Remuneration Management System for Directors and Senior Management of Huaneng Power International, Inc.

I. GENERAL PROVISIONS

Article 1 In order to further improve the Remuneration Management of the Directors and Senior Management of Huaneng Power International, Inc. (the "**Company**"), establish a more efficient and reasonable incentive and restraint mechanism, and further enhance the Company's corporate governance level, the system (the "**System**") is formulated in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies and other relevant laws and regulations, as well as the relevant provisions of the Articles of Association of Huaneng Power International, Inc. (the "**Articles of Association**"), and in light of the actual circumstances of the Company.

Article 2 The System shall apply to the Directors and Senior Management of the Company.

Article 3 For the purpose of this System, the "Directors" means all incumbent Directors of the board of Directors of the Company (the "**Board**") during the implementation period of the System, including internal Directors, external non-independent Directors, and independent Directors.

Article 4 For the purpose of this System, the "Senior Management" means the president, vice president, chief accountant, secretary to the Board, general legal counsel, and other persons of the Company who are appointed by the Board as stipulated in the Articles of Association and relevant laws and regulations.

Article 5 For the purpose of this System, the "Remuneration Management" means a series of standardized management activities relating to the remuneration structure, performance linkage, remuneration payment, suspension of payment and clawback for the Directors and Senior Management of the Company.

Article 6 The Remuneration Management of the Directors and Senior Management of the Company shall adhere to the following principles:

(1) Adhering to serving the Company's strategies. Centering on the Company's development strategies, the Company shall improve the Remuneration Management system that adapts to the needs of enterprise reform and development, promotes strategic transformation, technological innovation and quality and efficiency improvement, enhances the vitality of the enterprise, and promotes the achievement of high-quality development objectives.

(2) Adhering to unifying incentives and restraints. The Company shall establish a remuneration distribution mechanism linked to performance target values and commensurate with the responsibilities undertaken and contributions made, adhere to the coordination of short-term incentives and long-term incentives, align corporate performance with individual performance, strengthen the responsibilities of Directors and Senior Management, reflect the value of dedication and hard work, establish deferred payment and clawback mechanisms, and guide greater attention to the long-term development of the enterprise.

(3) Adhering to standardized management. The Company shall strictly regulate the remuneration decision-making procedures and management mechanisms, rationalize internal distribution relationships, scientifically determine the remuneration distribution ratio between Directors, Senior Management and ordinary employees, reasonably determine the remuneration level of Directors and Senior Management, and achieve consistency with the salary level of ordinary employees.

II. REMUNERATION ADMINISTRATION AUTHORITY

Article 7 The remuneration plans for the Directors and Senior Management of the Company shall be formulated by the Remuneration and Appraisal Committee of the Board (the "**Remuneration and Appraisal Committee**"). The remuneration plan for Directors shall be determined by the general meeting, and the remuneration plan for Senior Management shall be approved by the Board.

Article 8 The performance appraisal of the Directors and Senior Management of the Company shall be organized by the Remuneration and Appraisal Committee.

Article 9 The relevant functional departments of the Company shall cooperate with the Remuneration and Appraisal Committee in the specific implementation of the remuneration plans for the Directors and Senior Management of the Company.

III. REMUNERATION STRUCTURE

Article 10 The Company shall implement classified management for Directors and Senior Management based on their job responsibilities, and determine remuneration by reference to factors such as industry benchmarks and job values:

(1) Internal Directors: Remuneration shall be received based on their specific positions held in the Company in accordance with the remuneration plan and performance appraisal results;

(2) External non-independent Directors: No remuneration shall be received from the Company;

(3) Independent Directors: A fixed allowance shall be received, which shall be implemented in accordance with the allowance plan standards approved by the general meeting;

(4) Senior Management: Remuneration shall be received based on their specific operational and management positions held in the Company in accordance with the remuneration plan and performance appraisal results.

Article 11 The remuneration of the internal Directors and Senior Management of the Company shall primarily consist of base annual salary, allowances and subsidies, performance-based annual salary, and term incentive income:

(1) The base annual salary is the annual basic income, determined based on factors such as job responsibilities;

(2) The allowances and subsidies mainly include stipulated items such as official transportation subsidies;

(3) The performance-based annual salary is calculated on the basis of the base annual salary, determined according to the annual performance appraisal results, and paid with a three-year deferral mechanism in the prescribed proportions;

(4) The term incentive income shall be settled after the end of each term based on the term operating performance appraisal results.

The proportion of performance-based remuneration shall, in principle, be no less than 50% of the total amount of base remuneration and performance-based remuneration.

IV. REMUNERATION PAYMENT

Article 12 The remuneration of the Directors and Senior Management of the Company shall be pre-tax amounts. The Company shall withhold and remit relevant expenses in accordance with relevant national regulations.

Article 13 The remuneration of internal Directors and Senior Management of the Company shall be included in the total payroll management. The Company shall establish a total payroll determination mechanism under which performance contributions are assessed by the market, remuneration is determined by contributions and aligned with prevailing labour market rates. The total payroll shall be closely linked to economic efficiency and performance appraisal results, with a view to stimulating corporate vitality and competitiveness.

Article 14 Where any of the Directors or Senior Management of the Company leaves office due to rotation, re-election or other reasons, the remuneration shall be calculated and paid based on the actual term of service.

Article 15 The remuneration system of the Directors and Senior Management of the Company shall serve the Company's strategies, adapt to market development, match the Company's operating performance and individual performance, and be aligned with the Company's sustainable development.

Article 16 When the Company retrospectively restates its financial reports due to misstatements such as financial fraud, the performance-based remuneration and medium-to-long-term incentive income of the Directors and Senior Management shall be promptly re-assessed and the overpaid portion shall be clawed back accordingly.

Article 17 If any of the Directors or Senior Management of the Company breaches their duties and thus causes losses to the Company, or is at fault for illegal or irregular acts such as financial fraud, misappropriation of funds, or illegal guarantees, the Company shall, depending on the severity of the circumstances, reduce or suspend payment of the unpaid performance-based remuneration and medium-to-long-term incentive income, and claw back all or part of the performance-based remuneration and medium-to-long-term incentive income already paid during the period when the relevant act occurred.

Article 18 The annual remuneration of the Directors and Senior Management of the Company shall be disclosed in strict accordance with regulatory requirements.

V. SUPPLEMENTARY PROVISIONS

Article 19 Matters not covered by the System shall be implemented in accordance with relevant national laws and regulations and the Articles of Association. In the event of any conflict with national laws and regulations or the Articles of Association as amended through legally prescribed procedures, the provisions of such national laws, regulations or the Articles of Association shall prevail, and the System shall be amended promptly.

Article 20 The System shall be interpreted and amended by the Remuneration and Appraisal Committee, and shall take effect and be implemented upon approval by the general meeting.