

Remuneration and Appraisal Committee of the Board of Directors of China Suntien Green Energy Corporation Limited*

Terms of Reference

Chapter 1 General Provisions

Article 1 The rules are formulated for the purpose of further improving the appraisal and remuneration management system of directors and the Senior Management of China Suntien Green Energy Corporation Limited (hereinafter referred to as “Company” or “the Company”) and reforming the Company’s governance structure in accordance with Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (hereinafter referred to as “Hong Kong Listing Rules”), Articles of Association of China Suntien Green Energy Corporation Limited (hereinafter referred to as “the Articles of Association”), Working Statute for the Board of Directors of China Suntien Green Energy Corporation Limited (hereinafter referred to as “the Statute of Board of Directors”) as well as other relevant laws, regulations and regulatory documents.

Article 2 The Remuneration and Appraisal Committee is a special unit subordinated to the Board of Directors, responsible for formulating the appraisal standard for the Company’s directors and Senior Management and conducting appraisal; responsible for formulating and examining the remuneration policy and plan for the directors and management, and is accountable to the Board of Directors. The Board of Directors will assess the performance of the Committee on a regular basis.

Chapter 2 Composition of the Committee

Article 3 The Remuneration and Appraisal Committee consists of five directors. A majority of the members of the Committee shall be independent non-executive directors.

Article 4 Members of the Remuneration and Appraisal Committee shall be nominated by the Chairman of the Board together with more than half of the independent non-executive directors or one third of all directors, and be elected by the Board of Directors.

Article 5 There shall be a Chairman for the Remuneration and Appraisal Committee, who shall be an independent non-executive director responsible for presiding over the works of the Committee. The appointment or dismissal of the Committee Chairman shall be decided by the Board of Directors. The Committee Chairman shall exercise the following functions and powers:

- (1) to chair the Committee Meeting, sign and approve of the resolution of Meeting;
- (2) to propose and call Committee meetings;

- (3) to lead the Committee and make sure that the Committee operates and performs its responsibilities efficiently;
- (4) to ensure every resolution discussed by the Committee will come into a clear and definitive conclusion, including agreed, disagreed or to be further discussed after supplementing materials;
- (5) to define the agenda of each Committee Meeting;
- (6) other functions and powers specified by this Terms of Reference.

Article 6 Members of the Committee shall meet the qualifications as required by relevant Chinese laws, regulations and the Hong Kong Listing Rules.

Article 7 Members of the Remuneration and Appraisal Committee share the same term of office with that of the Board of Directors. The members may upon the expiry of their term of office be re-elected to serve a consecutive term. During this period, if members are no longer the Directors of Company or members being independent non-executive directors have lost the independence stipulated in the Articles of Association, they will automatically lose the qualification for being a Committee member. Then, the Board of Directors shall fill their vacancy according to Articles 4 and 5 in this Terms of Reference, and the supplementary member's term of office shall end by the expiry of term of office for his/her serving as Director.

- (1) As the supporting and contacting department for the Remuneration and Appraisal Committee, the HR Management Department of the Company is responsible for providing the information about the operation and management of the Company as well as information related with personnel to be appraised; preparing the meetings of the Committee and implementing the resolutions passed at the meetings.

Article 8 Members of the HR Management Department may attend the Remuneration and Appraisal Committee meeting when required by the Remuneration and Appraisal Committee. If necessary, the Remuneration and Appraisal Committee can also invite directors, supervisors, Senior Management and persons in charge of relevant departments to attend the Remuneration and Appraisal Committee Meeting.

Chapter 3 Duties and Responsibilities of the Committee

Article 9 The Remuneration and Appraisal Committee shall exercise the following functions and powers:

- (1) to study and determine the appraisal standard of the directors and Senior Management, organize the appraisal and make recommendations upon delegation of the Board of Directors;
- (2) to study, determine and make recommendations to the board on the Company's policy and structure for all directors and senior management remuneration and the establishment and determining of a formal and transparent procedure for developing remuneration policy and the remuneration and appraisal proposals;

- (3) to review and approve the management's remuneration proposals with reference to the board's corporate goals and objectives;
- (4) to study the Company's incentive plan, remuneration system and share option scheme, to monitor and evaluate the implementation result, and make recommendations on reformation and improvement;
- (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 it is consistent with contractual terms and is otherwise fair and not excessive;
- (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 make recommendations to the Board on remuneration of non-executive directors;
- (9) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group; and
- (10) other functions and powers conferred by the Board of Directors.

