

HUADIAN POWER INTERNATIONAL CORPORATION LIMITED

TERMS OF REFERENCE FOR THE REMUNERATION AND APPRAISAL COMMITTEE UNDER THE BOARD

**(Approved by the 29th Meeting of the Tenth Session of the Board of Directors on 18 November,
2025)**

Chapter 1 General Provisions

Article 1 In order to develop and standardize the working system and procedures on remuneration and appraisal of Huadian Power International Corporation Limited (the “Company”), the Company hereby establishes the remuneration and appraisal committee (the “Remuneration and Appraisal Committee” or “Committee”) under the board of directors (the “Board”) and formulates these Working Rules (“the Rules”) in accordance with the Company Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange (collectively referred to as the “Listing Rules”), the Guidelines for Corporate Governance of Listed Companies and other relevant laws, regulations and regulatory documents, as well as the Articles of Association of Huadian Power International Corporation Limited (the “Articles of Association”), the Rules of Procedures for the Board of Directors of Huadian Power International Corporation Limited (the “Rules of Procedures for the Board”) and other relevant regulations.

Article 2 The Committee is a body specifically set up by the Board according to the res-

olution of the general meeting of the Company, mainly responsible for formulating the standards for appraising the directors and senior management members of the Company and carrying out the appraisal, and formulating and reviewing the remuneration policies and plans for directors and senior management, including remuneration determination mechanisms, decision-making processes, payment and stop payment and clawback arrangements, and making recommendations to the Board on the following matters:

- (1) remuneration of directors and senior management;
- (2) formulation or amendment of share incentive plans and employee stock ownership plans, and the achievement of conditions for incentive recipients to be granted and exercise their entitlements;
- (3) directors and senior management arranging shareholding plans in proposed spin-off subsidiaries;
- (4) other matters stipulated by laws, administrative regulations, securities regulatory provisions of the place where the shares of the Company are listed, and the Articles of Association.

If the recommendations from the Remuneration and Appraisal Committee to the Board are not adopted or not fully adopted, the Board shall record in its resolution the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting them, and make disclosure thereof.

Article 3 The director(s) as referred to in the Rules mean the director(s) who receive remuneration from the Company. The senior management (members) as referred to in the Rules mean the general manager, deputy general manager, chief financial supervisor, secretary to the Board and other senior management members proposed by the general manager to be appointed by the Board.

Chapter 2 Constitution

Article 4 The Committee shall comprise three to seven directors, of which the independent directors shall constitute the majority and serve as the convenor.

Article 5 Members of the Committee shall be nominated by the Chairman of the Board, not less than one half of the independent directors or one third of all directors and shall be appointed by the Board.

Article 6 The Committee shall have one chairman elected from its members who are independent directors by the members of the Committee, to take charge of the Committee's work.

Article 7 Members of the Committee shall have the same term of office as that of directors, and are eligible for re-election and re-appointment upon expiry of their term of office, provided that the continuous term of service for independent-director members shall not exceed six years. If during the term, any member no longer serves as a director of the Company, he or she shall automatically lose the membership, and a replacement shall be appointed by the Board pursuant to Articles 4 to 6 above, provided that the term of office of the replacement member shall be the same as that of the replaced member.

Should the resignation of an independent-director member result in the proportion of independent directors in the Remuneration and Appraisal Committee falling below the requirement as required by the laws, regulations, the Listing Rules, the Articles of Association or these Rules, the resignation report of the said independent director shall not take effect until the vacancy resulting from his/her resignation is filled up by a succeeding independent director. The independent-director member who intends to resign shall continue to perform his/her duties until the date on which a new independent director is appointed. The Company shall complete the by-election of an independent director within 60 days from the date the independent director tenders his/her resignation.

Chapter 3 Terms of Reference

Article 8 The Committee's terms of reference should mainly include:

(1) to make recommendations to the Board on the Company's policy and structure for all remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing remunera-

tion policy;

- (2) to review and approve the management's remuneration proposals with reference to the corporate goals and objectives resolved by the Board;
- (3) to determine the remuneration management method and remuneration packages for each of the directors (including non- executive directors) and senior management and make recommendations to the Board on such remuneration packages, which should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (4) to consider factors such as salaries paid by comparable companies, time commitment and responsibilities of such director (including non-executive director) or senior management, and employment conditions elsewhere in the Company, in determining the remuneration packages of directors and senior management;
- (5) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that such compensation is consistent with contractual terms, and is otherwise fair and reasonable;
- (6) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms, and are otherwise reasonable and appropriate;
- (7) to ensure that no director or any of his associates is involved in deciding his own remuneration;
- (8) to supervise the execution of the Company's remuneration system;
- (9) to examine and supervise the training and sustainable professional development of the directors and senior management; and to review duty performance by directors (independent non-executive directors) and senior management and carry out performance appraisal of them;
- (10) to consider and make recommendations on the Company's stock incentive

plan; to review and/or approve matters relating to share schemes under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (including the granting of shares or options by the Company or related subsidiaries);

(11) to report to the Board on the decisions or recommendations made by the Committee, unless there are legal or regulatory restrictions on their ability to do so;

(12) any other powers and authorities as conferred by the Board;

(13) the relevant requirements on the terms of reference for the Committee (as amended from time to time) under the Listing Rules.

Article 9 Proposals of the Remuneration and Appraisal Committee shall be submitted to the Board for consideration and decision.

