

**Zijin Mining Group Co., Ltd.\***  
(the “Company”)

**This is an unofficial English translation and is for reference only. In case of any discrepancies, the Chinese version shall prevail over its English version.**

**The Policy for the Nomination and Remuneration Committee of the Board of Directors**

**Chapter 1 General Provisions**

1. In order to further establish and perfect the Company’s nomination, remuneration and assessment management system, and perfect the structure of corporate governance, the Company has set up a nomination and remuneration committee of the board of directors (the “Nomination and Remuneration Committee”) and formulated this working policy in accordance with the Company Law of the People's Republic of China, articles of association of the Company, Corporate Governance Guidelines of Listed Companies, Corporate Governance Code, listing rules of relevant securities exchanges and other relevant provisions.
2. The Nomination and Remuneration Committee of the board of directors is a specialised organisation established under the board of directors. It reports to the board of directors, and is mainly responsible for reviewing and giving suggestions on candidates, selection criteria and procedures for the Company’s directors and senior management, setting up appraisal standards and conducting assessment for the Company’s directors and senior management, and formulating and reviewing the remuneration policy and package for the directors and senior management.
3. The directors referred to in this policy are the chairman, vice chairmen and other directors who are remunerated by the Company. The senior management referred to in this policy are the senior management personnel who are appointed by the board of directors and have been mentioned as senior management in the Company’s annual report, or other senior management who are nominated by the president and recognised by the board of directors.

**Chapter 2 Composition of the Committee**

4. The Nomination and Remuneration Committee consists of six directors, including four independent directors.
5. The committee members of the Nomination and Remuneration Committee shall be nominated by the chairman of the board of directors, more than half of independent directors or one-third of all directors and shall be elected by the board of directors.
6. An independent director shall be appointed as the chairman of the Nomination and Remuneration Committee, who is responsible for the operation of the committee. The chairman of the committee is elected within the committee members and approved by the board of directors. The secretary to the board of directors is also the secretary to the committee.
7. The term of service for the committee members of the Nomination and Remuneration Committee is consistent with the term of service for the board of directors. The committee members can choose to be re-elected at the expiration of their terms of service. If one of the committee members no longer serves as the director, he will be disqualified as a committee member automatically and the vacancy will be filled up in accordance with the provisions of the above articles 4 to 6.
8. The committee members of the Nomination and Remuneration Committee shall meet the following conditions:
  - (1) To be familiar with relevant laws and regulations of the PRC, possess professional knowledge in nomination, remuneration and assessment, and be familiar with the Company's operation and management;
  - (2) To follow principles of integrity and trust, be honest and clean, self-disciplined and dedicated, uphold the interest of the Company and its shareholders and work proactively;
  - (3) To possess strong comprehensive analysis and judging abilities, and can be able to work independently.
9. The subordinate working office of the Nomination and Remuneration Committee is the human resources department, which is responsible for providing the Company with operational information and relevant information of the nominated candidates and the staff under evaluation. It is also responsible for arranging the

meetings for the Nomination and Remuneration Committee and executing the relevant resolutions of the Nomination and Remuneration Committee.

### **Chapter 3 Duties and Authorities**

10. The duties and authorities of the Nomination and Remuneration Committee include:
  - (1) To regularly make suggestions to the board of directors on the size and composition of the board of directors based on the operations, asset size and shareholding structure of the Company;
  - (2) To study the selection criteria and procedures for directors and president, make recommendations to the board of directors accordingly, and formulate or review the policy concerning the diversity of board members;
  - (3) To extensively search for qualified candidates for the offices of directors and president;
  - (4) To conduct review for the candidates of directors and president and make recommendations;
  - (5) To assess the independence of the independent directors;
  - (6) To conduct review for other senior management to be appointed by the board of directors and make recommendations;
  - (7) To formulate remuneration policy or plan, reward and punishment policy and regulations, etc. for the directors and senior management based on the key areas of management, duties and responsibilities, significance of the personnel and the relevant remuneration packages in the market. The level of remuneration should be sufficient to attract and retain the directors and senior management who are vital to the development of the Company. However, the Company should avoid paying excessive remuneration for attracting and retaining the directors and senior management;
  - (8) To formulate performance appraisal process and major evaluation criteria for the appraisal of directors and senior management, review the performance of duties of and conduct annual performance evaluation on the Company's directors and senior management;
  - (9) To formulate the "Appraisal Policy for Directors" and its rules;
  - (10) To formulate the "Assessment, Incentive and Reward Policy for Senior Management" and its rules;
  - (11) To report the remuneration matters in the shareholders' meetings as authorized by the board of directors;
  - (12) To supervise the implementation status of the Company's remuneration and

appraisal policy;

