Rules of Procedure for the Audit Committee of the Board of Directors of Huaneng Power International, Inc.

CHAPTER 1: GENERAL PROVISIONS

Article 1 In order to strengthen the decision-making function of the Board of Directors of Huaneng Power International, Inc. (hereinafter referred to as the "**Company**"), enhance the Board's effective supervision over the management, and improve the corporate governance structure, the Company has established the Audit Committee under the Board of Directors (hereinafter referred to as the "**Audit Committee**") and formulated these Rules of Procedure in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Code of Corporate Governance for Listed Companies, other applicable laws, regulations, and normative documents, the regulatory rules of the place where the Company is listed, and the Articles of Association of Huaneng Power International, Inc. (hereinafter referred to as the "**Articles of Association**"), and in light of the actual circumstances of the Company.

Article 2 The Audit Committee is a specialized committee established under the Board of Directors, primarily responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating the Company's internal and external audit work and internal control, exercising the powers and functions of the Supervisory Board as stipulated in the Company Law, and performing other duties as prescribed by applicable laws, regulations, normative documents, the regulatory rules of the place where the Company is listed, the Articles of Association and its appendices, and these Rules of Procedure. The Audit Committee shall be accountable to the Board of Directors.

CHAPTER 2: COMPOSITION

Article 3 The Audit Committee shall consist of three to seven independent directors. Among them, at least one independent director shall be an accounting professional who meets the requirements of the securities regulatory rules (the qualification of whom shall be evaluated and confirmed by the Board of Directors), and the other members shall have a basic understanding of financial knowledge. Members of the Audit Committee shall possess the professional knowledge, work experience, and high standard of professional ethics necessary to competently perform their duties, and shall ensure they have sufficient time and energy to fulfill the responsibilities of the Committee. Former partners of the Company's independent auditing firm shall not serve as members of the Audit Committee.

Article 4 Members of the Audit Committee shall be nominated by the chairman of the Board, more than half of the independent directors, or one-third of all directors, and shall be elected by the Board of Directors.

Article 5 The Audit Committee shall have one chairperson, who shall be responsible for presiding over the work of the Committee. The chairperson shall be an accounting professional who meets the requirements of the securities regulatory rules and is selected from among the independent directors serving on the Committee. The chairperson shall be nominated by the chairman of the Board and elected by the Board of Directors.

Article 6 The term of office of members of the Audit Committee shall be the same as that of the Board of Directors. Upon expiration of their term, members may be re-elected and reappointed. However, independent directors serving on the Committee shall not hold office for more than six consecutive years. If any member ceases to serve as a director of the Company during the term, such member shall automatically lose their qualification as a Committee member, and the Board of Directors shall appoint a replacement in accordance with these Rules of Procedure. If a member's resignation results in the number of Audit Committee members falling below the statutory minimum or in the absence of a qualified accounting professional, the resigning member shall continue to perform their duties until a new member assumes office.

CHAPTER 3: DUTIES AND AUTHORITIES

Article 7 In performing its duties and responsibilities, the Audit Committee shall adopt flexible policies and procedures to better respond to evolving circumstances or situations and to address issues arising therefrom.

Article 8 The main duties and authorities of the Audit Committee include:

1. Reviewing the Company's financial information and its disclosure;

2. Supervising and evaluating external audit work, and proposing the appointment or replacement of external audit firms;

3. Supervising and evaluating internal audit work, and coordinating internal and external audits;

4. Supervising and evaluating the Company's internal control system;

5. Exercising the powers and functions of the Supervisory Board as stipulated in the Company Law;

6. Reviewing material related party transactions of the Company;

7. Being responsible for other matters as prescribed by applicable laws, regulations, normative documents, the regulatory rules of the place where the Company is listed, the Articles of Association, and those authorized by the Board of Directors.

Article 9 The following matters shall be submitted to the Board of Directors for deliberation only after being approved by more than half of all members of the Audit Committee:

1. Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

2. Appointment or dismissal of the accounting firm responsible for auditing the Company;

3. Appointment or dismissal of the Chief Financial Officer (CFO) of the Company;

4. Changes in accounting policies or accounting estimates, or corrections of significant accounting errors, other than those resulting from changes in accounting standards;

5. Other matters as prescribed by applicable laws, regulations, normative documents, the regulatory rules of the place where the Company is listed, and the Articles of Association.

