Rules of Procedure of the Remuneration and Appraisal Committee of Anhui Jinyan Kaolin New Materials Co., Ltd. (Applicable After Listing on the Stock Exchange)

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to further improve the performance appraisal and remuneration management system for directors, supervisors, and senior management of Anhui Jinyan Kaolin New Materials Co., Ltd. (the "**Company**"), and to continuously refine the remuneration system, the Company sets up the Remuneration and Appraisal Committee and formulates the Rules of Procedure in accordance with the Company Law of the People's Republic of China (the "**Company Law**"), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), Appendix C1 to the Listing Rules (the "**Corporate Governance Code**"), the regulatory rules of the securities regulatory authorities and stock exchanges where the Company's shares are listed, such as The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the relevant provisions of the Articles of Association of Anhui Jinyan Kaolin New Materials Co., Ltd. (the "**Articles of Association**").

Article 2 The Remuneration and Appraisal Committee is a specialized working body under the Board which is principally responsible for formulating the appraisal standards and conducting appraisal for the directors, supervisors and senior management of the Company, and setting up and reviewing the remuneration policy and plans for the same, and is held accountable to the Board.

Article 3 Directors mentioned herein refer to all Directors (including independent non-executive directors) elected by the shareholders' meeting; supervisors refer to all supervisors who receive remuneration from the Company; members of the senior management refer to the general manager, deputy general managers, secretary of the Board, financial controller (chief financial officer) and chief engineer appointed by the Board, and other members of the senior management as stipulated in the laws and regulations, the securities regulatory rules of the place where the Company's shares are listed and the Articles of Association.

CHAPTER 2 COMPOSITION

Article 4 The Remuneration and Appraisal Committee shall consist of three directors, of which at least two are independent non-executive directors.

Article 5 The members (the "**Member(s)**") of the Remuneration and Appraisal Committee shall be nominated by the Chairman of the Board or more than one-third of all Directors or more than half of independent non-executive directors, and shall be elected by a majority vote of the Board.

Article 6 The Remuneration and Appraisal Committee shall have one convener (i.e. the chairman of the Remuneration and Appraisal Committee). The chairman may be held by the independent non-executive director member, responsible for presiding over the Committee's work. The chairman of the Remuneration and Appraisal Committee is appointed with the approval of the Board.

Article 7 The term of office of members of the Remuneration and Appraisal Committee shall be the same as that of the Board, renewable upon re-election at its expiry. If any member ceases to be a director of the Company or if any member who should possess the status of an independent non-executive director no longer meets the independence requirements stipulated in the Company Law, the Articles of Association, the Administrative Measures for Independent Directors of Listed Companies and the Listing Rules during his/her term of office, he/she shall automatically disqualify as a member.

Article 8 The Remuneration and Appraisal Committee may establish a working group as a daily office, responsible for providing information about the Company's operations and relevant information about the appraised personnel, preparing for Remuneration and Appraisal Committee meetings and implementing relevant resolutions. The working group shall mainly comprise relevant personnel from the functional departments responsible for personnel and remuneration management, the office of the general manager, the finance department and the office of the Board.

CHAPTER 3 DUTIES AND AUTHORITIES

Article 9 The Remuneration and Appraisal Committee is responsible for developing appraisal standards for directors, supervisors and members of the senior management and conducting relevant appraisal, formulating and reviewing the remuneration policies and programs for directors, supervisors and members of the senior management, and making recommendations to the Board on the following matters:

(1) to formulate remuneration plans or programs according to the main scope, responsibilities, and importance of the management positions of the directors, supervisors and members of the senior management, as well as the remuneration level of relevant positions in other similar companies, formulate remuneration policies and make recommendations to the Board on the overall remuneration policy and structure for directors, supervisors and members of the senior management of the Company, including but not limited to performance evaluation criteria, procedures and main evaluation systems, major schemes and systems for rewards and punishments, etc., and on the establishment of formal and transparent procedures, and supervise the implementation of the programs;

(2) to review and approve the management's proposal on remuneration based on the corporate goals and objectives set by the Board;

(3) to review the performance of duties by directors, supervisors and members of the senior management of the Company and conduct the annual performance appraisal on them;

(4) to supervise the implementation of the remuneration plan of the Company;

(5) to make recommendations to the Board on the remuneration package of individual executive directors, supervisors and members of the senior management, including benefits in kind, pension rights and compensation payments (including any compensation payable for loss or termination of their office or appointment), and make recommendations to the Board on the remuneration of non-executive directors;

(6) to consider the remuneration package, time commitment, scope of responsibility of similar companies and employment terms of other positions within the group;

(7) to formulate or change equity incentive plans, employee stock ownership plans, and conditions for the grant of interests to and the exercise of rights by incentive participants;

