

## Anglo American plc

### Nomination Committee – Terms of Reference

#### **Purpose**

The objective of the Nomination Committee (the “Committee”) is to assist the Board of Anglo American plc (the “Board”) in regularly reviewing its composition and those of its Committees, leading the process for Board appointments, and ensuring effective succession planning for the Board and senior management of Anglo American.

#### **1. Membership**

- 1.1. The Committee shall consist of not less than three directors. The majority of the members should be independent non-executive directors.
- 1.2. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive, the Group director of HR and external advisers may be invited to attend for all or part of any meeting, as and when appropriate.
- 1.3. Appointments to the Committee are made by the Board and shall be for a period of up to three years, which may be extended for two further three-year periods, provided that the majority of the Committee members remain independent.
- 1.4. The Board shall appoint the Committee Chairman, who should be either the Chairman of the Board or an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting. The Chairman of the Board shall not chair the Committee when it is dealing with the matter of succession to the chairmanship.

#### **2. Secretary**

- 2.1. The Company Secretary or his or her nominee shall act as the Secretary of the Committee.

#### **3. Quorum**

- 3.1. The quorum necessary for the transaction of business shall be two, both of whom must be independent non-executive directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

#### **4. Frequency of Meetings**

- 4.1. The Committee shall meet at such times as the Committee deems appropriate and at such other times as the Chairman of the Committee shall require.

#### **5. Notice of Meetings**

- 5.1. Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of the Committee Chairman.
- 5.2. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **6. Minutes of Meetings**

- 6.1. The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2. Minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once agreed, to all other members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so.

## **7. Annual General Meeting**

- 7.1. The Committee Chairman shall attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.

## **8. Duties**

- 8.1. The Committee shall:

- 8.1.1. keep under review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes that are deemed necessary;
- 8.1.2. give full consideration to succession planning, including the development of a diverse pipeline, for directors and other senior executives (including the Company Secretary) in the course of its work, taking into account the challenges and opportunities facing the Company, and what skills and expertise are therefore needed on the Board in the future;
- 8.1.3. be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies as and when they arise;
- 8.1.4. before recommending any appointment, evaluate the balance of skills, knowledge, experience and diversity on the Board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
  - 8.1.4.1 use the services of external advisers to facilitate the search;
  - 8.1.4.2 consider candidates from a wide range of backgrounds; and
  - 8.1.4.3 consider candidates on merit and against objective criteria and with due regard for the benefits of diversity, taking care that appointees have enough time available to devote to the position;
- 8.1.5. keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- 8.1.6. keep up to date and fully informed about strategic issues and commercial changes affecting the company and the market in which it operates;
- 8.1.7. review the results of the Board evaluation process that relate to the composition of the Board;
- 8.1.8. review annually the time required from non-executive directors. Performance evaluation should be used to assess whether the non-executive directors are spending enough time to fulfil their duties;

- 8.1.9. ensure that on appointment to the Board, non-executive directors 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; and
  - 8.1.10. in relation to directors' actual or potential conflicts of interest, consider and, if appropriate, authorise directors' conflicts of interest including any terms to be imposed in relation to the authorisation of a director's conflict of interest. The Committee shall report any conflict decisions to the Board.
- 8.2. The Committee shall also make recommendations to the Board concerning:
- 8.2.1. plans for succession for both executive and non-executive directors and in particular for the key roles of Chairman and Chief Executive;
  - 8.2.2. suitable candidates for the role of Senior Independent Director;
  - 8.2.3. membership of committees of the Board, in consultation with the chairmen of those committees and the Chairman;
  - 8.2.4. the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board and the Company's long term sustainable success in the light of the knowledge, skills and experience required;
  - 8.2.5. the re-election by shareholders of directors under the annual re-election provisions of the UK Corporate Governance Code, having due regard to their performance and ability to continue to contribute to the Board and the Company's long term sustainable success in the light of the knowledge, skills and experience required;
  - 8.2.6. any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an executive director as an employee of the company subject to the provisions of the law and their service contract; and
  - 8.2.7. 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 full Board.

## **9. Reporting Responsibilities**

- 9.1. The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3. The Committee shall make a statement in the Company's Annual Report about its activities during the year. To the extent not covered elsewhere in the Annual Report, the statement of the Committee's activities shall include:
  - 9.3.1. the process used in relation to appointments, its approach to succession planning and how both support developing a diverse pipeline;
  - 9.3.2. how the Board evaluation has been conducted, the nature and extent of an external evaluator's contact with the Board and individual directors (if relevant), the outcomes and actions taken, and how it has or will influence Board composition;
  - 9.3.3. a description of the Company's policy on diversity and inclusion, its objectives and linkage to Group strategy, how it has been implemented and progress on achieving the objectives;



9.3.4. details of the gender balance of those in senior management (the Anglo American Group Management Committee) and their direct reports;

9.3.5. an explanation if external consultancy advice or open advertising has not been used for Board appointments. Where an external search consultancy has been used, it shall be identified in the Annual Report and a statement made as to whether it has any connection with the Company.

## **10. Other**

10.1. 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.

10.2. The Committee shall have access to sufficient resources in order to carry out its duties, including access to Company Secretarial for assistance as required.

## **11. Authority**

11.1. 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.

**Approved by the Board on 24 October 2019**