



# 大唐国际发电股份有限公司

## DATANG INTERNATIONAL POWER GENERATION CO., LTD.

*(a sino-foreign joint stock limited company incorporated in the People's Republic of China)*  
(Stock Code: 00991)

### TERMS OF REFERENCE OF THE REMUNERATION AND APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS

#### Chapter 1 General Provisions

**Article 1** In order to further establish and improve the appraisal and remuneration management system for directors and senior management of Datang International Power Generation Co., Ltd. (the “**Company**”), and to improve the corporate governance structure of the Company, the Company hereby establishes the Remuneration and Appraisal Committee of the Board of Directors (the “**Remuneration and Appraisal Committee**” or the “**Committee**”) and formulates these terms of reference in accordance with the Company Law of the People’s Republic of China, the Code of Corporate Governance of Listed Companies, the Articles of Association of Datang International Power Generation Co., Ltd. (the “**Articles of Association**”) and the relevant national regulations regarding remuneration management.

**Article 2** The Remuneration and Appraisal Committee is a specialised body established by the Board of Directors to be primarily responsible for researching standards for appraising directors and senior management of the Company and conducting assessments; researching and reviewing the policies for and proposals on the remuneration of directors and senior management of the Company.

**Article 3** The senior management mentioned in these terms of reference refers to general manager, deputy general manager, chief accountant (chief financial officer), the secretary to the Board of Directors and the and other senior management members proposed by the general manager and approved by the Board of Directors.

#### Chapter 2 Composition

**Article 4** The Remuneration and Appraisal Committee shall consist of five directors, with a majority of independent directors.

**Article 5** The members of the Remuneration and Appraisal Committee shall be nominated by the Chairman of the Board of Directors, or more than half of all the independent directors, or more than one-third of all the directors, and elected by the Board of Directors.

**Article 6** The Remuneration and Appraisal Committee shall have one convener who shall be elected by the Board of Directors, and shall be an independent director, and is responsible for presiding over the work of the Committee.

**Article 7** The term of office of the member of the Remuneration and Appraisal Committee shall be the same as his/her term of office as director. A member may be re-elected upon the expiration of his/her term of office. Any member ceases to be a director of the Company during the term of office shall automatically cease to be a member of the Committee, and the vacancy shall be filled by the Committee in accordance with Articles 4 to 6 as above.

**Article 8** The Remuneration and Appraisal Committee may establish a working group, which is responsible for providing relevant information on the Company's operation, making recommendations on remuneration and appraisal proposals.

The secretary to the Board of Directors is responsible for daily work liaison and meeting organization.

### **Chapter 3 Duties and Responsibilities**

**Article 9** The main duties and responsibilities of the Remuneration and Appraisal Committee are as follows:

- (1) to be accountable to the Board of Directors and its proposals shall be submitted to the Board of Directors for consideration and approval;
- (2) to propose the remuneration plan or proposal with reference to the main scope, responsibilities, importance of the position of director and senior management as well as remuneration level for relevant positions of other relevant enterprises; remuneration plan or proposal mainly include but is not limited to performance appraisal criteria, procedures and key appraisal system, and major plans and systems of incentive and penalty;
- (3) to review the fulfillment of the responsibilities of the directors and senior management of the Company and to conduct annual performance appraisal thereon;
- (4) to supervise the implementation of the remuneration system of the directors and senior management of the Company;
- (5) to make recommendations on the formation of or change to equity incentive plan, employee stock ownership plan, grant of interests to participants and fulfilment of conditions for exercising rights and interests;
- (6) to make recommendations for the directors and senior management on shareholding plans for the proposed spin-off of subsidiaries;
- (7) to execute other matters as authorised by the Board of Directors.

**Article 10** The remuneration plan of the directors of the Company formulated by the Remuneration and Appraisal Committee shall only be implemented after it has been submitted to and approved by the Board of Directors and considered and approved at the general meeting. The remuneration distribution proposal for the senior management of the Company shall be submitted to the Board of Directors for approval.

