

LYDIAN INTERNATIONAL LIMITED
CHARTER OF THE HEALTH, SAFETY, ENVIRONMENTAL COMMUNITIES &
SECURITY COMMITTEE

1. PURPOSE

The Health, Safety, Environmental, Communities & Security (HSECS) Committee (the “**Committee**”) is appointed by the Board of Directors of Lydian International Limited to assist the Board in fulfilling its oversight responsibilities relating to Health, Safety, Environmental and Communities and associated risk management for the Company.

This charter (the “**Charter**”) sets forth the purposes, composition, responsibilities and authority of the Committee. The Committee’s primary duties and responsibilities are:

- Development, in conjunction with management, and review Lydian’s Health, Safety, Environmental, Communities, and Security (HSECS) policies;
- Identification of risks, in conjunction with management, related to Health, Safety, Environment, Communities and Security, and recommend the adoption of appropriate programmes and procedures to reduce the risks;
- Monitoring the effectiveness of Lydian’s HSECS policies, procedures and systems as developed and implemented by Management and recommending changes and/or additions as appropriate;
- Receiving audit results, compliance and other reports and updates, with respect to Health, Safety, Environment, interaction with Communities and Security, as may be agreed from time to time;
- Reviewing, in conjunction with management, Lydian’s HSECS training programs and the various Emergency Response /Medical and Security Evacuation plans; and
- Any additional matters delegated to the HSECS Committee by the Board.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

2. AUTHORITY OF THE HSEC COMMITTEE

The Committee shall have the authority to:

- (a) Carry out the purpose of the Charter, including conducting any investigations deemed by the Committee to be appropriate;
- (b) Engage independent consultants and other advisors as it determines necessary to carry out its duties;
- (c) Compel directors, officers, employees and other parties engaged by the Company to cooperate fully with the Committee which shall include open and direct access to such persons and to all information regarding the Company that is necessary or desirable to fulfil its duties; and
- (d) Communicate directly with the Company’s Management, Health, Safety, Environmental Community & Security officers, external consultants or those executing such responsibilities.

3. HSECS COMMITTEE RESPONSIBILITIES

To carry out its oversight responsibilities, the Health, Safety, Environmental, Communities and Security Committee will:

- (a) establish and periodically review health, safety, environmental, community interaction and

- security policies;
- (b) monitor the development, and implementation of management procedures and systems necessary for compliance with safety, health, environmental, community and security policies, bringing any material non-compliance with the policies to the attention of the Board in a timely fashion;
 - (c) monitor the effectiveness of the management procedures, systems and monitoring processes in place to manage:
 - the safety and health of employees, contractors, visitors and the general public;
 - environmental impacts;
 - Security; and
 - Stakeholder engagement.
 - (d) receive timeous reports from management on significant safety, health, environmental, community and security issues;
 - (e) monitor significant event trends;
 - (f) review and monitor the safety, health and environmental performance, community impact, security and interaction of the Company;
 - (g) review regular updates from management on the safety, health and environmental performance, community impact, security and interaction of the Company;
 - (h) review results and findings on health, safety, environmental, community, and security audits, the action plans pursuant to the findings and the result of investigations into significant events; and the Committee shall have the power to initiate audits/ investigations at its request;
 - (i) receive regular updates from management regarding (a) compliance with safety, health, environmental, community interaction, and security legislation and licences, and (b) the policies and systems in place to monitor such compliance;
 - (j) oversee the receipt, retention and treatment of complaints received by the Company regarding safety, health, environmental, communities, and security issues;
 - (k) review the benchmarking of the policies, systems and monitoring processes of the Company against industry best practices;
 - (l) oversee management with respect to all other matters relating to safety, health, environmental, communities, and security in a manner consistent with the policies;
 - (m) perform any other activities consistent with this Charter as the Committee or the Board deems necessary or appropriate;
 - (n) will regularly report to the Board on:
 - compliance with safety, health, environment, communities, and security policies;
 - the effectiveness of safety, health, environment, communities, and security policies; and
 - all other significant matters it has addressed and on such other matters that are within its responsibilities.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Company's reports and returns are complete and accurate or comply with any applicable requirement as these are the responsibilities of the Management of the Company. The Committee is to provide governance of the Health, Safety, Environmental, Community, and Security impact/interaction, risks and controls related activities of the Company, and is specifically not accountable or responsible for the day to day operation or performance of such activities.

4. RESPONSIBILITIES OF THE HSECS COMMITTEE CHAIR

The Chair of the Committee is responsible for managing the Committee, including:

- (a) Chairing all meetings of the Committee in a manner that promotes meaningful discussion;
- (b) Developing a calendar to schedule out the activities of the Committee for the ensuing year;

- (c) Providing direction to management to prepare an appropriate agenda for Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
- (d) Acts as liaison and maintains communication with the Chair of the Board and the Board to optimise and coordinate input from Board members, and to optimise the effectiveness of the Committee;
- (e) Ensures that the members of the Committee understand and discharge their duties and obligations;
- (f) Leading the Committee in annually reviewing and assessing the adequacy of the Charter and evaluating the Committee's effectiveness in fulfilling the Charter.

5. COMPOSITION AND MEETINGS

The composition of the committee and its meeting shall be as follows:

- (a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The Board shall appoint a member who shall serve as Chair.
- (b) The Committee shall meet at least 6-monthly; at the discretion of the Chair; or a majority of its members determine; or as circumstances dictate.
- (c) The general rules for quorum as adopted by the Audit Committee will apply;
- (d) If and whenever a vacancy shall occur, the Chair of the Committee shall promptly request of the Board to designate a replacement. Until such time as the Board acts to fill a vacancy, the remaining members of the Committee may exercise full authority of the Committee so long as a quorum remains in effect.
- (e) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of telephone or other communication equipment or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (f) The members of the Committee are expected to attend all meetings of the Committee unless prior notification is provided. Any member of the Committee may participate in the meeting of the Committee by means of telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- (g) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- (h) The Committee may invite such advisors, Directors, officers and employees of the Company and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- (i) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.
- (j) The Committee members will be appointed annually by the Board at the first meeting of the Board following the annual general meeting of shareholders (each an "Annual Meeting") to

hold office until the Annual Meeting of the immediately following year. The Board may remove a Committee member at any time and may fill any vacancy occurring on the Committee. A Committee member may resign at any time and a Committee member will automatically cease to be a member upon ceasing to be a director of the Company.

- (k) The Committee shall meet in camera with only management and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present.

6. GENERAL ANNUAL CALENDAR

The Committee shall meet as often as it deems necessary to carry out its responsibilities but not less frequently than half yearly. In general the following areas will be assessed:

	Q1	Q2	Q3	Q4	As Needed
Committee Meetings	√		√		√
Review the results of any investigations into injuries and high potential incidents.	√		√		√
Review adequacy of HSECS policies, programmes, procedures and systems, in conjunction with Management.	√				
Review audit results, compliance and other reports and updates, with respect to Health, Safety, Environment, interaction with Communities, and Security.	√		√		√
Review periodic HSECS reports from Senior Management	√				
Review HSECS Risk assessment prepared by Management	√				
Review progress on implementation of various programmes required by EIA & ESIA.	√		√		
Review effectiveness of programmes implemented as a requirement of the EIA & ESIA (compliance)	√		√		
Review the effectiveness of Lydian's HSECS training programs and the various Emergency Response /Medical Evacuation plan.			√		√
Review adequacy of HSECS Committee Charter			√		
Review the effectiveness of the HSECS Committee and its members			√		

This Charter was approved by the Board of Directors on August 17, 2016.