

Chongqing Iron & Steel Company Limited

重慶鋼鐵股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(在中華人民共和國註冊成立的股份有限公司)

(Stock Code: 1053)

WORK REGULATIONS OF THE SALARY AND REMUNERATION REVIEW COMMITTEE OF THE BOARD OF DIRECTORS

1 GENERAL PROVISIONS

- 1.1 In order to enhance the scientific decision-making of the Board and improve the corporate governance system of the Company, the Company formulates these work regulations in accordance with the Company Law, the Securities Law, the Standards for the Governance of Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association of Chongqing Iron & Steel Company Limited (the “**Articles of Association**”), and other relevant regulations.
- 1.2 The Salary and Remuneration Review Committee of the Board is a special body set up by the Board, mainly responsible for developing appraisal criteria for the performance of executive directors and managers and carrying out such appraisal; formulating and reviewing the policy and plan for remunerations of directors and managers of the Company. It reports to the Board and is subject to supervision of the Board.

2 COMPOSITION

- 2.1 The Salary and Remuneration Review Committee shall comprise three to six directors, majority of which shall be independent non-executive directors.
- 2.2 Members of the Salary and Remuneration Review Committee shall be appointed by the Board amongst the members of the Board.
- 2.3 The Salary and Remuneration Review Committee shall have one chairman who shall be an independent non-executive director. In principle, the chairman shall not serve as the chairman of other special committees of the Board.

- 2.4 The term of the Salary and Remuneration Review Committee is the same as that of the Board, the members are eligible for re-election at the expiry of their term of office. If any member ceases to hold office as a director during the term, he/she shall automatically be disqualified from holding office as a member and the Board shall fulfil the number of members in accordance with the provisions of Clauses 2.1 to 2.3 above.
- 2.5 Secretary to the Board shall serve as the secretary of the Salary and Remuneration Review Committee and is responsible for coordinating the day-to-day work of the committee.

3 DUTIES

- 3.1 The convener of the Salary and Remuneration Review Committee shall exercise the following functions and powers:
- 3.1.1 to convene and preside over work meetings of the committee.
 - 3.1.2 to report work to the Board.
 - 3.1.3 to execute documents of the committee.
 - 3.1.4 to exercise other authorities granted by the Board.
- 3.2 Members of the Salary and Remuneration Review Committee shall:
- 3.2.1 perform duties based on the authorization of the Board and provide the Board with suggestions and recommendations in respect of supervision, implementation and strategic decision making.
 - 3.2.2 handle the committee's affairs in good faith and with adequate attention and prudence.
 - 3.2.3 ensure ample time and energy devoted to committee meetings.
 - 3.2.4 make independent judgments.
 - 3.2.5 other matters authorised by the Board.

3.3 The main duties of the Salary and Remuneration Review Committee:

- 3.3.1 To formulate the remuneration policies for all directors and senior management, and to formulate the procedures for such policies.
- 3.3.2 To prepare the remuneration plan or scheme according to the work scope, responsibilities, importance of the positions of directors and senior management and the remuneration level for similar positions offered by other peers, including but not limited to: performance assessment criteria and procedures, main assessment system, amount and payment method of remuneration, principal rewarding and penalty scheme and system, etc..
- 3.3.3 To be responsible for formulating assessment standards for directors and senior management and organizing the assessment of directors and senior management, formulating and reviewing the remuneration policies and plans for directors and senior management in accordance with the achievement of the Company's business objectives, reviewing the performance of the duties of directors and senior management, and making recommendations to the Board on the following matters: remuneration of directors and senior management; formulation or change of equity incentive plans and employee shareholding schemes, fulfillment of the conditions for the grant and the exercise of rights to participants; arrangement of shareholding plans for directors and senior management in subsidiaries proposed to be spun off; and other matters stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission and the Articles of Association.

If the Board fails to adopt or fully adopt the recommendations of the Salary and Remuneration Review Committee, the opinions of the Salary and Remuneration Review Committee and the specific reasons for non-adoption shall be recorded in the Board resolution and disclosed.

The Company may entrust a third party to conduct performance assessment.

- 3.3.4 To be responsible for supervising the implementation of the Company's remuneration system for directors and senior management and making recommendations.

