

# JIANGXI COPPER COMPANY LIMITED RULES FOR INDEPENDENT DIRECTORS

## Chapter I General Provisions

- Article 1** To ensure the standardized operation of Jiangxi Copper Company Limited (hereinafter referred to as the “Company”) and the execution of duties of independent directors according to law, to ensure the proceedings of independent directors, to better this system of independent directors and improve the work efficiency and scientific decision-making capacity of independent directors, and to give full play to the role of independent directors, this system is formulated in accordance with the Company law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Listing Rules of the Shanghai Stock Exchange, the Guiding Opinions on Establishing System of Independent Directors in Listing Companies formulated by China Securities Regulatory Commission (hereinafter referred to as “CSRC”), the Guidelines of the Registration and Training of Independent Directors in Listing Companies of Shanghai Stock Exchange developed by Shanghai Stock Exchange (hereinafter referred to as “SSE”) and other relevant laws, administrative regulations and normative documents, and Articles of Association of Jiangxi Copper Company Limited and its amendments (hereinafter referred to as the “Articles of Association”).
- Article 2** Independent director of the company refers to director who only acts as a director in the company, and there is no relationship hindering his/her independent, objective judgment between such director and the company employing him/her and the substantial shareholders of the company. Independent director shall be independent from the company and its substantial shareholders. And independent director shall not hold any post other than independent director in the company.
- Article 3** Independent directors of the Company shall strictly comply with the procedures specified in this system, and execute duties conferred to him/her by laws, regulations and the Articles of Association.

## **Chapter II The Qualifications of Independent Directors**

**Article 4** Independent directors shall be qualified for executing their duties. Acting as an independent director, basic conditions as follows shall be fulfilled:

- (I) in accordance with laws, administrative regulations, and other relevant provisions of the Articles of Association, such person shall be qualified to be a director of the company;
- (II) having the independence required by relevant laws, administrative regulations, departmental rules and the listing rules of stock exchange where the company listed;
- (III) having the basic knowledge of company operation, knowing well relevant laws, administrative regulations, rules and regulations (including but not limited to the applicable accounting standards);
- (IV) having more than five years of legal, economic or other work experience required by the execution of duties of independent directors;
- (V) fulfilling the requirements of the following laws, administrative regulations and departmental rules:
  - (1) requirements in respect of directors' qualifications in the Company Law;
  - (2) requirements in respect of concurrent posts of civil servants in the Civil Servant Law of the People's Republic of China;
  - (3) requirements of the Notice on Regulating Officers under Direct Supervision by the Organisation Department of the CPC Central Committee Assuming Positions as Independent Directors and Independent Supervisors of Listed Companies and Fund Management Companies after Resignation or Retirement from Government Positions issued by Central Commission for Discipline Inspection of the CPC and the Organisation Department of the CPC Central Committee;
  - (4) requirements on taking concurrent positions by managers of colleges and universities under the Opinions on Enhancing the Anti-Corruption and Encouraging Honesty Work of Colleges and Universities issued by Central Commission for Discipline Inspection of the CPC, the Ministry of Education and the Ministry of Supervision;

- (5) requirements of the Interim Measures on the Administration of Independent Directors of Insurance Companies issued by China Insurance Regulatory Commission;
- (6) other regulations stipulated in laws, administrative regulations and departmental rules.

**Article 5** Independent directors shall be independent. Following persons may not serve as independent directors:

- (I) Any person taking office in the company or its subsidiaries and his/her lineal relatives, major social relations (lineal relatives refer to the spouse, parents, children, etc.; major social relations refer to brothers and sisters, spouse's parents, filial spouses, spouses of brothers and sisters, spouse's brothers and sisters, etc.);
- (II) Shareholder who is a natural person and directly or indirectly holding more than 1% of the issued shares of the company or one of the top ten shareholders and his/her lineal relatives;
- (III) Any person employed by a company which is a shareholder of the company and directly or indirectly holding more than 5% of the issued shares of the company or in the company which is one of the top five shareholders of the company and his/her lineal relatives;
- (IV) The company's actual controller and personnel working in its subsidiaries;
- (V) Persons providing financial, legal, consulting and other services to the company and its controlling shareholder or their respective subsidiaries, including all members of the project team of the intermediaries providing services, reviewing officers at all levels, persons signing on reports, partners and principal persons in charge;
- (VI) Any person serving as the director, supervisor or officer in the company having material dealings with the company and its controlling shareholder or their respective subsidiaries, or in the controlling shareholder of such company. "Material dealings", referred to under this clause, means the matters shall be submitted to the resolution of General Meeting of Shareholders in accordance with the Listing Rules or the Articles of Association, or other material matters shall be determined by Shanghai Stock Exchange;

