

**Nostrum Oil & Gas plc**  
**(the “Company”)**

**Terms of Reference of the**  
**Health, Safety, Environment and Communities Committee**  
**(the “Committee”)**

**(approved at a meeting of the board of directors (the “Board”) held on 16 May 2019)**

**1. Introduction**

- 1.1 These terms of reference have been produced to identify and formalise the roles, tasks and responsibilities of the Committee and the authority delegated to it by the Board in relation to health, safety, environmental and communities matters.

**2. Terms of Reference to be made Available**

- 2.1 The Committee shall make available these terms of reference, explaining its role and the authority delegated to it by the Board.
- 2.2 The requirement to make this information available may be met by making such information available on request and/or including the terms of reference and such explanation on the Company’s website.

**3. Membership**

- 3.1 Members of the Committee shall be appointed by the Board and shall be made up of at least three members, the majority of whom shall be Independent Non-Executive Directors.
- 3.2 Only members of the Committee have the right to attend Committee meetings. However, other Directors who request to attend would usually be expected to be permitted to attend. In addition, other individuals such as the Chief Operational Officer, the heads of the HSE, Human Resources and Public Relations departments and external advisers may be invited to attend all or part of any meeting, as and when appropriate.
- 3.3 In deciding chairmanship and membership of the Committee, the value of ensuring that Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account.
- 3.4 All appointments to the Committee shall be for a period of one year, which may be extended.
- 3.5 The Board shall appoint the chairman of the Committee (the “**Committee Chairman**”) who should be an Independent Non-Executive Director.

**4. Secretary**

The Company Secretary or his nominee shall act as the Secretary of the Committee and shall attend all of its meetings and shall prepare and circulate to members and all other Non-Executive Directors (and invitees as appropriate) all information and papers in a timely manner to enable them to be given full and proper consideration to the issues.

**5. Quorum**

The quorum necessary for the transaction of business shall be two members both of whom must be Independent Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers

and discretions vested in or exercisable by the Committee. All reasonable efforts shall be made to give notice of meetings of the Committee to all members and invitees and to arrange such meetings so that all members and invitees are able to attend. No member of the Committee shall attend or form part of the quorum in relation to any appointment in which he/she has a personal interest.

## **6. Frequency of Meetings**

The Committee shall meet as frequently as the Committee Chairman shall require and, in any event, not less than once in each financial year. Any member of the Committee may request a meeting if he/she considers that one is necessary or expedient.

## **7. Notice of Meetings**

7.1 Meetings of the Committee shall be summoned by the Company Secretary at the request of the Committee Chairman or any member of the Committee.

7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive Directors, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

## **8. Committee Chairman**

In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board. The Committee Chairman (or chairman of the relevant meeting) shall have a casting vote on all matters in the event of an equality of votes.

## **9. Minutes of Meetings**

9.1 The Secretary of the Committee shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.

9.2 The Secretary of the Committee shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

9.3 The Secretary of the Committee shall promptly circulate draft minutes of Committee meetings to the Committee Chairman for review and subsequently to all members of the Committee and the Chairman of the Board. Once agreed and finalised, the minutes shall be tabled as soon as practicable thereafter at a meeting of the Board.

## **10. Formal Reporting to the Board**

The Committee Chairman shall report formally to the Board on its proceedings after each meeting of the Committee on all matters within its duties and responsibilities.

## **11. Annual General Meeting**

The Committee Chairman shall attend the Annual General Meeting and be prepared to respond to any shareholder questions on the Committee's activities or be available to do the same via audio or video link.

## **12. Duties**

12.1 The Committee has been established to assist the Board to fulfil its responsibilities in relation to health, safety, environmental and communities (“**HSEC**”) matters arising out of the activities of the Company and its affiliates (the “**Group**”), and in overseeing and providing stewardship of relevant material HSEC matters for the Company. Committee members have the following specific duties as regards their membership of the Committee:

12.2 The Committee shall:

- (a) Consider the effect of HSEC matters that may have strategic, business or reputational implications for the Group and monitor the Group’s identification and management of relevant material HSEC risks and impacts, including but not limited to climate change;
- (b) Develop a framework for the Group’s policies and procedures for the management of HSEC issues within the Group;
- (c) Evaluate the effectiveness of the Group’s policies and procedures for ensuring compliance with relevant material HSEC legal requirements, best practices and other relevant requirements having regard to underlying trends, with a view to improving HSEC performance and culture;
- (d) Make recommendations to foster a healthy two-way dialogue and good relations between the Group and the communities with which it interacts;
- (e) Assess the performance of the Group in relation to the impact of HSEC decisions and actions upon employees, communities and other third parties and also assess the impact of such decisions and actions on the Group’s reputation and make recommendations to the Board on precautions that might be taken, corrective actions and areas for improvement;
- (f) Receive and review reports from management concerning all catastrophic or major HSEC incidents, all fatalities and serious accidents and all other relevant material HSEC risks faced by the Group and the actions taken by management as a result of the same, and where appropriate make recommendations to the Board concerning the same.
- (g) Evaluate and oversee the quality and integrity of reporting to external stakeholders concerning HSEC issues;
- (h) Identify and recognise individuals and business units which have shown exemplary HSEC performance; and
- (i) If it deems it appropriate to do so, appoint an independent adviser or auditor to review performance in regard to HSEC matters and review any strategies and action plans developed by management in response to issues raised and, where appropriate, make recommendations to the Board concerning the same.

## **13. Annual Review**

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

## **14. Other Matters**

14.1 The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members; and
- (c) give due consideration to laws and regulations, including the general duties of Directors set out in the Companies Act 2006, the provisions of the Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus Rules and Disclosure Guidance and Transparency Rules and any other applicable rules, as appropriate.

## **15. Authority**

- 15.1 The Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee is authorised to seek any information it requires from any employee or Director of the Company, or any consultant or other provider of services to the Company in order to perform its duties. All employees, Directors, consultants and other service providers of services are directed to co-operate with requests for information made by the Committee including requests to attend meetings of the Committee.
- 15.2 The Committee is authorised to obtain, at the Company's expense, outside legal or other independent professional advice on any matters within its terms of reference.
- 15.3 The Committee is authorised to delegate any of its powers to a sub-committee or to an individual Director if it considers it appropriate to do so.

## **16. Ultimate Decisions**

It is the role of the Committee to assist the Board in overseeing and providing stewardship of relevant material HSEC matters for the Group. The Committee Chairman shall report formally to the Board on the Committee's proceedings and the Committee shall make whatever recommendations it deems appropriate on any area within its remit. All evaluations, reviews and decisions of the Committee made in respect of HSEC matters shall be referred to the Board and shall take effect only upon approval thereof by resolution of the Board in accordance with the Company's articles of association.