
The English version of these Terms of Reference is for reference only. In case of any inconsistency with the Chinese version, the Chinese version shall prevail.



洛陽樂川鉬業集團股份有限公司
China Molybdenum Co., Ltd. *

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 03993)

Terms of Reference and Operation Rules of the Nomination Committee

CONTENTS

Chapter 1	General Provisions
Chapter 2	Composition
Chapter 3	Terms of Reference
Chapter 4	Convening and Notices of Meetings
Chapter 5	Consideration and Voting Procedures
Chapter 6	Resolutions and Minutes of Meetings
Chapter 7	Supplementary Provisions

Chapter 1 General Provisions

Article 1 In order to improve the corporate governance structure of China Molybdenum Co., Ltd. (the “Company”), promote the scientific and democratic election process and optimize the composition of the board of Directors of the Company (the “Board”), the Company has resolved to set up the Nomination Committee (the “Nomination Committee”).

Article 2 In a bid to promote standardized and efficient operation of the Nomination Committee, the Board has formulated this terms of reference (the “Terms of Reference”) in accordance with the Company Law of the People’s Republic of

China (the "Company Law") and other relevant laws, regulations and regulatory documents, and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") as well as the Articles of Association of China Molybdenum Co., Ltd. (the "Articles of Association").

Article 3 The Nomination Committee is a special deliberative body set up under the Board. It reports to the Board.

Chapter 2 Composition

Article 4 The Nomination Committee shall consist of more than 3 Directors, who shall be elected from all Directors by the Board. More than half of the members shall be independent Directors of the Company.

Article 5 The Nomination Committee shall have one chairman and one vice chairman. The chairman of the Nomination Committee shall be either the chairman of the Board or an independent non-executive Director of the Company.

The meeting of the Nomination Committee shall be convened and chaired by its chairman. If the chairman fails or is unable to perform his duties, another committee member shall be designated by him or the vice chairman to act on his behalf.

Article 6 The term of office of the Nomination Committee members is the same as that of Directors of the Board of the same session. If the number of the Nomination Committee members falls to less than two thirds of the prescribed number as a result of resignation or removal of members or for other reasons, the Board shall

elect new members as soon as possible.

The Nomination Committee shall suspend exercise of its duties and functions stated herein until it has two thirds of the prescribed number of members.

Article 7 The requirements of the Company Law, the Articles of Association and the Listing Rules on obligations of Directors are applicable to the Nomination Committee members.

Chapter 3 Terms of Reference

Article 8 The primary responsibility of the Nomination Committee is to give advice or make recommendations to the Board on the change of and candidates for Directors and the General Manager.

Article 9 The Nomination Committee shall exercise the following functions and powers:

- (1) to conduct annual review on the scale, structure and composition (including skills, knowledge, experience and terms of office) of the Board on the basis of the Company's operation, asset size and equity structure, and submit proposals to the Board according to the business strategies of the Company;
- (2) to consider the standard and procedure for selection or appointment of Directors, the General Manager and other senior management, and make recommendations to the Board;
- (3) to look for in a wide range of fields qualified candidates for Directors and the General Manager;

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- (4) to make recommendations to the current Board on candidates for Directors of the next session of the Board at the re-election of the Board;
 - (5) to make recommendations to the Board on matters regarding the re-election plan of the chairman of the Board and the senior management;
 - (6) to assess the independence of independent non-executive Directors and review the confirmation made by independent non-executive Directors each year in respect of their independence; and to disclose the results thereof in the corporate governance report;
 - (7) to seek and nominate candidates to fill the temporary vacancy of Directors, subject to the approval of the Board;
 - (8) to make recommendations to the Board on candidates for the new General Manager upon expiration of the term of office of the current General Manager;
 - (9) to assess the performance of Directors, the General Manager and other senior management and to provide advice or make recommendations, when necessary, on the change of such officers based on the appraisal results; and
 - (10) to review the performance of the Board and the independence of its members;
 - (11) to review and monitor trainings and sustainable career development of directors and senior management;
 - (12) to take any such actions to enable the Nomination Committee to discharge its powers and duties conferred by the Board; and
 - (13) discharge other matters as required or authorised by laws, regulations, the Articles of Association, the Company Law and the Listing Rules.

Article 10 After considering the matters set out in the previous article hereof, the Nomination Committee shall form meeting resolutions and report, along with relevant proposals and recommendations, to the Board.

