

---

*The English version of this 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 Strategic Committee**

### **CONTENTS**

Chapter 1	General Provisions
Chapter 2	Composition
Chapter 3	Duties and Powers
Chapter 4	Pre-meeting Preparation
Chapter 5	Convening and Notices of Meetings
Chapter 6	Proceedings and Voting Procedures
Chapter 7	Resolutions and Minutes of Meetings
Chapter 8	Supplementary Provisions

### **Chapter 1 General Provisions**

**Article 1** In order to accommodate the needs for corporate strategy development of China Molybdenum Co., Ltd. (the “**Company**”, the Company together with its subsidiaries, the “**Group**” and each member of the Group, the “**Group Company**”), ensure a scientific approach to the development planning and strategic decisions, and enhance the sustainable development capacity of the Company, the board of directors of the Company (the “**Board**”) has resolved to

---

set up a strategic committee (the “**Strategic Committee**”) under the Board as a professional body to consider, formulate and develop the long-term development strategy of the Company.

**Article 2** In order to promote standardized and efficient operation, the Board has formulated this terms of reference (the “**Terms of Reference**”) in accordance with the relevant laws, regulations and regulatory documents under the Company Law of the People’s Republic of China (the “**Company Law**”), 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 the Company (the “**Articles of Association**”).

**Article 3** The Strategic Committee is a special body under the Board. Its main responsibilities are to carry out feasibility studies in relation to the long-term development strategic plans and significant strategic investments of the Company. The Strategic Committee reports to the Board and it is accountable to the Board.

**Article 4** The resolutions passed by the Strategic Committee shall be in compliance with the Articles of Association, the Listing Rules, the Terms of Reference and the requirements of other relevant laws and regulations.

## **Chapter 2 Composition**

**Article 5** The Strategic Committee shall comprise at least three members, at least one of whom shall be an independent non-executive Director. Its members are appointed

---

by the Board. The chairman of the Board shall be an inherent member of the Strategic Committee.

**Article 6** The Strategic Committee shall have a chairman (the “**Committee Chairman**”) who shall be appointed by the Board.

**Article 7** The Committee Chairman shall be responsible for convening and chairing the meeting of the Strategic Committee. In the event that the Committee Chairman fails or is unable to perform his or her duties, the Committee Chairman shall designate another committee member to act on his or her behalf.

**Article 8** The term of office for the members of the Strategic Committee is the same as that of Directors of the Board of the same session. If any Strategic Committee member ceases to hold the position of Director or officer during his or her term of office, his or her membership of the Strategic Committee shall automatically terminate.

**Article 9** If the number of the Strategic Committee members falls to less than three as a result of resignation or removal of members or for other reasons, the Board shall appoint new members as soon as possible. The Strategic Committee shall suspend to perform its duties and functions stated herein until there are three members as required.

**Article 10** The Strategic Committee has one secretary. The Strategic Committee shall appoint a person who demonstrates a standard of competence.

**Article 11** The main responsibilities of the secretary of the Strategic Committee shall be as follows:

- (1) to keep the minutes of the Strategic Committee meeting;

- 
- (2) upon the reasonable request of any member, relevant minutes shall be made available for inspection within a reasonable period of time;
  - (3) to ensure that the draft and final versions of the minutes of the Strategic Committee meetings are sent to all Strategic Committee members within a reasonable time after meeting. The draft minutes are sent to seek the comments from the Strategic Committee members and the final version of the minutes are sent for their record.

**Article 12** The requirements in relation to the obligations of the Directors pursuant to the Company Law, the Listing Rules and the Articles of Association are applicable to the Strategic Committee members.

### **Chapter 3 Duties and Powers**

**Article 13** The Strategic Committee shall exercise the following duties and powers:

- (1) to consider and submit proposals regarding the long-term development planning, business goals and development guidelines of the Company;
- (2) to consider and submit proposals regarding business strategies of the Company, including but not limited to product strategy, market strategy, sales and marketing strategy, research and development strategy and human resources strategy;
- (3) to consider and submit proposals regarding the significant strategic investment and financing schemes of the Company;

- 
- (4) to consider and submit proposals regarding significant capital operations and assets operation projects;
  - (5) to consider and submit proposals regarding other material matters that may affect the Company's development strategy;
  - (6) to supervise all matters relating to the Group's internal control, businesses and enterprise operation establishments, investments, member succession plans, remuneration and compensation for directors and employees, risk management and corporate governance, formulate relevant policies and monitor the enforcement of the polices conducted by the Group's management;
  - (7) to consider and, as appropriate, declare or propose payment of profits and dividends to shareholders and allocation to the reserve account;
  - (8) to contact all the supervisory authorities for all the matters relating to the Group, and monitor policy changes related to and affecting the Group;
  - (9) to follow up and monitor the implementation of the above matters and submit recommendations regarding revised proposals at appropriate time;  
and
  - (10) other matters authorized by the Board.

