

# **Working Rules for the Remuneration & Appraisal Committee of the Board of Directors of Metallurgical Corporation of China Ltd.\***

## **Chapter 1 General Provisions**

Article 1 Metallurgical Corporation of China Ltd. (hereafter referred to as the “Company”) has established the Remuneration & Evaluation Committee of the Board of Directors (hereafter referred to as the “Remuneration & Evaluation Committee” or “Committee”), and formulated these Working Rules in accordance with the Company Law of the People’s Republic of China, the Governance Rules for Listed Companies, the Articles of Association of Metallurgical Corporation of China Ltd. (hereafter referred to as the Articles of Association), the listing rules of the region where the Company shares are listed and other relevant provisions, in a move to regularize the remuneration, appraisal, reward & penalty management of the Directors and senior executives of the Company.

Article 2 The Committee shall be a specialized committee established by the Board of Directors, and shall be accountable to the latter. The Committee performs its responsibilities in line with the Articles of Association, the Rules of Procedure of the Board of Directors and these Working Rules.

## **Chapter 2 Composition**

Article 3 The Committee shall be composed of five directors, more than half of whom shall be Independent Directors.

Article 4 The members of the Committee shall be nominated by the Chairman, and elected by the Board of Directors.

Article 5 The Committee shall establish one convener, who shall be an independent director and shall be responsible for convening and presiding over the meetings of the committee.

Article 6 Any members of the Remuneration Committee may hold positions in any other special committees of the Board concurrently, provided that he/she is capable of discharging his/her

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\* For identification purpose only;  
These working rules are written in Chinese. If there is any discrepancy between the Chinese edition and this English edition, the Chinese edition of these working rules shall prevail.

duties.

Article 7 The term of office of the members of the Committee is consistent with the term of the Board of Directors. The committee members shall be reelected after the expiration of their term. If a Committee member ceases to be a Director of the Company during the term office, he/she shall be automatically disqualified as a member of the Committee, and the Board of Directors shall fill such vacancy in accordance with Article 3 to 5 aforementioned.

Article 8 The Office of the Board of Directors shall be responsible for handling the daily work of liaising and organizing meetings of the Committee. All relevant functional departments of the Company, including the Human Resources Department, the Planning & Finance Department are the institutions that assist in the daily work of the Committee.

### **Chapter 3 Terms of Reference**

Article 9 The Committee shall discharge the following duties:

(1) to study and formulate the appraisal standard of Directors and senior executives, conduct appraisal and give suggestions;

(2) to study and formulate the remuneration policies, remuneration & performance appraisal plans and recommended reward & penalty plans of Directors and senior executives;

(3) to review the income distribution schedule of the employees of the Company;

(4) other duties granted by the Board of Directors; and

(5) other duties exercisable by the Committee as specified or recommended by the listing rules in the region where the Company shares are listed (including but not limited the duties recommended by relevant Principles and Code Provisions in Article B under the Corporate Governance Practices of Appendix 14 of the Hong Kong Listing Rules).

Article 10 The remuneration plan for the Directors of the Company proposed by the Committee shall be approved by the Board of Directors and submitted to the General Meeting for discussion and approval before implementation. The remuneration plan for the senior executives of the Company shall be submitted to the Board of Directors for approval.

The special provisions of the listing rules in the region where the Company shares are listed concerning the responsibilities of the Committee, if any, shall prevail.

### **Chapter 4 Working Procedures**

Article 11 Under the arrangement and coordination of the Office of the Board of Directors, all

relevant functional departments including the Human Resources Department and the Planning & Finance Department of the Company shall provide relevant information and services for the Committee in a timely, integral and accurate manner.

Article 12 The Committee shall convene meetings according to the proposals submitted by the Human Resources Department, the Planning & Finance Department and other relevant functional departments of the Company, review the same, and submit the review results to the Board of Directors.

### **Chapter 5 Rules of Procedures**

Article 13 There shall be regular and extraordinary meeting of the Committee. The frequency of annual regular meetings shall be determined in accordance with the requirements of the Board of Directors with reference to practical work need. When the convener or more than two members propose, an extraordinary meeting must be held. A notice of the meeting, which specifies the time, venue, attending persons, method of convening, duration, agenda, topics of the meeting, relevant information of the meeting as well and date of issuing such notice, shall be delivered to all attending committee members and persons invited to attend the meeting 10 days before the meeting (3 working days for the purpose of an extraordinary meeting).

Article 14 A meeting of the Committee can only be held when more than two-thirds of the members are present. The convener shall preside over the meeting. If the convener is unable to attend the meeting for certain reasons, he/she may entrust another member in writing to preside over the meeting. The Committee may hold its meetings by means of teleconference or resolution signed in writing. Nevertheless, the opinions, suggestions or voting results of the members in writing shall be faxed to the Office of the Board of Directors at the date of meeting, and the original copies shall be posted to the Office of the Board of Directors within three days.

Article 15 The members of the Committee shall rely on their own professional judgment, express opinions clearly and independently, and strive to reach a consensus, whenever possible. When it is truly difficult to reach a consensus, the Committee shall submit the different opinions with explanations to the Board of Directors.

Article 16 Each member of the Committee is entitled to one vote. The resolutions made by the Committee must be approved by more than half of its total members by voting. Voting at the meeting of the Committee may be adopted by a show of hands or by a poll. Absent members may vote by correspondence voting.

Article 17 When the Committee discusses a proposal relating to relevant member, the member involved shall refrain from such meeting.

Article 18 When necessary, the Committee may invite other Directors, Supervisors, senior executives, relevant persons and external intermediaries to attend the meeting as observers. Such observers shall have no voting rights. The Committee shall sign a confidentiality agreement with any intermediary invited to provide professional opinions. The fee for the intermediary shall be paid out of the Board of Directors Fund.

Article 19 The Committee shall report the adopted proposals and voting results in writing to the Board of Directors.

Article 20 The Office of the Board of Directors is responsible to keep records of the meeting, prepare the minutes, and deliver the minutes to every member within three working days after each meeting ends. Each member shall sign the minutes within three working days after receipt of the minutes, and send the signed minutes back to the Office of the Board of Directors.

Where a member has any comments or dissidence to the minutes, he/she may refuse to sign it, but shall deliver his/her written opinions to the Office of the Board of Directors within the specified time stated above. In case of any proven errors or omission, the Office of the Board of Directors shall revise the minutes, and the member shall sign the revised minutes.

The records and minutes of the meetings shall be kept by the Office of the Board of Directors for a period of 10 years.

Article 21 All members and observers present at the meetings shall be obligated to keep matters discussed thereat confidential and are prohibited from disclosing any relevant information without authorization.

### **Chapter 6 Supplementary Provisions**

Article 22 These Working Rules shall come into effect from the date upon the review and approval by the Board of Directors.

Article 23 Where these Working Rules are in conflict with any newly promulgated laws, regulations and relevant documents of the State as well as the revised Articles of Association, the latter ones shall prevail, and these Working Rules shall be immediately revised and submitted to the Board of Directors for approval.

Article 24 The term “Directors” under these Working Rules refers to all the members of the Board of Directors, and the senior executives include the President, Vice Presidents, Secretary to the Board and the Chief Financial Officer.

Article 25 These Working Rules shall be revised and modified by the Board of Directors.

Article 26 These Working Rules shall be construed by the Board of Directors.