- (13) To be responsible for the management and implementation of the Company's option plans in accordance with the relevant mandate;
- (14) To study and analyze the Company's remuneration structure and the implementation of the short, medium and long-term incentive plans and propose recommendations and plans;
- (15) To propose recommendations to the board of directors in relation to the remuneration policy and structure of all the directors and senior management and the establishment of a formal and transparent procedure for the formulation of that remuneration policy;
- (16) Where delegated by the board of directors to determine the specific remuneration packages for all executive directors and senior management, including non-monetary benefits, pensions and compensation (including compensation for loss or termination of office or appointment), and make suggestions to the board of directors for the remuneration of non-executive directors. The committee shall consider factors including the remuneration packages offered by comparable companies, time devoted by and duties of the directors, conditions of employment of other positions within the Group and whether to adopt performance-based remuneration, etc.;
- (17) To review and approve the performance-based remuneration with reference to the corporate goals and objectives set by the board of directors from time to time;
- (18) To review and approve the compensation related to loss or termination of office or appointment payable to the executive directors and senior management, and to ensure that such compensation is determined in accordance with the terms of the relevant contract. In case the compensation cannot be determined in accordance with such terms, the compensation shall be fair and reasonable without imposing excessive burden on the Company;
- (19) To review and approve the compensation arrangements in relation to the dismissal or removal of directors due to his own misconduct to ensure that such compensation is determined in accordance with the terms of the relevant contract. In case the compensation cannot be determined in accordance with such terms, the compensation shall be reasonable and appropriate;
- (20) To ensure that no committee member, director or any of his associates is involved in the determination of his own remuneration;
- (21) The duties and authorities relating to the remuneration matters as set out in the Corporate Governance Code as issued by The Stock Exchange of Hong Kong Limited, including the items listed in Appendix 1;

- (22) The duties and authorities relating to the nomination matters as set out in the Corporate Governance Code as issued by The Stock Exchange of Hong Kong Limited, including the items listed in Appendix 2;
  - (23) Other matters related to nomination, remuneration and assessment as authorized by the board of directors.
- 11. The Nomination and Remuneration Committee's nomination proposal shall be submitted for the board of directors' consideration and approval.
- 12. The Nomination and Remuneration Committee's remuneration proposal for the directors shall be submitted for the board of directors' consideration and approval. Subsequent to the board of directors' approval, the remuneration proposal for the directors shall be tabled to a shareholders' meeting for consideration and approval before its implementation; the Nomination and Remuneration Committee's remuneration proposal for the senior management shall be submitted for the board of directors' consideration and approval before its implementation.
- 13. The Nomination and Remuneration Committee shall submit a working report to the board of directors. The content of the working report shall include at least the followings:
  - (1) The appraisal and evaluation of directors and senior management;
  - (2) A summary of the remuneration of the directors and senior management for a reporting period;
  - (3) An analysis and evaluation of the reward policy for directors and senior management and its execution;
  - (4) Other matters as requested by the board of directors.
- 14. The expenses for the Nomination and Remuneration Committee shall be included in the Company's budget. The Nomination and Remuneration Committee may hire agencies or experts to provide professional advice for their decision-making when they consider necessary. The costs reasonably incurred for hiring agencies and experts shall be borne by the Company. The expenses reasonably incurred by the committee members attending the Nomination and Remuneration Committee meetings shall be borne by the Company.
- 15. The committee chairman shall perform the following duties in accordance with laws:

- (1) To convene and preside over the meetings of the committee;
  - (2) To validate and sign on the reports of the committee;
  - (3) To review the implementation of resolutions passed by the committee;
  - (4) To represent the committee to report to the board of directors;
  - (5) To carry out other duties as shall be taken by the committee chairman.
- Should the committee chairman be unable to perform his duties for some reasons, he may appoint one of the committee members to act on his behalf.