The deliberation opinions adopted by the Audit Committee shall be submitted to the Board of Directors in written form. If the Board of Directors does not adopt the opinions submitted by the Audit Committee on matters within its scope of responsibilities, the Company shall disclose the relevant matters and provide a full explanation of the reasons.

Article 10 The Audit Committee shall review the Company's financial accounting reports, supervise and examine the Company's financial statements, annual reports and accounts, semi-annual reports, and quarterly reports for completeness, and express opinions on the truthfulness, accuracy, and completeness of the financial accounting reports. The Audit Committee shall focus on major accounting and auditing issues in the Company's financial accounting reports, with particular attention to potential fraud, misconduct, or material misstatements related to the reports, and supervise the rectification of such issues. Before submitting

the relevant reports and statements to the Board of Directors, the Audit Committee shall give particular attention to reviewing significant financial disclosure matters and related accounting and auditing issues contained therein, including but not limited to: changes in accounting policies and practices, matters involving significant judgment, major adjustments arising from the audit, the assumption of going concern, any qualified opinions, and compliance with accounting standards and the relevant regulatory rules of the place where the Company is listed. The Committee shall also consider any significant or unusual items reflected in or required to be reflected in the statements and accounts, and give due consideration to relevant matters raised by the Company's accounting and financial reporting personnel, relevant staff, or external auditors. With respect to the matters described in this Article, members of the Committee shall maintain communication with the Board of Directors and senior management, and shall meet with the external auditors of the Company at least twice a year.

Article 11 The Audit Committee shall oversee the engagement of external audit firms and perform the following duties:

1. Formulate policies, procedures, and relevant internal control systems for the appointment, reappointment, and dismissal of external audit firms in accordance with the authorization of the Board of Directors;

2. Propose the initiation of the selection process for external audit firms;

3. Review the selection documents, determine evaluation criteria and specific scoring standards, and supervise the selection process;

4. Make recommendations to the Board regarding the selection of external audit firms, the terms of engagement, and the audit fees, and submit such proposals for Board resolutions;

5. Review, assess, and supervise the independence and objectivity of the external audit firm and the effectiveness of the audit process in accordance with applicable standards;

6. Communicate with the external audit firm before the commencement of the audit regarding the nature and scope of the audit and the relevant reporting responsibilities;

7. Provide recommendations to the Board on the dismissal of the external audit firm and handle any issues relating to the resignation or removal of the external audit firm;

8. Establish and implement policies regarding the provision of non-audit services by the external audit firm. The Audit Committee shall report to the Board on any matters requiring action or improvement and provide corresponding recommendations;

9. Be responsible for other matters relating to the Company's relationship with its external audit firm as prescribed by applicable laws, regulations, normative documents, the regulatory rules of the place where the Company is listed, the Articles of Association, and as authorized by the Board of Directors.

Article 12 The Audit Committee shall supervise and evaluate the audit work of the external audit firm, urge the external audit firm to act with honesty, integrity, diligence, and responsibility, strictly comply with professional standards and industry self-regulatory norms, strictly implement internal control procedures, verify and review the Company's financial accounting reports, fulfill its duty of due professional care, and issue audit opinions prudently.

The Audit Committee shall regularly (at least annually) submit to the Board of Directors an evaluation report on the performance of the appointed external audit firm, as well as a report on the Audit Committee's supervision over the external audit firm.

Article 13 The Audit Committee shall be responsible for supervising and evaluating the effectiveness of the Company's internal audit function, risk management, and internal control systems, and shall perform the following duties:

1. Guide and supervise the establishment and implementation of the internal audit system;

2. Review the Company's annual internal audit work plan;

3. Oversee the implementation of the internal audit plan;

4. Guide the effective operation of the internal audit department, ensure that the internal audit function is equipped with sufficient resources and has an appropriate organizational position within the Company, and regularly assess and monitor its operational effectiveness;

5. Coordinate the relationship between the internal audit department and external audit firms, national audit authorities, etc., and ensure appropriate collaboration between internal and external auditors;

6. Examine and assess the Company's financial monitoring mechanisms, and evaluate the risk management and internal control systems;

