

CHARTER OF THE WATERMARK COAL PROJECT COMMUNITY CONSULTATIVE COMMITTEE

TERMS OF REFERENCE

Shenhua Watermark Coal Pty Ltd holds coal Exploration Licence No 7223 (EL7223) over the Watermark area, which is located approximately 35 km south east of Gunnedah. The exploration area embraces an area of about 190 square kilometres.

The Watermark Coal Project Community Consultative Committee is established under the auspice of the designated authority, NSW Department of Primary Industries, Mineral Resources.

The primary legislation providing for the orderly administration of the exploration licence is contained in the Mining Act 1992 and the Regulations thereunder, the Mines Inspection Act 1901 and the Coal Mines Regulation Act 1982.

Within the NSW Government legislative framework, appropriate community consultation is an essential component of the approvals process. Community consultation means informing and being informed by the community, but decision making remains with the responsible authorities.

PURPOSE OF THE COMMITTEE

The purpose of the Committee is to provide a forum for open discussion between the company, Shenhua Watermark Coal Pty Ltd, the appointed community representatives, other interested stakeholders and relevant Government Agencies. The process includes exchange of information, proper identification and addressing of potential concerns and conflicts of interest. Of equal importance, it is aimed at facilitating good working relationships amongst committee members and to act as a conduit to assist Shenhua Watermark Coal Pty Ltd to improve communication, education and notification with the general community.

COMPOSITION OF THE COMMITTEE

Representatives of the Watermark Coal Project Community Consultative Committee shall comprise:

- an independent Chairperson
- two representatives from Shenhua Watermark Coal Pty Ltd (with input from other specialist company representatives or consultants as required)
- community representatives, to provide a cross-section of community interests
- representatives from the Department of Primary Industries - Mineral Resources Division.

- Elected and staff representatives from Gunnedah Shire Council.

Appointment to the Committee is for an initial period of 2 years.

THE COMPANY

Shenhua Watermark Coal Pty Ltd shall, at its own expense;

- nominate two representatives to attend all meetings of the Committee and provide specialist company representatives or consultants as required
- provide the committee with factual and accurate information about the project and its likely environmental impacts, including progress of work, monitoring results and any non-compliance
- maintain ongoing liaison with the Department of Primary Industries and other Government authorities throughout the approvals process, promptly identifying and addressing concerns raised
- comply with legislative requirements and industry guidelines
- identify and gain an understanding of community values, concerns and interest
- assess and improve community acceptance of the project and instil a level of confidence that the project will be environmentally responsible and not exclusively driven by economic considerations
- demonstrate that the community's views are being taken into account in the planning and operation of the project
- assist in the provision of meeting facilities
- provide reasonable information at the request of the Chairperson

INDEPENDENT CHAIRPERSON

The independent Chairperson has been appointed by the Minister for Mineral Resources. The Chairperson is the designated spokesperson for the committee.

The role of the Chairperson is to -

- chair meetings in a manner that enables agenda items to be limited to those issues within the scope of the committee and dealt with in a timely manner
- determine agenda items for each meeting, taking into consideration requests and suggestions from committee members
- assign a person to take the minutes of the committee meetings
- report at regular intervals to the Minister on the operation of the committee.

CONDUCT OF COMMITTEE MEMBERS

Meetings of the committee are not deemed public meetings. Only appointed members of the Committee and invited experts are to attend and participate.

Any members of the public or observers, who are in attendance, at the invitation of the Chairperson, must observe the code of conduct and cannot participate in the meeting unless invited to do so by the Chairperson.

If a member believes he or she may have a conflict of interest in relation to a particular issue or item of discussion, the member should immediately make this clear to the Chairperson and other Committee members.

Depending on the nature of the conflict, it may be appropriate that he/she refrains from any discussion on this particular issue.

The Watermark Coal Project Community Consultative Committee is not a decision-making body and it is not a requirement that consensus be reached amongst members on issues discussed.

All committee members shall:

- act properly, honestly and in accordance with an open and transparent process
- perform their functions impartially and in the best interest of the community
- refrain from any form of conduct which may cause any reasonable person unwarranted offence or embarrassment
- be respectful to fellow members and not engage in threatening or intimidating behaviour
- refrain from saying or doing anything which is inconsistent with maintaining order at the meeting.

All members of the Committee agree to:

- attend meetings and actively participate in discussions
- report their views and those of the wider community to the committee
- give feedback from the meetings to the wider community
- respect the right for all committee members to present their views
- make suggestions on how the operation of the committee can be improved
- work within the framework of the Charter of the Watermark Coal Project Community Consultative Committee
- speak to the media only on their own behalf and not discuss comments or opinions expressed by other committee members without their foreknowledge and prior consent

- ensure confidentiality of specified information if presented by the Company to the committee.

MEETING PROTOCOL

The Committee will adopt the following meeting protocol with recognition that it may be necessary to vary agenda items at times.

Issues for discussion at each meeting will be nominated by the Company and individual members of the committee at the preceding meeting or through the Chairperson.

The Chairperson will determine the agenda. The number of items placed on the agenda will be limited to a number that will allow for appropriate levels of discussion and restricted to items of relevance to the project within the constraints of the project's conditions of approval.

The business of the meeting will be;

- a) Opening of the meeting by the Chairperson
- b) Apologies
- c) Declaration of possible conflict of interest by community members in relation to particular issues/items of discussion
- d) Confirmation of minutes of previous meeting
- e) Business arising from the minutes
- f) Correspondence
- g) Reports and overview of activities
- h) General business
- i) Next meeting

MEETING FREQUENCY

The Committee should be convened at regular bi-monthly intervals or at other intervals as determined by the Chairperson, in consultation with all committee members.

Two weeks prior to each meeting of the Committee the Chairperson shall send to each member a notice of the meeting, specifying the time and place of the meeting and an agenda setting out the matters proposed to be dealt with at that meeting.

MINUTES

A meeting record will be kept of meeting attendees, key issues raised and actions recommended or agreed upon only. Comments from individual members will not generally be attributed and a verbatim record of the meeting will not be prepared.

The previous meeting's minutes will be forwarded with the next meeting's agenda.

DISSOLUTION

The Watermark Coal Project Community Consultative Committee is a sunset committee. It dissolves at the expiration of the exploration licence or at the discretion of the Minister for Mineral Resources.