DONGJIANG ENVIRONMENTAL COMPANY LIMITED*
Rules of Procedure of the Remuneration and Appraisal Committee

Chapter 1 General Provisions

Article 1 In order to further establish and perfect the system for the appraisal and remuneration management of the directors (other than independent directors) and senior management (hereinafter collectively referred to "**the Management**") of Dongjiang Environmental Company Limited* (hereinafter referred to as "**the Company**") and enhance the corporate governance and to be in accordance with the Company Law of the People's Republic of China, Securities Law of the People's Republic of China, the Rules on the Governance of Listed Companies, Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, Self-Regulatory Guidelines for Listed Companies on the Shenzhen Stock Exchange No. 1 – Standardized Operation of Main Board Listed Companies, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules of HKEx**"), the Articles of Association of Dongjiang Environmental Company Limited (hereinafter referred to as "**the Articles of Association**") and other applicable laws and regulations, the board of directors of the Company (hereinafter referred to as "**the Board**") establishes the Remuneration and Appraisal Committee of the Board (hereinafter referred to as "**the Committee**") and institutes Rules of Procedure of the Remuneration and Appraisal Committee of the Board (hereinafter referred to as "**these Rules**").

Article 2 The Committee is a special working body established by the Board. It is mainly responsible for formulating assessment criteria for directors and senior management personnel and conducting assessments, formulating and reviewing the remuneration policies and plans for directors and senior management personnel, and putting forward suggestions to the Board on matters such as remuneration of directors and senior management personnel, equity incentive plans, and employee stock ownership plans. The Committee is accountable to the Board.

Chapter 2 Organizational Structure

Article 3 The Committee comprises three directors, of whom the majority shall be independent non-executive directors who shall act as the convener.

Article 4 The members of the Committee shall be nominated by the chairman of the Board, or over half of the independent directors or over one-third of all directors and elected by over half of the members of the Board.

Article 5 The Committee has one chairman (convoker) who shall be an independent non-executive director, who is responsible for leading the work of the Committee, and shall be elected from the members of the Committee.

Article 6 The term of the Committee shall be the same as that of the Board. Any member of the Committee may be re-elected for a new term upon the expiration of the current term. During the term, where any member of the Committee ceases to be a director, he/she will automatically cease to qualify as a member of the Committee and the Board will replace such vacancy according to these Rules.

Article 7 The secretary of the Board shall be responsible for the daily contact of the Committee, the preparation of the operation information and documents in relation to the appraised personnel, the organization of meetings and the implementation of resolutions, etc.

Article 8 If the Company fails to meet any of the other requirements under Rules 3.25 and 3.26 of the

Listing Rules of HKEx at any time, it shall immediately publish an announcement setting out the relevant details and reasons. The Company must use its reasonable endeavours to appoint suitable persons to comply with the requirements in a timely manner (within three months of its failure to comply with the requirements).

Chapter 3 Duties and Authorities

Article 9 The Committee shall be responsible for formulating assessment criteria for directors and senior management personnel and conducting assessments, formulating and reviewing remuneration policies and plans for directors and senior management personnel (including clauses in directors' service contracts), and putting forward suggestions to the Board of Directors on the following matters:

1) remuneration of directors and senior management personnel, including reviewing and approving remuneration recommendations for senior management personnel in line with the corporate policies and objectives set by the Board of Directors;

2) establish formal and transparent procedures for formulating remuneration policies;

3) consider remuneration paid by peer companies, time and responsibilities to be undertaken, and employment conditions for other positions within the Company;

4) review and approve compensation payable to executive directors and senior management personnel for the loss or termination of their positions or appointments to ensure such compensation is consistent with contractual terms; if inconsistent with contractual terms, the compensation shall still be fair and reasonable;

5) review and approve compensation arrangements involved in the dismissal or removal of relevant directors due to misconduct to ensure such arrangements are consistent with contractual terms; if inconsistent with contractual terms, the relevant compensation shall still be reasonable and appropriate;

6) ensure that no director or any of their associates shall participate in deciding their own remuneration;

7) formulate or amend equity incentive plans and employee stock ownership plans (including matters related to share plans under Chapter 17 of the Listing Rules of HKEx), and the satisfaction of conditions for incentive recipients to be granted rights and interests and exercise such rights and interests;

8) stock ownership plans arranged by directors and senior management personnel in the proposed spin-off of their affiliated subsidiaries;

9) evaluate the performance of executive directors;

10) other matters as stipulated by laws, administrative regulations, the China Securities Regulatory Commission, and the Articles of Association.

If the Board does not adopt or fully adopt the suggestions of the Committee, it shall record the Committee's opinions and the specific reasons for non-adoption in the Board resolution and make disclosure thereof.

Article 10 Any remuneration proposal for the directors of the Company brought forward by the Committee shall not come into force until it is approved by the Board and considered and approved on the general meeting; the remuneration proposal for the senior management of the Company must be approved by the Board.

Article 11 The Committee is accountable to the Board and any proposals from the Committee must be approved by the Board.

Article 12 All departments of the Company have the obligation to work with the Committee and provide the Committee with related materials.

Chapter 4 Procedures for Decision-making

Article 13 The secretary of the Board shall prepare for any decision-making session of the Committee and provide it with the related information about the Company, including:

1) the major financial indicators and the completion progress of the operation target of the Company;

2) the work scope and main duties of the Management;

3) the progress of Management's performance assessment system;

4) the operation performance in relation to the business creativity and profitability of the Management; and

5) the estimate and calculation basis for salary distribution plan and distribution method of the Company according to the Company's performance.

