

Beijing Jingneng Clean Energy Co., Ltd

Rules of Procedure for the Remuneration and Nomination Committee of the Board of Directors

This document is originally prepared in Chinese and this English version is not formally adopted in the shareholders' general meeting of the Company and is for reference only. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

Chapter I General

1. In order to improve the corporate governance of Beijing Jingneng Clean Energy Co., Limited (the “Company”), standardize the management system and the procedures of the remuneration, appraisal and nomination system of relevant personnel of the Company, the Company sets up the Remuneration and Nomination Committee (the “Remuneration and Nomination Committee” or “Committee”) of the board of directors and formulates these rules in accordance with the Company Law of the People's Republic of China and related laws and regulations of the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (the “Listing Rules”) and the Articles of Association of the Company (the “Articles of Association”).

2. The Committee is a special department of the board of directors, which provides advice and recommendation for decision making and reports to the board of directors.

Chapter II Composition

3. The Committee shall consist of three directors, with a majority of independent non-executive directors.

4. The Committee shall have one chairman, who must be an independent non-executive director, and be responsible for convening and chairing the committee meetings.

5. The members and chairman of the Committee shall be nominated and elected by the board of directors, and the term of office shall be consistent with the term of directors. They may be reappointed upon expiry of term. If any member ceases to be a member of the board of directors during his/ her term of office, the Committee’s membership will be lost automatically. Subject to these rules, the board of directors shall elect a successor timely to ensure that the Committee’s composition meets the requirements of these rules.

On the recommendation of the chairman of the Committee and discussion of the board of directors, adjustment shall be made to the members during the term of office.

6. The board of directors’ office shall be responsible for the daily communication and meeting organization of the Committee, and the Company’s related functional departments, such as human resources department, are the supporting arm of the Committee’s routine work.

Chapter III Responsibility and Authority

7. Duties of the Committee include:
- 1) To make recommendations to the board of directors on matters relating to the overall remuneration policies and structures of Company's directors and senior management, and setting up a formal and transparent procedure for remuneration policy-making;
 - 2) To review and approve the remuneration proposals of the management with reference to the corporate objectives and goals set by the board of directors;
 - 3) To review and conduct annual appraisals of the executive director's and general manager's performance, and report it to the board of directors; monitor the performance appraisal of deputy general manager, chief accountant and other senior management personnel;
 - 4) To determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment), and to make recommendations to the board of directors on matters relating to non-executive directors' remuneration;
 - 5) To consider the salaries paid by comparable companies, time commitment and responsibilities and of employment conditions elsewhere in the group;
 - 6) To review and approve the compensation payable to executive directors or senior management on matters relating to loss or termination of office or appointment and ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - 7) To review and approve compensation arrangements of directors who are dismissed or removed for misconduct, and to ensure that such arrangements are consistent with contractual terms and are otherwise reasonable and appropriate;
 - 8) To ensure that no director or any of his associates is involved in deciding his own remuneration. For non-executive director who is a member of the Committee, his remuneration shall be determined by other Committee's members;
 - 9) To study the Company's incentive scheme, wage system and share option program; supervise and evaluate their effectiveness, then propose ways of reformation and improvement;

- 10) To advise shareholders on how to vote on the directors' service contracts which shall be approved by shareholders;
- 11) To review the structure, size and composition (including skills, knowledge and experience) of the board of directors at least annually and make recommendations on any proposed changes to the board of directors to complement the Company's corporate strategy;
- 12) To study and set the selection criteria, procedure and process for directors and candidates of the posts of senior management personnel, and make proposals to the board of directors;
- 13) To extensively look for candidates for the posts of directors and senior management , to identify individuals suitably qualified to become members of the board of directors, and select or make recommendations to the board of directors on the selection of individuals nominated for directorships;
- 14) To assess the independence of independent non-executive directors;
- 15) To inspect and advise on the nomination of directors and senior management personnel;
- 16) To make recommendations to the board of directors on the appointment and re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive;
- 17) Other duties stipulated in applicable laws, rules and regulations (as amended from time to time) for determining the responsibilities of such Committee; and
- 18) Other tasks authorized by the board of directors.

