



# Compensation and Human Resources Committee Charter

## **I. PURPOSE**

The primary objective of the Compensation and Human Resources Committee (the “Committee”) of Ivanhoe Mines Ltd. (the “Company”) is to assist the Board of Directors (the “Board”) in developing, reviewing and approving compensation and benefits for the executive officers and directors of the Company.

## **II. ORGANIZATION**

The Committee shall consist of three or more independent directors and shall satisfy the laws governing the Company and the independence and experience requirements of securities law, stock exchanges and any other regulatory requirements.

The members of the Committee shall be appointed by the Board upon the recommendation of the Nominating & Corporate Governance Committee.

A majority of the members of the Committee shall constitute a quorum at any meeting of the Committee.

A majority of the members of the Committee shall be empowered to act on behalf of the Committee.

The Committee may form, and delegate authority to, subcommittees when appropriate.

## **III. MEETINGS**

The Committee shall meet as many times as the Committee deems necessary, but not less frequently than two times per year.

The members of the Committee shall select a chair that will preside at each meeting of the Committee and, in consultation with the other members of the Committee, shall set the agenda of items to be addressed at each upcoming meeting.

The Chair shall ensure that the agenda for each upcoming meeting of the Committee is circulated to each member of the Committee. Meeting minutes, resolutions and meeting agendas will be made available to individual directors upon request.

## **IV. AUTHORITY AND RESPONSIBILITIES**

The Committee shall have the following authorities and responsibilities:

### **Compensation Objectives, Goals and Philosophy**

1. On an annual basis, review the recommendations of executive management with respect to the Company’s key strategic objectives and associated performance measures comprising the corporate performance scorecard, or such other performance management system in place from time to time (“Compensation Related Objectives”) and make recommendations to the Board in this respect for each year.

2. At least annually, review, assess and report to the Board the risks associated with the Company's compensation philosophy and practices, with a view to avoiding programs that would encourage unnecessary risk-taking.

## **President and/or Chief Executive Officer**

3. On an annual basis, review and recommend to the Board the corporate goals and objectives for the President and/or Chief Executive Officer ("CEO", each the "Chief Executive") and review and evaluate the Chief Executive's performance in light of such previously established corporate goals and objectives.
4. On an annual basis, review and recommend for approval the Chief Executive's compensation and benefits based on the Committee's review and evaluation set forth above, including short-term and long-term incentive components of compensation. In determining both the short-term and long-term incentive components of Chief Executive compensation, the Committee will also consider, among such other factors as it may deem relevant, the Company's performance, shareholder returns, the value of similar incentive awards to chief executive officers at comparable companies and the awards given to the Chief Executive in past years.

## **Executive Officers**

5. On an annual basis, review the performance of all executive officers and the proposed compensation and benefits for such executive officers as recommended by the Chief Executive.
6. Recommend to the Board the compensation and benefits for existing or proposed executive officers, which may include a recommendation with respect to among other things, annual base salaries, short-term and long-term incentives, change of control provisions, and performance criteria for the vesting of incentive securities.
7. To the extent not determined by the applicable employment agreement or applicable law, review any proposed severance or termination arrangements with any executive officer and recommend any such severance or termination arrangements or agreements to the Board.

## **Employees**

8. Review management recommendations for ad-hoc bonus awards (outside the approved subsidiary bonus schemes) to non-executive employees for amounts exceeding \$50,000.

## **Directors**

9. On an annual basis, review the adequacy and form of compensation and benefits for directors, and recommend to the Board any changes thereto.

## **Administration of Securities-based Incentive Plans, Reporting and Disclosures**

10. Administer and make recommendations to the Board with respect to the Company's securities-based compensation plans, including proposed amendments, the termination of such plans, or the implementation of new plans.
11. Prepare and file all applications for approval required to be obtained under any securities law, from any stock exchange, or from any other regulatory authority (each a "Regulatory Body") in

respect of any proposed amendments to, termination of, or the implementation of, securities-based compensation plans, subject to final Board approval of any implementation of such compensation plans, including proposed amendments, the termination of such plans, or the implementation of new plans.

12. Prepare and file any other report, notice or other document that may be required by a Regulatory Body relating to compensation matters.
13. Prepare and recommend to the Board as may be required, all executive compensation disclosure required to be included in the Company's management proxy circular prepared for each annual and general or special meeting of the shareholders.

## **Other Matters**

14. At request of the Committee, receive executive management's reports and recommendations on the size and quantum of compensation and/or bonus awards granted, or proposed to be granted, to the Company's executive officers or employees from time to time.
15. Review and make recommendations to the Board regarding share ownership guidelines or policies applicable to directors and officers, and oversee and monitor share ownership relative to such guidelines.
16. At least annually, review the performance of the Committee and its members.
17. Report regularly to the Board on the discharge of its authorities and responsibilities under this Charter, and on such other matters as the Board may require.

## **V. THIS CHARTER**

18. Review and reassess the adequacy of this Charter annually and recommend to the Board any changes proposed by the Committee.
19. Perform any other activities consistent with this Charter, the Company's articles and notice of articles and governing law, as the Committee or the Board deems necessary or appropriate.

## **VI. RESOURCES**

The Committee shall have the authority to retain outside advisors, including (i) the sole authority to determine the terms of engagement and the extent of funding necessary for payment of compensation of any consultant retained to advise the Committee; and (ii) the sole authority to retain or terminate consultants to assist the Committee in the evaluation of compensation and benefits of senior management and directors. The Committee shall be entitled to consult with internal or external legal counsel with respect to any matter in this Charter.