



Sustainability Committee Charter

FEBRUARY 2014

1. ROLE AND OBJECTIVES

The Sustainability Committee (the Committee) is a committee of the Board of Directors (the Board) of Ivanhoe Mines Ltd. (the Company) to which the Board has delegated certain responsibilities with the objective to voluntarily incorporate internationally recognized standards of Corporate Social Responsibility (CSR) in the internal policies by addressing issues such as labour, health, safety, environment, human rights, and /or community engagement.

The objectives of the Committee are to assist the Board in fulfilling its responsibilities in respect of development, implementation and monitoring of the Company's CSR policies. The Committee will review reports prepared by the Company, if and when required, for inclusion in the disclosure documents for the Company.

The Committee will foster and sustain **a positive culture amongst the Company's employees and contractors** in order to:

- ensure that a safe and healthy working environment is a primary objective and is fundamental to **the Company's business operations**;
- identify, eliminate or control workplace hazards for the protection of all employees and the local communities; and
- promote sound environmental practices in all of its activities and to continuously improve the efficient use of resources, processes and materials.

2. ORGANIZATION

1. Members of the Committee shall be appointed by the Board.
2. The Committee must be composed of not less than three (3) members of the Board.
3. The Board shall designate a Chair from among the members of the Committee.
4. The Board will fill any vacancy if and when the Committee has less than three (3) members and may remove members by resolution.

3. FUNCTIONS

Oversight of Sustainability Policies

The Committee shall:

1. Review, at least annually, the Company's strategies with respect to CSR.
2. Review and monitor the Company's sustainability policies and if necessary, procedures and practices relating to the reporting of health, safety and environmental incidents with respect to the Company's employees, contractors, facilities and operations, in compliance with applicable laws and regulations.
3. Review with management and legal counsel, the Company's current or pending legal action by

or against the Company, related to CSR.

4. Review reports, if and when required, regarding significant health, safety and environmental incidents, emerging issues, summaries of inspections or audits, and corrective or remedial actions taken in response to deficiencies.
5. Review and make recommendations to the Board regarding social development and community relations.
6. Review and make recommendations to the Board regarding political, regulatory and institutional risks in the host country.
7. Require management to take steps to ensure that employees receive the training necessary to meet health, safety and environmental standards set by law and policies set by the Committee.
8. Require management to regularly monitor and report on the Company's sustainability.
9. Facilitate information sharing with other committees as required to address matters of mutual interest or concern in respect of CSR issues.

The Committee will perform such other functions as are assigned by law and the Company's Articles, as well as those instructed by the Board.

4. MEETINGS

The Chairman will appoint a secretary who will keep minutes of all meetings (the Secretary). The Secretary may be the Corporate Secretary or another person who does not have to be a member of the Committee or a director. The Secretary can be changed by a simple notice from the Chair.

No business shall be transacted by the Committee unless a quorum of the Committee is present or the business is transacted by resolution in writing signed by all members of the Committee. A majority of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.

The Committee shall meet as often as it deems necessary to carry out its responsibilities but not less frequently than two times per year.

The time at which, and the place where the meetings of the Committee shall be held, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the Articles of Ivanhoe Mines Ltd. or otherwise determined by resolution of the Board.

Meetings may be held in person, teleconference or video conference.

Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member will be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.

Minutes of the Committee will be kept by the Corporate Secretary.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings

and to take part in discussion and consideration of the affairs of the Committee.

The Chair shall preside at all meetings of the Committee at which he or she is present and shall develop the agenda for each Committee meeting. The agenda for each meeting of the Committee, other than an ad hoc meeting, shall be delivered to each member of the Committee at least 48 hours prior to any meeting of the Committee, together with such other materials as the Chair determines necessary.

5. ACCESS TO INFORMATION WITHIN THE COMPANY

The Board authorizes the Committee, within the extent of its responsibilities, to:

1. Have direct access to anyone within the organization.
2. Require any information needed from any employee.
3. Access books and records of the company, necessary for the execution of the committee's obligations.
4. Ensure the attendance of employees and officers of the company to committee meetings as judged appropriate by the committee.

6. ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS

The Committee shall have the authority to select, engage and remunerate independent CSR-related or engineering consulting firms, independent legal counsel and other advisers to assist in carrying out its duties, as deemed necessary. The Company will provide appropriate funding to compensate any advisors that the Committee chooses to engage.

In discharging its duties under this Charter, the Committee may investigate any matter brought to its attention and will have access to all books, records, facilities and personnel, may conduct meetings or interview any officer or employee, the Company's legal counsel, internal or external auditors and consultants, and may invite any such persons to attend any part of any meeting of the Committee with or without the presence of management.

7. REPORTING REQUIREMENTS

The Committee shall report regularly to the Board on the activities, proceedings and deliberations of the Committee at such times and in such manner as the Board may require.

8. ANNUAL REVIEW AND ASSESSMENT

The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee shall review its own performance annually.

9. REMUNERATION

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.