

SHOUGANG FUSHAN RESOURCES GROUP LIMITED

DIVISION OF RESPONSIBILITIES OF CHAIRMAN AND MANAGING DIRECTOR

The roles of Chairman and Managing Director are separate to ensure a balance of power and authority; and are not performed by the same individual to reinforce their independence and accountability. The Chairman provides leadership for the Board. The Managing Director has overall chief executive responsibility for the Group's business development and day-to-day management generally. The division of responsibilities between the Chairman and the Managing Director is clearly established and set out in writing as below:

Chairman

- Provides leadership for the Board, ensures that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by it in a timely manner
- Ensures that all directors are properly briefed on issues arising at board meetings, and ensures that directors receive, in a timely manner, adequate information which must be accurate, clear, complete and reliable
- Primarily responsible for drawing up and approving the agenda for each board meeting and take into account, where appropriate, any matters proposed by the other directors for inclusion in the agenda. The chairman may delegate this responsibility to a designated Director or the Company Secretary
- Primary responsibility for ensuring that good corporate governance practices and procedures are established
- Encourage all directors to make a full and active contribution to the Board's affairs and take the lead to ensure that it acts in the best interests of the Company. Encourage Directors with different views to voice their concerns, allow sufficient time for discussion of issues and ensure that board decisions fairly reflect board consensus
- At least annually hold meetings with the Non-executive Directors (including Independent Non-executive Directors) without the Executive Directors present
- Ensures that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole
- Promotes a culture of openness and debate by facilitating the effective contribution of Non-executive Directors in particular and ensuring constructive relations between Executive and Non-executive Directors

Managing Director

- Responsible for the business development and day-to-day management of the Group
- Responsible for the execution of the decisions as may be made by the board from time to time
- Maintains regular dialogue with the Chairman on the Group's strategies and policies and, when necessary, put forward these issues to the Board for consideration