------------------|---------|---|-------------------------|
| Indicator                            |         | Disclosure Item   | Page Number and Comment |
| SOCIAL                               |         |   |                         |
| EQUAL REMUNERATION FOR WOMEN AND MEN |         |   |                         |
| DMA<br>p.58                          | G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation  | 59                      |
| NON-DISCRIMINATION                   |         |   |                         |
| DMA<br>p.72                          | G4-HR3  | Total number of incidents of discrimination and corrective actions taken  | None                    |
| ANTI-CORRUPTION                      |         |   |                         |
| DMA<br>p.42, 43                      | G4-SO3  | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified   | 42~43                   |
|                                      | G4-SO4  | Communication and training on anti-corruption policies and procedures   | 42~43, 73               |
|                                      | G4-SO5  | Confirmed incidents of corruption and actions taken   | None                    |
| ANTI-COMPETITIVE BEHAVIOR            |         |   |                         |
| DMA<br>p.23                          | G4-SO7  | Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes  | None                    |
| COMPLIANCE                           |         |   |                         |
| DMA<br>p.23                          | G4-SO8  | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations   | None                    |
| PRODUCT AND SERVICE LABELING         |         |   |                         |
| DMA<br>p.39                          | G4-PR3  | Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements | 100%                    |
|                                      | G4-PR4  | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes   | None                    |
| MARKETING COMMUNICATIONS             |         |   |                         |
| DMA<br>p.41                          | G4-PR7  | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes  | None                    |

| SPECIFIC STANDARD DISCLOSURES         |        |  |                         |
|---------------------------------------|--------|--|-------------------------|
| Indicator                             |        | Disclosure Item  | Page Number and Comment |
| SOCIAL                                |        |  |                         |
| CUSTOMER PRIVACY                      |        |  |                         |
| DMA<br>p.52                           | G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data                                | None                    |
| COMPLIANCE                            |        |  |                         |
| DMA<br>p.47                           | G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services | None                    |
| FINANCIAL SERVICES SECTOR DISCLOSURES |        |  |                         |
| Indicator                             |        | Disclosure Item  | Page Number and Comment |
| DMA<br>p.24~25,<br>45                 | FS1    | Policies with specific environmental and social components applied to business lines   | 27                      |
|                                       | FS2    | Procedures for assessing and screening environmental and social risks in business lines  | 24~25                   |
|                                       | FS7    | Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose        | 39                      |



Official Wechat



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