Remuneration plans for directors and senior management shall be formulated by the Remuneration and Appraisal Committee, which shall clearly define the basis for determining the remuneration and the specific components thereof. Remuneration plans for directors shall be determined by the general meeting and disclosed accordingly. Remuneration plans for senior management shall be submitted to the Board for approval, explained to the general meeting, and fully disclosed.

Article 10 The Committee shall be provided with sufficient resources to perform its duties.

Article 11 The Committee shall deliver a work report for the preceding year to the Board at the first annual regular meeting of the Board.

At the invitation of the chairman of the Board, the chairman of the Committee or in the absence of the chairman, another member of the Committee or his/her duly appointed delegate should be available to answer questions at the annual general meeting of the Company.

Chapter 4 Rules of Procedure

Article 12 The Committee set its working body at the Human Resources Department, whose main responsibility is to make preliminary preparation and provide all materials for decision making by the Committee, and prepare notices of the Committee meetings.

Article 13 The Committee shall convene a meeting upon request by the Board. An independent-director member who, during the performance of duties, pays attention to a significant matter of the Company falling within the scope of duties of the Remuneration and Appraisal Committee, may promptly request the Remuneration and Appraisal Committee to discuss and consider the matter in accordance with the procedures. Upon receipt of the notice of meeting of the Committee delivered by the Human Resources Department, the chairman of the Committee shall notify all the members and other relevant personnel invited to attend as observers seven days and three days respectively prior to convening of such meeting in written form; however, with unanimous agreement of all the members, the aforesaid notice period may be waived. Meetings of the Committee shall be convened and presided over by the chairman of the Committee. If the chairman of the Committee is unable to perform his duties, he may appoint an independent-director member to perform such duties.

Article 14 The holding of a meeting of the Committee shall be subject to the attendance of not less than two- thirds of all the members of the committee. Each member has one vote with voting right; resolutions made by the meeting shall be subject to approval by over half of all the members of the committee.

If a member of the Remuneration and Appraisal Committee attends and votes at a meeting of the Remuneration and Appraisal Committee despite being required to cease performing duties but failing to do so, or being subject to dismissal but not yet dismissed, as stipulated by the regulatory rules of the place where the Company's shares are listed, his/her vote shall be invalid and shall not be counted towards the quorum.

Article 15 Meetings of the Remuneration and Appraisal Committee shall in principle be

held in the form of in-person meetings. Where necessary, video, teleconference, or other means may be adopted in accordance with established procedures, provided that all attending directors are able to fully communicate and express their opinions.

Members of the Remuneration and Appraisal Committee shall attend the meetings in person and express clear opinions on the matters under consideration. A member who is unable to attend the meeting in person due to unavoidable circumstances shall review the meeting materials in advance, form a clear opinion, record this opinion in the proxy form, and authorize another member to attend on his/her behalf in writing. Each member of the Remuneration and Appraisal Committee may accept authorization from at most one other member, and the proxy form must clearly specify the scope and term of the authorization. If an independent director member is unable to attend the meeting due to unavoidable circumstances, he/she shall authorize another independent director member of the Remuneration and Appraisal Committee to attend on his/her behalf. The proxy form shall be submitted no later than prior to the vote at the meeting.

Article 16 Other directors and senior management members of the Company may be invited to attend meetings of the Committee as observers, when necessary.

Article 17 The Committee shall consult with the chairman of the Board or the general manager of the Company in respect of proposed remuneration of other executive directors; and if necessary, the Committee may appoint intermediaries to provide professional advice for its decision-making, with the resulting reasonable expenses payable by the Company.

Article 18 Where the Committee discusses an issue in connection with a certain member at a Committee meeting, the person concerned shall abstain from attending such meeting.

Article 19 The convening procedure and voting method of the meeting of the Committee and the remuneration policy and allocation plan approved by the meetings shall comply with the relevant laws, regulations, the Listing Rules, the Articles of Association and the Rules.

Article 20 Meeting resolutions and minutes shall be prepared for the meetings of the Remuneration and Appraisal Committee in accordance with regulations. The meeting resolutions and minutes shall be true, accurate, and complete, and fully reflect the opinions expressed by the attendees on the matters under consideration. Members of the Committee attending the meetings shall sign the meeting resolutions and minutes. The meeting minutes and resolutions, proxy forms, and other relevant meeting materials shall be kept by the secretary of the Board for a minimum period of ten years.

Article 21 Resolutions passed by and voting results of the meetings of the Committee shall be reported to the Board in written form.

Article 22 Members attending such meetings shall have an obligation to keep all matters discussed thereat confidential, and shall not disclose the relevant information without permission.

Chapter 5 Supplementary Provisions

Article 23 These Rules shall take effect subject to the approval of the Board of the Company. The original Rules approved at the 33th meeting of the Ninth Session of the Board on 29 March 2023 will be abolished at the same time.

Article 24 Matters not covered in the Rules shall be subject to relevant PRC laws, regulations, departmental rules, normative documents, the Listing Rules and the Articles of Association; In the event that these Rules are in conflict with any PRC laws, regulations, departmental rules, normative documents, the Listing Rules or the Articles of Association (as amended pursuant to legal procedures), such laws, regulations, departmental rules, normative documents, the Listing Rules and the Articles of Association shall prevail, and corresponding amendments to the Rules shall be made forthwith and submitted to the Board for consideration and approval.

Article 25 These Rules shall be amended and interpreted by the Board.

Article 26 The Rules shall be made available on the websites of the Company and of the

stock exchange on which the Company's securities are listed, as required by the Listing Rules.