

# 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 NOMINATION COMMITTEE OF THE BOARD OF DIRECTORS

### 1 GENERAL PROVISIONS

- 1.1 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 Nomination Committee is a special body set up by and is accountable to the Board. Its terms of reference shall be determined by the Board at the Board meeting. Its main duties are to consider the candidates for directors, presidents and other senior management of the Company as well as the selection criteria and procedure and to make recommendations thereon.

### 2 COMPOSITION

- 2.1 The Nomination Committee shall comprise three to five directors, a majority of which shall be independent non-executive directors.
- 2.2 Members of the Nomination Committee shall be appointed by the Board amongst the members of the Board.
- 2.3 The Nomination 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 Nomination 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 of the Company during the term, he/she shall automatically be disqualified from holding office as a member and the committee shall fulfil the number of members in accordance with the provisions of Clauses 2.1 to 2.3 above.

2.5 The secretary of the Board shall be the secretary of the Nomination Committee concurrently and is responsible for coordinating the day-to-day work of the committee.

### **3 DUTIES AND POWERS**

3.1 The convener of the Nomination 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 Nomination 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 that ample time and energy are devoted to committee meetings.

3.2.4 make independent judgments.

3.2.5 other matters authorized by the Board.

3.3 Primary responsibilities of the Nomination Committee:

3.3.1 review the structure, size and composition (including skills, knowledge and experience and the promotion of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths) of the Board at least once a year and make recommendations to the Board regarding any proposed changes pursuant to the Company's strategies based on the Company's practical situations such as the shareholding structure, the size of assets, strategic planning and operation activities.

3.3.2 be responsible for formulating selection criteria and procedures for directors, presidents and other senior management, selecting and reviewing candidates for directors and senior management and their qualifications, and making recommendations to the Board on the following matters: nomination or appointment and removal of directors; appointment or dismissal of senior management; 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 Nomination Committee, the opinions of the Nomination Committee and the specific reasons for non-adoption shall be recorded in the Board resolution and disclosed.

3.3.3 select qualified candidates for directors, presidents and other senior management.

3.3.4 review the candidates for directors, presidents and other senior management and make recommendations thereon; review the qualifications of candidates for independent directors and form clear opinions thereon.

3.3.5 assess the independence of independent non-executive directors.

3.3.6 review and recommend to the Board any changes to the Board Diversity Policy and regularly review progress against any measurable objectives that the Board has set in respect to Board diversity.

3.3.7 perform other duties conferred by the Board.

3.4 The Nomination Committee shall report to the Board and submit proposals to the Board for consideration and approval; controlling shareholders shall fully respect the recommendations of the Nomination Committee and shall not propose alternatives to the candidates nominated by the Nomination Committee for directors or senior managers unless there are good reasons or reliable evidence to the contrary.

## **4 RULES OF PROCEDURE**

4.1 The Nomination 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 Nomination Committee. Meetings shall be presided over by the chairman of the Nomination Committee, or by another member (an independent director) appointed by the chairman in his absence.

- 4.2 Notice of a regular meeting of the Nomination 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 Nomination 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 Nomination Committee may only be convened with the presence of more than two-thirds of its members; the formal opinions put forward by the Nomination 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 Nomination Committee, the underlying matter shall be directly considered by the Board.
- 4.5 Members of the Nomination Committee shall attend the meetings in person and express their clear opinions on the matters under consideration. If a member cannot 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 at the same time. If an independent director is unable to attend the meeting in person, he/she shall entrust other independent directors to attend the meeting on his/her behalf.
- 4.6 Meetings of the Nomination Committee may be convened by the way of communication.
- 4.7 The Nomination Committee may invite other directors, supervisors or other senior management of the Company to attend its meetings according to the needs of the matters under discussion, and may also request other persons whom the Nomination Committee deems necessary to attend its meetings to attend its meetings, without the persons attending the meetings intervening in the proceedings.
- 4.8 The Nomination Committee of the Board may, if necessary, engage an intermediary to provide professional advice on its decision-making at the cost of the Company.

- 4.9 Any member of the Nomination Committee shall abstain from a meeting of the Nomination Committee at which the issues about such member concerned are discussed. No directors shall be involved in the nomination of themselves.
- 4.10 The Nomination Committee shall keep minutes of its meetings, which shall be signed by the members present at the meeting. The meeting minutes shall be properly kept by the secretary to the Board.
- 4.11 Opinions under consideration approved at the meetings of the Nomination Committee shall be reported to the Board.
- 4.12 All members attending such meetings shall have an obligation to keep all matters discussed thereat confidential, and shall not disclose the relevant information without permission.
- 4.13 The convening procedures and deliberation processes of the meetings of the Nomination Committee must comply with the provisions of relevant laws, regulations, the Articles of Association and the Work Regulations.

## **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.