

SELECTION AND APPOINTMENT OF NEW DIRECTORS



Governance

Skills, experience, diversity and the right fit

The Board adopts a flexible approach when selecting and appointing new directors depending upon the circumstances and timing of the appointment. Generally, this would involve the Nomination Committee:

- assessing the needs of the Board to ensure that there is a range of skills, experience and diversity represented, including an understanding of:
 - the industry in which BlueScope Steel operates;
 - the markets in which BlueScope Steel operates; and
 - accounting, finance and legal matters;
- engaging recruitment advisers and develop a short list of potential appointees taking into account, among other things, the particular skills, experience and contribution to diversity of each individual candidate and their fit with the existing Board; and
- recommending to the Board the candidate from the short list who best matches the needs of the Board.

Policy for the appointment of directors

Factors considered by the Nomination Committee when recommending a person for appointment as a director include:

- the time commitment required for a Non-Executive Director to effectively discharge his or her duties to the Company;
- the outside commitments of a candidate to be appointed or elected as a Non-Executive Director and the need for that person to acknowledge that they have sufficient time to effectively discharge their duties; and
- the extent to which the appointee is likely to work constructively with the existing directors and contribute to the overall effectiveness of the Board.

In accordance with the Company's constitution, all Non-Executive Director appointed by the Board must resign at the conclusion of the next annual general meeting after the date of their appointment but may offer themselves for election at that meeting. The Nomination Committee policy on notices of meeting involving the election of directors is that sufficient information should be made available to enable shareholders to make an informed choice about who should be elected a director.

The notice is to set out a range of matters about the person recommended for election as a director, including the matters required by the ASC Corporate Governance Council's Corporate Governance Principles and Recommendations.