- (VII) Any person to whom any one of the above circumstances has been occurred within the year;
- (VIII) Any other persons determined by China Securities Regulatory Commission and Shanghai Stock Exchange.

**Article 6** The candidate for independent director shall have no following adverse records:

- (I) He/she has received administrative penalties from China Securities Regulatory Commission within last three years;
- (II) He/she is still in the period determined by the stock exchange that he/she is not qualified for serving as a director of listed company;
- (III) He/she has been publicly condemned or criticized by the stock exchange more than twice within the last three years;
- (IV) During his/her term of independent director before, he/she did not attend the Board meetings for twice successively, or the Board meetings he/she did not attend in person account for more than one-third of all Board meetings held in the year;
- (V) During his/her term of independent director before, independent opinions made by him/her obviously did not comply with the facts.

**Article 7** The company shall appoint suitable persons as independent directors in accordance with the requirements of relevant laws and regulations and these rules, including at least one accounting professional (who refers to accounting professional with title of a senior professional post or qualification of certified public accountant). The candidate nominated to be an independent director as accounting professional, shall have extensive knowledge and experience in the accounting profession, and shall at least fulfill one of the following requirements:

- (i) qualified as Certified Public Accountant (CPA);
- (ii) qualified as senior professionals, associate professor or obtained doctorate degree in accounting, auditing or financial management;
- (iii) qualified as senior professionals in economics management and with more than 5 years full time working experience in professional posts such as accounting, auditing or financial management.

### **Chapter III The Appointment and Dismissal of Independent Directors**

- Article 8** Board of Directors, Board of Supervisors, shareholders separately or jointly holding more than 1% of the issued shares of the company, may propose the candidates for independent directors, and subject to the election of the General Meeting of Shareholders.
- Article 9** The nominator of independent director shall obtain the consent of the nominee prior to the nomination. The nominator shall be fully aware of the nominee' occupation, education background, job title, detailed work experience, all part-time jobs, and air his/her opinions on qualifications and independence of the nominee to serve as independent director, and the nominee shall issue a statement that there is no relationship affecting his/her independent, objective judgment between himself/herself and the company. Before the holding of the General Meeting of Shareholders electing independent directors, the Board of Directors of the company shall publish the foregoing according to the rules.
- Article 10** When the company publishes the announcement of holding General Meeting of Shareholders to elect independent directors, it shall indicate that the proposal regarding independent directors is based on the review and consent of Shanghai Stock Exchange, and submit materials relating to independent director candidates (including but not limited to, statement of the nominee, statement of candidate, and resumes of the independent directors) to Shanghai Stock Exchange. If the Board of Directors of the company challenges the independent director candidates, written comments of the Board of Directors shall also be submitted together. Shanghai Stock Exchange shall review the qualifications and independence of such independent director candidates within 5 business days after the receipt of the materials. For the independent director candidates challenged by Shanghai Stock Exchange, the Board of Directors shall explain such challenge at the General Meeting of Shareholders, and state that such candidates will not be treated as candidates of independent directors to be submitted to vote at the General Meeting of Shareholders.
- Article 11** The term of each independent director is same as the term of other directors of the company. The independent director may serve consecutive term upon the expiration of his/her term if re-elected, but the consecutive term shall not exceed six years.

**Article 12** If any independent director fails to attend the meeting of Board of Directors in person for three times consecutively, the Board of Directors shall submit to the General Meeting of Shareholders to replace such director. Any independent director may not be removed without cause before the expiration of his/her term, unless the afore-mentioned circumstance or a circumstance under which a person may not hold the post of director specified in the Company Law arises. In case of early dismissal, the company shall disclose it as a special disclosure, and in case the removed independent director is of the opinion that the company's grounds for removal are inappropriate, he/she can make a public statement to that effect.

