WORK REGULATIONS OF THE REMUNERATION AND APPRAISAL COMMITTEE OF THE BOARD OF DIRECTORS (Considered and approved by the 27th meeting of the tenth session of the Board)

1 GENERAL PROVISIONS

1.1 To further establish and refine the appraisal and remuneration management rules for the directors and senior management of the Company, and to improve the corporate governance structure of the Company, the Company hereby establishes the Remuneration and Appraisal Committee of the Board and formulates these work regulations in accordance with requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, the Administrative Measures for Independent Directors 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, and the Articles of Association of Chongqing Iron & Steel Company Limited (the "**Articles of Association**").

1.2 The Remuneration and Appraisal Committee of the Board is a special body set up by the Board. It is responsible to the Board and is subject to the supervision of the Board, mainly responsible for developing appraisal criteria for the performance of directors and senior management of the Company and carrying out such appraisal; formulating and reviewing the policy and plan for remunerations of directors and senior management of the Company.

1.3 For the purpose of these work regulations, directors refer to the directors and independent directors who receive remuneration from the Company; senior management refer to the president, senior vice president, chief financial officer, general counsel, secretary to the Board and other senior management specified in the Articles of Association.

2 COMPOSITION

2.1 The Remuneration and Appraisal Committee shall comprise three to six directors, a majority of whom shall be independent directors.

2.2 Members of the Remuneration and Appraisal Committee shall be nominated by the chairman, at least one half of the independent directors, or at least one third of all directors, and shall be elected by the Board.

2.3 The Remuneration and Appraisal Committee shall have one convener (chairman), who shall be an independent director and shall be responsible for presiding over the work of the committee.

2.4 The term of the Remuneration and Appraisal Committee is the same as that of the Board, and 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 regulations 2.1 to 2.3 above.

2.5 The secretary to the Board shall serve as the secretary of the Remuneration and Appraisal Committee and shall be responsible for coordinating the day-to-day work of the committee. The office of the Board is a daily working body, responsible for data collection and organisation, daily work liaison, and meeting organisation, etc.

3 DUTIES

3.1 The convener (chairman) of the Remuneration and Appraisal 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 Remuneration and Appraisal 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 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 meetings of the committee.

3.2.4 make independent judgments.

3.2.5 other matters authorised by the Board.

3.3 The main duties of the Remuneration and Appraisal Committee are as follows:

3.3.1 Formulating and reviewing the remuneration policies and plans for directors and senior management in accordance with the business policies and objectives established by the Company as well as their completion status, and taking into account the time required for performance of their duties, corresponding responsibilities, other positions, and the remuneration level for similar positions offered by other peers.

The remuneration of the senior management personnel consists of basic salary, performance-based salary and medium- and long-term incentive income, among which the proportion of performance-based salary is in principle no less than 50% of the total of basic salary and performance-based salary. The specific proportion may, based on factors such as job responsibilities, risk exposure and difficulty of evaluation, be determined by the Remuneration and Appraisal Committee during the remuneration verification process and shall be submitted to the Board.

3.3.2 To establish appraisal criteria for directors and senior management, and to be responsible for organising the performance evaluation of directors and senior management.

3.3.3 To review the performance of directors and senior management in performing their duties, and to make recommendations to the Board on the following matters: remuneration of directors and senior management; the formulation or amendment of share incentive schemes as stipulated in Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including but not limited to share incentive schemes and employee share ownership plans, the grant of options or awards to grantees and the satisfaction of the conditions for the exercise of options; and the arrangement of share ownership plans for directors and senior management in respect of subsidiaries proposed to be spun off.

3.3.4 To review and approve the compensation to be paid to executive directors and senior management for loss or termination of office, or compensation arrangements in connection with the dismissal or removal of such directors for misconduct, to ensure that such compensation or compensation arrangements are consistent with the terms of the contract or fair and reasonable.

3.3.5 To monitor the implementation of the remuneration systems for directors and senior management of the Company and to make recommendations thereon. Where the Board does not adopt or fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the views of the Remuneration and Appraisal Committee and the specific reasons for non-adoption in the Board resolutions, and such information shall be disclosed.

The Company may engage third-party professionals to conduct performance evaluations.

3.3.6 Other matters stipulated by laws, administrative regulations, regulations of the China Securities Regulatory Commission and the Articles of Association.

3.3.7 In the performance of its duties and powers, the Remuneration and Appraisal Committee shall ensure that no director or any of their associates is involved in deciding his/her own remuneration.

3.4 Remuneration plans for directors proposed by the Remuneration and Appraisal 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.

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

4 RULES OF PROCEDURE

4.1 The Remuneration and Appraisal Committee shall convene meetings at the request of the Board or upon the proposal of members of the Remuneration and Appraisal Committee, and shall notify all members three days prior to the date of the meeting. In urgent circumstances, the notice period of the 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 the convener (chairman) shall provide an explanation at the meeting.

4.2 Meetings shall be presided over by the convener (chairman) of the Remuneration and Appraisal Committee, or by another member appointed by the convener (chairman) in his/her absence.

4.3 Meeting notice of the Remuneration and Appraisal 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 Remuneration and Appraisal Committee may only be convened with the presence of at least two-thirds of its members. Members shall attend the meetings in person or by way of telephone conference or use of similar communication equipment. 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. If a member fails to attend two consecutive meetings in person or by proxy, the committee shall propose to the Board to remove the member.

4.5 The decision of a meeting of the Remuneration and Appraisal Committee shall be made by poll or by show of hands. Each member shall have one vote. Resolution(s) passed at the meeting must be approved by a simple majority of all members. If a member is interested in matters discussed at the meeting, he/she shall abstain from voting. Where no effective review opinion can be formed due to abstention, the relevant matter shall be directly considered by the Board.

4.6 If full communication and expression of opinions by all attending members can be ensured, meetings of the Remuneration and Appraisal Committee may be held via video, telephone, or other means.

4.7 When the Remuneration and Appraisal Committee considers necessary, it may invite directors, senior management and relevant departments to attend its meetings, and may also request other persons whom the committee deems necessary to participate in the meetings to attend its meetings, without the persons attending the meetings intervening in the proceedings.

4.8 The Remuneration and Appraisal 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 a letter of commitment on confidentiality with related advisory institutions or experts.

4.9 Minutes shall be kept for all meetings of the Remuneration and Appraisal Committee. The meeting minutes shall be truthful, accurate, and complete, fully reflecting the opinions expressed by the attendees on the matters under review. Members present at the meeting shall sign the minutes, and the meeting minutes shall be retained for a period of not less than ten years.

4.10 Members of the Remuneration and Appraisal 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. All persons 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 work regulations shall be executed in accordance with the relevant requirements of laws and regulations of the State, other normative documents and the Articles of Association. In the event that these work regulations are inconsistent with the relevant requirements of laws and regulations, other normative documents and the Articles of Association as amended pursuant to legal procedures, such laws and regulations, other normative documents and the Articles of Association as amended pursuant to legal procedures shall prevail.

5.2 These work regulations shall be interpreted and amended by the Board of the Company.

5.3 These work regulations shall come into effect on the date of approval by the Board.