

NOMINATION AND GOVERNANCE COMMITTEE TERMS OF REFERENCE



1 ROLE

- 1.1 The role of the Nomination and Governance Committee (**Committee**) is to assist the Board of South32 Limited (**Board**) with:
- (a) its review of the Board's composition and the evaluation of its performance;
 - (b) succession planning, including Non-executive Director appointments, elections and re-elections and appointments to the South32 Lead Team; and
 - (c) oversight of the Group's¹ corporate governance practices.
- 1.2 In discharging its responsibilities under these terms of reference, the Committee will have regard to the following:
- (a) the strategy of the Group;
 - (b) the integral role of succession planning to building, developing, renewing, recruiting and promoting South32's leaders;
 - (c) the short, medium and long term and on-going needs of the Group;
 - (d) the objectives set out in the *Inclusion and Diversity Policy*; and
 - (e) the commitment of the Board and the Group to a high standard of corporate governance.
- 1.3 The Committee is accountable to the Board for its performance. The Committee Chair (or their delegate) will report to the Board on the Committees' activities and will also consider if any material matters arising out of Committee meetings should be advised to any other committee and, if so, ensure that this occurs.

2 RESPONSIBILITIES

Composition

- 2.1 The Committee will periodically review the size and composition of the Board and the mix of skills, experience, independence, knowledge and diversity represented by Directors on the Board and determine whether the composition and mix remain appropriate for the Group's Purpose and strategy and whether they cover the skills needed to address existing and emerging business and governance issues relevant to the Group.
- 2.2 The Committee will make recommendations to the Board on the membership of the Board's standing committees. The membership of the Board's standing committees will be reviewed periodically.

¹ South32 Limited is the parent company of the South32 Group of companies. In this document, unless otherwise stated, references to South32 Group, Group and South32 refer to South32 Limited and its controlled entities and South32-operated joint arrangements, as a whole.

Succession planning

- 2.3 The Committee will oversee the succession planning process for the identification and evaluation of suitable candidates for appointment to the Board, the position of Chair of the Board and each of the Board's standing committees (which may include seeking assistance from appropriately qualified independent recruitment consultants and conducting appropriate checks) and make recommendations to the Board on candidates it considers appropriate for appointment, election or re-election.
- 2.4 The Committee will oversee, periodically evaluate and make recommendations to the Board in relation to succession planning and talent management for the role of Chief Executive Officer.
- 2.5 The Committee will oversee succession planning processes for the South32 Lead Team and identified critical roles and make recommendations to the Board on candidates it considers suitable for appointment, following background checks on the recommended candidates being undertaken.

Performance evaluation

- 2.6 The Committee will oversee the performance evaluation process for the Board, the Board Committees and individual Directors (including, where appropriate, engaging appropriately qualified external advisers and both peer and self-assessment of performance).
- 2.7 A Committee member will not participate in any review by the Committee of his or her own performance.

Non-executive Directors

- 2.8 The Committee will oversee the assessment of, and make recommendations to the Board in relation to, the independence of Non-executive Directors on appointment and then annually and as soon as practicable whenever any new interests or relationships are disclosed by a Director.
- 2.9 The Committee will regularly review the time required from Non-executive Directors, and whether Directors have the capacity to meet that requirement, taking account of all aspects of the role including site visits and other non-meeting related aspects.

Training and development

- 2.10 The Committee will oversee the training and development program for Directors (including induction processes and ongoing education).
- 2.11 The Committee will regularly assess whether the Directors as a group have the skills, knowledge and experience to deal with new and emerging business and governance issues and oversee professional development for Directors where gaps are identified and are not expected to be addressed in the short term by new appointments.

Corporate governance

- 2.12 The Committee will review the Notice of Meeting for South32 Limited's Annual General Meeting and recommend it to the Board for approval.
- 2.13 The Committee will review the Corporate Governance Statement and recommend it to the Board for approval.

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- 2.14 The Committee will review and consider the Group's compliance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* and other applicable governance requirements.
- 2.15 The Committee will monitor significant developments in the law and practice of corporate governance (including emerging governance issues and areas of focus) and make recommendations to the Board on matters of corporate governance including proposed changes to existing structures or practices, recognising that other standing committees may also advise or make recommendations to the Board on governance matters within their specific areas of responsibility.
- 2.16 The Committee will provide advice to the Risk and Audit Committee on material governance related risks identified and managed through the Group's system of risk management, and the outcomes of its evaluation of those risks.

3 COMPOSITION

- 3.1 The Committee will consist of:
- (a) only Non-executive Directors;
 - (b) a minimum of three members;
 - (c) a majority of independent Directors; and
 - (d) an independent Director as Chair.

4 PROCEDURES

- 4.1 The processes and procedures that govern the operation of the Committee are set out in the document 'Board Committee Processes and Procedures'.

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