

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 appointment of the Chief Executive Officer and 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 Group's Purpose and strategy;
 - (b) the integral role of succession planning in 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 relevant plans and policies including the *Inclusion and Diversity Policy*;
 - (e) the advice received from the Board Committees in relation to the skills and competencies required for oversight of the Group's material risks and opportunities; and
 - (f) 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:
- (a) report to the Board on the Committees' activities; and
 - (b) consider if any material matters arising out of Committee meetings should be communicated to any other committee and, if so, ensure that this occurs.

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.

2 RESPONSIBILITIES

Board Composition

- 2.1 The Committee will periodically review the size and composition of the Board and the mix of skills, competencies, 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 endorse to the Board the membership of the Board's standing committees. The membership of the Board's standing committees will be reviewed periodically.

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.
- 2.4 The Committee will endorse to the Board candidates it considers appropriate for appointment to the Board. In so doing the Committee:
 - (a) will establish processes for the selection of suitable candidates for appointment to the Board which will include an assessment of the person's credentials, experience, skills and competencies as against the Group's Purpose and strategy;
 - (b) may seek assistance from appropriately qualified independent consultants; and
 - (c) will arrange for, and consider, appropriate checks and searches of the candidate before making recommendations to the Board, including checks to the person's character, experience, education, criminal record and bankruptcy history.
- 2.5 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.
- 2.6 The Committee will endorse for Board approval a candidate it considers suitable for appointment to the role of Chief Executive Officer, following assessment of the person's credentials, experience, skills and competencies and completion of appropriate background checks on the recommended candidate.
- 2.7 The Committee will oversee succession planning processes for the South32 Lead Team and identified critical roles.
- 2.8 The Committee will oversee plans for identified key talent, including a retention strategy.

Performance evaluation

- 2.9 The Committee will, in accordance with the Group's *Board, Committee and Director Evaluation Guideline*, 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).
- 2.10 A Committee member will not participate in any review by the Committee of his or her own individual performance.

- 2.11 The Committee will endorse to the Board Non-Executive Directors it considers appropriate for election or re-election to the Board at each Annual General Meeting.

Non-executive Directors

- 2.12 The Committee will, in accordance with the Group's *Independence of Directors Policy*, oversee the assessment of, and endorse to the Board, the independence of Non-Executive Directors on appointment and then annually and as soon as practicable whenever any new material interests or relationships are disclosed by a Director.
- 2.13 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

- 2.14 The Committee will oversee the development of Director induction programs that are undertaken by each new Director, tailored to their existing skills, competencies, knowledge and experience.
- 2.15 The Committee will oversee the ongoing education, training and development program for Directors.
- 2.16 The Committee, in consultation with other Committees as appropriate, will regularly assess whether the Directors as a group have the skills, knowledge and experience to effectively lead and govern the Group, engage in strategy and deal with new and emerging business risks and opportunities and governance issues. Where the Committee identifies potential gaps in skills, competencies, knowledge and experience which are not expected to be addressed in the short term by new Director appointments, the Committee will oversee the provision of relevant professional development or engagement of external subject matter experts and advisers to appropriately brief Directors.

Corporate governance

- 2.17 The Committee will review the Notice of Meeting for South32 Limited's Annual General Meeting and endorse it to the Board for approval.
- 2.18 The Committee will review the governance section of the Annual Report and the Appendix 4G and endorse them to the Board for approval.
- 2.19 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.
- 2.20 The Committee will monitor significant developments in the law and practice of corporate governance (including emerging governance issues, trends and areas of focus) and make recommendations to the Board on matters of corporate governance including proposed changes to existing strategies, policies, 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.
- 2.21 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'.