Beijing Jingneng Clean Energy Co., Limited

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

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 (the "**Company Law**") and related laws and regulations, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the articles of association of Beijing Jingneng Clean Energy Co., Limited (the "**Articles of Association**").

2. The Remuneration and Nomination Committee is a special department of the board of directors, which provides advice and recommendation for decision making and reports to and is responsible to the board of directors. The Remuneration and Nomination Committee may conduct its work by convening meetings and conducting research and other forms.

Chapter II Composition

3. The Remuneration and Nomination Committee shall consist of three directors, with a majority of independent non-executive directors. The Remuneration and Nomination Committee shall include at least one director of a different gender.

4. The Remuneration and Nomination 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 Remuneration and Nomination Committee shall be nominated by the chairman of the board of directors and elected by the board of directors, and the term of office shall be consistent with the term of directors. They may be re-appointed upon expiry of term. If any member ceases to be a director of the Company during his/her term of office, his/her Committee's membership will be lost automatically. Subject to these rules, the board of directors shall elect a successor timely to ensure that the Remuneration and Nomination Committee's composition meets the requirements of these rules.

On the recommendation of the chairman of the board of directors and discussed and approved by 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 Remuneration and Nomination 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 Remuneration and Nomination 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 the remuneration proposals by the management with reference to the corporate objectives and goals set by the board of directors, and make recommendations to the board of directors;

3) To review and conduct annual appraisals of the Company's 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;

4) To review and make recommendations to the board of directors on matters relating to 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 their respective associates is involved in deciding his/her own remuneration. For non-executive director who is a member of the Remuneration and Nomination Committee, his/her 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 review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;

11) To advise shareholders on how to vote on the directors' service contracts which shall be approved by shareholders;

12) To review the structure, size and composition (including skills, knowledge and experience) of the board of directors, assist the board of directors in preparing a board skills matrix at least annually and make recommendations on any proposed changes to the board of directors to complement the Company's development strategy;

13) To study and set the selection criteria, procedure and process for directors and candidates of the posts of senior management, and make proposals to the board of directors;

14) 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;

15) To assess the independence of independent non-executive directors;

16) To inspect and advise on the nomination of directors and senior management;

17) 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;

18) To support the Company's regular evaluation of the performance of the board of directors;

19) Other duties stipulated in applicable laws, rules, regulations and the Company's governance documents (as amended from time to time) for determining the responsibilities of the Remuneration and Nomination Committee; and

20) Other tasks authorized by the board of directors.

Chapter IV Proceedings

8. The Remuneration and Nomination Committee shall meet regularly and may hold extraordinary meetings as the circumstances require. The Remuneration and Nomination Committee shall hold at least two meeting each year.

The regular meeting shall be held before the annual regular meeting of the board of directors of the Company, 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 Remuneration and Nomination Committee considers necessary or when proposed by more than half of the Committee members or advised by the chairman of the board of directors.

Meetings of the Remuneration and Nomination Committee shall not be convened in conjunction with its other meetings. When conducting research, the Remuneration and Nomination Committee shall form written research results and submit them to the board of directors.

9. A notice and relevant materials of a regular meeting of the Remuneration and Nomination Committee shall be sent to all members of the Remuneration and Nomination Committee and other related persons who shall attend the meeting at least 7 days in advance, and a notice of an extraordinary meeting and relevant materials of the meeting shall be sent to all members and other persons who shall attend the meeting at least 3 days in advance. Under agreement of all Committee members, the meeting shall not constrained by the forgoing time limitation of notice.

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-thirds or more of the Committee members. Member who is unable to attend the meeting can appoint other member of the Remuneration and Nomination Committee as proxy in written 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. When the Remuneration and Nomination Committee convenes a meeting, the secretary to the board of directors shall attend the meeting, and according to the agenda, the Committee may invite director, general manager, chief accountant, other related senior management and officers-in-charge of other related department and agency to attend, and such attendees have no voting right.

13. A member of the Remuneration and Nomination Committee who is unable to attend for any reason shall request a leave of absence from the chairman of the Committee and submit his/her own written opinion; any member who neither attends nor entrusts another member to attend the Committee meeting for 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 of the Remuneration and Nomination Committee shall be 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 written confirmation of participation of the meeting submitted by the Committee member after the meeting.

15. The meeting of the Remuneration and Nomination Committee shall discuss all the items specified in the notice one by one. The members of the Remuneration and Nomination Committee 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.

The Remuneration and Nomination Committee's opinions on modifications or additional improvements to the agenda materials themselves should be implemented by relevant departments before being submitted to the board of directors for consideration.

16. A member of the Remuneration and Nomination Committee shall not vote on any resolution of the Remuneration and Nomination Committee if he/she is related to or has an interest in the matter under discussion.

17. The meeting of the Remuneration and Nomination Committee shall vote by open ballot. For extraordinary meeting, resolutions can be made by delivery by hand, post, fax or other communications provided that the Committee members fully express their opinions and signed by the members who attend the meeting.

18. The Remuneration and Nomination 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. Minutes or summaries of meetings of the Remuneration and Nomination Committee shall be prepared, and the minutes or summaries shall contain the following contents: (1) the date and place of the meeting and the name of the chairperson, (2) the attendance and absence of the members, (3) the agenda and topics of the meeting, (4) the names of the persons present at the meeting, (5) the main points of the speeches made by the members and the relevant persons attending the meeting, and the written opinions of the absent members, (6) the opinions formed by the Remuneration and Nomination Committee, which shall be sent to each member by the office of the board of directors.

The members attending the meeting, the secretary of the board of directors present at the meeting and the recorder shall sign on the minutes or summaries of the meeting. The notice of the meeting, the meeting materials, the minutes or summaries of the meeting, the power of attorney, the written opinions of the members, the written opinions of the Committee and other meeting materials shall be kept by the Company for at least ten years.

20. The Remuneration and Nomination 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 of the Remuneration and Nomination Committee and attendees of the meeting shall perform the duty of confidentiality for the issues discussed at the meeting, also shall not disclose the related information without authorization and shall strictly comply with the Company's relevant regulations.

22. The fees of the Remuneration and Nomination 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 enter into force on the day when adopted by the board of directors.

24. Matters uncovered in these rules shall follow the related laws, regulations or the Articles of Association. If these rules conflict with the laws, regulations, the Listing Rules or the Articles of Association issued/amended afterwards, the related laws, regulations and rules shall be followed, and these rules shall be amended and reported to the Board 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 of the Company.