

### 1 GENERAL SCOPE AND AUTHORITY

#### 1.1 Purpose of Charter

To specify the authority delegated to the Nominations Committee ("**Committee**") by the Board of Directors ("**Board**") of Incitec Pivot Limited (the "**Company**" or "**Incitec Pivot**") and to set out the role, responsibilities, membership and operation of the Committee.

#### 1.2 Authority

The Committee is established pursuant to Rule 8.3 of Incitec Pivot's Constitution and paragraph 8.1 of the Incitec Pivot Board Charter. The Committee is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. The Committee has the authority and power to exercise the role and responsibilities set out in this Charter and under any separate resolutions of the Board, from time-to-time. The Committee has no executive powers with regard to its recommendations and does not relieve the Board of its responsibilities in these matters.

### 2 PURPOSE OF THE COMMITTEE

The purpose of the Committee is to assist and advise the Board in relation to:

- (i) Board composition;
- (ii) director selection and nomination practices;
- (iii) director performance evaluation processes and criteria and matters to be considered by the Board when considering the endorsement of retiring directors seeking re-election;
- (iv) the development of a process for the evaluation of the performance of the Board and its committees;
- (v) succession planning for the Board and the Executive Team;
- (vi) appropriate induction, training and development opportunities for directors; and
- (vii) strategies to address Board diversity,

to ensure that the Board comprises individuals able to discharge the responsibilities of directors, having regard to the law and the applicable standards of good corporate governance, with the benefit of a range of skills, expertise, experience, perspectives and diversity appropriate for the Group and its businesses, and that appropriate succession plans are in place for the Board, the Managing Director & CEO and the executive management team, reporting to the Managing Director & CEO ("**Executive Team**").

### **3 RESPONSIBILITIES OF THE COMMITTEE**

#### **3.1 Responsibilities on Board Composition**

The Committee is to:

- (i) review and make recommendations to the Board on matters relating to the size and composition of the Board; and
- (ii) assess from time to time, as necessary, the appropriate mix of skills, experience, expertise and diversity required on the Board and assess the extent to which the required skills are represented on the Board.

#### **3.2 Responsibilities on Nominations**

The Committee's duties with respect to the Board's selection and nomination practices are as follows:

- (i) on request of the Board, and in any event on the occasion on which a non-executive director is to be appointed:
  - (a) to make recommendations to the Board about the necessary and desirable competencies of directors, having regard to the strategic direction of the Group and the duties required of directors under the Corporations Act 2001 (Cth) and good corporate governance standards;
  - (b) to make recommendations to the Board regarding the size and composition of the Board, having regard to the Board being able to make decisions effectively and efficiently;
  - (c) having regard to the skills and competencies represented on the Board and the skills and competencies required, to implement a process to identify suitable candidates to be non-executive directors on the Board, such process to include a search being undertaken by an appropriately independent third party, acting on a brief and position description prepared by the Committee and supported by the Board;
  - (d) to make recommendations to the Board for appointment of new Board member candidates having regard to:
    - the candidate's judgment, skill and diversity;
    - the candidate's experience with business and other organisations of comparable size;
    - the interplay of the candidate's experience with the experience of other Board members; and
    - the extent to which the candidate would be a desirable addition to the Board and any committees of the Board;

- (ii) to develop and review induction procedures for new appointees to the Board to enable them to effectively discharge their duties, with such induction procedures being designed to enable new appointees to gain an understanding of:
  - (a) the Company's financial, strategic, operational and risk management position;
  - (b) the culture and values of the Company;
  - (c) the rights, duties and responsibilities of the directors;
  - (d) the roles and responsibilities of senior executives;
  - (e) the role of Board committees; and
  - (f) meeting arrangements and director interaction with each other, senior executives and other stakeholders.

### **3.3 Responsibilities on Assessment of Directors' Performance**

The Committee's duties with respect to the Board's assessment of the performance of its directors are as follows:

- (i) make recommendations to the Chairman of the Board as to the appropriate process for the evaluation of the performance of each director;
- (ii) oversee the implementation of a process for the evaluation of the performance of individual directors to be elected or re-elected in any given year (following retirement by rotation) by the shareholders; and
- (iii) review the time required for non-executive directors to perform their role and duties and whether non-executive directors are meeting this requirement.

### **3.4 Responsibility in relation to evaluation of the Board and its committees**

The Committee is to establish and oversee the processes for the review of the performance of the Board as a whole and the operation of Board committees, including (where appropriate) engaging external consultants.

### **3.5 Responsibility in relation to Succession for Board, Managing Director & CEO/Executive Team**

The Committee is to oversee and periodically, at least annually, review the plan for succession of:

- (i) Board members, including the roles of Chairman of the Board and Chairman of each of the Board committees; and
- (ii) the Managing Director & CEO and members of the Executive Team,

to maintain an appropriate balance of skills, experience, expertise and diversity and make recommendations to the Board in relation to that plan.

