

Nominations Committee Report



Anil Agarwal
Chairman, Nominations Committee

This Report provides details of the role and responsibilities of the Nominations Committee and the work it has undertaken during the year.

Membership and attendance

The Nominations Committee is comprised of the following Directors, and met on three occasions during the year.

	Number of meetings attended	Percentage attendance
Anil Agarwal, Chairman	3/3	100%
Naresh Chandra	3/3	100%
Euan Macdonald	3/3	100%
Aman Mehta	3/3	100%

The Board considers that the composition and effective operation of the Board is a critical component for the delivery of long-term shareholder value. The Nominations Committee is responsible for reviewing the composition of the Board to ensure the right mix of skills, experience, diversity and independence is present. It also plays a key role in ensuring the development of talent within the Group.

Responsibilities of the Nominations Committee

The responsibilities of the Nominations Committee are set out in its terms of reference which can be found on the Company's website at www.vedantaresources.com and are also available on request from the Company Secretary. The main responsibilities of the Nominations Committee are to:

- review the structure, size and composition of the Board, including the skills and experience of its members and recommend changes to the composition that are deemed necessary;
- establish a policy in respect of diversity on the Board and consider Board composition in light of the benefits of diversity, including gender;
- consider candidates for appointment as either Executive or Non-Executive Directors and plan for succession in particular to the positions of the Executive Chairman and Chief Executive Officer;
- prepare a description of the role and capabilities required for appointments to the Board;
- identify suitable candidates for appointments to the Board and its Committees and consider the use of external advisers to facilitate the search for candidates from a wide range of backgrounds; and
- recommend to the Board whether to reappoint a Non-Executive Director either at the end of their term of office or when put forward for re-election, having regard to their performance and ability to continue to contribute to the Board. The Committee will confer with Volcan in this respect under the terms of the Relationship Agreement.

Operation of the Nominations Committee

The Committee meets at least twice a year and more often where required. Other Executive Directors and members of the senior management team may attend meetings at the invitation of the Committee as appropriate. The Chairman of the Nominations Committee provides an update to the Board in respect of the Committee's activities.

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Nominations Committee activities during the year

The focus this year has been on issues of diversity, succession planning and Board composition, due to the Committee's awareness of the tenure of its Non-Executive Directors and the publication of the Davies Report

concerning representation of women on Boards. Both the Committee and Board have discussed at length the need for refreshing of the Board and at the recommendation of the Committee, two new Non-Executive Directors were appointed to the Board to address these issues.

The main areas of activity of the Nominations Committee during the year are summarised below:

Area of responsibility	Item
Board composition and succession planning	<ul style="list-style-type: none"> > Reviewing the Board succession planning processes to ensure selection procedures incorporate the recommendations in the Davies Report. > Reviewing the skills, experience, knowledge and independence on the Board. > Reviewing and recommending the appointment of new Non-Executive Directors to strengthen the composition of the Company's Board.
Performance evaluation of the Committee	<ul style="list-style-type: none"> > Evaluation of the Committee's performance.
Non-Executive Director independence	<ul style="list-style-type: none"> > Review of the independence of each of the Non-Executive Directors prior to recommending their reappointment by shareholders at the Annual General Meeting.

Succession planning

Succession planning has been at the forefront of the Committee's considerations as a number of the Company's Non-Executive Directors have served on the Board for a number of years. During the year, the Committee recommended the appointment of Geoffrey Green as a Non-Executive Director on the Company's Board to strengthen the diversity of skills and experience on the Board. Furthermore, in order to strengthen the diversity of thought and experience on the Board, the Committee recommended to the Board the appointment of Mr Deepak Parekh as a Non-Executive Director on the Company's Board with effect from 1 June 2013. Mr Parekh will stand for election by shareholders at the Company's 2013 AGM.

Diversity

The Board supports the importance of having diversity of thought and representation on its Board and it is one of the Nominations Committee's tasks to ensure this is achieved. In terms of skill sets, Board members have a wide range of knowledge and expertise ranging from corporate finance and banking to diplomacy and law. In terms of gender, the Company has an aspirational target of achieving a minimum 25% of women on the Board by 2015. We acknowledge that at present there are no women on our Board and addressing the gender balance to meet the target on the Board has been and will continue to remain a top priority for the Committee. It is essential to overcome the reasons for lack of female representation to date. These have included the fact that Vedanta operates within a traditionally male-dominated industry. Furthermore, due to cultural constraints and the remote geographical location of some of our operations, we face a number of challenges in addressing the gender balance within the Group. Women currently comprise 8% of the overall employee population within the Group whereas the percentage of female representation across the Group's professional population

is 12%. In order to achieve our target for women on the Board, we ensure that women candidates are considered routinely as part of the recruitment process. We also actively encourage and monitor the progress of women in senior positions throughout the Group. As Chairman of the Nominations Committee, I personally supported a workshop encouraging the empowerment of women professionals throughout our operations. By supporting equal opportunities we will ensure that the pool of women from which management can be drawn will increase.

The year ahead

The Nominations Committee objectives for the coming year are:

- review of the skills, experience, diversity and independence on the Board and its Committees;
- review plans for nurturing talent and improving the gender balance within the Group; and
- succession planning for senior management.

Performance evaluation of the Nominations Committee

The Committee undertook an annual evaluation of its performance and effectiveness during the year in order to assess its strengths and identify areas for future focus. The evaluation was undertaken by means of a detailed questionnaire to all members of the Board and the Committee was concluded to be effective in carrying out its role effectively.

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This Nominations Committee Report was reviewed and approved by the Board on 15 May 2013.

Anil Agarwal
Chairman, Nominations Committee