

TERMS OF REFERENCE

NOMINATION COMMITTEE

GENERAL

1. The role of the Nomination Committee (the Committee) is to support and advise the Board in exercising its authority in relation to the matters set out in these terms of reference. The Committee is accountable to the Board for its performance.
2. The purpose of all Committee work is derived from the Board's responsibility to shareholders to ensure that the Board is comprised of individuals who are best able to discharge the responsibilities of directors, having regard to the law and the highest standards of governance.
3. The Board has defined the Committee's purpose as assisting the Board in its oversight of:
 - The identification of suitable candidates for appointment to the Board;
 - The plan for succession of the Chairman and Chief Executive Officer and periodic evaluation of it;
 - The assessment of the performance of individual directors and the endorsement of retiring directors seeking election;
 - The provision of appropriate training and development opportunities for directors; and
 - The authorisation of situations of actual and potential conflict notified by directors in accordance with the Articles of Association of BHP Billiton Plc (Articles).
4. Any person may be invited to attend meetings of the Committee, but not necessarily for the full duration of the meeting. The Chairman may invite the Chief Executive Officer to attend for all or any part of the meeting, as and when the Chairman considers it appropriate.
5. These terms of reference record how the Committee will undertake its work.
6. Many of the principles and procedures recorded in these terms of reference are expressed in a flexible and non-exhaustive manner. The Board and Committee believes that, having regard to the time and resources available to the Committee, it is appropriate and necessary to adopt such an approach to respond to changing business circumstances and the needs of shareholders and external regulatory developments.

THE IDENTIFICATION OF SUITABLE CANDIDATES FOR APPOINTMENT TO THE BOARD

7. The Committee shall periodically assess the skills required to competently discharge the Board's duties, having regard to the strategic direction of the Group, and report the outcome of that assessment to the Board.
8. The Committee shall, as and when it considers appropriate, but in any event on each occasion on which an existing non executive director retires, assess the collective skills of the non-executive directors represented on the Board and determine whether the Board, as a whole, has the skills required to competently discharge its duties (as those skills are identified in accordance with paragraph 7).

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9. Having regard to the skills required and the skills represented on the Board, the Committee shall implement a process for the identification of suitable candidates for appointment to the Board.
10. In determining the process for the identification of suitable candidates for appointment to the Board, the Committee will ordinarily ensure that:
 - a search is undertaken by an appropriately qualified independent third party acting on a brief prepared by the Committee which identifies the skills sought; and
 - the search is international.
11. The Committee shall make recommendations to the Board on candidates it considers appropriate for appointment.

THE PLAN FOR THE SUCCESSION OF THE CHAIRMAN AND CEO

12. The Chairman succession process is owned by the Board who will make all decisions on Chairman succession, including the final decision. The role of the Committee is to support the Board in its decision-making by undertaking tasks or activities, at the request of the Board. The Committee will have no decision making role in this regard.
13. The Committee will oversee and periodically evaluate the plan for the succession of the Chief Executive Officer and make recommendations to the Board in relation to that plan.

THE ASSESSMENT OF THE PERFORMANCE OF INDIVIDUAL DIRECTORS AND THE ENDORSEMENT OF RETIRING DIRECTORS SEEKING ELECTION

14. The Committee shall inform the Board of the names of non executive directors who are retiring in accordance with the provisions of the Constitution of BHP Billiton Limited (Constitution) or the Articles.
15. The Committee will make recommendations to the Board as to whether the Board should support the re-nomination of a director retiring in accordance with the provisions of the Constitution or the Articles.
16. In making recommendations in accordance with paragraph 15, the Committee will undertake a process of review of the retiring non executive director's performance during the period in which the non executive director has been a member of the Board, and in so doing will conduct that review by whatever means it considers appropriate, including using external advisers and assessment of performance by peers and self.
17. A member of the Committee shall not participate in the review of his or her own performance.

THE PROVISION OF APPROPRIATE TRAINING AND DEVELOPMENT OPPORTUNITIES FOR DIRECTORS

18. The Committee shall oversee, review and make recommendations to the Board in relation to the Training and Development Program for directors, to ensure that directors have access to appropriate training and development opportunities that support the work of directors and the Board.

