

**Morgan Sindall Group plc  
(the 'Company')**

**Health, Safety and Environment Committee  
(the 'Committee' or 'HSE Committee')**

**Terms of Reference approved by the Board 7 May 2015**

**Constitution**

The Board of directors of the Company (the 'Board') has established a Committee of the Board known as the Health, Safety and Environment Committee.

**Purpose**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities in relation to health, safety and environmental matters, arising out of the activities of the Company and its subsidiaries (the "Group").

**Membership**

The Committee shall comprise at least two directors, all of whom shall be independent non-executive directors, and the Group's commercial director.

Appointments to the Committee are made by the Board, on the recommendation of the nomination committee and in consultation with the chair of the HSE Committee. Appointments to the Committee shall be for a period of up to three years, which may be extended for two further periods of up to three years, provided the director still meets the criteria for membership of the Committee.

The Board shall appoint the chair of the Committee, who shall be an independent non-executive director.

Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Group's health and safety forum members, other directors and representatives from the divisional health, safety and environmental teams may be invited to attend all or any part of any meeting as and when appropriate.

**Secretary**

The company secretary or his or her nominee shall be the secretary of the Committee

**Meetings**

The Committee shall meet at least four times a year and at such other times as required.

The quorum for meetings of the Committee shall be two members.

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.

**Notice of Meetings**

Meetings of the Committee shall be called by the secretary of the Committee at the request of the chair of the Committee.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee and any other person required to attend at least five days before the date of the meeting.

**Minutes of Meetings**

The secretary shall minute the proceedings and resolutions of all Committee meetings.

Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee and, once approved; minutes shall be circulated to all other members of the Board, unless it would be inappropriate to do so.

**Annual General Meeting**

The chair of the Committee should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

**Duties**

The Committee will carry out the following duties:

- monitor and review the Group's health and safety, strategy, framework and regulatory environmental obligations (including CRC compliance) and how compliance with each and with applicable laws and regulations is ensured across the Group;
- in the event of a serious injury or fatality or a material environmental incident, (i) being kept informed of the circumstances of the incident and the measures being taken after the event and (ii) receiving and reviewing the final report relating to the relevant incident and ensuring that all actions required by the report are appropriately implemented in a timely manner;
- receive and review periodic health and safety and environmental reports including;
  - the Group's performance with regard to occupational health, safety and the environment
  - key issues relating to safety and the environment and the business' performance in managing the risks associated with it;
  - management's action plans with respect to specific or general health issues, safety and/or environmental incidents relevant to, or affecting, the Group; and
  - material regulatory investigations (whether by the Health and Safety Executive, the Environment Agency or other regulatory body) or material proceedings relating to HSE matters, in either case which involve the Group.

**Site visits**

In consultation with members of the Committee, the Group commercial director will propose and organise site visits for members of the Committee to the Group's sites for the purpose of furthering their understanding of HSE issues within the Group, meeting relevant employees and observing business operations. Such site visits may also, where appropriate, be to locations where incidents have occurred.

### **Reporting responsibilities**

The Chair of the Committee will report to the Board on the Committee's proceedings after each meeting on all matters within its duties and responsibilities.

The Committee will make recommendations to the Board in relation to the nature and scope of its remit and responsibilities, as and when considered appropriate. The Committee will consider the proposed contents of the Company's annual report and sustainability report relating to HSE matters.

### **Other matters**

The Committee will:

- have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required;
- be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members;
- give due consideration to laws and regulations and any other applicable rules, as appropriate;
- oversee any investigation of activities which are within its terms of reference; and
- as part of the annual board evaluation process, review its own performance and shall regularly review its terms of reference and recommend any changes necessary to the Board.

### **Authority**

The Committee is authorised:

- to seek any information it requires from any employee of the Company in order to perform its duties;
- delegate all or any of its powers and authorities to one or more subcommittees;
- to obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference; and
- to call any employee to attend or present at a meeting of the Committee.