Article 10 After being authorized by the Board of directors, the Remuneration and Appraisal Committee can make comments and assessment on any matters within its duties, and make recommendations independently.

Article 11 The Remuneration and Appraisal Committee should consult the Chairman and/or the Chief Executive about their recommendation proposals for other executive directors.

Article 12 For remuneration plans proposed for the related directors by the Remuneration and Appraisal Committee should be agreed by the Board of Directors and presented at the Shareholders' Meeting for approval before execution; the remuneration allocation plan of the Senior Management of the Company shall be submitted to the Board of directors for approval.

Article 13 The Remuneration and Appraisal Committee is entitled to request the Senior Management to provide full support to the work of the Remuneration and Appraisal Committee.

Article 14 The Board of Directors has the right to reject any remuneration plan and scheme that violates relevant laws and regulations and threatens the shareholders' interests.

Article 15 The Remuneration and Appraisal Committee shall review and make recommendations independently and fairly on the remuneration of the directors and the Senior Management of the Company. The Committee should consider and give due regard to the performance of the directors and the Senior Management, the interest of all the shareholders, the financial status of the Company and the market conditions from time to time.

Article 16 If necessary, the Remuneration and Appraisal Committee may seek intermediary institutions for provision of independent professional advice, and the relevant expenses shall be borne by the Company.

Chapter 4 Decision-making Procedure of the Committee

Article 17 The Remuneration and Appraisal Committee's appraisal procedure for the directors and the Senior Management is as follows:

- (1) The Company's directors and the Senior Management shall make duty report and submit self-evaluation to the Remuneration and Appraisal Committee;
- (2) The Remuneration and Appraisal Committee conducts performance appraisal to the directors and the Senior Management according to the appraisal standard and procedure;
- (3) The Remuneration and Appraisal Committee proposes the remuneration amount and methods of granting to the directors and the Senior Management according to the performance appraisal result and remuneration allocation policy, and report to the Board of Directors after being passed by voting of the Remuneration and Appraisal Committee.

Chapter 5 Proceedings of Committee Meeting

Article 18 Three working days prior to the Meeting of the Remuneration and Appraisal Committee, the Office of Board of Directors shall issue notice to all members and prepare sufficient meeting materials. Once agreed by all of members, the foresaid notice period may be exempted. The Meeting shall be chaired by the Chairman of the Committee, by another member entrusted by the Chairman of the Committee in case of his/her absence.

Article 19 The notice of Meeting shall include:

- (1) venue, date, time and form of the Meeting;
- (2) agenda, issues for discussion and related information of the Meeting;
- (3) date of issuing the notice.

Article 20 The notice of Meeting can be served by personal delivery, fax, registered mail or other methods specified by the Articles of Association.

Article 21 Members of the Committee shall attend the Meeting in person.

Article 22 The Remuneration and Appraisal Committee Meeting shall be held only in the presence of more than two thirds of the members. Each member has one vote. A resolution adopted by the Meeting requires affirmative votes by a majority of all members.

Article 23 The Remuneration and Appraisal Committee may, if necessary, invite the directors, supervisors and the Senior Management to attend its meetings.

Article 24 Directors may attend the Remuneration and Appraisal Committee Meeting by means of video, telephone or similar communication devices, as long as such devices enable clear communication among all persons attending in the meeting, and such directors shall be deemed to have attended the meeting in person.

Article 25 Members whose benefits are being discussed shall not be present at the Remuneration and Appraisal Committee meeting.