(8) to review and approve the compensation due to executive directors, supervisors and members of the senior management for any loss or termination of office or appointment, so as to ensure that such compensation is consistent with the contractual terms; if such compensation is not consistent with the contractual terms, to ensure that it is fair and reasonable, not excessive;

(9) to review and approve compensation arrangements relating to the dismissal or removal of directors for misconduct, so as to ensure that such arrangements are consistent with the contractual terms; if such arrangements are not consistent with the contractual terms, to ensure that they are reasonable and appropriate;

(10) to arrange for stock ownership plans for subsidiaries to be spun off by directors, supervisors and members of the senior management;

(11) to ensure that no director or any of his/her associates (as defined in the Listing Rules) is involved in the determination of his/her own remuneration and, in the case of a director who is also a member of the Remuneration and Appraisal Committee, his/her remuneration shall be determined by other members of the Remuneration and Appraisal Committee;

(12) to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules;

(13) other matters authorized by the Board;

(14) other matters required by the laws, administrative regulations, the Listing Rules, the provisions of the China Securities Regulatory Commission, the relevant regulatory rules of the securities regulatory authorities and stock exchange at the place where the Company's shares are listed and the Articles of Association.

The Remuneration Committee shall publish its terms of reference on the websites of the Stock Exchange and the issuer, explaining its role and the powers delegated to it by the Board.

If the Board does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the opinion of the Remuneration and Appraisal Committee and the specific reasons for its non-adoption in the resolutions of the Board and make relevant disclosure.

Article 10 The remuneration plans or programs proposed by the Remuneration and Appraisal Committee shall not prejudice the interests of the shareholders. The Board shall have the power to veto remuneration plans or programs that prejudice the interests of the shareholders.

Article 11 The Remuneration and Appraisal Committee shall be accountable to the Board of the Company. The remuneration plans for the directors and supervisors of the Company proposed by the Remuneration and Appraisal Committee shall be approved by the Board and submitted to the shareholders' meeting for consideration and approval before implementation; the remuneration distribution plan for members of the senior management of the Company shall be reported to the Board for approval.

In accordance with the Listing Rules, the above service contracts of the directors or supervisors, which require shareholders' approval, include:

(1) a contract with a service duration that may exceed three years; or

(2) a contract that expressly requires the Company to give a period of notice of more than one year or to pay compensation or make other payments equivalent to more than one year's emoluments in order to entitle the Company to terminate the contract.

The Remuneration and Appraisal Committee shall form a view in respect of the above service contracts of directors or supervisors which require shareholders' approval and advise shareholders as to whether the terms of such contracts are fair and reasonable, advise whether such contracts are in the interests of the Company and its shareholders as a whole, and advise shareholders (other than those shareholders who are directors or supervisors with a material interest in such service contracts and their associates) on how to vote.

Article 12 The rights and obligations of the members of the Remuneration and Appraisal Committee include:

(1) to attend the meetings of the Committee as scheduled, express opinions on matters discussed at the meetings, and exercise voting rights;

(2) to propose topics for discussion at the meetings of the Committee;

(3) to attend or sit in the relevant meetings of the Company as audiences and conduct investigative studies and obtain the required relevant information, such as reports, documents and materials, for the purpose of performing their duties;

(4) to fully understand the duties and responsibilities of the Committee and their own duties as members, and familiarize themselves with the operation and management conditions, business activities and development status of the Company relating to their duties, to ensure their capabilities in performing their duties;

(5) to commit to dedicate sufficient working time and efforts required to perform his/her duties;

(6) to perform other duties as required or conferred by the laws, administrative regulations, the Listing Rules, the provisions of the China Securities Regulatory Commission, the securities regulatory rules at the place where the Company's shares are listed, these Rules and the Board.

CHAPTER 4 WORK PROCEDURES

Article 13 Before making decisions, the Remuneration and Appraisal Committee shall obtain relevant information of the Company:

(1) information on the Company's fulfillment of its main financial indicators and business objectives;

(2) information on the scope of responsibilities and the main duties of members of the senior management of the Company;

(3) information on the fulfillment of indicators involved in the work performance evaluation system of the directors and members of the senior management;

(4) information on the business performance of business innovation and profit-making ability of the directors and members of the senior management;

(5) the basis of measurement and calculation in relation to formulating the Company's remuneration distribution plan and method of distribution with reference to the performance results of the Company.

Article 14 The Remuneration and Appraisal Committee shall conduct the following appraisal procedures for the directors and members of the senior management:

(1) the directors and members of the senior management of the Company shall report their work and self-evaluation to the Remuneration and Appraisal Committee of the Board;

(2) the Remuneration and Appraisal Committee shall carry out performance evaluation of the directors and members of the senior management according to the performance evaluation standards and procedures;

(3) a proposal on the amount of remuneration and method of reward for the directors and members of the senior management shall be made based on the results of work performance evaluation and remuneration distribution policy, and reported to the Board of the Company after being passed by voting.