7. Discuss the risk management and internal control systems with management to ensure that management has fulfilled its responsibilities in establishing effective systems. The discussion shall include whether sufficient resources, staff qualifications and experience, training programs, and relevant budgets have been provided for accounting and financial reporting functions;

8. On its own initiative or as delegated by the Board, study and report to the Board on significant findings and management responses related to risk management and internal control investigations, as well as progress, quality, and major issues identified in internal audit work;

9. Review and assess the Company's and its subsidiaries' financial and accounting policies and practices;

10. Review the "Audit Issues Letter" issued by external auditors to management, as well as any major concerns raised by external auditors regarding accounting records, financial statements, or control systems, and management's responses thereto;

11. Ensure that the Board responds in a timely manner to matters raised in the "Audit Issues Letter" issued by external auditors to management;

12. Supervise and direct the internal audit department to conduct inspections at least semi-annually on the following matters, submit inspection reports to the Audit Committee:

    a) Implementation of major events such as use of raised funds, provision of guarantees, related-party transactions, securities and derivatives investments, financial assistance, asset purchases or sales, and external investments;

    b) Large-sum fund transactions of the Company and fund transactions between the Company and its directors, senior management, controlling shareholders, de facto controllers, and their related parties;

13. Report to the Board on matters relating to the financial reporting system, risk management, and internal control systems of the issuer under applicable regulatory requirements;

14. Study other matters as defined by the Board;

15. Review and approve the appointment and rank of the head of the internal audit department.

The internal audit department, in carrying out supervision and inspection over the Company's business activities, risk management, internal controls, and financial information, shall be subject to the supervision and guidance of the Audit Committee. The internal audit department shall report its work to the Audit Committee. All types of audit reports, audit rectification plans, and rectification results submitted to management shall also be submitted to the Audit Committee. If the internal audit department discovers any significant issues or leads, it shall report directly and immediately to the Audit Committee.

Article 14 The Audit Committee shall supervise and guide the internal audit department in carrying out internal control inspections and evaluations, and shall urge the internal audit department to assess the risk conditions in key areas and critical processes of the Company's internal control system. The Audit Committee may regularly organize the analysis and review of evaluation opinions and inspection results. Any internal control deficiencies identified through such inspections shall be reflected in the internal control evaluation report.

Based on the internal audit reports and related materials submitted by the internal audit department, the Audit Committee shall issue a written evaluation opinion on the effectiveness of the Company's internal control and report it to the Board of Directors.

Article 15 To ensure the effective performance of its duties, the Audit Committee shall, in accordance with the law, exercise the following powers and functions of the Supervisory Board as stipulated in the Company Law, as well as other powers provided for under the regulatory rules of the place where the Company is listed:

1. Examine the Company's financial affairs;

2. Supervise the performance of duties by directors and senior management personnel, and make recommendations for the removal of directors or senior management personnel who violate laws, administrative regulations, the Articles of Association, or resolutions of the shareholders' meeting;

3. Request directors or senior management personnel to rectify their conduct if such conduct is detrimental to the interests of the Company;

4. Review and evaluate the internal whistleblowing mechanisms established by the Company to ensure that employees can raise concerns confidentially about financial reporting, internal control, or other matters involving possible misconduct. The Audit Committee shall ensure that appropriate arrangements are in place for a fair and independent investigation of such matters and for proper follow-up actions;

5. Serve as the primary communication channel between the Company and its external audit firm, supervise and monitor their interactions, and facilitate an effective audit process;

6. Propose the convening of interim meetings of the Board of Directors;

7. Propose the convening of interim shareholders' meetings and convene and preside over such meetings when the Board of Directors fails to perform its statutory duties in this regard;

8. Submit proposals to the shareholders' meeting;

9. Upon request of the shareholders, initiate legal proceedings against directors or senior management personnel (excluding members of the Audit Committee) who, in the course of performing their duties, violate laws, administrative regulations, or the Articles of Association and cause losses to the Company;

10. Exercise other powers and functions as stipulated by applicable laws, regulations, normative documents, the regulatory rules of the place where the Company is listed, and the Articles of Association.