**Article 13** In case any independent director is no longer qualified for serving as an independent director after his/her assumption of office, such independent director shall resign from office within 30 days from the date of the occurrence of such circumstance. If he/she fails to resign as required, the Board of Directors shall start the decision-making process to remove the independent director from office within 2 days.

**Article 14** Any independent director may submit his/her resignation before the expiration of his/her term. When an independent director resigns, he shall submit a written resignation letter to the Board of Directors, stating the cases relating to his/her resignation or any cases to which he/she is of the opinion that attention of the company's shareholders and creditors should be drawn.

If the resignation of an independent director causes the number of independent directors in the company's Board of Directors accounting for less than one third of all Board members, the written resignation of the said independent director shall take effect after his/her successor filling up the vacancy. The independent director who has submitted resignation shall continue to perform his/her duties until the date of new independent director is elected. The original nominator of the independent director or the Board of Directors of the company shall nominate a new independent director candidate within 90 days from the date of resignation of such independent director.

**Article 15** If any independent director fails to comply with the condition of independence or other circumstances unfit to execute the duties of independent director arise, and resulting in the number of independent directors is less than one third of all Board members, the company shall make up the number of independent directors as prescribed.

## Chapter IV Duties of Independent Directors

- Article 16** The independent directors of the company have duty of good faith and diligence toward the company and all its shareholders. The independent directors shall strictly comply with the provisions of this system, execute the duties granted by laws, regulations and the company's Articles of Association, and safeguard the company's overall interests and, in particular, and pay attention to that the legitimate rights and interests of minority shareholders shall not be infringed.
- Article 17** The independent directors shall perform his/her duties and responsibilities independently, and shall not be influenced by the company's principal shareholders or the actual controller, or other entities or individuals having interests in the company.
- Article 18** The independent director shall not simultaneously hold the post of independent director in more than five companies in principle, and he should ensure that he/she has sufficient time and energy to effectively perform his/her duties as an independent director. A person, who has served as independent director in five listed companies, shall not be nominated as candidate for independent director of other listed companies.
- Article 19** Independent directors and persons intending to assume positions as independent directors shall participate in training arranged by CSRC and its authorized institutes in accordance with the requirements of CSRC.
- Article 20** To exert full play to the role of independent directors, in addition to the powers granted to directors by the Company Law and other relevant laws and regulations, independent directors shall also enjoy the following special powers:
- (I) major connected transactions (namely proposed connected transactions between the company and a connected person with a total amount of more than RMB3 million yuan or more than 5% of the company's most recently audited net assets value) shall be submitted to the Board of Directors for deliberation after the approval of independent directors; before making judgment, independent directors may engage an intermediary to issue an independent financial consultant's report for them to rely on when make their judgment;
  - (II) proposing the engagement or dismissal of an accounting firm to the Board of Directors;

- (III) proposing the convening of the extraordinary General Meeting of Shareholders to the Board of Directors;
- (IV) proposing the convening of the Board meeting;
- (V) independently nominating external auditing institution and advisory body;
- (VI) publicly soliciting shareholders' voting rights before the holding of General Meeting of Shareholders;
- (VII) directly reporting to the General Meeting of Shareholders, the securities regulatory authority under the State Council and other relevant departments.

Independent directors shall obtain the consent of half of all the independent directors before exercising the above powers. If any of the above proposals was not accepted or the above powers could not be exercised normally, the company shall disclose the details thereof.

**Article 21** The board of directors of the Company establishes an audit committee, a nomination committee and a remuneration committee; among which, the audit committee and remuneration committee shall consist of independent directors and serve as Chairman, the independent directors shall account for the majority in the nomination committee and there should be at least one accounting professional as independent director in the audit committee.