CHAPTER 5 RULES OF PROCEDURE

Article 15 Meetings of the Remuneration and Appraisal Committee are divided into regular meetings and extraordinary meetings. The regular meetings shall be convened at least once annually. The extraordinary meetings shall be convened as needed, and shall be convened under any of the following circumstances:

(1) when the Board deems it necessary;

(2) when the chairman of the Remuneration and Appraisal Committee deems it necessary;

(3) when more than 2 members propose.

Article 16 Meeting notices and materials shall be provided to all members three days prior to the meeting. The notices shall include the meeting format, time, location, duration, agenda, date of notice and relevant information. The notices may be delivered by hand, mail, email or fax. In urgent situations requiring immediate convening, meeting notices may be issued at any time via telephone or other verbal means. However, the chairman of the Remuneration and Appraisal Committee shall provide an explanation in the meeting.

Article 17 Upon receiving meeting notice, the members shall promptly confirm the receipt and provide feedback (including but not limited to attendance status and travel arrangements) in an appropriate manner.

Article 18 The members shall attend meetings in person. Should a member be unable to attend in person for any reason, he/she may authorize another member of the Committee in writing to attend on his/her behalf. Members who fail to attend the meetings of Remuneration and Appraisal Committee and do not authorize a proxy to attend shall be deemed to have waived their voting rights at that meeting.

Article 19 The Remuneration and Appraisal Committee meeting shall be presided by the chairman of the Remuneration and Appraisal Committee. If the chairman is unable to preside or fails to perform duties, he/she may delegate another independent non-executive director member to preside over the meeting, or a member may be elected by a majority of the members present to preside.

Article 20 The quorum of the meetings of the Remuneration and Appraisal Committee shall be more than two-thirds of its members, each having one vote. Resolutions of the meetings shall be approved by a majority of all members.

Article 21 The Remuneration and Appraisal Committee shall conduct voting by roll call. Provided that all members have the opportunity to fully express their opinions, resolutions may also be adopted through correspondence voting, with participating members signing accordingly.

Article 22 The Remuneration and Appraisal Committee meetings may be convened through appropriate means such as physical meetings, conference calls, video conferences, document circulation, fax or emails.

Article 23 The Remuneration and Appraisal Committee may invite directors, supervisors, other senior management of the Company and external consultants to present at its meetings as necessary. Attendees may provide explanations or clarifications regarding issues under discussion in the meeting, but non-committee members shall not have voting rights.

Article 24 The Remuneration and Appraisal Committee may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

Article 25 If any member of the Remuneration and Appraisal Committee has a direct or indirect interest in the issues discussed at the meetings, the interested member shall abstain from voting.

Article 26 The convening procedures, voting methods and resolutions adopted at meetings of the Remuneration and Appraisal Committee must comply with relevant laws, administrative regulations, departmental rules, normative documents, the securities regulatory rules of the place where the Company's shares are listed, the Articles of Association and these Rules.

Article 27 Minutes shall be taken on all meetings of the Remuneration and Appraisal Committee and signed by each attending member and the minute-taker. All meeting minutes shall be kept by the secretary of the Board for no less than ten years.

Article 28 Resolutions adopted in and voting results of the Remuneration and Appraisal Committee meetings shall be reported to the Board of Company in writing.

Article 29 Members and personnel present at such meetings are obliged to keep all issues discussed at such meetings confidential, and shall not disclose any relevant information without authorization.

CHAPTER 6 SUPPLEMENTARY PROVISIONS

Article 29 Issues not covered by these Rules shall be handled in accordance with laws, administrative regulations, departmental rules, normative documents, the Listing Rules, the regulatory rules of the securities regulatory authorities and stock exchanges where the Company's shares are listed, and the provisions of the Articles of Association, taking into account the Company's actual circumstances. Where these Rules conflict with laws, administrative regulations, departmental rules, normative documents, the Listing Rules, the regulatory rules of the securities regulatory authorities and stock exchanges where the Company's shares are listed, and the Articles of Association of the Company issued from time to time, the provisions of laws, administrative regulations, departmental rules, normative documents, the Listing Rules, the regulatory rules of the securities regulatory authorities and stock exchanges where the Company's shares are listed, and the Articles of Association shall prevail.

Article 30 The terms "above", "within" and "below" as used in these Rules include the specified numbers; "less than", "outside", "lower than", "more than" and "exceed" do not include the specified numbers.

Article 31 The Board the Company shall be responsible for the interpretation of these Rules.

Article 32 These Rules were reviewed and approved by the Board of the Company and shall take effect upon the date when the Company's H-shares are listed for trading on the Stock Exchange following filing with the China Securities Regulatory Commission.