**Article 14**

After considering the matters set out in the previous article hereof, the Strategic Committee shall formulate the resolutions of the meeting along with relevant proposals. After the Strategic Committee meeting where the resolutions and proposals were considered, a report will be made to the Board according to the

---

requirements under Article 41 on the resolutions passed, decisions and recommendations.

**Article 15** The Strategic 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 causing detriment to the interest of the Company and the shareholders.

**Article 16** In performing its duties, the Strategic Committee should be given with sufficient resources to enable it to perform its functions (including the resources for seeking independent legal and professional advice), the related departments of the Company should provide assistance and reasonable expenses arising therefrom shall be borne by the Company.

#### **Chapter 4 Pre-meeting Preparation**

**Article 17** The Strategic Committee may, before a meeting, set up a working team to be responsible for making preliminary preparations to facilitate the Strategic Committee's decision making and providing relevant information of the Company:

- (1) The officers in charge of the relevant departments of the Company or the Group Company shall report the intention, the preliminary feasibility study and the collaboration approach regarding significant investment and financing, capital operation and assets operation projects;

- 
- (2) The working team shall carry out a preliminary review, sign and issue a written opinion on project proposal, which will be submitted to the Strategic Committee for record;
  - (3) The relevant departments of the Company or the Group Company shall submit the documents in respect of discussions and negotiations with external parties on matters relating to any agreement, contract, articles of association and feasibility study to the working team; and
  - (4) The working team shall conduct appraisals, sign and issue a written opinion and make a formal proposal to the Strategic Committee.

**Article 18**

The management has an obligation to provide the Strategic Committee with adequate information in a timely manner to enable the Strategic Committee members to make informed decisions. The information provided by the management shall be complete and reliable. To perform the duties of the Strategic Committee properly, a member of the Strategic Committee should not in all circumstances rely solely on the information voluntarily offered by the management and should make their own further enquiries. Where any member requires further information (which is not voluntarily offered by the management), he should make further enquiries where necessary. The Strategic Committee and each member of the Strategic Committee should have independent channel of access to the Company's senior management.

**Article 19**

The information provided as referred to in the preceding article should include background information or explanations relating to matters to be brought before the Strategic Committee by the management for discussion, copies of disclosure

---

documents, budgets, forecasts and monthly financial reports and other relevant internal financial reports (if necessary). In respect of budgets, any material variance between the projections and actual results must also be disclosed and explained.

## **Chapter 5 Convening and Notices of Meetings**

**Article 20** The Strategic Committee meetings comprise regular meetings and extraordinary meetings.

The Strategic Committee shall hold at least one regular meeting in each financial year with the meeting time being determined by the Committee Chairman.

An extraordinary meeting of the Strategic Committee may be convened at the request of the Committee Chairman or the joint request of three or more members of the Strategic Committee.

**Article 21** The regular meetings of the Strategic Committee shall be held by way of a physical meeting. The extraordinary meetings may be held by way of a physical meeting or means of communication.

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



---

In the case of voting by way of means of communication, members who sign on the resolutions of meetings shall be considered to be present at such meetings and to agree with such resolutions.

**Article 22** Notice of regular meeting of the Strategic Committee shall be sent 14 days (excluding the day on which such meeting is held) prior to such meeting and meeting materials shall be despatched to all members 3 days before the meeting. Notice of extraordinary meeting shall be sent 5 days (excluding the day on which such meeting is held) prior to such meeting.

**Article 23** A notice of the Strategic Committee meeting shall be delivered by its secretary subject to the deadline stated in the preceding article.

**Article 24** A notice of the Strategic Committee meeting shall include at least the following information:

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

**Article 25** A notice of the Strategic Committee meeting shall be accompanied by the meeting agenda and proposals.

**Article 26** Notice of regular meeting of the Strategic Committee shall be sent in writing or via an e-mail followed by phone. Notice of extraordinary meeting shall be sent by phone, e-mail or other prompt means of communication.

---

If the notice is sent through a prompt means of communication such as phone and e-mail, the recipient will be deemed to have received the meeting notice if no written objection is received by the Company within 2 days from the date when the notice is sent.

## **Chapter 6 Proceedings and Voting Procedures**

**Article 27** The meeting of the Strategic Committee shall not be held unless over two-thirds of Strategic Committee members attend the meeting.

The Directors who are not members of the Strategic Committee may attend the Strategic Committee meeting, but they do not have voting rights on proposals tabled at the meeting.

**Article 28** A member of the Strategic Committee may attend the meeting in person, or appoint another member of the Strategic Committee to attend and vote at the meeting as his proxy.

A member may appoint only one other member of the Strategic Committee as his or her proxy to exercise the voting rights, and an appointment of two or more members as proxies is invalid.

**Article 29** The members of the Strategic Committee who appoint another member to attend and vote at the meeting as his or her proxy 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 no later than a vote is taken at the meeting.