Article 14 The Committee's appraisal procedure of the Management:

1) the Management reports and gives a self-evaluation to the Committee;

2) the Committee evaluates the performance of the Management according to performance evaluation standards and procedures; and

3) according to the job performance evaluation results and the salary and distribution policy, the Committee proposed the method of determining remuneration and bonus for the Management; after the proposal is passed, it is submitted to the Board.

Chapter 5 Meetings of the Committee

Article 15 The meetings of the Committee include the general meetings and extraordinary meetings.

Article 16 The general meetings shall be held at least once a year and convened by the chairman of the Committee.

The extraordinary meetings shall be proposed by any member of the Committee. A meeting of the Committee shall be convened in any of the following circumstances:

1) When the board of directors deems it necessary;

2) when the Chairman of the Commission deems it necessary;

3) When proposed by two or more members.

Article 17 Unless all members of the Committee agree otherwise, a notice for the general meeting of the Committee shall be delivered 5 days before the meeting (not including the day of the meeting); or, a notice for the extraordinary meeting of the Committee shall be delivered 3 days before the meeting (excluding the day of the meeting). The meeting shall be chaired by the chairman of the Committee; where the chairman cannot be present, he/she may nominate another member of the Committee (independent director) to preside the meeting.

Article 18 After receiving the notice for meeting, the members of the Committee shall confirm and provide the related information (including but not limited to whether he/she will attend the meeting, schedule, etc.) timely.

Article 19 The members of the Committee shall attend the meeting in person. Members may participate in the meeting through on-site, communication or other means. With the consent of all members, the Committee may pass a resolution in writing.

Any member who cannot attend the meeting in person may exercise his/her rights by presenting their opinion in writing on the matter being discussed; however, such written opinion shall be delivered to the secretary of the Board no later than the commencement of the meeting.

Article 20 Where a member of the Committee has not attended any meeting of the Committee twice consecutively, or has failed to appoint another member of the Committee on his/her behalf, or has failed to deliver any written opinion before the commencement of the meeting, such member will be deemed unable to perform his/her duties as a member of the Committee and the Board may adjust the members of the Committee according to these Rules.

Article 21 Any meeting of the Committee shall not be held unless over two-thirds of the members attend; each member shall have one vote; any resolution made by any meeting must be passed by over half of all the members.

Article 22 Where the Committee thinks necessary, it may invite the directors, chief executive officer or other senior management, external consultants and other persons to attend its meeting. However, such persons shall not have the right to vote on such meeting.

Article 23 The Committee shall be provided with sufficient resources to perform its duties. Where it considers necessary, the Committee may engage an accounting firm, a law firm or other agencies to provide it with professional advice for their decisions, at the cost of the Company. However, such persons shall not have the right to vote on any meeting of the Committee.

Article 24 The procedures of meetings, voting methods and the resolutions passed on the meeting of the Committee must abide by the applicable laws and regulations, the Articles of Association and these Rules.

Article 25 The resolution passed and vote result on any meeting of the Committee shall be submitted to the Board in writing after the end of such meeting.

Article 26 Any member attending the meeting are obliged to confidentiality to all matters discussed on the meeting and shall not disclose any related information without permission.

Article 27 Any meeting of the Committee shall have meeting minutes, which shall be made by the secretary of the Board and include the following information:

1) meeting number, form of the meeting, date, venue and host name;

2) attendance, absence and nominated attendance;

3) name and title of the persons attending;

4) agenda;

5) points made by members of the Committee and other persons attending (including the matters considered and the decisions made by the members of the Committee, including their doubts or objections);

6) name of the meeting recorder.

Article 28 The meeting minutes, power of attorney, written opinion of the member of the Committee and other meeting documents shall be managed and kept by the secretary of the Board as per the applicable regulations.

Chapter 5 Working Body

Article 29 The secretary of the Board shall be responsible for the organization, coordinating the Committee and the work of relevant departments. The secretary of the Board shall attend the meetings of the Committee.

Article 30 The secretary of the Board shall cooperate with the relevant departments of the Company to jointly carry out the relevant work of the Committee.

Article 31 The secretary of the Board shall be responsible for the preparation and issuance of meeting notices and other meeting affairs.

The human resources department of the Company is responsible for preparing and providing the relevant information required for the matters to be discussed at the meeting, and for liaising with the relevant departments (including the relevant experts of the Company or social experts, scholars and intermediaries employed by the Committee in the course of discussion).

The relevant functional departments of the Company are responsible for providing services to the Committee and providing support and cooperation to the work of the Secretary to the Board and the human resources department.

Chapter 6 Supplementary Provisions

Article 32 The formulation and amendment of these Rules shall come into effect and be implemented upon the adoption of an ordinary resolution of the Board.

Article 33 Matters not covered in these Rules shall be implemented in accordance with the relevant laws, regulations and normative documents of the State, the provisions of the stock exchange and the relevant provisions of the Articles of Association. In the event of any inconsistency between these Rules of Procedure and the relevant laws, regulations, normative documents, provisions of the stock exchange and the Articles of Association, the relevant laws, regulations, normative documents, provisions of the stock exchange and the Articles of Association shall prevail.

Article 34 For the purposes of these Rules, the terms "above" and "within" shall include the figure itself, and the term "below" shall not include the figure itself.

Article 35 The Board shall be responsible for the interpretation and revision of these Rules.

Note: In the event of any discrepancies between the English and Chinese versions of these Rules, the Chinese version shall prevail.

* *For identification purpose only*