**Article 22** In addition to performing the duties mentioned above, independent directors shall also give independent opinions to the Board of Directors or the General Meeting of Shareholders regarding following matters:

- (I) the nomination and dismissal of directors;
- (II) the engagement or dismissal of officers;
- (III) the remuneration of the company's directors and officers;

- (IV) the existing or newly generated loans or other transfer or remittance of money incurred by the company's shareholders, actual controller or affiliates with a total amount equaling to or exceeding the determined standard (determined according to the standards issued by competing regulatory authorities from time to time) of major connected transaction which shall subject to the deliberation of Board of Directors or General Meeting of Shareholders according to law, and whether the company has taken effective measures to recover the debt;
- (V) matters involved in the provision of nonstandard audit opinions by the accounting firm without reservation for the financial and accounting book of the company;
- (VI) connected transactions shall be disclosed as stipulated;
- (VII) change to the usage of raised fund;
- (VIII) Directors, supervisors, senior management members, employees or legal persons, other organizations, natural persons intend to acquire the company or the controlling right controlled or commissioned by the company;
- (IX) matters that may, in the independent director's opinion, harm the rights and interests of minority shareholders; and
- (X) any other matters for which the independent directors shall give independent opinions as required by laws, regulations, stock exchange rules and other provisions of the location where the company's shares are listed.

Independent directors shall give opinions regarding the above matters in one of following way: agree; qualified opinion and the reasons; objection and the reasons; cannot comment and the relevant obstacles. If relevant matter is a matter requiring disclosure, the company shall make a public announcement of the independent directors' opinions. If the independent directors fail to reach a consensus, the Board of Directors shall disclose the opinion of each of the independent directors.

## Chapter V Conditions for Independent Directors Performing Duties

- Article 23** The company shall provide the working conditions necessary for independent directors effectively performing their special duties. The secretary of the Board of Directors of the company shall actively provide the assistance necessary for independent director performing his/her duties, e.g. explaining cases, providing materials, etc. If the independent opinions, proposals and written statements provided by independent directors shall be publicly announced, the secretary of the Board shall handle the matters regarding the announcement with Shanghai Stock Exchange in a timely manner.
- Article 24** Independent Directors and other directors are entitled to the same right to know. For any other major matter requiring the decision of the Board of Directors, the company must notify independent directors in advance within the statutory period and provide them sufficient information. If any independent director is of the opinions that the information provided is insufficient, he may ask for further information. If more than two independent directors are of the opinion that the information provided is insufficient or the arguments made are unclear they may jointly propose to the Board of Directors in writing that the holding of meeting of Board or the deliberations on the matter in question shall be postponed. The Board of Directors shall accept such proposal. The information provided to the independent director by the company shall be saved by the company and the independent director himself/herself for at least five years.
- Article 25** When independent directors performs their duties, relevant personnel of the company shall actively cooperate with them and shall not refuse, hinder them or conceal information, and shall not interfere with the independent performance of their duties.
- Article 26** Expenses incurred by independent directors when engaging intermediary or required when otherwise performing their duties should be borne by the company.
- Article 27** The company shall provide appropriate allowance to independent directors. For the rate for such allowance, first, the Board of Directors shall draw up the proposal, which shall be deliberated and adopted by the General Meeting of Shareholders, and then the rate shall be disclosed in the company's annual report. In addition to above allowance, independent directors shall not receive any other extra, undisclosed benefits from the company, its principal shareholders or organizations or natural persons having material interests in the company.

## Chapter VI Supplementary Provisions

- Article 28** Matters not covered in this system shall be performed in accordance with the provisions of relevant national laws, regulations, normative documents and the Articles of Association; if this system conflicts with national laws, regulations, normative documents or the Articles of Association, the provisions of relevant national laws, regulations, normative documents and the Articles of Association shall apply.
- Article 29** This system is formulated by the Board of Directors and shall become effective after the deliberation and adoption by the General Meeting of Shareholders.
- Article 30** The words “above”, “within”, “below” referred to in this system, shall include the number; and the words “over”, “under” and “other than”, “less than”, “more than”, shall exclude the number.
- Article 31** This system shall be interpreted by the Board of Directors of the Company.

*This English version is for reference only. If there is any discrepancy between the English and Chinese version, the Chinese version shall prevail.*