CHAPTER 4: DECISION-MAKING MECHANISM

Article 16 Meetings of the Audit Committee shall include regular meetings and ad hoc meetings. Regular meetings shall be held at least four times a year, once per quarter. Ad hoc meetings may be convened upon the proposal of two or more members or at the discretion of the chairperson of the Committee if deemed necessary. Meetings of the Audit Committee shall be held only when at least two-thirds (including two-thirds) of the members are present.

In principle, meetings of the Audit Committee shall be held on-site. Where necessary, and provided that all members are able to fully communicate and express their opinions, meetings may be held via video, telephone, or other means.

Article17 The Company shall, in principle, notify all members of the Audit Committee of the meeting no later than three days prior to its convening, and provide relevant materials and information via telephone, email, or other means. The meeting shall be presided over by the chairperson of the Committee. If the chairperson is unable or unwilling to perform their duties, an independent director member shall be elected by a majority of the Committee members to preside over the meeting.

Article 18 Each meeting must be attended by an accounting professional. If the accounting professional is unable to attend the meeting in person, they must participate via telephone, video conference, or other means.

Article 19 Members of the Audit Committee shall attend meetings in person and express clear opinions on the matters under review. If a member is unable to attend a meeting in person due to special circumstances, they shall review the meeting materials in advance, form a clear opinion, and record such opinion in a power of attorney authorizing another member to attend the meeting on their behalf. Each member may accept the proxy of no more than one other member. The power of attorney must specify the scope and duration of the authorization. If an independent director is unable to attend a meeting, they shall authorize another independent director within the Audit Committee to attend the meeting on their behalf.

Article 20 Voting at meetings of the Audit Committee shall be conducted by a show of hands or by ballot. Each member shall have one vote. Decisions made at the meeting must be approved by more than half of all members of the Committee. Any member who has a conflict of interest in relation to the matters under discussion shall abstain from voting. If, due to such abstention, the Committee is unable to form a valid opinion, the relevant matters shall be submitted to the Board of Directors for deliberation.

Article 21 When necessary, the Audit Committee may invite the Company's directors, senior management personnel, internal auditors, and external auditors to attend its meetings as non-voting participants.

Article 22 The convening procedures, voting methods, and resolutions adopted at meetings of the Audit Committee shall comply with applicable laws, regulations, normative documents, the regulatory rules of the place where the Company is listed, the Articles of Association, and these Rules of Procedure. Where necessary, and upon approval by a majority vote of the Audit Committee and the execution of a relevant contract, the Committee may engage intermediary institutions to provide professional advice for its decision-making. The fees incurred shall be borne by the Company.

Article 23 The Audit Committee shall prepare minutes for the decisions made at each meeting. The members present, the secretary of the Audit Committee, and the minute taker shall sign the meeting minutes. The minutes shall be true, accurate, and complete, and shall fully reflect the views expressed by participants on the matters discussed, including any concerns raised or dissenting opinions expressed by members. Members shall bear responsibility for the decisions made by the Audit Committee. The complete meeting minutes, resolutions, powers of attorney, and other related materials shall be properly and permanently retained by the Company. All directors, members of the Audit Committee, and the secretary of the Board of Directors shall have the right to access the meeting minutes at any time. Copies of the minutes and meeting proposals shall be distributed to the Board of Directors and members of the Audit Committee, and may also be made available to internal and external auditors.

Article 24 All members attending the meeting shall have a duty of confidentiality with respect to the matters discussed at the meeting and shall not disclose any relevant information without authorization.

CHAPTER 5: COMMUNICATION WITH THE CHIEF ACCOUNTANT, INTERNAL AND EXTERNAL AUDITORS, AND THE COMPANY'S LEGAL COUNSEL

Article 25 The Audit Committee of the Board of Directors shall regularly engage in communication with the Chief Accountant, internal and external auditors, and the Company's legal counsel. The Chief Accountant and the head of the Finance and Budget Department must attend meetings of the Audit Committee, respond to oral inquiries from the Committee, and provide oral or written explanations regarding the Company's operating conditions, changes in significant accounting policies and estimates, major litigation and contingent matters, and issues identified through internal and external audits. The Audit Committee may, either directly or through the Office (Board Office), request the Chief Accountant or the head of the Finance and Budget Department to provide written financial information of the Company and reasonable written explanations regarding significant financial matters, non-routine transactions, or unusual fluctuations.