Other matters as delegated by the Board.

- 3.4 Remuneration plans for directors proposed by the committee shall be approved by the Board and submitted to the general meetings for consideration and approval before implementation; remuneration plans for senior management shall be submitted to the Board for approval.

The Board shall have right to veto any remuneration plan or scheme that goes against shareholders' interests.

4 RULES OF PROCEDURE

- 4.1 The Salary and Remuneration Review Committee's meetings comprise regular meetings and extraordinary meetings. Regular meetings shall be convened at least once a year, whereas extraordinary meetings may be convened based on the needs of the Salary and Remuneration Review Committee. Meetings shall be presided over by the chairman of the Salary and Remuneration Review Committee, or by another member appointed by the chairman in his absence.
- 4.2 Notice of a regular meeting of the Salary and Remuneration Review Committee shall be given to all members ten days prior to such meeting, while the date of an extraordinary meeting may not be subject to the foregoing time requirements, but shall be determined on the basis that all the members are able to receive the notice and allowed reasonable time for making preparations.
- 4.3 Meeting notice of the Salary and Remuneration Review Committee shall include:
- 4.3.1 the venue, date, time and method of convening of the meeting.
 - 4.3.2 meeting agenda, matters for discussion and relevant information.
 - 4.3.3 the date on which the notice is served.
- 4.4 Meetings of the Salary and Remuneration Review Committee may only be convened with the presence of more than two-thirds of its members; the formal opinions put forward by the Salary and Remuneration Review Committee to the Board on matters under consideration shall be approved by over half of all committee members. In the event that no effective opinion is concluded due to the abstention from voting of any member of the Salary and Remuneration Review Committee, the underlying matter shall be directly considered by the Board.

- 4.5 Members of the Salary and Remuneration Review Committee shall attend the meetings in person and express their clear opinions on the matters under consideration. If a member is unable to attend the meeting in person for any reason, he/she may submit a power of attorney signed by the member and appoint other member to attend and express opinions on his/her behalf. The power of attorney shall expressly state the scope and duration of the authorization. Each member can only be authorised by one member.
- 4.6 Meetings of the Salary and Remuneration Review Committee may be convened by the way of communication.
- 4.7 When the Salary and Remuneration Review Committee considers necessary, it may invite directors, supervisors, senior management and relevant departments to attend its meetings, and may also request other persons whom the committee deems necessary to attend its meetings to attend its meetings, without the persons attending the meetings intervening in the proceedings.
- 4.8 The Salary and Remuneration Review Committee may engage intermediaries or advisors to provide professional advice, with relevant expenses borne by the Company. The committee shall investigate the experience and background of the appointed institutions or experts to ensure that they do not compete with the Company in business, or possibly infringe on the interests of the Company. The Company shall enter into the letter of commitment on confidentiality with related advisory institutions or experts.
- 4.9 The Salary and Remuneration Review Committee shall ensure that its members are able to fully express their opinions. When considering proposals relating to connected matters, members shall make written or verbal statements as to the independence of their judgments, which shall be included in the meeting minutes.
- 4.10 Minutes of the meetings of the Salary and Remuneration Review Committee shall be kept and shall include any concerns raised or objections expressed and particulars of abstention of the members. Members attending the meeting shall sign their names on the minutes; the minutes shall be kept by the secretary to the Board.
- 4.11 The Salary and Remuneration Review Committee shall properly manage the documents and information it handled within its scope of duties, and shall not divulge relevant information or data coming to its knowledge within its scope of duties without permission. Members attending such meetings shall have an obligation to keep all matters discussed thereat confidential, and shall not disclose the relevant information without permission.

5 SUPPLEMENTARY PROVISIONS

- 5.1 Matters not covered by these regulations shall be executed in accordance with the relevant laws and regulations of the State and the Articles of Association; In the event that these regulations are in conflict with the laws and regulations promulgated by the State in future, or the Articles of Association (as amended pursuant to legal procedures), such laws and regulations, and the Articles of Association shall prevail, and corresponding amendments to these regulations shall be made forthwith, and shall be reported to the Board for consideration and approval.
- 5.2 These regulations shall be interpreted and amended by the Board of the Company.
- 5.3 These regulations shall come into effect on the date of approval by the Board.