#### **Chapter 4 Working Procedures**

**Article 11** The working group under the Remuneration and Appraisal Committee shall be responsible for making preparations for decision-making of the Remuneration and Appraisal Committee and shall provide the relevant information of the Company as follows:

- (1) information on the Company's fulfilment of its main financial indicators and business objectives;
- (2) information on the work scope of directors and senior management and their main duties;
- (3) information on fulfilment of targets involved in the performance appraisal system of directors and senior management;
- (4) information on performance evaluation on business innovation and profit-generating capabilities of directors and senior management;
- (5) the basis of measurement and calculation in relation to the proposed remuneration distribution plan and distribution method of directors and senior management of the Company based on the performance of the Company.

**Article 12** The process for the appraisal of the directors and senior management by the Remuneration and Appraisal Committee is as follows:

- (1) directors and senior management of the Company shall report their work and self-evaluation to the Remuneration and Appraisal Committee of the Board of Directors;
- (2) the Remuneration and Appraisal Committee shall conduct performance appraisal on the directors and senior management according to the standard and procedures for performance appraisal;
- (3) the Committee shall make proposals on the amount of remuneration and manner of rewards to the directors and senior management according to the results of performance appraisal and the remuneration distribution policy, which shall be submitted to the Board of Directors and/or the general meeting for approval.

## Chapter 5 Rules of Meeting

**Article 13** The Remuneration and Appraisal Committee shall meet at least once a year. The Committee meetings shall include regular meetings and interim meetings. An interim meeting can be convened as proposed by the convenor, and may be convened by means of communication (including telephone conference and facsimile transmission, etc.).

The secretary to the Board of Directors shall notify all members of the meeting in writing five days prior to the meeting, and the meeting shall be chaired by the convenor, who may delegate one other member (independent director) to chair the meeting if he/she is unable to attend.

**Article 14** A meeting of the Remuneration and Appraisal Committee shall be convened with the attendance of more than two-thirds of the members; each member shall have one vote; and resolutions made at the meeting shall be approved by all members attending the meeting.

**Article 15** Voting at the meetings of the Remuneration and Appraisal Committee shall be made by a show of hands or by poll; and voting at interim meetings can be made by way of correspondence.

**Article 16** The Remuneration and Appraisal Committee may invite directors, supervisors and senior management of the Company to attend its meetings.

**Article 17** The Remuneration and Appraisal Committee may engage an intermediary agency to provide professional advice for its decision-making in accordance with its work needs at the Company's expense.

**Article 18** The Committee member shall abstain when the matters relating to themselves are discussed at the meetings of the Remuneration and Appraisal Committee.

**Article 19** The convening procedures and the voting method of the meetings of the Remuneration and Appraisal Committee, and the remuneration policy and distribution plan approved at the meetings shall comply with the relevant laws and regulations, the Articles of Association and the provisions of these terms of reference.

**Article 20** The minutes of the meetings of the Remuneration and Appraisal Committee shall be recorded in writing and the members attending the meetings shall sign on the minutes, which shall be kept by the secretary to the Board of Directors of the Company.

**Article 21** The resolutions approved at the meetings of the Remuneration and Appraisal Committee and the voting results thereof shall be reported in writing to the Board of Directors of the Company.

**Article 22** Members attending the meetings and other relevant members are under an obligation of confidentiality with respect to the matters discussed at the meeting and are not allowed to disclose such information without authorization.

## Chapter 6 Miscellaneous

**Article 23** These terms of reference shall be effective on the date when the relevant resolution is passed by the Board of Directors.

**Article 24** Any matters not covered by these terms of reference shall be implemented in accordance with relevant laws and regulations and the provisions of the Articles of Association. If these terms of reference contravene any future laws and regulations promulgated by the Country or the Articles of Association as amended under legal procedures, relevant laws and regulations of the Country and the provisions of the Articles of Association shall prevail, and these terms of reference shall be amended immediately and submitted to the Board of Directors for consideration and approval.

**Article 25** The power of interpretation of these terms of reference shall be vested in the Board of Directors of the Company.