

Health, Safety, Security and Environment Committee Charter – Z Energy Limited

INTRODUCTION

This Charter sets out the operating guidelines for the Health, Safety, Security, Environment Committee (“**Committee**”) of Z Energy Limited (“**Z Energy**”). The Committee assists the Board to ensure it provides direction and monitors performance on health, safety, security and the environment (“**HSSE**”) matters of Z Energy. This Charter applies in addition to the matters set out in Schedule 1 of the Board Charter.

ROLE AND PURPOSE

The Board has ultimate responsibility for the HSSE outcomes of Z Energy’s operational activities.

Board Committees are established to perform particular work on an ongoing basis. Within that mandate, the purpose of the Committee is to provide a specific governance focus on HSSE risks. HSSE risks include all risks that could cause harm to people or the environment arising out of Z Energy’s operations and activities, but do not include financial risks or other risks addressed by the Audit and Risk Committee.

The role of the Committee is to assist the Board to fulfil its responsibilities and objectives in relation to HSSE. In summary, the Committee’s functions include:

- assisting with planning and setting HSSE direction;
- assisting with delivering HSSE results and ensuring HSSE plans and improvements are implemented;
- monitoring HSSE performance and results; and
- reviewing HSSE outcomes and ensuring that improvement options are developed.

By undertaking these functions the Committee will assist Board members to meet their due diligence requirements with respect to HSSE.

This Committee has an ongoing role and purpose in support of the Board’s governance of Z Energy. As such it can only be disestablished through a resolution of the full Board.

COMMITTEE MEMBERSHIP

In addition to the membership requirements specified in Schedule 1 to the Board Charter, the following specific requirements also apply to the Committee:

- The Board will appoint the Chair of the Committee and the Committee members.
- The Committee's membership will include four Directors and is confined to non-executive Directors.
- The quorum will be two Directors with one member of management in the role of Secretary. Meetings can be held through video or telephone conferencing.

COMMITTEE PROCEDURE

In addition to the procedural requirements specified in Schedule 1 to the Board Charter, the following specific requirements also apply to the Committee:

- The Chief Executive, General Manager HSSE and the HSSE Operations Manager will attend all Committee meetings. Other members of management may attend as required.
- The Senior Legal Counsel will be Secretary to the Committee, or any other Z Energy employee recommended by the Chief Executive and appointed by the Committee Chair.
- The Secretary will attend all Committee meetings (unless specifically asked to leave).
- The Secretary will prepare the agenda in consultation with the Chair.
- Committee papers will be available to Board members at least five working days before the meeting (unless agreed prior with the Chair).
- The Secretary will take and maintain accurate minutes of the Committee's meetings, and will provide draft minutes to the Chair within five working days of the meeting.
- Approved minutes of Committee meetings will be included in the following Board meeting's papers.
- Approved minutes will be available to members of the Board, the Chief Executive, General Manager HSSE, the HSSE Operations Manager, and other members of management as appropriate.
- Every twelve months, this Committee's Charter and composition must be reviewed and its effectiveness confirmed.

RESPONSIBILITIES AND DUTIES

Schedule 1 to this Charter sets out the responsibilities and duties delegated to the Committee by the Board. The purpose of this delegation is to assist the Board to fulfil its responsibilities and objectives in respect of all matters related to HSSE for Z Energy and to enable the Committee to make recommendations to inform Board decision making.

The responsibilities and duties delegated to the Committee by the Board are also intended to assist Board members in meeting their HSSE due diligence requirements, including taking reasonable steps to:

- acquire and maintain up-to-date knowledge of HSSE matters that are relevant to Z Energy;
- understand Z Energy's operations and the hazards and risks associated with these operations;
- ensure Z Energy has appropriate resources and processes to eliminate or minimise HSSE operational risks arising from Z Energy's activities;

- ensure there are appropriate processes for receiving and considering information about incidents, hazards and risks, and for responding to that information;
- ensure there are processes for complying with relevant HSSE duties, and that these are implemented; and
- verify that these resources and processes are in place and being used at Z Energy.

The Board retains overall responsibility for HSSE governance, and has absolute discretion to accept or disregard recommendations or actions of the Committee.

INDUCTION AND CONTINUOUS DEVELOPMENT

In addition to the requirements set out in the Board Charter, the Committee will ensure it, and the full Board, are sufficiently informed about the requirements for a modern good practice HSSE management system, and about Z Energy and its operations and associated hazards and risks to know whether the system is fit-for-purpose and being effectively implemented.

The Committee will be provided with a HSSE director development programme for the induction of new Board members and the continuous development of existing Board members. In addition, the Committee may obtain further information from external specialists if and as required.

POWERS AND AUTHORITY

In addition to the powers and authorities in Schedule 1 to the Board Charter, the Committee is specifically authorised by the Board to perform activities within the scope of its Charter. The Committee may also examine any other activities referred to it by the Board.

From time to time the Committee may require external specialist advice. It is authorised to engage suitable consultants and subject matter experts to provide totally objective and neutral advice. Decisions to do this and the supporting rationale will be captured in minutes and reported back to the Board meeting.

OWNERSHIP AND REVIEW

Approver:	Z Energy Board
Reviewer:	HSSE Committee
Ownership:	Company Secretary
Review:	Annual or as needed
Date of most recent review:	15 June 2016

SCHEDULE 1: COMMITTEE RESPONSIBILITIES AND DUTIES

#	Responsibility	Timing
1	Assist the Z Board in exercising governing authority for HSSE at Z Energy. This includes setting HSSE policy, objectives and goals, including ensuring Z Energy operates with high standards of ethical behaviour, can meet and demonstrate compliance with New Zealand HSSE laws and regulations, and has a fit-for-purpose HSSE management system.	Ongoing
2	Work with Z management to develop, monitor and review Z Energy's HSSE strategy and plans, which are implemented by management.	Annually or as needed
3	Ensure that worker participation is occurring effectively.	Ongoing
4	Review and recommend to the Board objectives including targets that will enable the Board to track Z Energy's HSSE performance.	Annually or as needed
5	Ensure functioning HSSE assurance processes are in place.	Ongoing
6	Ensure appropriate resources are available for HSSE matters including but not limited to the development, implementation and maintenance of the HSSE management system and capacity and capability of HSSE leadership.	Ongoing
7	Periodically review and recommend to the Board Z wide strategic, governance level HSSE policies. The Board may delegate responsibility for approval of certain policies to the Committee.	Periodically (as per Z Energy Policy Register)
8	Recommend to the Board the adoption of HSSE risk mitigation and/or HSSE plans such as emergency response and crisis management, and periodically review performance and testing against such plans.	Annually or as needed
9	Review significant investigation reports, and reports on HSSE trends and the implementation of the findings.	As needed
10	Assist the Board to periodically review the HSSE management system, HSSE performance and HSSE culture to determine and verify HSSE performance at Z Energy.	Annually or as needed
11	Assist the Board by overseeing and monitoring any external review of Z's HSSE management system or any of its aspects.	As needed

12	Ensure that management reports to the Committee and properly considers the recommendations from internal assessments, external verifications and management reviews, and, where agreed actions arise from such recommendations, ensure that these are implemented.	Ongoing
13	Report on HSSE Committee activities to the Board and provide recommendations to the Board as appropriate.	At Board meetings or as needed