### **3.6 Responsibility in relation to Training and Development**

The Committee is to implement a plan for identifying, assessing and enhancing director competencies and as part of that, develop, review and make recommendations to the Board on appropriate continuing education measures to enhance director competencies, to keep directors up-to-date and enhance directors' knowledge and skills, such continuing education measures to include having access to education concerning key developments in the Company and in the industry and environment in which it operates.

### **3.7 Responsibilities regarding Diversity**

The Committee's duties with regard to diversity are to:

- (i) at least annually, review and report to the Board on the relative proportion of women and men at all levels of the Company; and
- (ii) oversee the development of, and make recommendations to the Board about, strategies to address Board diversity.

## **4 COMPOSITION OF THE COMMITTEE**

### **4.1 Membership**

- (i) The Committee will consist of at least three members each of whom will be appointed or removed by the Board following, in each case, a review by the Board in consultation with the Chairman of the Committee (other than in respect of the Chairman's own appointment or removal).
- (ii) Each member of the Committee must be a non-executive director.
- (iii) A majority of members of the Committee must be independent directors, as determined by the Board, having regard to the ASX Corporate Governance Council's Principles and Recommendations.

### **4.2 Chairman**

The Chairman of the Committee:

- (i) will be the Chairman of the Board unless the Board determines otherwise;
- (ii) must be a member of the Committee; and
- (iii) must be an independent Director, as determined by the Board, having regard to the ASX Corporate Governance Council's Principles and Recommendations.

### **4.3 Company Secretary**

The Company Secretary is the Secretary of the Committee.

### **4.4 Other Rules and Regulations**

In appointing the members of the Committee, the Board will have regard to the ASX Listing Rules, the ASX Corporate Governance Council's Principles and Recommendations and the Corporations Act 2001 (Cth).

## **5 COMMITTEE MEETINGS & PROCESS**

### **5.1 Meetings**

Meetings and proceedings of the Committee are governed by the provisions of Incitec Pivot's Constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this Charter.

### **5.2 Frequency**

The Committee will meet as frequently as required to perform its functions but not less than two times a year. The Chairman of the Committee must call a meeting of the Committee if requested by any member of the Committee.

### **5.3 Notice**

The Committee Secretary is to distribute a notice of each meeting confirming the date, time, venue and agenda to each member of the Committee (with a copy to all members of the Board excluding any matter where a conflict of interest has been notified) at least 4 days prior to the date of the meeting. The notice of the meeting will include the relevant supporting papers for the agenda items to be discussed.

### **5.4 Quorum**

A quorum will comprise any two Committee members. In the absence of the Chairman of the Committee or appointed delegate, the Committee members must elect one of their number as Chairman of that meeting.

### **5.5 Other Attendees**

The Chairman of the Committee may invite any person to attend meetings of the Committee, for all or any part of the meeting, and may invite the Managing Director & CEO, senior managers, and external advisers to attend meetings of the Committee.

A standing invitation will be issued to all non-executive directors to attend meetings of the Committee.

### **5.6 Access to information and advisers**

The Committee will have the appropriate resources to discharge its duties and responsibilities, including engaging counsel, accountants or other experts, as it considers appropriate. This may include requesting management or engaging external consultants or specialists to provide information to the Committee. Costs of meeting with external advisers will be borne by Incitec Pivot.

### **5.7 Reporting to the Board**

The Chairman of the Committee (or person nominated by the Chairman of the Committee for that purpose) must report to the Board at the Board's next meeting on all matters relevant to the Committee's role and responsibilities.

### **5.8 Minutes**

Minutes of proceedings and resolutions of the Committee must be kept by the Secretary of the Committee. After preliminary approval has been given by the Chairman of the Committee, minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting. Minutes will be confirmed at the next meeting of the Committee. Minutes, agenda and supporting papers will be made available to every Board member providing no conflict of interest exists.

## **6 COMMITTEE'S PERFORMANCE EVALUATION**

The Committee will review its performance by self-assessment, at least annually.

The performance evaluation will have regard to the extent to which the Committee has met its responsibilities under this Charter.

The Committee will present to the Board annually a report of its activities for the prior financial year and on its performance following the annual performance evaluation.

**7 REVIEW AND PUBLICATION OF THE CHARTER**

The Committee will review its Charter from time to time and make recommendations to the Board as to any changes it considers should be made. The Charter may be amended by resolution of the Board.

This Charter will be available on Incitec Pivot's website and the key features will be published in the Annual Report.

Approved by the Board on 10 May 2012.