

# LYDIAN INTERNATIONAL LIMITED

## CHARTER OF THE SUSTAINABILITY COMMITTEE

### 1. PURPOSE

The Sustainability Committee (“Committee”) is appointed by the Board of Directors of Lydian International Limited to assist the Board in fulfilling its oversight responsibilities relating to Sustainability (nominally Health, Safety, Security, Environmental, and Social (Community)) issues and the management of the associated risks to the Company.

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

- To support management in achieving the overarching objective of minimising the impact on stakeholders affected by the company’s operations.
- To ensure that the necessary sustainability policies, procedures, and systems, are in place for Lydian to effectively identify and manage Health, Safety, Security, Environmental, and Social risks and opportunities.
- To ensure that compliance with the sustainability policies and procedures can be, and is being, measured.
- To review and evaluate compliance with the sustainability policies and procedures, and to ensure that the appropriate management/action plans are in place to remedy any instances of non-compliance as necessary.
- To regularly report on compliance with sustainability policies and procedures to the Board and to execute such other duties as may be delegated to it 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. COMPOSITION

The composition of the committee shall be as follows:

- a) The Committee shall be composed of at least three (3) directors as may be designated by the Board from time to time. Any two members present shall constitute a quorum.
- b) The Board shall appoint a member who shall serve as Chair.
- c) The Board will annually appoint committee members at the first meeting of the Board following the annual general meeting of shareholders.
- d) 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.
- e) The Committee may invite such advisors, directors, officers and employees of the Company and its subsidiaries, as the Committee may see fit, to attend the meetings of the Committee, and to take part in the discussions and considerations of the affairs of the Committee.
- f) Representatives from the Investors (Orion, RCF and others) may be invited to attend the meetings and receive information and data that the committee would be reviewing.

### 3. AUTHORITY OF THE SUSTAINABILITY COMMITTEE

The Committee will 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 can include open and direct access to such persons and to all information regarding the Company that is necessary or desirable to fulfil its duties.
- d) Communicate directly with the Company's Management, Health, Safety, Security, Environmental and Social/Community officers, and external consultants, or those executing such responsibilities.

Any matters to be determined by the Committee will be decided by a majority of the votes cast at a meeting of the Committee called for such purpose.

All decisions or recommendations of the Committee will require the approval of the Board prior to implementation.

#### **4. RESPONSIBILITIES OF THE SUSTAINABILITY COMMITTEE**

To carry out its oversight responsibilities, the Sustainability Committee will:

- a) At each Quarterly (or equivalent) Board Meeting submit a report to the Board on Sustainability activities, performance, compliance, and management actions plans which are in place to remedy any areas of non-compliance with sustainability policies and procedures.
- b) Review the Sustainability policies, procedures, and systems with Management, as to their suitability and effectiveness.
- c) Identify, with Management, any opportunities to enhance positive impacts on the stakeholders affected by the company's operations.
- d) Identify, with Management, any gaps in performance and actions that may be needed, as a result of any incidents, non-compliance or trends or identified inadequacies.
- e) Review the risk management process to ensure that material Sustainability risks are identified, managed and that the appropriate mitigation plans and actions are in place.
- f) Review the process to manage comments and complaints received by the Company regarding safety, health, security, environmental and social activities.
- g) Perform any other activities consistent with this Charter as the Committee or the Board deems necessary or appropriate.

#### **5. RESPONSIBILITIES OF THE SUSTAINABILITY 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 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.

## 6. MEETINGS and ANNUAL CALENDAR

The Committee will meet quarterly and prior to each Board Meeting, or as circumstances dictate.

- a) The Committee will determine the time and place at which meetings will be held, and the procedures to be followed at such meetings. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice.
- b) 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 the telephone or other communication equipment, and shall be deemed, for purposes hereof, to be present in person at the meeting.
- c) The Committee will keep minutes of its meetings, and may appoint any person, who need not be a member, to act as a secretary at any meeting.
- d) The committee may meet in camera without management or invited members at the end of each meeting of the committee.
- e) A site visit by the committee will be scheduled at least once per year.
- f) An agenda will be drawn up in conjunction with management for each meeting in line with the following:

	Specific Focus*	Q1	Q2	Q3	Q4	Monthly or as needed
Committee Meetings-in conjunction with Managements:	E&S		✓		✓	✓
	HSS	✓		✓		
Review the results of any investigation into injuries and high potential incidents.	HSS E&S	✓	✓	✓	✓	
Review adequacy of Sustainability risks.	E&S		✓		✓	
	HSS	✓		✓		
Review Health, Safety, and Security Risks and effectiveness of identification and mitigation by management.	E&S		✓		✓	
	HSS	✓		✓		
Review Reports from Senior Management and/or Outside Parties: with regard to audit results and compliance with respect to Health, Safety, Environment, and Social (community) issues.	E&S		✓		✓	✓
	HSS	✓		✓		
Review progress of implementation and effectiveness of the programmes required by EIA, ESIA, lenders and other parties.	E&S		✓		✓	
	HSS	✓		✓		
Review the effectiveness of Lydian 's Sustainability training programs and the various Emergency Response/Medical Evacuation plans.	E&S		✓		✓	
	HSS	✓		✓		

Review adequacy of Sustainability Committee Charter.				✓		
Review the effectiveness of the Sustainability Committee and its members.					✓	

*Note that all issues will be covered at the meetings of the Committee, however, more focus will be placed on either HSS (Health, Safety and Security) or E & S (Environmental and Social) during the above denoted quarterly meetings.*

Approved by the Board of Directors on November 8, 2017