

Dongfang Electric Corporation Limited Regulations for the Work of Remuneration and Assessment Committee of the Board of Directors

1 General Provisions

1.1 In order to establish a sound remuneration management system for the directors senior managers and key personnel of Dongfang Electric Corporation Limited (the “Company”) and improve corporate governance structure, the Company sets up the Remuneration and Assessment Committee of the board of directors (the “Remuneration and Assessment Committee”) and formulates these regulations (the "Regulations") in accordance with the Company Law of the People’s Republic of China, Code of Corporate Governance for Listed Companies in China, Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Rules Governing the Listing of Shares on the Shanghai Stock Exchange and other relevant laws, regulations and normative documents as well as the Articles of Association of Dongfang Electric Corporation Limited (the “Articles of Association”).

1.2 The Remuneration and Assessment Committee is a professional organ established by the board directors of the Company (the “Board”) and mainly responsible for formulating the remuneration policy and structure of the directors and senior management of the Company or making recommendations to the Board in respect thereof.

1.3 In the Regulations, director(s) refer to the director(s) and senior management receiving remuneration from the Company, respectively, while senior managers refers to the president, senior vice presidents, vice presidents, chief accountant, secretary to Board and other senior executives appointed by the Board, as well as other senior managers designated by the Board.

2 Personnel Composition

2.1 The Remuneration and Assessment Committee shall be composed of three to five members, all of whom shall be incumbent directors of the Company and a majority of whom shall be independent non-executive directors.

2.2 The members of the Remuneration and Assessment Committee shall be nominated by the Chairman of the Board, more than half of the independent non-executive directors or more than one-third of all directors and shall be elected by the Board.

2.3 The Remuneration and Assessment Committee shall have one chairman, who shall be an independent non-executive director and be responsible for convening and chairing meetings of the Remuneration and Assessment Committee. The chairman shall be elected among members of the Remuneration and subject to the approval of the Board.

2.4 Term of office of the members of Remuneration and Assessment Committee is the same as that of the directors. At the expiration of their terms, the members may continue to serve as such if being elected. When a member does not serve as the Company's director any more before its term expires, he/she shall be automatically disqualified for the member of the Remuneration and Assessment Committee; and the Board shall, in accordance with the provisions in the article 2.1 to 2.3 of the Regulations, elect a new member to fill the vacancy.

2.5 A member of the Remuneration and Assessment Committee may resign before the expiration of his/her term by submitting his/her resignation in writing to the Board, which should state any circumstances in connection with his/her resignation or those he/she considered should be brought to the attention of the Board and the shareholders of the Company.

2.6 The Office of the Remuneration and Assessment Committee is set in the Office of the Board which is responsible for such work as daily liaison, organization of meetings, subject decomposition for the Remuneration and

Assessment Committee. The Human Recourse Department of the Company is in charge of relevant operation work relating to the Remuneration and Assessment Committee.

2.7 The Secretary to the Board shall act as the secretary to the Remuneration and Assessment Committee.

3 Responsibilities and Authorities

3.1 The major responsibilities and authorities of the Remuneration and Assessment Committee are as follows:

3.1.1 to formulate remuneration plan or scheme for directors and senior management based on their work scope, duties and importance with reference to the compensation levels of similar positions in comparable companies. The remuneration plan or scheme shall mainly include, but not limited to, the criteria, procedures and key rules for performance appraisal, and major plans and systems for reward and punishment, etc..

3.1.2 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 such remuneration policy;

3.1.3 to review and approve the management's remuneration proposals by reference to the corporate goals and objectives set by the Board;

3.1.4 either:

(1) to determine, with responsibility delegated from the Board, the remuneration packages of individual non-independent directors and senior management; or

(2) to make recommendations to the Board on the remuneration packages of individual non-independent directors and senior management.

This should include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment.

3.1.5 to make recommendations to the Board on the remuneration of independent non-executive directors.

3.1.6 to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group.

3.1.7 to review the performance of duties by directors and senior management and conduct annual performance assessment on them.

3.1.8 to review and approve the compensation payable to non-independent directors and senior managers in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive.

3.1.9 to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.

3.1.10 to monitor the implementation of the Company's remuneration system.

3.1.11 to ensure that no director or any of his associates is involved in deciding his own remuneration.

3.1.12 to deal with other matters authorized by the Board.

3.2 The Remuneration and Assessment Committee shall be accountable to the Board. In accordance with the provisions of relevant laws, regulations, normative documents and the Articles of Association, the Remuneration and Assessment Committee shall propose resolutions with reference to the Company's actual situation and submit the same to the Board for approval or consideration. The remuneration scheme and remuneration allocation plan for senior management of the Company and the mid- to long-term incentive scheme and allocation plan proposed by the Remuneration and Assessment Committee shall be submitted to the Board for approval. The remuneration plan for directors shall be proposed at general meetings for approval and implementation accordingly.

3.3 The Remuneration and Assessment Committee should be provided with sufficient resources to discharge its duties. When performing its duties, the Remuneration and Assessment Committee may, if necessary, engage an intermediary institution to provide independent professional advice on its decision. The cost shall be borne by the Company.

