



Sustainability Committee Terms of Reference

Approved by the MZI Resources Ltd Board on 28 July 2017

1. Purpose and Scope

The Sustainability Committee (“the Committee”) is a Committee established by the Board of MZI Resources Ltd (MZI).

The Committee’s main areas of focus are -

- safety,
- environment,
- community,
- licence to operate (including land access); and
- regulatory compliance.

Duties and Responsibilities

The Committee will review and report to the Board on:

- issues that may have strategic, business and reputational implications for MZI;
- adequacy of the MZI policies and management plans that are relevant to its main areas of focus; and
- legislative changes applicable to the Committee’s responsibilities.

In discharging their responsibilities, the Committee will:

- review and approve the Company’s strategies and policies relating to -:
 - (a) the promotion of a positive safety, health, environment and social culture;
 - (b) the management of external relationships, particularly with stakeholders, regulatory authorities and communities in the jurisdictions in which the MZI operates.
- review and approve the Safety, Health, Environment, Community (SHEC) elements of the MZI strategic and operational plans;
- monitor compliance on items under the Committee’s remit;
- establish an annual Committee Work Plan; and
- endorse and recommend to the Board changes to the SHEC policies.

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 to support and enable MZI’s SHEC policies;
- on the implementation of the risk management methodology and processes to identify and mitigate material SHEC risk.

In discharging their responsibilities, the Committee will:

- endorse the annual audit program regarding SHEC matters and make recommendations to the Board Audit and Risk Committee;
- endorse appropriate levels of financial provisioning for environmental matters and make recommendations to the Board for consideration by the Audit and Risk Committee; and
- have independent access to specialists and advisors, as required.

The Committee shall be entitled to receive from management reports that evaluate and provide assurance on the implementation and effectiveness of the SHEC Management Systems with regard to:

- identifying and defining the management of SHEC risks that are material to MZI;
- ensuring compliance with SHEC legal and regulatory requirements;

- facilitating a timely and appropriate response to significant incidents; and
- evaluating the effectiveness of training systems in place to support implementation of the SHEC Management Systems.

Reporting

The Committee Chairman, or a delegate, will report to the Board following each meeting of the Committee. The report to the Board will:

- Provide the Board as a whole with insight into the key issues discussed by, and the decisions of the Committee; and
- Facilitate Board awareness and assist in the periodic review of the Committee's performance.

The report to the Board will include recommendations on any specific decisions or actions the Board should consider, including changes to these terms of reference.

Authority

The Committee is a review and advice committee.

In carrying out its duties the Committee shall have 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 MZI.

Composition

The Committee is appointed by the Board and is comprised of at least three Non-Executive directors, one of whom acts as Chairman of the Committee and is an independent director.

At least one member of the Committee must have relevant skills, experience or qualifications, as determined by the Board, in sustainability related matters.

The Chair, members of the Committee and the term of appointment of each member shall be determined by the Board.

Other directors may attend at any time, with the Managing Director and Chief Executive Officer is expected to attend.

Quorum

A minimum of two members of the Committee is required to form a quorum, comprising the Committee Chair (or their duly appointed alternative from the Committee) and one other committee member.

In the event members cannot attend in person, they are permitted to attend via teleconference or video conference.

Secretary

The MZI Company Secretary, or their nominee, shall be the Committee secretary.

The Secretary shall prepare and distribute the minutes of the Committee meetings to the Committee Chair post each meeting and will also ensure that the meeting minutes, once approved, are signed at the next committee meeting.

Meeting Frequency

The Committee shall meet at least four times each year and otherwise as required.

All Directors shall receive Committee papers and receive a standing invitation to attend Committee meetings.