



# CENTRAL PETROLEUM LIMITED

## RISK AND SUSTAINABILITY COMMITTEE CHARTER

### 1. Role

The role of the Risk and Sustainability Committee ("**Committee**") is to support and advise the Board of Directors ("**Board**") of Central Petroleum Limited ("**Company**") to fulfil its responsibilities for corporate governance and oversight in relation to risk management and the Company's sustainability policies and practices.

This Committee has responsibility for oversight of strategic risks related to Operations, defined as risks in relation to asset management, workplace health and safety, process safety, climate change, human rights, and the communities in which we operate - i.e. non-financial risks with respect to Board policies and expectations. Financial Risks will receive oversight from the Audit and Financial Risk Committee.

Sustainability encompasses how the Company conducts its businesses, now and in the future, including through the pursuit of workplace health & safety, a commitment to the community, supply chain human rights and social responsibility, minimising the Company's impact on the environment, and maintaining the Company's reputation.

The Committee has authority from the Board to review and investigate any matter within the scope of this Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board, except as specifically provided in this Charter.

### 2. Duties and Responsibilities

The Committee is responsible for matters referred to it by the Board. The principal responsibilities of the Committee include:

#### 2.1 Risk Management Framework

In conjunction with the Audit and Financial Risk Committee, review and obtain reasonable assurance that:

- the Company has in place an appropriate corporate entity risk management framework and process that identifies business, operational, financial and regulatory risks and mitigation measures to manage those risks;
- the risk management framework is reviewed annually so that it remains appropriate to the Company's operations and ensures compliance with all relevant legal and regulatory requirements; and
- the risk management framework is embedded across the Company and there exists a culture of identifying and managing risks.

## **2.2 Health and Safety**

Review and monitor the performance of the Company in respect of the health and safety of its employees and contractors against the Company's policies and standards, applicable regulations and industry benchmarks.

Review and monitor the Company's policies, practices and systems in respect of health and safety including both personal and process safety.

Review incident reports and investigation outcomes and the effectiveness of controls and responses.

Consider any emerging trends and issues relevant to the Company's operations in relation to health and safety, including process safety.

## **2.3 Operational Risks**

Review the strategic risks in the Company's operations in relation to health, safety, process safety, asset management, climate change, environment, human rights and other social responsibility matters.

Review operations audit findings and similar investigations such as transport and well integrity investigations. If necessary recommend changes in operational practices or processes arising from those audits to the Board and/or management.

Review the Company's system for monitoring compliance with legal, regulatory, contractual or social obligations and seek assurance that:

- a system is in place and operating effectively to enable compliance issues to be readily identified and any weaknesses appropriately dealt with; and
- compliance related systems and procedures are adequately documented.

Review and make recommendations to the Board in respect of annual reporting and disclosures in relation to material Committee matters.

Provide input to the Audit and Financial Risk Committee regarding the Company's insurance program by annually reviewing the material operational risks and relevant insurance coverage.

## **2.4 Environment and Social Responsibility**

Review the Company's environmental and social responsibility performance against its Environment, Social Responsibility (and related) Policies and approved Corporate Social Responsibility Strategies. Review and approve the Corporate Environment, Social Responsibility, Climate and Human Rights related strategies.

Monitor and review the Company's plans for engagement with Traditional Owners of the lands on which the Company operates as well as other stakeholders that may be affected by the Company's operations and activities.

Monitor the effectiveness of management's processes to ensure that all Company personnel and contractors are aware of, and work to preserve cultural heritage in and around our operations. Cultural heritage can be represented in tangible form, such as treasured artefacts and sacred sites, or as intangible attributes, like language or traditions.

### **3. Reporting**

The Committee Chair, or delegate will provide regular reports to the Board. These reports shall contain all matters relevant to the Committee's role and responsibilities, in order to:

- provide the Board with insight into key issues discussed by, and the decisions of, the Committee;
- facilitate Board awareness; and
- assist with the periodic review of the Committee's performance.

### **4. Membership**

The Committee will consist of at least three members of which two will be non-executive directors as determined by the Board, with a majority being independent.

The Board will appoint an independent director as the Committee Chair, who will not be Chair of the Board.

The majority of members on the Committee will have sufficient understanding of the industry in which the Company operates and its principal risks.

### **5. Advice and resources**

The Committee may, with the approval of the Chair of the Board, engage independent professional advisers the Committee requires to enable it or assist it to discharge its role and responsibilities. The cost of such advisors will be borne by the Company.

### **6. Committee meeting procedures**

The Company Secretary or a designate will be the Secretary to the Committee and shall keep minutes of meetings.

The Committee will have unrestricted access to personnel, records and senior management as appropriate and invite to its meetings any persons the Committee deems appropriate in order to carry out its responsibilities.

The Committee will meet as frequently as required but no less than twice a year. Any Committee member may request the Company Secretary to call a meeting.

A quorum will comprise two Committee members. In the absence of the Committee chair or appointed delegate the members will elect one as chair for that meeting.

### **7. Review**

The Committee shall appraise its performance against this Charter on an annual basis. The Committee may make recommendations to the Board in relation to the Committee's membership, role and responsibilities.

The Board will, at least once a year review the membership and charter of the Committee to determine its adequacy and effectiveness.

*Adopted by the Board on 9 November 2020*