16. The Nomination and Remuneration Committee, in the performance of their duties and authorities, may take the following measures for the problems identified:

- (1) To notify the board of directors orally or in writing to request for corrective measures;
- (2) To request the relevant departments of the Company to verify the problems;
- (3) For those senior management who are in violation of laws, administrative regulations, articles of association of the Company, or damage the interests of the Company and who did not complete the tasks as assigned by the board of directors, to recommend to the board of directors for punishment, removal or dismissal of those senior management.

17. The committee members of the Nomination and Remuneration Committee shall perform the following obligations:

- (1) To faithfully perform their duties and safeguard the interests of the Company in accordance with laws, administrative regulations, articles of association of the Company;
- (2) Not to disclose the secrets of the Company except in accordance with the laws or the approval by a general meeting of the shareholders and the board of directors;
- (3) To be responsible for the authenticity and compliance of the contents in the reports or documents submitted to the board of directors. The committee shall disclose their terms of reference, explaining their roles and their authorities delegated by the board of directors as required by and in accordance with the listing rules and the Corporate Governance Code contained therein.

#### **Chapter 4 Meeting Procedures**

18. The Nomination and Remuneration Committee shall have regular and extraordinary meetings. Based on the proposed resolutions, the meetings may be convened in the forms of writing, by fax, telephones or other different ways. The

committee chairman shall preside over the meetings; in case the committee chairman is unable to attend, he may appoint one of the committee members (independent director) to preside over the meeting.

19. The Nomination and Remuneration Committee shall have regular meeting at least once a year. The contents of the meeting(s) are mainly to review and evaluate the performance of the directors and senior management for the previous year, and the implementation of incentive compensation programme; to propose the relevant reward programme for the directors and senior management according to the Company's actual operating results; to research and develop next year's remuneration and assessment plan; other matters in relation to the nomination, remuneration and assessment aspects that are required to be submitted to the Nomination and Remuneration Committee for discussion.
20. The Nomination and Remuneration Committee shall give notice to committee members 10 days before a regular meeting and 3 days before an extraordinary meeting. The notice shall disclose the meeting time, place and the main contents of the proposed agenda of the meeting. The notice may be delivered by way of email, fax, express mail, registered mail or served to the committee members by specified person.
21. The Nomination and Remuneration Committee shall have subordinate working office responsible for the preparatory work and the provision of the relevant information for the committee's decision making:
  - (1) To provide the completion status of key financial indicators and the business objectives of the Company;
  - (2) To provide the information of the scope of work and key responsibilities of the senior management;
  - (3) To provide the completion status of indicators used in the performance evaluation system for the positions of the directors and senior management;
  - (4) To provide operational performance status in relation to the business innovation and the profit-making ability of the directors and senior management;
  - (5) To provide basis of estimation for the proposed remuneration allocation scheme and methods in accordance with the Company's results.
22. The procedures for the selection and appointment of the directors and president by the Nomination and Remuneration Committee:

- (1) The Nomination and Remuneration Committee should actively communicate with the relevant departments of the Company, research on the demand for the directors and president as required by the Company, and produce reports in writing;
  - (2) To extensively search for candidates of the directors and president;
  - (3) To collect information of the preliminary candidates such as occupation, education, working experience, etc., and produce reports in writing;
  - (4) To seek the consent of the nominees for the nomination, otherwise they cannot be selected as candidates of directors and president;
  - (5) To convene meeting of the committee and review and examine the qualification of the preliminary candidates in accordance with the conditions for the appointment of directors and president;
  - (6) To submit proposals and other relevant materials in relation to the nominees of the directors and president to the board of directors in one to two months prior to the election of new directors, and appointment of the new president and other senior management;
  - (7) To do follow-up actions in response to the decisions and feedbacks of the board of directors.
23. The Nomination and Remuneration Committee's procedures for the remuneration and performance evaluation of the directors and senior management:
- (1) The directors and senior management report to the Nomination and Remuneration Committee for debriefing and self-evaluation;
  - (2) The Nomination and Remuneration Committee shall evaluate the performance of directors and senior management according to the performance evaluation criteria and procedures;
  - (3) To propose the amount of remuneration and forms of rewards for the directors and senior management according to the results of performance evaluation and remuneration allocation policy; and report the proposal to the board of directors for approval after the passing of the resolutions by the committee.
24. The meetings of Nomination and Remuneration Committee shall only be convened in the presence of more than two-thirds of the committee members; each committee member shall have one vote; the resolution shall be passed by at least over one half of all the committee members. When there is equality of votes, the committee chairman shall have one casting vote.



