



THE TERMS OF REFERENCE OF THE NOMINATIONS COMMITTEE ("the Committee") of
XSTRATA plc

1. Terms of reference

1.1 The principal function of the Committee will be to lead the process for appointments to the Board and make recommendations in this regard to the Board.

1.2 The duties of the Committee shall include:

- responsibility for identifying and nominating candidates, to fill Board vacancies as and when they arise, for the approval of the Board;
- evaluation of the balance of skills, knowledge and experience currently available on the Board and, in the light of this evaluation, preparation of a description of the role and capabilities required for a particular appointment;
- consideration of candidates from a wide range of backgrounds with any nomination based on merit and against objective criteria;
- in the case of the appointment of a chairman of the Board, the preparation of a job specification, including an assessment of the time commitment expected;
- regular review of the structure, size and composition (including the skills, knowledge and experience) of the Board and making of recommendations to the Board with regard to any changes if considered necessary;
- annual review of the time required from a non-executive director;
- giving consideration to orderly succession for appointments to the Board, taking into account the challenges and opportunities facing the Company so as to maintain appropriate skills and expertise on the Board;
- making a statement in the annual report about its activities; the process used for appointments and an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chairman or of a non-executive director; the membership of the Committee; number of Committee meetings and individual attendance;
- making available these terms of reference; and
- ensuring that on appointment to the Board, non-executive directors will receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, Committee service and involvement outside Board meetings.

1.3 The Committee shall make recommendations to the Board:

- on succession planning for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
- suitable candidates for the role of senior independent director;



- regarding the re-appointment of any non-executive director at the conclusion of the specified term of office;
- concerning the re-election by shareholders of any director under the “retirement by rotation” provisions in the Company’s articles of association;
- on the process and procedures relating to the annual evaluation of the board’s performance and that of its committees and individual directors;
- concerning any matters relating to the continuation in office of any director at any time; and
- concerning the appointment of any director to executive or other office, other than to the positions of chairman and chief executive, the recommendation for which would be considered at a meeting of the Board.

2. Membership

2.1 Current membership of the Committee comprises:

David Rough (Chairman) – independent non-executive director
Ivan Glasenberg –non-executive director
Bob MacDonnell– independent non-executive director

2.2 A majority of members of the Committee should be independent non-executive directors of the Company. The chairman or an independent non-executive director should chair the Committee, but the chairman of the Committee should not chair the Committee when it is dealing with the appointment of a successor to the chairmanship.

2.3 Membership of the Committee shall be not less than 3 persons.

2.4 Appointments to membership of the Committee will be made by the Board.

2.5 The Secretary of the Committee shall be appointed by the Committee.

3. Meetings

3.1 The Committee shall meet not less than once each calendar year.

3.2 The quorum for meetings of the Committee will be not less than two persons of which one must be an independent non-executive director.

3.3 The Committee’s proceedings will be recorded in minutes of meeting. Copies of the minutes shall be circulated to the Board.



4. Reporting Responsibilities

- 4.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 4.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 4.3 The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.
- 4.4 The Chairman of the Committee shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

5. Other

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

6. Authority

- 6.1 The Committee is authorised to seek any information it requires from any employee of the company in order to perform its duties.
 - 6.2 The Committee is authorised to obtain, at the company's expense, outside legal or other professional advice on any matters within its terms of reference.
-