



# SUSTAINABILITY COMMITTEE CHARTER

**Asciano Limited**  
ABN 26 123 652 862

**UPDATES**

**9 June 2011**

**Adopted by the Board.**

# Asciano Limited

## Sustainability Committee Charter

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### 1. Purpose

- 1.1** The Sustainability Committee ("Committee") is established by the Board of Directors of Asciano Limited ("Asciano").
- 1.2** This Charter governs the operations of the Committee. It sets out the Committee's role and responsibilities, composition, structure and membership requirements.
- 1.3** The purpose of the Committee is to assist the Board in fulfilling Asciano's responsibilities in relation to Safety, Health, Environment and Sustainability (**SHES**), by:
- (a) monitoring the safety, health and wellbeing of Asciano's employees, contractors and the communities in which Asciano operates;
  - (b) monitoring the impact of Asciano's business operations on the environment;
  - (c) monitoring Asciano's sustainability initiatives;
  - (d) monitoring Asciano's response to carbon related matters;
  - (e) monitoring energy efficiency systems and initiatives;
  - (f) developing, implementing and reviewing risk management systems as they relate to SHES;
  - (g) monitoring that appropriate resources and expertise are devoted to SHES improvement;
  - (h) reviewing the SHES compliance framework; and
  - (i) monitoring the reporting of the above, both internally and externally.
- 1.4** The Committee will have no executive powers with regard to its findings and recommendations.

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### 2. Membership

- 2.1** The Committee will have a minimum of three members, the majority being independent Directors. Each member must be a non-executive Director. The Committee should be chaired by an independent Director. The Chairperson of the Committee should not be the Chairman of the Board.

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### **3. Meetings**

- 3.1** The Committee will meet as often as necessary to undertake its role effectively but must meet at least quarterly. Meetings will be held at operational sites.
- 3.2** The Chairperson of the Committee must call a meeting of the Committee if so requested by any Committee member, the Chairman of the Board or the Company Secretary.
- 3.3** The Committee may invite other persons, such as the Managing Director, the CFO, the Group Head of Safety and other representatives of management to attend meetings if considered appropriate by the Chairperson of the Committee.
- 3.4** Other Directors are entitled to attend any meeting of the Committee and any reports and papers relevant to that meeting will be made available to them.
- 3.5** The quorum necessary for a meeting of the Committee will be two members, of whom at least one must be an independent Director.

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### **4. Secretary**

- 4.1** The Company Secretary will act as the Secretary of the Committee and will attend all Committee meetings.
- 4.2** The Group Head of Safety, in conjunction with the Company Secretary and the Chairperson of the Committee, must prepare an agenda to be circulated to each Committee member, and those persons invited to attend its meetings in accordance with paragraph 3.3, at least 5 full working days prior to each meeting of the Committee.
- 4.3** The Company Secretary will distribute a meeting timetable for each forthcoming calendar year.
- 4.4** The minutes of all Committee meetings will be circulated to members of the Board by the Company Secretary.

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## **5. Reporting**

- 5.1** The Chairperson of the Committee will provide a report on the activities, findings and recommendations of the Committee to the next Board meeting following each meeting of the Committee.
- 5.2** The Committee must ensure that the Board is informed in a timely manner of those matters which come to its attention as part of its function and purpose, relating to SHES that it has considered may significantly impact upon Asciano.
- 5.3** The Committee must approve the details to be published in Asciano Annual Report or other statutory report or document with respect to the responsibilities and activities of the Committee.
- 5.4** Committee papers will be made available to each Director on request to the Chairperson of the Committee, subject to any conflict of interest.

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## **6. Authority**

The Board may authorise the Committee, within the scope of its responsibilities, to:

- (a) investigate any matter brought to its attention with full access to all books, records and facilities;
- (b) seek information relevant to its function and purpose from external parties or an officer or employee of Asciano and its subsidiaries (and such officers or employees will be instructed by the Board of the company employing them to respond to such enquiries); and
- (c) obtain external accounting, legal, compliance, risk management or other professional advice as it determines necessary to carry out its duties, at Asciano's expense.

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## **7. Responsibilities**

### **7.1 Review of the Charter**

The Committee will review and reassess this Charter annually and will seek prior Board approval to any amendments.


### **7.2 Understanding Asciano's Business**

The Committee will ensure it understands Asciano's structure, businesses and controls to ensure that it can adequately assess the risks faced by Asciano in relation to SHES

### **7.3 SHES**

The Committee will:

- (a) review Asciano's and individual business divisions' SHES strategies;

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- (b) monitor delivery of the SHES strategies;
  - (c) monitor SHES outcomes;
  - (d) benchmark Asciano's SHES strategy and performance against available best practice and comparable practices; and
  - (e) encourage SHES leadership and urgency of improvements across Asciano.

#### **7.4 Assessment of internal controls as they relate to SHES**

The Committee will periodically consider and assess SHES risk exposure in terms of the:

- (a) adequacy and effectiveness of Asciano's relevant internal controls;
- (b) adequacy and effectiveness of Asciano's relevant compliance programs; and
- (c) issues and concerns warranting Committee attention, including (but not limited to) their relevant assessments of the effectiveness of internal controls and the process for improvement.

#### **7.5 Compliance and Policy Formulation**

Having regard to matters relating to SHES, the Committee will:

- (a) oversee the establishment of policies and procedures and regularly review the effectiveness of Asciano's systems for monitoring compliance with laws and regulations having regard to Asciano's particular compliance risks (including SHES risks);
- (b) assist the Board in its oversight of Asciano's compliance with applicable legal and regulatory requirements in relation to SHES issues;
- (c) obtain regular updates from management, Asciano's legal counsel and any other external parties as it thinks fit regarding compliance matters that may have a material impact on Asciano's reputation or SHES reports;
- (d) review the findings and recommendations of any examinations by regulatory agencies, and any material correspondence with such agencies; and
- (e) ensure that there is a process in place for the Chairman of the Board and the Committee Chairman to be immediately provided with information of any material non-compliance matter or material litigation.

#### **7.6 Reporting**

The Committee will:

- (a) be supported by the Group Head of Safety and Director Corporate Development. These positions will supply the Committee with information relevant to the Committee's functions to allow the Committee to oversee the Asciano's achievement of SHES reporting outcomes;
- (b) as required by the Board review and approve the reporting of significant

incidents and accidents across the Asciano businesses;

- (c) review occupational SHES performance reporting activities to stakeholders;
- (d) require the Chairman of the Committee or their nominee to report to the full Board on the proceedings of the Committee and make appropriate recommendations to the Board for decision; and
- (e) conduct an annual review of its performance and effectiveness by reference to this Charter and current best practice. This review process will include a review of the terms of this Charter. The Committee is to refer any recommended changes for decision by the Board.

## **7.7 Other matters**

The Committee will:

- (a) act as a first point of Board reference for management for any major SHES reporting issues likely to adversely affect Asciano's brand, its reputation or its stakeholders; and
- (b) consider any other matters delegated to it by the Board (including special investigations).

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## **8. Committee performance**

The Committee will undertake an evaluation of its performance at least annually.

The Board will evaluate the performance of the Committee as appropriate.

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## **9. Other**

The Committee may, in its discretion, delegate all or some of its responsibilities to a sub-committee.