4 Working Procedures

4.1 The office of the Board shall coordinate with the human resources department and other relevant departments to provide the Remuneration and Assessment Committee with the following written materials for decision-making purpose:

4.1.1 to provide information on fulfillment by the Company of its main financial indexes and business objectives; to provide information on the scope of work of the Company's senior management and their main duties;

4.1.2 to provide information on the fulfillment of the indicators in relation to the performance appraisal system of non-independent directors and senior management;

4.1.3 to provide information on the business initiatives and profit-making ability of non-independent directors and senior management in business operation;

4.1.4 to provide information on the basis for formulating the Company's plans and methods for fixing remunerations based on its operating results.

4.2 The performance appraisal procedures for directors and senior management are as follows:

4.2.1 The directors and senior management of the Company shall report their work and make self-appraisals to the Remuneration and Assessment Committee;

4.2.2 The Remuneration and Assessment Committee shall convene meetings to conduct performance appraisal of the directors and senior management according to the performance appraisal criteria and procedures;

4.2.3 The Remuneration and Assessment Committee shall propose the amount of remuneration and method of reward for the directors and senior management based on the results of performance appraisals and with reference to the remuneration and distribution policies of the Company and, after being passed through voting, report the same to the Board of the Company.

4.3 The Remuneration and Assessment Committee shall formulate the annual work plan within first two to three months of each financial year, and report the same to the Board for approval; and it shall complete the report on performance appraisal and remuneration implementation advice for the directors and senior management within six months after the close of each financial year, and report the same to the Board for consideration.

5 Rules of Procedures

5.1 The Remuneration and Assessment Committee shall meet at least once a year. When a meeting of the Remuneration and Assessment Committee is convened, notice of the meeting shall be given to all members and persons invited to attend ten working days prior to the meeting. The said notice shall include the convening mode, topics, agenda, time, place and duration of the meeting, persons who may attend the meeting and relevant information. In case of emergency, an extraordinary meeting may be convened without complying with the aforesaid time limit for notice provided that all members have confirmed being notified.

5.2 The meetings of the Remuneration and Assessment Committee shall be convened only with the attendance of no less than one half of all members. The meetings shall be chaired by the chairman of the committee. If the chairman of the committee cannot attend the meeting, he/she may appoint another member to chair the meeting.

5.3 A meeting of the Remuneration and Assessment Committee may be convened by way of physical or telecommunication means, at which members shall vote by a show of hands or written ballot. Each member shall be entitled to one vote. Resolutions which can be directly decided on the Remuneration and Assessment Committee as authorized by the Board require the approval of more than half of all members present. Resolutions which are not authorized by the Board for the Remuneration and Assessment Committee to make decision require no voting, but the members present shall give advisory opinions thereon.

5.4 Other directors, supervisors and other senior management of the Company may be invited to attend the meetings of the Remuneration and Assessment Committee when necessary.

5.5 The Remuneration and Assessment Committee shall consult the Chairman of the Board and/or the President of the Company for proposals on the remuneration of other non-independent directors.

5.6 When any subject of discussion of the Remuneration and Assessment Committee relates to a member of the committee at a meeting, such member shall abstain from such meeting.

5.7 The convening procedures and voting methods of and the resolutions passed at a meeting of the Remuneration and Assessment Committee shall comply with the provisions of the relevant laws, regulations, regulatory documents, the Articles of Association and the Regulations.

5.8 Every meeting of the Remuneration and Assessment Committee shall have minutes which shall be signed by the members present at the meeting. Such minutes of meetings shall be kept by the secretary to the Board for a period of not less than ten years. The secretary to the Board shall make the minutes of meetings available for inspection at any reasonable time upon reasonable notice by any director of the Company.

5.9 The resolutions adopted in the Remuneration and Assessment Committee's meeting shall be reported in writing to the Board. Minutes of meetings of the Remuneration and Assessment Committee shall record in sufficient details the matters considered at the meetings and the decision reached, including any concerns raised by members or dissenting view expressed. Draft and final versions of minutes of the meetings shall be sent to all committee members for their comment and records within a reasonable time after the meeting.

5.10 The chairman of the Remuneration and Assessment Committee or in his absence, another member of the committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to answer questions at the annual general meeting on the Remuneration and Assessment Committee's activities and their responsibilities.

5.11 All the members of the Remuneration and Assessment Committee present shall keep confidential for all the items discussed in the meeting. It is forbidden to disclose any relevant information without permission; otherwise he/she shall be liable for corresponding legal responsibilities.

6 Supplementary Provisions

6.1 Any matters not mentioned in the Regulations shall be carried out subject to the relevant national laws, regulations, regulatory documents and the Articles of Association. Where the Regulations contravene the laws, regulations and regulatory documents adopted by the state later on or the Articles of Association amended legally, national laws, regulations and the Articles of Association shall prevail. .

6.2 The right of interpretation of the Regulations shall belong to the Board.

6.3 The Regulations shall become effective as of the date of approval by the Board.

Note: The Regulations was originally drafted in Chinese and the English translation is for your reference only. In case of any inconsistencies between the Chinese and the English version, the Chinese version shall prevail.