The Audit Committee shall hold separate meetings with the Discipline Inspection and Audit Department, external auditors, and legal counsel at least twice a year.

Article 26 The Audit Committee may, either directly or through the Office (Board Office), request the head of the Discipline Inspection and Audit Department to attend its meetings and provide oral or written reports on the internal audit work.

Article 27 Complaints related to accounting, internal control, and audit matters received by the Discipline Inspection and Audit Department through the anti-fraud/whistleblowing mechanism, as well as major issues identified during internal audit work, may, when necessary, be reported in writing to the Audit Committee either directly or through the Office (Board Office), accompanied by relevant opinions and recommendations. In the event of a major issue, the Discipline Inspection and Audit Department shall submit a written report to the General Manager of the Company and the Audit Committee upon receipt of the complaint. Based on the specific circumstances, the Audit Committee may decide whether to convene an ad hoc meeting, hear a special report from the Discipline Inspection and Audit Department, or submit written recommendations to the Board of Directors. The above-mentioned records shall be permanently retained by the Secretary to the Board.

Article 28 The Audit Committee shall, at least semi-annually, exchange views with the Company's external auditors regarding issues identified during the external audit process, differences of opinion, and discrepancies between domestic and international accounting treatments. Where necessary, the external auditors may submit written questions and recommendations to the Audit Committee through the Office (Board Office). Members of the Audit Committee may also raise questions to the external auditors, either directly or through the Office (Board Office), or request access to materials related to the Company's audit.

Article 29 With respect to the opinions and recommendations of the external auditors, the Audit Committee may request the relevant departments of the Company to provide reasonable explanations, which shall be documented in detail in the meeting minutes. Where necessary, the Audit Committee may submit the matter to the Board of Directors for deliberation.

Article 30 The materials provided to the Audit Committee by the relevant departments and senior management of the Company, as well as the meeting minutes of the Audit Committee, shall be permanently retained by the Secretary to the Board for access by the Board of Directors and the Audit Committee at any time.

Article 31 The Company's Office (Board Office), Securities and Financing Department, and Legal Counsel shall maintain ongoing communication with members of the Audit Committee through telephone, email, or other means, and shall promptly provide written notifications to the Committee members regarding major updates to laws and regulations.

CHAPTER 6: SUPERVISION AND EVALUATION MECHANISM

Article 32 The Audit Committee shall be subject to the supervision of the Board of Directors. At the end of each year, the Board shall evaluate the performance and effectiveness of the Audit Committee, with the specific work to be organized by the Office (Board Office). The evaluation shall primarily cover the following aspects: whether the members of the Audit Committee are independent from the Company's management; whether they possess the legal qualifications, appropriate professional skills, and experience; whether these Rules of Procedure align with the latest laws, regulations, and management needs; whether the members fully understand their responsibilities; whether they communicate regularly with the Chief Accountant, the Finance and Budget Department, the Discipline Inspection and Audit Department, and external auditors; whether they receive adequate information; and whether there is appropriate feedback to questions raised by external and internal auditors.

Article 33 The Audit Committee shall conduct a self-evaluation once a year, primarily to assess whether the performance of the Committee and its members meets the requirements of internal control.

Article 34 Within three months after the end of each fiscal year, the Audit Committee shall submit an annual work report to the Board of Directors.

Article 35 Each member of the Audit Committee shall stay informed of the latest accounting regulations and requirements in a timely manner. The Company's finance and other relevant departments shall promptly provide the necessary information to the Audit Committee.

CHAPTER 7: SUPPLEMENTARY PROVISIONS

Article 36 These Rules of Procedure shall be formulated and amended by the Board of Directors.

Article 37 For matters not covered in these Rules of Procedure, the relevant provisions of national laws, regulations, normative documents, the regulatory rules of the place where the Company is listed, and the Articles of Association shall apply. In the event of any inconsistency between these Rules and national laws, regulations, normative documents, the regulatory rules of the place where the Company is listed, or the Articles of Association as legally amended, such laws, regulations, rules, and the Articles of Association shall prevail.

Article 38 The right to interpret these Rules of Procedure shall be vested in the Board of Directors of the Company.