Article 11 The Nomination Committee shall exercise its powers and duties in compliance with the Company Law, the Articles of Association, the Listing Rules and relevant requirements hereof without detriment to the interests of the Company and the shareholders.

Article 12 In performing its duties, the Nomination Committee shall be furnished with sufficient resources for discharging its duties (including independent legal and professional advice), and may enlist the cooperation of related divisions of the Company and reasonable expenses arising therefrom shall be borne by the Company.

Article 13 The Board shall give full consideration to the recommendations of the Nomination Committee on the nomination of candidates for Directors and the General Manager.

Chapter 4 Convening and Notices of Meetings

Article 14 Meetings of the Nomination Committee fall into two categories: regular meetings and extraordinary meetings.

The Nomination Committee shall hold at least one regular meeting during each financial year.

An extraordinary meeting of the Nomination Committee may be requested by the Chairman of the Company, the chairman of the Nomination Committee or more

than two of its members jointly.

Article 15 Matters to be discussed and considered at regular meetings of the Nomination Committee mainly include performance of Directors, the General Manager and other senior management in the previous year and whether it is necessary to change such officers.

In addition to those set out in the above paragraph, the Nomination Committee may also discuss at its regular meetings any matters within its terms of reference and that are set out in notices of meetings.

Article 16 The Nomination Committee shall hold regular meetings on site. Extraordinary meeting may be held on site or by communication means.

Unless otherwise required in the Articles of Association, the Company Law, the Listing Rules or the Terms of Reference, the Nomination Committee may pass resolutions at extraordinary meetings by facsimile with members present affixing their signatures thereon provided that members can fully express their opinions.

In case of a meeting by voting via communication means, members signing on the resolutions of meetings shall be considered to be present at such meetings and agree with such resolutions.

Article 17 Notices shall be given 5 or 2 days (the date of the meeting exclusive) respectively before a regular or an extraordinary meeting of the Nomination Committee.

Article 18 The office of the Board is responsible for delivering notices of the Nomination Committee meetings subject to the deadline stated in the previous article.

Article 19 Notices of the Nomination Committee meeting shall include at least the following information:

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- (1) the time and venue of the meeting;
 - (2) the duration of the meeting;
 - (3) topics to be discussed at the meeting;
 - (4) the contact person and contact details; and
 - (5) the date of the meeting notice.

Article 20 Notices of the Nomination Committee meetings despatched by the office of the Board shall be accompanied by the full text of proposals.

Article 21 Notices of regular meetings of the Nomination Committee shall be delivered by means of communications such as written notice, e-mail or telephone. Notices of extraordinary meetings may be given by telephone, e-mail or other convenient means.

Chapter 5 Consideration and Voting Procedures

Article 22 The Nomination Committee meeting may not be held unless more than two thirds of its members are present.

Directors of the Company who are not members of the Nomination Committee may attend the Nomination Committee meeting, but those who are not members of the Nomination Committee do not have voting rights on proposals tabled at the meeting.

Article 23 Members of the Nomination Committee may attend the meeting in person or appoint another member to attend and exercise the voting rights at the meeting on his behalf.

Article 24 A member of the Nomination Committee who appoints another member to attend

and exercise the voting rights at the meeting on his behalf shall submit a power of attorney to the chairman of the meeting. The power of attorney shall be presented to the chairman of the meeting before a vote is taken at the meeting.

Article 25 The power of attorney shall include at least the following information:

- (1) the name of the appointer;
- (2) the name of the proxy;
- (3) matters entrusted;
- (4) instructions as to how to exercise the voting rights on topics of the meeting (for, against, abstain) and, in the absence of specific instructions, descriptions on if the proxy may vote at his discretion;
- (5) validity of the proxy;
- (6) the date of signature of the power of attorney.

The power of attorney shall be signed by the appointer and the proxy.

Article 26 A member of the Nomination Committee who does not attend a meeting in person nor appoint another member to attend on his behalf shall be considered to be absent from such meeting.

Should a member fail to attend the meetings of the Nomination Committee twice in a row, he shall be deemed to be unable to carry out his duties and the Board may revoke his membership.

Article 27 Resolutions made by the Nomination Committee shall not be valid unless passed by more than half of all members (including those who are not present) voting thereon.

Each member shall have one vote.

Article 28 Proposals on each of the topics shall be considered in order after the chairman announces the opening of the meeting.

