



# Safety, Health & Environment Committee (SHEC) Charter



Approved by NCL Board

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# Safety, Health and Environment Committee (SHEC) Charter

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## 1. Introduction

- 1.1. The Board of Directors of Namoi Cotton Limited (NCL or Company) and its related bodies corporate and subsidiaries (Group) has constituted this Safety, Health and Environment Committee (SHEC) to assist the Board in fulfilling its responsibilities for the corporate governance and oversight of the Group's safety, health and environment systems and processes (SHE Framework); and
- 1.2. This Charter sets out the role and responsibilities delegated by the Board to the Committee and records how the Committee will operate.
- 1.3. The Charter is available on NCL's website and the key features are published in the annual report or a link to the governance section of the website is provided.
- 1.4. In this Charter:
  - i. CEO means NCL's Chief Executive Officer;
  - ii. EGM PCS means NCL's Executive General Manager People, Culture and Safety;
  - iii. Company Secretary means NCL's company secretary;
  - iv. Independent Director has the meaning given to it in the 4<sup>th</sup> edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council;
  - v. Serious incident means an injury resulting in lost work time; and
  - vi. Reportable environmental matter means an incident that results in a duty to notify an external authority.

## 2. Authority

- 2.1. SHEC is a Board committee established in accordance with NCL's constitution (Constitution) and authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the role and responsibilities set out in this Charter and granted to it under any separate resolutions of the Board from time to time.
- 2.2. SHEC has no authority independent of the functions delegated to it and is to report its findings and recommendations directly to the Board. The Committee's functions do not relieve the Board from any of its responsibilities.
- 2.3. SHEC is empowered to investigate any matter, with full access to all books, records, staff, contractors, consultants and any other persons associated with the Group and has the authority to engage independent accounting, legal, compliance or other professional advisers as it determines necessary to carry out its duties.

## 3. Composition

- 3.1. The Committee is to comprise at least three non-executive Directors of NCL, the majority being Independent Directors.
- 3.2. SHEC's Chair and its members are Board Appointments. SHEC's Chair must be an Independent Director who is not the Board's Chair. If the SHEC Chair is absent from a

meeting, then the remaining members will elect one of their number as Chair of the meeting.

3.3. The SHEC member's duties and responsibilities are additional to their Board duties.

## 4. Meetings

- 4.1. SHEC's meetings and proceedings are governed by NCL's Constitution.
- 4.2. SHEC will meet at least twice a year or more frequently as circumstances dictate. Meetings may be convened at the Committee Chair's or the Board's request.
- 4.3. Special meetings may be convened as required.
- 4.4. Any meeting's quorum consists of two SHEC members.
- 4.5. SHEC's Chair is responsible for overseeing the agenda and presiding over the meetings.
- 4.6. NCL Directors, who are not Committee Members, may attend SHEC meetings and receive copies of its papers but they are not entitled to vote.
- 4.7. SHEC's Secretary is the Company Secretary.
- 4.8. The CEO and the EGM PCS each have an open invitation to attend all meetings and should attend unless prevented by extenuating circumstances or required by the Committee Chair or this Charter not to attend.
- 4.9. SHEC may extend invitations (as it considers appropriate) to any person to attend all or part of any meeting.
- 4.10. SHEC's Chair reserves their right to exclude members and/or other invited attendees from attending a SHEC Meeting, when dealing with matters involving an actual or perceived conflict. The member and/or invited guest will be given three days' notice of their exclusion so they may put forward any reasons for their non-exclusion to the Committee Chair.
- 4.11. SHEC's decisions will be decided by a majority vote and any dissenting members are entitled to have their opinion minuted.
- 4.12. SHEC may pass or approve their resolutions by circular resolution as required. A circular resolution will be deemed to be passed when the last member entitled to vote signs or consents to the resolution. A copy of SHEC's circular resolution must be provided at SHEC's next meeting.
- 4.13. Meetings may be held by the members communicating with each other through any means by which they can participate in discussion even though they may not be physically present in the same place.

## 5. The Committee Chair

The Committee Chair is responsible for:

- 5.1. Leading the Committee;

- 5.2. Facilitating the effective contribution of Committee Members and promoting constructive and respectful relations between Committee Members; between the Committee and the Board and between the Committee and Management; and
- 5.3. Approving the Committee's agenda and ensuring that adequate time is available for discussion of all agenda items, including strategic issues.

## 6. The Company Secretary

The Company Secretary will:

- 6.1. In conjunction with SHEC's Chair and the EGM PCS, settle agendas for and arrange SHEC's meetings ensuring coverage of its business;
- 6.2. Distribute agendas and supporting papers to its members in advance of the meeting (preferably at least five business days);
- 6.3. Attend and take minutes of the meetings; and
- 6.4. The Committee's Minutes will be:
  - i. provided to the Chair within five business days of the meeting;
  - ii. circulated for the Committee's approval within four weeks; and
  - iii. tabled at the following Committee meeting.

## 7. The Committee Members may seek advice

Committee Members may seek independent professional advice at NCL's expense anytime they consider it necessary to discharge their responsibilities as Committee Members. This is to be in consultation with the Committee Chair and consultation and ultimate approval of expense with the Board Chair and/or Company Secretary.

## 8. Reporting

SHEC's Chair will report to the Board:

- i. the proceeding of each SHEC meeting;
- ii. on any concerning matters and make appropriate recommendations; and
- iii. on any matter the Board refers to SHEC.

## 9. Review

The Committee Chair will review the Committee's performance annually in accordance with clause 11.3 of the Board Charter.

## 10. Role of the Committee

SHEC's role is to assist the Board in carrying out its functions:

- 10.1. In relation to the SHE Framework, SHEC will:

- i. oversee the provision by management of a healthy and safe working environment and culture for all employees, contractors, clients and other visitors to the Group's work premises.
- ii. review the SHE Framework and all associated policies and initiatives, ensuring monitoring and reporting processes are effective and that all regulatory requirements are satisfied;
- iii. oversee any program or system of external safety, health and environment auditing, and ensure that significant findings and recommendations are received, discussed and appropriately acted upon by the Company's management; and
- iv. review and endorse to the Board for approval any safety, health and environment strategy, including safety and/or environmental related targets.

10.2 SHEC will review, and recommend to the Board for approval, any new policies and procedures or amendments to existing policies and procedures in respect of safety, health or environment matters relevant to the Group, excluding those which fall within the remit of another committee of the Board.

## 11. Responsibilities

The Committee is responsible for reviewing and making recommendations to the Board on the following Safety, Health and Environment matters:

- i. management's plans and targets for SHE management;
- ii. SHE performance and reporting;
- iii. reports on serious incidents and reportable environmental matters within the Group and the recommendations for improvement following such incidents; iv. systems and procedures to mitigate safety, health and environment risks or exposures;
- v. the internal process for determining and managing key SHE risk areas, particularly compliance with laws, regulations, standards and best practice guidelines;
- vi. evaluating the overall effectiveness of the Group's SHE framework;
- vii. cultural initiatives designed to build and foster SHE leadership and appropriate behaviours across the Group;
- viii. the impact of changes and emerging issues in SHE legislation, community expectations, research findings and technology; and
- ix. SHE issues associated with the operations on Company controlled sites, including, if feasible, by way of Committee visits to operational sites.