Terms of Reference for the Remuneration and Assessment Committee of the Board of Directors of China Longyuan Power Group Corporation Limited

(1) offer proposals to the Board of Directors on all remuneration policies and structure of Directors and senior management of the issuer, and on the establishment of a formal and transparent procedure for developing policies on such remuneration;

(2) offer proposals on remuneration policies of the executive Directors and senior management of the Board of Directors (including non-monetary benefits, pension rights and compensation payments (including compensation for the loss or termination of office or appointment), and submit to the Board of Directors for approval; to offer proposals to the Board of Directors on the remuneration of non-executive Directors; and carry out remuneration policy determined by the Board of Directors;

(3) consider and approve performance-based remuneration system through reference to the Company objectives determined by the Board of Directors, and supervise the implementation of the remuneration system of the Company;

(4) consider the remuneration paid by comparable companies, time commitment and terms of reference, as well as conditions for employment of other positions within the Group;

(5) establish specific remuneration packages of all executive Directors and senior management, including non-monetary benefits, pension rights and compensation payments (including compensation for dismissal or resignation), and offer proposals on remuneration of non-executive Directors to the Board of Directors;

(6) consider and approve compensation to the executive Directors and senior management due to turnover or dismissal to ensure that such compensation will be determined in accordance with the relevant terms of the contract; if not determined in accordance with the relevant terms of the contract, compensation shall be fair and reasonable;)

(7) review and approve the compensation arrangements for dismissal or removal of Directors due to misconduct to

(10) other matters authorized by the Board of Directors or prescribed by the Articles of Association.

Article 6 If necessary, the Remuneration and Assessment Committee may engage external experts or intermediaries to provide professional advices or recommendations.

Article 7 The Committee shall hold meetings at least once every year before the first annual regular meeting of the Board of directors. The form of site meeting or communications conference may be adopted. Interim meetings may be convened upon proposal made by the chairman or more than two members of the Committee.

A meeting of the Remuneration and Assessment Committee can only be held when more than two-thirds of the members are present. The chairman of the Remuneration and Assessment Committee shall preside over the meeting. If the chairman of the Remuneration and Assessment Committee is unable to attend the meeting, he can entrust another member to preside over the meeting. If one Committee member is unable to attend the meeting, he may entrust another member to exercise his power in written form.

Resolutions of the Remuneration and Assessment Committee shall be valid when adopted by more than two-thirds of the members.

Article 8 The Committee shall submit a report to the Board of Directors after the annual regular session. Main topics of the regular meeting shall include:

Discuss the assessment report made by the Company's management on the completion of performance targets of the previous year; and, discuss the report concerning the preparation of the performance contract of the year prepared by the Company's management.

Article 9 The Committee may entrust the Secretary of the Board of Directors to handle the following routine work:

(1) distribute the agenda and related support materials to the members of the Remuneration and Assessment Committee seven days prior to each meeting of the Committee;

(2) collect the views of all participating members after the meeting, prepare the representations of the Remuneration and Assessment Committee and distribute it to the members present to sign;

Article 10 The decisions and opinions made by the Remuneration and Assessment Committee shall be reported to the Board of Directors of the Company in written form.

Article 11 The "above" in the Terms of Reference includes the base number, and "day" refers to a working day. Unless otherwise specified, the terms used herein shall have the same meaning as ascribed to them in the Articles of Association.

Article 12 The Terms of Reference shall be construed by the Board of Directors.

Article 13 The Terms of Reference shall become effective on the date when it is reviewed and approved by the Board of Directors.

Article 14 The Terms of Reference has both the Chinese and English versions. In case of any discrepancies between the Chinese version and the English one, the Chinese version shall prevail.