Article 29 The Nomination Committee members may have a free discussion on topics considered at the meetings, but order shall be preserved. No speaker shall use any offensive or other threatening or insulting language. The chairman of the meeting has the right to decide the time for discussion.

Article 30 Items proposed at the Nomination Committee meeting are subject to collective consideration and voting on a case by case basis, i.e. all the proposals are considered by all members present and then are put to the vote one by one according to the order of consideration.

Article 31 The Nomination Committee may, if considered necessary, invite other persons in connection with the proposals to attend the meeting to provide detailed information or express their opinions. Those who are not members of the Nomination Committee, however, do not have voting rights on the proposals.

Article 32 Members present at the meeting shall consider the proposals and give full expression of their personal opinions with a conscientious and responsible attitude; members shall be responsible for their own votes.

Article 33 Voting is done by a show of hands at both regular and extraordinary meetings of the Nomination Committee in order of “for”, “against” and “abstain”. Each member present shall have only one vote on one proposal by a show of hands; should a member put his hand up more than once, only the last show of hand is valid. If a member attends the meeting on his own and another member’s behalves, one vote cast by him by a show of hands shall be considered two votes to the extent

that his appointer agrees with him on the proposal; otherwise he may cast votes separately according to his own and his appointer's opinions; in case the proxy makes no specific statements when voting is taken, an appointer is deemed to agree with his proxy.

If the Nomination Committee intends to pass resolutions by facsimile at meetings, voting thereon shall be taken by signature.

The chairman of the meeting shall count the votes on each proposal and announce the voting results on the spot, which shall be recorded by the minute taker.

Article 34 Minutes shall be taken for meetings of the Nomination Committee.

Chapter 6 Resolutions and Minutes of Meetings

Article 35 Each proposal on which a prescribed number of valid votes are cast becomes a resolution of the Nomination Committee upon announcement by the chairman of the meeting.

Resolutions of the Nomination Committee come into effect upon signature by members present at the meeting. No change or alteration shall be made to the resolutions that have become effective without going through the legitimate procedure as required by laws, regulations, the Articles of Association, the Listing Rules and the Terms of Reference.

Article 36 A member of the Nomination Committee shall report details of the resolutions, discussion draft, to the Board no later than the third day after such resolutions are passed.

Article 37 The written documentation regarding such resolutions shall be kept by the Company as a company archive for a period of no less than 10 years during the subsistence of the Company.

Article 38 Members of the Nomination Committee who participate in the voting on a resolution shall be jointly liable for compensation to the Company should such resolution is in violation of laws, regulations, the Articles of Association or the Listing Rules. However, if a member is proven to have cast their votes against such resolution and it was so recorded in the meeting minutes, he may be exempted from the liabilities.

Article 39 The Nomination Committee shall maintain written meeting minutes on which members present and the minutes taker shall sign their names. Members present shall have the right to request explanatory remarks on his speech at the meeting to be written down in the minutes.

Minutes of the Nomination Committee meetings shall be kept by the office of the Board of the Company as a company archive for a period of no less than 10 years during the subsistence of the Company.

Article 40 Minutes of the Nomination Committee meetings shall include at least the following information:

- (1) the date and venue of the meeting and name of the convener;
- (2) names of attendees, with special notes added for proxies;
- (3) the agenda of the meeting;
- (4) highlights of members' speeches;
- (5) the way of voting on each item or proposal and voting results (numbers of

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- votes for and against and the number of votes to abstain shall be set out);
- (6) other matters that should be explained or stated in meeting minutes.

Chapter 7 Supplementary provisions

Article 41 Unless otherwise required, “**more than**” or “**less than**” referred to herein include the number itself.

Article 42 Any matter not covered herein shall be subject to relevant laws, regulations or regulatory documents of the State, including the Listing Rules and the regulatory requirements and listing rules of the places on which the Company’s shares are listed (hereinafter abbreviated as the “Regulatory Requirements of Listing Places”) and related provisions of the Articles of Association.

In case of any conflict between the Terms of Reference and the relevant provisions under relevant laws, regulations, regulatory documents, Regulatory Requirements of Listing Places and the Articles of Association, the latter shall prevail.

In case of any conflict between the Rules and the requirements of the Articles of Association, the latter shall prevail.

Article 43 The Terms of Reference becomes effective on the date of approval by the Board.

Article 44 The Terms of Reference shall be interpreted by the Board.

March 2012

** For identification purposes only*