Article 26 Members attending the Remuneration and Appraisal Committee Meeting could vote by show of hands, poll and voice vote. For directors who participate in the meeting by means of video, telephone or similar communication devices and vote by hands, their voice vote shall be deemed to be valid, but they must perform the written signature procedure as soon as they can and send the voting original to the Company after the meeting. Voice vote shall be of the same effect with written signature, but the content of the subsequent written vote must be identical to that of the voice vote given at the meeting. If voting by poll, members can fax or send the E-mail enclosure in the form of PDF for voting. After the meeting, members shall send the original of the fax or E-mail enclosure in the form of PDF to the Company.

Article 27 Written resolution signed by all members shall be deemed as valid and effective as if it had been passed at a legally-convened Committee Meeting. Such written resolutions may consist of several counterparts, each signed by one or more than one member(s). The resolution can be signed and transmitted by fax or other e-communication methods.

Article 28 The minutes of the Remuneration and Appraisal Committee Meeting shall be recorded by specific personnel assigned by the HR Management Department. Minutes shall have detailed records on the matters reviewed and the decisions made in the meeting, including any concerns raised by the members and different views expressed by the members. The members attending the meeting shall sign on the minutes. As an important document for the Company, the meeting minutes shall be kept by the Secretary of Board of Directors according to the file management system of the Company. Upon reasonable request by any director, such minutes shall be provided to the director for review within a reasonable period of time.

Article 29 The resolutions and voting results passed at the Remuneration and Appraisal Committee Meeting shall be reported to the Board of Directors in written form.

Article 30 The convening procedure, voting method adopted and the resolutions passed at the Remuneration and Appraisal Meeting must be in compliance with the relevant laws and regulations, provisions of Hong Kong Listing Rules, the Articles of Association and this Terms of Reference.

Article 31 All personnel attending in the meeting shall be obliged to keep confidential any of the issues discussed at the meeting, and shall not disclose any relevant information without authorization.

Chapter 6 Coordination and Communication

Article 32 During the adjournment of the Board of Directors, for any significant or special issues, the Remuneration and Appraisal Committee can submit a written report to the Board of directors through the Secretary of Board and propose to the Chairman of the Board to convene a meeting for discussion.

Article 33 The Remuneration and Appraisal Committee shall designate the Chairman or an authorized member or unit to report to the Board of Directors regarding its works since the last regular meeting of Board of Directors, or make a special report against a specific issue.

Article 34 The written report submitted to the Board of Directors by the Remuneration and Appraisal Committee shall be signed and approved by the Chairman or a member authorized by him/her, and then submitted to the Board of Directors through the Secretary of the Board of Directors.

Article 35 During the adjournment of the Remuneration and Appraisal Committee, for any significant or special items, the Senior Management of the Company can submit a written report to the Remuneration and Appraisal Committee through the Secretary of Board of Directors and suggest the Remuneration and Appraisal Committee to convene a meeting for discussion.

Chapter 7 Annex

Article 36 For issues not covered in this Terms of Reference, or in the event of conflicts between the provisions herein and laws and regulations, the provisions of Hong Kong Listing Rules or the Articles of Association issued or modified after the effective date of this Terms of Reference, the laws, regulations, provisions of Hong Kong Listing Rules or the Articles of Association shall prevail.

Article 37 Unless otherwise specified, the terms used in this Terms of Reference shall bear the same meaning as that in the Company's Articles of Association.

Article 38 This functions and powers of the Committee shall be, from time to time, updated and modified according to the provisions of relevant laws and regulations, Hong Kong Listing Rules and the Articles of Association.

Article 39 Staff of the office of the Board of Directors of the Company shall be familiar with the relevant requirements of the Terms of Reference.

Article 40 This document is commercially confidential. The Company is entitled to exercise all rights with regard to this document; it is prohibited to transmit, copy, extract or cite content from the document without written permission of the Company.

Article 41 Right to final interpretation of this Terms of Reference shall belong to the Board of Directors of the Company. This Terms of Reference and its modifications shall come into force from the date when the resolution of Board of Directors has been passed.

* *For identification purpose only*

These terms of reference are prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.