

# Incitec Pivot Limited

## Charter for the Health, Safety, Environment and Community Committee

### 1 GENERAL SCOPE AND AUTHORITY

#### 1.1 Purpose of Charter

To specify the authority delegated to the Health, Safety, Environment and Community (**HSEC**) Committee (**Committee**) by the Board of Directors (**Board**) of Incitec Pivot Limited (the "**Company**" or "**IPL**") and to set out the role, responsibilities, membership and operation of the Committee.

#### 1.2 Authority

The Committee is established pursuant to Rule 8.3 of the Incitec Pivot Constitution and Rule 8.1 of the Incitec Pivot Board Charter. The Committee is authorised by the Board to assist it in fulfilling its duties with regard to the oversight of HSEC matters. This Committee has the authority and power to exercise the role and responsibilities set out in this Charter and under any separate resolutions of the Board, from time-to-time. The Committee has no executive powers with regard to its recommendations and does not relieve the Board of its responsibilities for these matters.

### 2 PURPOSE OF THE COMMITTEE

**2.1** The purpose of the Committee is to assist the Board of Directors in its oversight on health, safety and environment matters arising out of the Group's activities as they may affect employees, contractors, and the local communities in which it operates.

**2.2** The Committee will provide the Board with additional focus and guidance on key health, safety and environment matters.

### 3 RESPONSIBILITIES OF THE COMMITTEE

#### 3.1 Responsibilities

The Committee generally has responsibility for:

- (i) reviewing and monitoring compliance with the Group's HSEC Policies, by receiving regular reports from Management as to any non-compliances with the Company's HSEC Policies, and annually, reviewing the continued appropriateness of the HSEC Policies by receiving reports from Management on such policies;
- (ii) annually reviewing the annual HSEC Strategy prepared by Management and regularly monitor the delivery of the HSEC Strategy by receiving regular reports from Management;
- (iii) regarding the Group's HSEC Global Management System:
  - annually reviewing the design of the Group's HSEC Global Management System by receiving a report from Management as to the system, and the continued applicability of the standards to the Group's business;
  - regularly receiving updates and assurance as to the standards being compliant with applicable legislation and regulations;
  - annually receiving a presentation from the Company's HSEC auditor presenting the Annual HSEC Audit Program and audit findings,
- (iv) reviewing and monitoring the Group's compliance with applicable legal and regulatory requirements associated with health, safety and environment matters by receiving regular reports from Management;
- (v) receiving regular reports from Management on HSEC performance and issues, including the impact of changes in relevant legislation, community expectations, research findings, HSEC practices and technology;
- (vi) receiving regular reports from Management on environmental remediation activities;

- (vii) reviewing, by receiving reports from Management, at least annually, the effectiveness of the HSEC Governance Structure;
- (viii) receiving regular reports from Management on significant HSEC incidents within the Group and the response to those incidents;
- (ix) reviewing and monitoring, by receiving regular reports from Management as to safety, health and environment issues that may have strategic, business continuity or reputational implications for the Group and reviewing and monitoring the policies, principles, strategies, processes and controls established in response to those issues, including reviewing and monitoring those particular health, safety and environment risks identified pursuant to the Group's Risk Management Framework Policy; and
- (x) annually reviewing the HSEC Annual Assurance process, and receiving the annual Letter of Assurance.

### **3.2 Reporting to the Board**

The Chairman of the Committee (or a person nominated by the Chairman of the Committee for that purpose) must, following each Committee meeting, report to the Board at the Board's next meeting on any matters relevant to the Committee's duties and responsibilities.

## **4 COMPOSITION OF THE COMMITTEE**

### **4.1 Membership**

The Committee will consist of at least four members, three of whom will be non-executive directors and one will be the Managing Director & CEO and, in each case, will be appointed or removed as a member of the Committee by the Board, following, in each case, a review by the Board in consultation with the Chairman of the Committee (other than in respect of the Chairman's own appointment or removal).

### **4.2 Chairman**

The Chairman of the Committee:

- (i) will be elected by the Board;
- (ii) must be a member of the Committee; and
- (iii) must be an independent Director.

### **4.3 Company Secretary**

The Company Secretary shall be secretary of the Committee.

## **5 MEETINGS & COMMITTEE PROCESS**

### **5.1 Meetings**

Meetings and proceedings of the Committee are governed by the provisions of Incitec Pivot's Constitution regulating meetings and proceedings of the Board and committees of the Board insofar as they are applicable and not inconsistent with this Charter.

### **5.2 Frequency**

The Committee shall meet as frequently as required but not less than 4 times a year. Any Committee member or Secretary of the Committee may call a meeting of the Committee.

### **5.3 Quorum**

A quorum will comprise of any two independent non-executive director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman of that meeting.

### **5.4 Notice**

A notice of each meeting confirming the date, time, venue and agenda shall be distributed to each member of the Committee (with a copy to all members of the Board excluding any matter where a conflict of interest has been notified) at least 4 days prior to the date of the meeting. The notice of meeting will include the relevant supporting papers for the agenda items to be discussed.

## **5.5 Agenda**

The Committee shall develop and agree a program capable of fulfilling its responsibilities.

The program will include formal opportunities for the Committee to meet independently with management.

The Chairman, with the assistance of the Secretary of the Committee, will develop the agenda for each meeting on the basis of the program and any other matters deemed to be relevant to the particular meeting.

## **5.6 Attendance**

The Chairman of the Committee may invite any person to attend meetings of the Committee for all or any part of the meeting, including Senior Managers and external advisers. A standing invitation will be issued to all non-executive directors to attend meetings of the Committee.

## **5.7 Access to Executives**

The Committee has unrestricted access to executives of the Group in order to fulfil its purpose and undertake its duties.

## **5.8 Powers**

In carrying out its role and responsibilities under this Charter, the Committee has the ability to direct any special investigations it deems necessary (including having access to sites) and may obtain advice from employees within the Group or from appropriate external advisers. Costs of meeting with external advisers will be borne by Incitec Pivot.

## **5.9 Minutes**

Minutes of proceedings and resolutions of the Committee shall be kept by the Secretary. After preliminary approval has been given by the Chairman of the Committee, minutes of Committee meetings will be included in the paper for the next Board meeting after each Committee meeting. Minutes shall be confirmed at the next meeting of the Committee. Minutes, agenda and supporting papers will be made available to every Board member providing no conflict of interest exists.

## **6 COMMITTEE'S PERFORMANCE EVALUATION**

The Committee will review its performance by self assessment, at least annually.

The performance evaluation will have regard to the extent to which the Committee has met its responsibilities under this Charter.

The Committee will present to the Board annually a report of its activities for the prior financial year and on its performance following the annual performance evaluation.

## **7 REVIEW OF CHARTER & PUBLICATION**

The Committee will review its Charter from time to time and make recommendations to the Board as to any changes it considers should be made. The Charter may be amended by resolution of the Board.

This Charter or a summary of this Charter will be available on Incitec Pivot's website and the key features will be published in the annual report.

Approved by the Board 29 September 2010.