



CAPITAL

**HEALTH, SAFETY, SOCIAL
AND ENVIRONMENTAL COMMITTEE
CHARTER**

1. PURPOSE OF THE COMMITTEE CHARTER

- 1.1 This Health, Safety, Social and Environmental Committee Charter (the Committee Charter) sets out the role, composition and responsibilities of the Health, Safety, Social and Environmental Committee (the Committee) of the Board of Directors (the Board) of Capital Limited (the Company) within the governance structure of the Company and its subsidiaries (the Group).
- 1.2 The conduct of the Committee is also governed by the Company's Code of Conduct Policy (contained in the Company's Board Committee Charter) and the Bye-Laws of the Company (the Constitution).
- 1.3 The Committee's primary functions as set out in this Committee Charter are to:
 - A) assist the Board in obtaining assurance that appropriate systems are in place to deal with the management of health, safety, social and environmental relations risks; and
 - B) make recommendations to the Board in connection with issues relating to the areas of health, safety, social and environment matters.
- 1.4 The ultimate responsibility for the health, safety, social and environmental policies and procedures rests with the full Board.
- 1.5 The Committee Charter has been updated to take account of the UK Corporate Governance Code (the Code) published in July 2018 and the Guidance on Board Effectiveness issued by the Financial Reporting Council. This Committee Charter was adopted by the Board on 28 November 2018.

2. MEMBERSHIP, TERM AND VOTING

- 2.1 The Members of the Committee shall be appointed by the Board from amongst Directors and Senior Executives of the Company and shall consist of not fewer than three members, including a minimum of one Independent Non-Executive Directors as per the requirements contained within Article 2.3 of the Company's Board Charter.
- 2.2 A quorum shall be two Members with at least one Director who is a Member of the Committee.
- 2.3 Where possible, the Chairman of the Committee shall be an Independent Non-Executive Director appointed by the Board.
- 2.4 Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee in consultation with the Chairman of the Committee.
- 2.5 The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a Director of the Board.
- 2.6 Appointments to the Committee shall be for a period of three years or such lessor period approved by the Board, with Committee members generally being eligible for re-appointment for so long as they remain eligible under section 2.1 above. The effect of ceasing to be a Director of the Board or Employee of the Company is the automatic termination of appointment as a member of the Committee.

- 2.7 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting, and any such decision shall for all purposes be deemed a decision of the Committee.
- 2.8 In the case of equality votes, the Chairman of the Meeting, in addition to his deliberative vote, has a casting vote.

3. SECRETARY AND MINUTES

- 3.1 The Company Secretary shall be the Secretary of the Committee and the minutes of meetings of the Committee shall be made available to all members of the Board, unless in the opinion of the Committee Chairman it would be inappropriate to do so. The Company Secretary shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.
- 3.2 For the avoidance of doubt, the Company Secretary shall not be entitled to vote or be counted in the quorum in respect of any resolution of the Committee.

4. ATTENDANCE AND FREQUENCY OF MEETINGS

- 4.1 Meetings of the Committee shall be called by the Company Secretary, at the request of the Committee Chairman. In addition, the Chairman shall call a meeting of the Committee if so requested by any Member of the Committee or by the Chairman of the Board.
- 4.2 The Secretary shall prepare an agenda for each meeting, to be agreed by the Chairman of the Committee and ensure the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.
- 4.3 Unless otherwise agreed, notice of the meeting will be sent to all members of the Committee no later than five working days before the date of the meeting.
- 4.4 Meetings shall be held when required, but in any event shall be held not less than once per calendar year.
- 4.5 The Committee shall maintain written minutes or other records of its meetings and activities. Minutes of each meeting of the Committee shall be distributed to each member of the Committee. The Secretary of the Company shall retain the original signed minutes for filing with the corporate records of the Company.
- 4.6 The Chairman of the Committee shall report to the Board following meetings of the Committee, and as otherwise requested by the Chairman of the Board.
- 4.7 Only members of the Committee have the right to attend the Committee meetings. Other Company directors, senior management and/or employees of the Company may be invited to attend any meeting (or part thereof) at the Committee Chairman's discretion.

5. CHAIRMAN

5.1 The Chairman of the Committee is selected by the Board and shall:

- A) maintain dialogue with key individuals involved in the management of the Company's Health, Safety, Social and Environmental policies and procedures, including the Chairman of the Board, the Chief Executive Officer and Chief Operating Officer; and,
- B) attend the Annual General Meeting to answer shareholder questions on the Committees activities, where possible.

6. AUTHORITY AND RESOURCES

- 6.1 The Committee is authorised by the Board to investigate any matter within its terms of reference and to make recommendations to the Board on any such matter. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any reasonable requests made by the Committee.
- 6.2 The Committee is authorised by the Board to obtain, at the Company's expense, outside professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary. It is envisaged that in obtaining outside advice the Committee will act in conjunction with the Chairman and/or Chief Executive Officer of the Company.
- 6.3 The Committee shall have access to sufficient resources in order to carry out its duties, including legal, accounting or other professional advice on any matters within its terms of reference, including the assistance of the Company Secretary to fulfil its duties.
- 6.4 The Committee shall 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.

7. DUTIES

7.1 The duties of the Committee include:

- A) the formulation of the Group's policies and procedures for identifying and managing health, safety, social and environmental risks within the Group's operations;
- B) evaluating the effectiveness of the Group's policies and procedures for identifying and managing health, safety, social and environmental risks within the Group's operations;
- C) assessing the policies and procedures within the Group for ensuring compliance with health, safety, social and environmental regulatory requirements;
- D) assessing the performance of the Group with regard to the impact of health, safety, environmental and social relations decisions and actions upon employees, communities and other third parties;
- E) assessing the impact of health, safety, environmental and social relations decisions and actions on the reputation of the Group;

- F) receive, evaluate and oversee, on behalf of the Board, reports from management concerning all fatalities and serious accidents within the Group and actions taken by management as a result of such fatalities or serious accidents;
- G) evaluate and oversee, on behalf of the Board, the quality and integrity of any reporting to external stakeholders concerning health, safety, social and environmental relations issues; and,
- H) review the results of independent audits of the Group's performance in regard to health, safety, social and environmental relations matters, review any strategies and action plans developed by management in response to issues raised and, where appropriate make recommendations to the Board concerning the same.

8. REPORTING

- 8.1 The Committee Chairman shall report to the Board on its proceedings following each meeting, making whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

9. EVALUATION

- 9.1 The Committee will arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

10. REVIEW OF COMMITTEE CHARTER

- 10.1 The Board will review this Committee Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.

11. AMENDMENT OF THIS COMMITTEE CHARTER

- 11.1 This Committee Charter has been adopted by the Board. Any amendment to this Committee Charter can only be approved by the Board.
- 11.2 The Company Secretary in conjunction with the General Counsel is responsible for reviewing this Committee Charter on an annual basis to ensure its continued compliance with legal and corporate governance requirements applicable to companies listed on any stock exchange on which the Company is listed and, if necessary, suggesting amendments to the Committee Charter for consideration by the Board.