**Article 30** 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 of to how to exercise the voting rights (for, against or abstain) on matters of the meeting and in the absence of specific instructions, descriptions on whether the proxy may vote at his or her own discretion;
  - (5) effective period of the authorisation;
  - (6) the date of signature of the power of attorney.

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

**Article 31** Members of the Strategic Committee who do not attend a meeting in person nor appoint another member as proxy to attend the meeting shall be considered to be absent from such meeting.

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

**Article 32** Resolutions made by the Strategic Committee shall not be valid unless they are passed by more than half of all members (including those who are not present) voting thereon. Each member has one vote.

**Article 33** After the chairman of the Strategic Committee meeting announces the commencement of the meeting, each proposal in relation to each subject matter of the meeting shall be considered in sequence.

**Article 34** The Strategic Committee members would be free to discuss the subject matters considered at the meetings, but order shall be maintained at meetings. No speaker

---

shall use any offensive or insulting or threatening language. The chairman of the meeting has the authority to decide the time spent on discussion.

**Article 35** Matters proposed at the Strategic Committee meeting are subject to collective consideration by all the Strategic Committee members and voting in the sequence of the proposals being considered, i.e. all the proposals are considered by all members present at the meeting and then the proposals are put to vote in the sequence of consideration.

**Article 36** The Strategy 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. However, those who are not Strategic Committee members do not have voting rights on the proposals.

**Article 37** Strategic Committee members present at the meeting shall consider the proposals and express their opinions with an earnest and responsible attitude. Strategic Committee members shall be responsible for their own votes.

**Article 38** The voting at both regular and extraordinary meetings of the Strategic Committee is conducted by a show of hands in the sequence of “for”, “against” and “abstain”. Each member present shall have only one vote on the same proposal by a show of hands. Should a member put his or her hand up more than once, only the last show of hand is counted. If a Strategic Committee member attends the meeting for himself or herself and as proxy of another member at the same time, one vote cast by him or her by a show of hands shall be counted as two votes to the extent that his or her appointer’s vote is consistent with him or her on the same proposal; otherwise he may vote separately according to the view of the member himself or

---

herself and the respective appointer; if the proxy does not specify his or her votes during the voting, the proxy's vote is deemed to be the same as the appointer's vote.

If the resolutions of a meeting of the Strategic Committee is passed by means of facsimile, the voting is pursued by signing on the facsimile.

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 person who takes the minutes.

**Article 39** Minutes shall be taken for Strategic Committee meetings and be kept by a staff member of the office of the Board of the Company.

### **Chapter 7 Resolutions and Minutes of Meetings**

**Article 40** Each proposal on which a prescribed number of valid votes are casted becomes a resolution of the Strategic Committee upon announcement by the chairman of the meeting.

Resolutions of the Strategic Committee come into effect upon signing 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 41** A member or the secretary of the Strategic Committee shall report details of the resolutions, the discussion draft, to the Board within 3 days after such resolutions have been passed.

**Article 42** The documents in relation to the resolutions passed by the Strategic Committee shall be kept for record by the Company for a period of no less than 10 years during the subsistence of the Company.

**Article 43** The Committee Chairman or another member designated by him shall follow and monitor the implementation of the resolutions of the Strategic Committee, and may request and supervise persons concerned to remedy the violations of the resolutions found. Should the persons concerned fail to follow such instructions, the chairman or his designated member shall report the situation to the Board which will be responsible to manage the case.

**Article 44** The Strategic Committee shall maintain written minutes of the meeting. Strategic Committee members who attend the meeting and the person who takes the minutes shall both sign their names. Strategic Committee members present at the meeting shall have the right to request their explanatory remarks of his speech at the meeting to be recorded in the minutes.

Minutes of Strategic Committee meetings shall be kept for record by the Board for a period of no less than 10 years during the subsistence of the Company.

**Article 45** Minutes of the Strategic Committee meetings shall include at least the following information:

- (1) the date and venue of the meeting and name of the convener;

- 
- (2) the names of attendees, those attendees who are proxies should be specified;
  - (3) the agenda of the meeting;
  - (4) the highlights of the members' speeches;
  - (5) the voting method on each resolution or proposal and the corresponding voting results (numbers of votes for and against and the number of votes to abstain shall be set out);
  - (6) other matters which should be explained or recorded in the minutes.

#### **Chapter 8 Supplementary Provisions**

**Article 46** Unless otherwise required, “**more than**” or “**less than**” referred to herein include the number itself.

**Article 47** 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 on which the Company's shares are listed (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 relevant laws, regulations, regulatory documents, the Regulatory Requirements of Listing Places and the Articles of Association shall prevail.

---

**Article 48**            The Terms of Reference comes into effect and are implemented upon the approval of the Board.

**Article 49**            The Terms of Reference shall be interpreted by the Board.

*\* For identification purposes only*

March 2012