



TERMS OF REFERENCE SAFETY, HEALTH, ENVIRONMENT & COMMUNITY COMMITTEE

APRIL 2017

PURPOSE AND CORE RESPONSIBILITIES

The Safety, Health, Environment & Community Committee ('the Committee') is a sub-committee established by the Orica Limited Board created to assist the Board in the effective discharge of its responsibilities in relation to the matters set out in these Terms of Reference.

In meeting its responsibility, the Committee will report to the Board and take reasonable steps in its oversight in the following key areas:

- strategy and policy on safety, health environment and community (**SHEC**) related matters;
- SHEC compliance and risk;
- SHEC performance; and
- sustainability issues and reporting.

SHEC STRATEGY AND POLICY

The Committee will review and report to the Board on:

- the safety, health, environment and community related issues that may have strategic, business and reputational implications for the Orica Group; and
- the effects of developments in legislation relevant to the Committee's areas of responsibility.

In discharging its responsibilities, the Committee will review and recommend to the Board:

- the SHEC strategy aligned to the Group-wide 5-year business plan including:
 - the approach taken to promote a positive safety, health and environment culture; and
 - the management of external relationships, stakeholders, regulatory authorities and communities in the jurisdictions in which the Orica Group operates.
- any SHEC policies that are applicable at a Group-wide level or amendments to such policies.

SHEC COMPLIANCE AND RISK

The Committee will review and report to the Board:

- on the adequacy of the Safety, Health, Environment and Community Management System and framework (**SHECMS**) to support and enable Orica's SHEC policies;
- that an adequate independent assurance process exists to assist in verifying adherence to the system and framework; and
- on the implementation of the risk management methodology and processes to identify and mitigate material SHEC risk.

In discharging its responsibilities, the Committee will:

- endorse the annual internal audit program regarding SHEC matters;
- endorse appropriate levels of financial provisioning for environmental matters for reporting to the Board Audit and Risk Committee; and
- have independent access to the Vice President, Risk and Head of Internal Audit as required.

Management will provide the Committee with reports that evaluate and provide assurance on the implementation and effectiveness of the SHECMS with regard to:

- identifying and defining the management of SHEC risks that are material to the Orica Group;
- ensuring compliance with SHEC legal and regulatory requirements;
- facilitating a timely and appropriate response to significant incidents; and
- evaluating the effectiveness of the training system in place to support implementation of the SHECMS.

SHEC PERFORMANCE

The Committee will review and provide feedback to the Human Resources and Compensation Committee (**HR&C**) regarding:

- the annual performance of the Group with regard to SHEC matters; and
- relevant key performance indicators for inclusion in the Group scorecard.

SUSTAINABILITY ISSUES & REPORTING

The Committee will review and recommend to the Board:

- approval of any SHEC public targets in the Sustainability Scorecard to be incorporated in Orica's Sustainability Report; and
- approval of any policies or position statements for key SHEC issues that are applicable at a Group-wide level or amendments to such policies or statements.

REVIEW

Each year the Committee will review its performance against the Terms of Reference and agree the annual objectives and work plan for the year ahead.

The Committee's Terms of Reference will be reviewed at least biennially and updated as required.

AUTHORITY

In carrying out its duties, the Committee has the authority to discuss directly with management, internal auditors or experts any issue within its remit and to request reports, explanations and information of any of the activities or procedures of the Orica Group.

The Committee is authorised by the Board to obtain outside legal or other professional advice if it considers this necessary.

MEMBERSHIP

The Committee will consist of not less than three Non-Executive Directors. The Chair and a majority of Committee members will be independent Directors.

The Company Secretary or a delegate shall act as the Committee Secretary.

A standing invitation to the Committee will be extended to all Non-Executive Directors and, subject to the nature of the matters being discussed, to the:

- Managing Director & Chief Executive Officer;
- Chief Financial Officer;
- Group Executive, Safety, Health, Environment and Security;
- Vice President Safety, Health, Environment & Security; and
- Vice President Government Relations, Sustainability & Community.

The Committee may invite any other individuals to attend meetings of the Committee, as it considers appropriate.

MEETINGS

The Committee will meet at least four times annually or more frequently as required. The Chairman or the Company Secretary may call a meeting and two non-executive Directors shall constitute a quorum.

The Chairman of the Committee will provide a report to the Board following each Committee meeting.

The Committee may hold a closed session in the absence of management.

Approved by:
Safety, Health, Environment & Community Committee
Orica Limited Board
April 2017

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