The committee members should attend the meeting as scheduled. Each member should fully and clearly express their views for the matters to be discussed or considered. For those who cannot attend a meeting for some reasons, they can delegate other committee members in writing to exercise their authorities on their behalf. The power of attorney shall set forth the name of proxy, the entrusted matters, authority, expiry date and signed by the appointer and the appointee. Where a committee member does not attend two consecutive meetings and does not delegate the exercise of authority on his behalf by other committee members, the committee may propose to the board of directors for replacement of such committee member.

25. When there is a session for discussing topics concerning one of the committee members at a meeting of the Nomination and Remuneration Committee, the interested committee member should not attend that discussion in the meeting. Other directors, supervisors and senior management may be invited to attend the meetings of the Nomination and Remuneration Committee.
26. The meetings of the Nomination and Remuneration Committee shall have minutes which record the meeting time, place, chairman of the meeting, participants, agenda, process of discussion and voting results (voting results should state the number of in favor, against or abstain votes). The members present should sign on the minutes of the meeting; the minutes of the meeting shall be kept and filed by the secretary to the board of directors of the Company.
27. The resolutions passed by the Nomination and Remuneration Committee in relation to the proposal of nomination, remuneration policy and allocation programme shall comply with the requirements of the relevant laws, regulations and articles of association of the Company.
28. Persons who have received the meeting materials, are present at and have attended the meetings shall keep confidential the matters discussed at the meetings and they are not allowed to disclose relevant information without permission.

#### **Chapter 5 Supplementary Provisions**

29. This policy shall become effective from the date of the resolution being passed by the board of directors.

30. This policy and its amendments are subject to the relevant laws and regulations. The articles of association of the Company shall prevail in case there are conflicts between this policy and the articles of association of the Company. Matters not described or covered in this policy shall be implemented in accordance with the requirements of the relevant national laws, regulations, listings rules of the relevant securities exchanges and the articles of association of the Company. In case there are conflicts between this policy and the national laws, regulations, listings rules of the relevant securities exchanges as promulgated in future or the articles of association of the Company as modified in accordance with laws, the board of directors shall make timely amendments accordingly in compliance with the relevant national laws, regulations, listings rules of the relevant securities exchanges as promulgated in future or the articles of association of the Company as modified in accordance with laws.
  
31. The Company's board of directors reserves the final right of interpretation over this policy.

## **APPENDIX 1 Duties and Authorities in relation to Remuneration**

- (a) To make recommendations to the board of directors on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for the formulation of the remuneration policy;
- (b) To review and approve the management's remuneration proposals with reference to the board of directors' corporate goals and objective;
- (c) To make recommendations to the board of directors on the remuneration packages of individual executive director and senior management. This should include benefits in kind, pension rights and compensation payments, including any compensation for loss or termination of office or appointment;
- (d) To make recommendations to the board of directors on the remuneration of non-executive directors;
- (e) To consider the remuneration packages in comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (f) To review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms, otherwise, it should be reasonable and fair and not excessive;
- (g) To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- (h) To ensure that no director or any of his associates is involved in deciding his own remuneration.

## **APPENDIX 2 Duties and Authorities in relation to Nomination**

- (a) Review the structure, size and composition (including the skills, knowledge and experience) of the board of directors at least once a year and make recommendations on any proposed changes to the board of directors to complement the Company's corporate strategy;
- (b) Identify individuals suitably qualified to become board of directors members and select or make recommendations to the board of directors on the selection of individuals nominated for directorships;
- (c) Assess the independence of independent directors; and
- (d) Make recommendations to the board of directors on the appointment or re-

appointment of directors and succession planning for directors, in particular the chairman and the president.

\*The English name of the Company is for identification purpose only