

MALABAR RESOURCES LIMITED

HEALTH, SAFETY, AND ENVIRONMENTAL COMMITTEE CHARTER

E. Health, Safety and Environmental Committee Charter

E. 1 *Committee Members*

The Board has established a Health, Safety and Environmental Committee. The Committee should be, so far as is practicable given the size of the Company, comprised of the following:

- a) a minimum of two members
- b) an Independent Director; and
- c) other persons appointed from time to time by the Board.

A majority of the Health, Safety and Environmental Committee is to have related industry and risk management experience. Members of the Committee are:

- a) Mr Tony Galligan (Chairperson)
- b) Mr Wayne Seabrook

E. 2 *Purpose*

- a) The Health, Safety and Environmental Committee Charter (the Charter) sets out the role, responsibilities, composition, authority and membership requirements of Health, Safety and Environmental Committee (Committee) of the Company.
- b) Key features of the Charter will be outlined in the Annual Report. The Charter is available to shareholders of the Company upon request.

E. 3 *Definition and Objectives of the Committee*

- a) The Health, Safety and Environmental Committee (Committee) is a Committee of the Board.
- b) The Committee's primary function is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company by:
 - (1) ensuring the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company's operations, practices and systems;
 - (2) defining and periodically reviewing risk management as it applies to the Company and clearly identify all stakeholders;
 - (3) ensuring the Committee clearly communicates the Company's risk management philosophy, policies and strategies to Directors, Management, employees, contractors and appropriate stakeholders;

- (4) ensuring that Directors and Management establish a risk aware culture which reflects the Company's risk policies and philosophies;
 - (5) ensuring that Directors and Management deal with environmental, risk and occupational health & safety problems expeditiously or to bring such problems to the attention of appropriate management personnel;
 - (6) reviewing methods of identifying broad areas of risk and setting parameters or guidelines for business risk reviews;
 - (7) considering risks in at least the following categories:
 - (A) operations;
 - (B) environment;
 - (C) health and safety;
 - (D) regulation and compliance; and
 - (E) community relations;
 - (8) receiving and reviewing periodic reports from Directors and Management and such independent consultants, if any, as the Committee shall consider appropriate, such reports to note in particular any significant government requests for action and the manner of dealing with the same;
 - (9) requiring Directors and Management to keep it apprised of current and emerging issues and proposed legislation in environmental, risk and occupational health & safety matters as they may affect the Company's operations and shall bring to the attention of the Board such issues as it shall think appropriate;
 - (10) bringing to the attention of the Board any serious problems or deviations that Directors and Management cannot deal with expeditiously or within reasonable economic bounds;
 - (11) ensuring that it is informed as soon as possible of any major incidents, including any involving a breach or violation of the Company's policies and any safety and environmental crises. The Committee will ensure that the proper action is taken by management to rectify the situation and to proactively minimise any risks of such incident occurring at other locations or facilities; and
 - (12) making informed decisions regarding business risk management, internal control systems, business policies and practices and disclosures.
- c) Membership of the Committee will be disclosed in the Annual Report.

E. 4 Risk Management Policies

The Committee will ensure that the necessary controls are in place for risk management policies to be maintained by:

- a) devising a means of analysing the effectiveness of risk management and internal compliance and control system and of the effectiveness of their implementation; and
- b) reviewing, at least annually, the effectiveness of the Company's implementation of the risk management system.

E. 5 Reporting

- a) Proceedings of all meetings are to be minuted and signed by the Chairperson;
- b) The Committee through its Chairperson is to report to the Board at the earliest possible Board meeting after the Committee meeting. Minutes of all Committee meetings are to be circulated to the Board. The report shall include but is not limited to:
 - (1) the minutes of the Committee meetings and any formal resolutions;
 - (2) results of its review of risk management and internal compliance and control systems;
 - (3) any major incidents, involving a breach or violation of the Company's policies and any safety and environmental crises that has been reported to the Committee, and what action was taken by management to rectify the situation and to proactively minimise any risks of such incident occurring at other locations;
 - (4) any matters that in the opinion of the Committee should be brought to the attention of the Board and any recommendations requiring Board approval and/or action; and
 - (5) at least annually, a review of the formal written Charter and its continuing adequacy, and an evaluation of the extent to which the Committee has met the requirements of the Charter.
- c) In addition, the Chairperson of the Committee must submit an annual report to the Board (at the Board meeting at which the year-end financial statements are approved), summarising the Committee's activities during the year. The report (and where appropriate, any interim report) must include:
 - (1) a summary of the Committee's main authority, responsibilities and duties;
 - (2) biographical details of the Committee's members, including expertise, appointment dates, and terms of appointment;
 - (3) member and related party dealings with the Company;
 - (4) details of meetings, including the number of meetings held during the relevant period and the number of meetings attended by each member; and
 - (5) details of any change to the Independent status of each member during the relevant period, if applicable.

E. 6 Attendance at Meetings

- (1) Other Directors (executive and non-executive) have a right of attendance at meetings. However, no Director is entitled to attend that part of a meeting at which an act or omission of that Director or a contract, arrangement or undertaking involving or potentially involving that Director or a related party of that Director is being investigated or discussed.
- (2) Notwithstanding clause E. 6(1), if in the opinion of the Committee, their investigation or discussion will be assisted by hearing from the interested Director, the Committee may invite that Director to address the Committee. The Committee will give fair consideration to that address. The Director will not, however, be invited to take part in the deliberations following that address.

E. 7 **Access**

- a) The Committee shall have unlimited access to the external and internal auditors (if any), and to senior management of the Company and any subsidiary. The Committee shall also have the ability and authority to seek any information it requires to carry out its duties from any officer or employee of the Company and such officers or employees shall be instructed by the Board to co-operate fully in provision of such information.
- b) The Committee also has the authority to consult independent experts where they consider it necessary to carry out their duties. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

E. 8 **Standing Rules**

The Standing Rules for Committees apply to, and are deemed to be incorporated into this Charter, save where the Standing Rules conflict with any of the terms of this Charter.