THE AUTHORISATION OF SITUATIONS OF ACTUAL OR POTENTIAL CONFLICT

19. The Committee will review requests from directors for authorisation of situations of actual or potential conflict and make recommendations to the Board in relation to the authorisation of such situations, in accordance with the Articles.
20. The Committee will regularly review any situations of actual or potential conflict that have been previously authorised by the Board, together with any updates, and make recommendations to the Board regarding whether the authorisation (and any conditions attached to such authorisation) remain appropriate.

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MEMBERSHIP

21. The Committee shall consist of at least three independent non-executive directors, as determined by the Board in accordance with its Policy on the Independence of Directors.
22. Members will be proposed by the Group Chairman and approved by the Board. Membership shall be reviewed every three years or earlier if circumstances dictate.

BOARD COMMITTEE MEETING PROCEDURES

23. The Group Company Secretary shall be the Secretary of the Committee.
24. The Committee of the Board of BHP Billiton Limited is established under Rule 101 of the Constitution and the Committee of the Board of BHP Billiton Plc is established under Article 101 of the Articles.
25. Proceedings and meetings of the Committee will be governed by the provisions of the Constitution and the Articles for regulating meetings and proceedings of the Board, in so far as they are applicable and not inconsistent with these terms of reference.
26. In carrying out all of its functions, the Committee will have due regard to the provisions of the Combined Code (Principles of Good Governance and Code of Best Practice) of the United Kingdom, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations and to the requirements or guidelines that may be promulgated or disseminated by any authority in any jurisdiction in which the Group's shares are listed on a Stock Exchange, with a view to ensuring that the Group seeks to adhere to the highest standards of corporate governance.
27. The Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee is a non-executive committee and is tasked with recommending to the Board appropriate actions emanating from its investigations.
28. The Committee Chairman will report to the Board, the results of its reviews and make recommendations on specific actions or decisions the Board should consider including the adequacy of, and any changes to, these terms of reference.
29. The Committee shall meet as frequently as required but not less than three times a year.
30. Any Committee member or the Secretary may call a meeting of the Committee or may request a member to call a meeting.
31. A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the Committee (with a copy to all Board Members) in the week prior to the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.
32. The Committee may appoint and instruct expert advisers who will be advisers solely to the Committee. Advisers shall not receive a standing invitation to attend meetings. The Committee may meet with external advisers without management being present.
33. Minutes of proceedings and resolutions of Committee meetings shall be kept by the Secretary. Minutes should be distributed to all Committee members and the Chairman of the Board, after preliminary approval has been given by the Committee Chairman. Minutes, agenda and supporting papers will be made available to any director upon request to the Secretary, providing no conflict of interest exists.
34. A quorum will comprise any two independent non-executive director Committee members. Each member shall have one vote. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.
35. The Committee Chairman shall not have a second or casting vote.
36. The Committee is authorised by the Board to seek any information it requires from any employee of the Company in order to perform its duties.

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37. The Committee will have available to it sufficient resources as determined by the Committee, to run effectively including funds to:
 - remunerate independent advisory services of experts to assist it in carrying out its work under these terms of reference; and
 - pay any administrative expenses of the Committee that are necessary or appropriate to assist it in carrying out its work under these terms of reference.
38. The Committee will determine the compensation payable to independent advisers and the Secretary will assist the Committee in securing the service determined necessary.
39. Each member of the Committee, with the consent of the Committee Chairmen and the assistance of the Secretary, may seek independent professional advice at the expense of the Group on any matter connected with the discharge of his or her responsibilities. The consent of the Committee Chairman will not be unreasonably withheld.
40. The Committee will assess its performance each year having regard to the principles and requirements of its terms of reference and the overall objective of the Committee's work.
41. Members of the Committee will undergo ongoing training and professional development as provided by the program developed by the Committee for the Board as a whole, or on an individual basis as required.
42. The Committee will ensure that the results of assessments of its effectiveness and changes to its terms of reference are reported by the Board to shareholders.