Chapter IV Proceedings

8. The Committee shall meet regularly and may hold extraordinary meetings as the circumstances require.

The regular meeting shall be held before the annual regular board of directors meeting, and discuss the advices and suggestions to be submitted to the board of directors.

An extraordinary meeting may be held any time when the chairman of the Committee considers necessary or when proposed by one half or more of the members or the chairman of the Committee.

9. The Committee shall inform all the members and other related members who shall attend at least 7 days in advance. Under agreement of all Committee's members, the

meeting is not constrained by the forgoing limitations.

Extraordinary meetings can be held any time by convener with prior notice, and is not constrained by the forgoing limitations.

10. All meetings shall be convened and chaired by the chairman of the Committee. The chairman of the Committee can entrust another member with such duty if he cannot carry out the same.

11. A meeting shall be held only with presence of two-third of the membership. Member who is unable to attend the meeting can appoint other member as proxy to attend and vote. The instrument of proxy shall specify name, issue, scope of authorization and term of validity of such proxy, and shall be signed and sealed by the principal.

12. According to agenda, the Committee may invite director, supervisor, General Manager, Chief Accountant, other related senior management personnel and officers of other related department and agency to attend, and such personnel have no voting right.

13. Any member who neither attends nor entrusts another member to attend the meeting for more than twice will be deemed as failing to perform his/her duty, and the board of directors shall be entitled to adjust the membership of the Committee according to these rules.

14. The meeting shall on-site attendance in principle. If necessary, the meeting may be held through telephone or other similar communication facilities (including but not limited to voting by trans-functional signature, video, fax or vote through email, etc.).

For such meetings not held in form of on-site attendance, the Committee will count the number of members in accordance with the attendance of the video conference, the speakers at the telephone conference, the actual receipt of documents with trans-functional signature within the time limit, the effective votes sent by media like fax or email, or the confirmation letters submitted by the Committee after the meeting.

15. The meeting shall discuss all the agenda items in the notice one by one. The member shall use their own judgment and express clear and independent opinions, and try to reach consensus. If no consensus is reached, all opinions shall be submitted to the board of directors with an explanation.

16. If a Committee's member is associated or has conflicts of interest with any item on the agenda, he or she shall not vote on the related resolution.

17. The meeting shall vote by open ballot. Extraordinary meeting can vote by delivery by hand, post, fax or other communications provided that the directors fully express their opinions.

18. The Committee adopts the one-man-one-vote system for the resolution. Each

member shall have one vote, and the resolution which gets more than half of the votes shall be adopted.

19. The minutes shall be kept for all meetings of the Committee, and be sent to each member by the board of directors' office and signed by each attendant and the recorder. The minutes shall be kept by the Company for at least ten years.

20. The Committee's resolutions, opinions and proposals shall be reported to the board of directors in writing for reference of the board of directors' voting.

21. The members and observers of the meeting shall perform the duty of confidentiality for the issues discussed, also shall not disclose the related information to any person in strict compliance with the Company's relevant regulations.

22. The fees of the Committee refer to the fees incurred in the course of work and shall be included in the board of directors budget and paid by the Company, including the cost of research, printing, meeting, training, invitation or hiring an agent to provide professional opinions, etc.

Chapter V Additional Rules

23. These rules shall be adopted and amended from time to time by the board of directors, and enter into force on the day when the overseas listed foreign shares issued by the Company are listed on the Stock Exchange of Hong Kong Limited.

24. Matters uncovered in these rules shall follow relevant laws, regulations or the Articles of Association. If these rules conflict with laws, regulations, listing rules or the Articles of Association issued/amended afterwards, the latter shall prevail, and these rules shall be amended and reported to the board of directors as soon as possible.

25. The terms and definitions mentioned in these rules shall be consistent with those in the Articles of Association.

26. These rules shall be construed and amended by the board of directors.