

HEALTH, SAFETY AND ENVIRONMENT COMMITTEE
(the 'Committee' or 'HSE Committee')

Terms of Reference

approved by the Board 7 May 2015
Updated 19 February 2019

1. Constitution

1.1 The Board of directors of the Company (the 'Board') has established a Committee of the Board known as the Health, Safety and Environment Committee.

2. Purpose

2.1 The purpose of the Committee is to assist the Board in ensuring that the Group conducts its activities in a responsible manner and in fulfilling its oversight responsibilities in relation to health, safety and environmental matters and, arising out of the activities of the Company and its subsidiaries (the "Group").

3. Membership

3.1 The Committee shall comprise of at least one director, who shall be an independent non-executive director, the Group's commercial director and the company secretary.

3.2 Appointments to the Committee are made by the Board, on the recommendation of the nomination committee and in consultation with the chair of the HSE Committee. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

3.3 The Board shall appoint the chair of the Committee, who shall be an independent non-executive director.

3.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group's health and safety forum members, other directors and representatives from the divisional health, safety and environmental teams may be invited to attend all or any part of any meeting as and when appropriate.

4. Secretary

4.1 The company secretary or his or her nominee shall be the secretary of the Committee

5. Meetings

- 5.1 The Committee shall meet at least four times a year and at such other times as required.
- 5.2 The quorum for meetings of the Committee shall be two members.
- 5.3 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6. Notice of Meetings

- 6.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the chair of the Committee.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend at least five days before the date of the meeting.

7. Minutes of Meetings

- 7.1 The secretary shall minute the proceedings and resolutions of all Committee meetings.
- 7.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved; minutes shall be circulated to all other members of the Board, unless it would be inappropriate to do so.

8. Annual General Meeting

- 8.1 The chair of the Committee should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

9. Duties

The Committee will carry out the following duties:

Responsible business

- 9.1 To ensure that the Group conducts its business in a responsible manner and manages its non-financial risks, the Committee will undertake the following duties on behalf of the Board:

- 9.1.2 review proactively the Group's responsible business strategy, initiatives, risk exposure, targets and performance of the Company against its Total Commitments, and where appropriate the performance of its suppliers and contractors;
- 9.1.3 monitor the resources applied by the Company to ensure compliance with Group policies and strategies and applicable laws and regulations;

Health

- 9.2 The Committee's duties with regard to health shall encompass the impact of the Company's operations on employees and shall include:
 - 9.2.1 at least once a year, review the Group's performance regarding occupational health including an overview of the Group's disease claims; and
 - 9.2.2 at least once a year review developments relating to mental health across the Group.

Safety

- 9.3 The Committee's duties with regard to safety shall encompass occupational and public safety and shall include:
 - 9.3.1 receiving and reviewing regular reports on performance and key issues relating to safety including material regulatory investigations;
 - 9.3.2 regular reviews of key issues relating to high potential incidents or near misses;
 - 9.3.3 in the event of any fatalities occurring in connection with or as a result of the Group's activities, the Committee shall be kept informed of the incident and any measures being taken as a result of the incident;
 - 9.3.4 review the key performance indicators and other reporting measures adopted by the Company in relation to safety; and
 - 9.3.5 ensure all actions required by reports into serious incidents are appropriately implemented in a timely manner.

Environment

- 9.4 The Committee's duties with regard to safety shall encompass the impact of the Group's operations on the environment and how the Group adapts its operations in the light of climate change and shall include:

- 9.4.1 consideration of a report on the Group's environmental performance;
- 9.4.2 in the event of any serious environmental incidents, the Committee shall be kept informed of the incident and any measures being taken as a result of the incident; and
- 9.4.3 at least once a year, a review of the Group's environmental strategy.

Risks

- 9.5 The Committee's duties with regard to risk shall encompass:
 - 9.5.1 at least twice a year, receive a report on the key risks which the Company faces in respect of health, safety and the environment.

Compliance

- 9.6 The Committee's duties with regard to compliance by the Group in respect of health, safety and environmental requirements shall include:
 - 9.6.1 receiving a report on the key compliance issues faced by the Group; and
 - 9.6.2 at least once a year, receive a report on forthcoming legislation and other requirements relating to health, safety and environmental matters likely to affect the Group and consider how the Group will comply with such legislation and other requirements.

Health, safety and environment audits

- 9.7 In relation to these audits, the Committee shall at least once a year receive:
 - 9.7.1 a report on audits carried out across the Group; and
 - 9.7.2 an update on the audits planned for the forthcoming year.

10. Site visits

- 10.1 In consultation with members of the Committee, the Group commercial director will propose and organise site visits for members of the Committee to the Group's sites to further their understanding and reinforce the importance of HSE issues within the Group, meet relevant employees, and observe business operations. Such site visits may also, where appropriate, be to locations where incidents have occurred.

11. Reporting responsibilities

- 11.1 the chair of the Committee or, in his absence another member of the Committee shall:
- 11.1.1 be notified of any fatalities occurring in connection with or as a result of the Group's activities;
 - 11.1.2 report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities;
 - 11.1.3 make recommendations to the Board in relation to the nature and scope of its remit and responsibilities, as and when considered appropriate; and
 - 11.1.4 consider the proposed contents of the Company's annual report and responsible business website relating to HSE matters; and
 - 11.1.5 advise the Audit Committee of any health, safety and environment risk and compliance matters which the Committee has considered.

12. Other matters

- 12.1 The Committee will:
- 12.1.1 have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
 - 12.1.2 be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
 - 12.1.3 give due consideration to laws and regulations and any other applicable rules, as appropriate;
 - 12.1.4 drive improvement where appropriate;
 - 12.1.5 oversee any investigation of activities which are within its terms of reference; and
 - 12.1.6 as part of the annual board evaluation process, review its own performance and shall regularly review its terms of reference and recommend any changes necessary to the Board.

13. Authority

13.1 The Committee is authorised:

- 13.1.1 subject to any restrictions imposed by law, to seek any information it requires from any employee of the Company to perform its duties;
- 13.1.2 delegate all or any of its powers and authorities to one or more subcommittees;
- 13.1.3 to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference;
- 13.1.4 to call any employee to attend or present at a meeting of the Committee where it is appropriate and the Committee considers it is likely to add value; and
- 13.1.5 to receive reports regarding the business of the meeting from independent external advisers.