

Policies & Standards

CHARTER OF THE NOMINATION COMMITTEE

1. Formation and Objectives

At a meeting of the Board of Alumina Limited (Alumina) held on 22 August 2003, the Board resolved to establish a Nomination Committee as a Committee of the Board (Committee). This document represents the Charter of the Committee as adopted by the Board as at 22 August 2003 and as amended from time to time. It sets out the role and responsibilities delegated by Alumina to the Committee, composition, structure and membership requirements of the Committee.

The Committee's objective is to assist the Board in fulfilling its responsibilities to shareholders relating to:

- identifying the necessary and desirable competencies of Board members,
- assessing the extent to which the competencies are represented on the Board,
- the selection and appointment process for directors.

2. Membership

2.1. Number

The Committee shall consist solely of Non Executive Directors of the Company. All members will be appointed by the Board.

2.2. Absence of Committee member

If a member of the Committee is unable to act due to absence, illness or any other cause, the chairman of the Committee may appoint another non executive (if any) director of Alumina to serve as an alternate member of the Committee.

3. Chairman and Secretary

3.1. Chairman of the Committee

The Board will appoint the chairman of the Committee, who must be a non executive director. In the absence of the appointed chairman or an appointed deputy at any meeting of the Committee, the remaining members present may elect one of their number to chair the meeting.

3.2. Secretary of the Committee

The Company Secretary or his nominee will act as the secretary of the Committee, unless otherwise determined by the Committee.

4. Meetings

4.1. Quorum

The quorum required for a meeting of the Committee is three. A duly convened meeting of the Committee at which a quorum is present is competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

4.2. Frequency of meetings

The Committee will meet:

- a. at least twice a year and shall consider, amongst other matters, its recommendations to the Board as to re-election of directors on 'retirement by rotation'; and
- b. at any other time as required by any member of the Committee.

4.3. Calling of meetings

Meetings of the Committee will be convened by the secretary of the Committee at the request of the chairman of the Committee. Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, must be forwarded to each member of the Committee at least three working days before the date

of the meeting. The notice will include relevant supporting papers for the agenda items to be discussed. The Chairman may extend an invitation to a meeting to other persons as necessary or desirable.

Minutes, agenda and supporting papers will be made available to any director upon request to the Committee chairman, provided no conflict of interest exists.

4.4. Minutes

The secretary will prepare minutes of the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance. A copy of the minutes, as approved by the Committee chairman, will be distributed to all members of the Board. The Chairman of the Committee shall report to the Board following each meeting.

4.5. Conflict of Interest

A member of the Committee shall not participate in the review of his or her own performance.

4.6. Voting

Each member of the Committee shall have one vote. The Committee Chairman shall not have a second or casting vote.

5. Role and Responsibilities

The Committee has responsibility for:

- a. establishing a formal and transparent procedure for the selection and appointment of new directors to the Board;
- b. regularly assessing the necessary and desirable competencies of Board members and making recommendations to the Board as to any adjustments that are found to be necessary;
- c. regularly reviewing the size and composition of the Board, including succession plans that are in place with regard to membership of the Board to ensure an appropriate balance of skills, experience and expertise is maintained on the Board;
- d. determining the non executive directors who are to retire in accordance with the provisions of the Company's constitution;
- e. conducting performance evaluations of individual directors who are retiring and seeking re-election by shareholders, an assessment of whether the mix of skills and experience represented on the Board by non executive directors meet those required by the Board and reporting the findings to the Board;
- f. at the request of the Board or when the Committee considers it appropriate, making recommendations relating to the appointment of directors (the procedure for the selection and appointment of new directors to the Board being contained in Appendix A), including recommending or declining to recommend the re-election by shareholders of any director;
- g. regularly reviewing the time commitment required from a non-executive director and determining whether non executive directors are meeting this requirement; and
- h. ensuring that all non-executive directors:
 - i) specifically acknowledge to Alumina prior to being submitted for election that they will have sufficient time to meet what may be expected of them in any likely circumstances; and
 - ii) inform the Chairman of the Board and the chairman of the Committee before accepting any new board appointments.
- i. regularly reviewing the effectiveness of the induction process for new directors;
- j. regularly reviewing its Charter, including its role and responsibilities;
- k. undertaking annually a performance evaluation and review of its objectives and duties.
- l. Annually perform a review and report on the relative proportion of women and men in the workforce at all levels of the economic group controlled by the Company

6. Authority

The Committee is authorised by the Board to:

obtain such information or resources it reasonably requires from any employee of Alumina in order to fulfil its duties; and obtain or retain in the fulfilment of its duties, at the company's expense, outside legal or other professional advice.

Appendix A

Procedure for the Selection and Appointment of New Directors to the Board

1. Having regard to its assessment of the necessary and desirable competencies of the Board members, the Committee will initially prepare a description of the role and capabilities required for a particular appointment.
2. The Committee is responsible for identifying and nominating for the approval of the Board all candidates to fill Board vacancies as and when they arise, having regard to the policy contained in Appendix B.
3. The Board has agreed that non executive Directors shall retire after 10 years of continuous service as a non executive director (or immediately prior to the next succeeding annual general meeting of the Company after completion of the 10 year period) unless otherwise requested to continue by the Board.
4. The Committee will consider whether or not it is appropriate to seek the external advice of search consultants and/or use open advertising in respect of the position.
5. The Committee should ensure that, in support of their candidature for directorship, non-executive directors provide the Committee with details of other commitments and an indication of the time involved. The Committee should further ensure that non-executive directors specifically acknowledge to Alumina prior to appointment that they will have sufficient time to meet what is expected of them.
6. The Committee should ensure that, on appointment:
 - a. all directors receive a formal letter of appointment or service agreement which clearly sets out what is expected of them in terms of time commitment, committee membership and involvement outside Board or committee meetings.
 - b. an induction process occurs for the director.
7. The Committee should advise the Board generally in relation to the terms on which directors are appointed.

Appendix B

Committee's Policy for the Appointment of Directors

The Committee acknowledges that corporate performance is enhanced when there is a Board with the appropriate competencies to enable it to discharge its responsibilities and duties effectively. In endeavouring to ensure that the Board has an appropriate mix of skills and experience, the Committee will consider (without limitation) directors who have a demonstrated record of high levels of integrity and performance and enhancing shareholder returns and who can apply those skills and experience to the benefit of the Company.