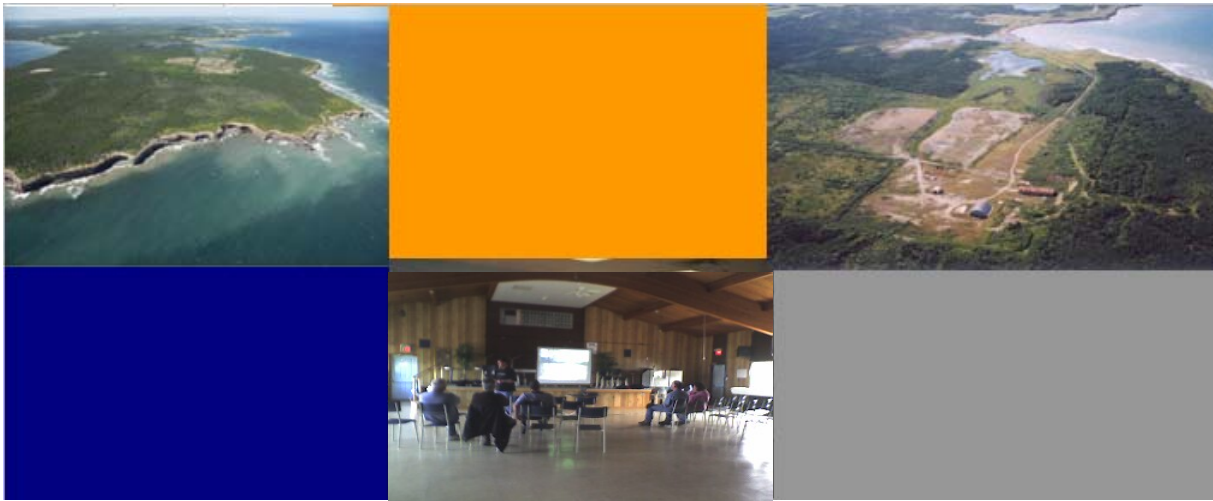


Appendix M

Community Liaison Committee Guidelines



Donkin Coal Mine Project



Community Liaison Committee Guidelines

Revised January 2008
August 2006

Introduction

Xstrata Coal operations run to the highest standard of Health Safety Environmental and Community (HSEC) interaction. As part of this commitment a Community Liaison Committee (CLC) has been established for the Xstrata Coal Donkin Mine Project (the Project).

Purpose of the CLC.

The purpose of the CLC is to:

- a) act as an advisory body to Xstrata Coal Donkin Management (XCDM);
- b) provide a forum for open discussion between representatives XCDM, the greater Donkin and Port Morien area (the Community), Cape Breton Regional Municipality (CBRM) and Other Stakeholders on issues directly relating to the Project, environmental performance, and to keep the community informed on these matters;
- c) establish good working relationships between XCDM, the Community, CBRM and Other Stakeholders in relation to the Project;
- d) review information on mining operations, the environmental performance of the Project and progress in the implementation of Project approvals;
- e) comment on the Project's environmental performance, discuss concerns and to oversee the resolution of complaints;
- f) provide advice on how best to communicate relevant information on the Project and its environmental performance to the Community; and
- g) work together towards outcomes of benefit to the Project, the Community, the environment and where relevant, CBRM and other stakeholders.

The CLC may:

- a) review the performance of the Project with respect to environmental management and community relations, including the:
 - implementation of Management Plans,
 - results of environmental monitoring,
 - Annual Environmental Management Reports, and
 - undertake regular inspections of the Project's operations;
- b) review concerns or complaints regarding Project activities, environmental management or community relations,
- c) provide advice to XCDM on improved environmental management and community relations, including on provision of information to the Community and identification of local initiatives to which the Company could contribute; and
- d) provide appropriate information to CBRM and other stakeholders on the performance of the Project with respect to environmental management and community relations.

The guiding principle of the CLC is to place the interests of the community and the surrounding environment above any personal interest or gain. The CLC will strive to ensure a balance between the interests of the community including the environment and those of the Xstrata Coal Donkin Mine Project is achieved.

The CLC will respect the guiding principles of Xstrata Coal Donkin Management:

- XCDM has an absolute commitment to HSEC;
- XCDM is passionate in delivering outcomes;
- XCDM does what they say;
- XCDM behaves with honesty and integrity;
- XCDM is commercially astute;
- XCDM takes personal responsibility and accountability; and
- XCDM aspires to be the best.

The mandate of the CLC is to be reviewed on a yearly basis.

Membership of the CLC

The membership of the CLC shall comprise:

- a) a Chairperson who a Community Representative via consensus or vote.
- b) one representative of XCDM, including the person with direct managerial responsibility for environmental management of the Project;
- c) one representative of a consulting company or XCDM representing the Community and Environment team; and
- d) six to seven representatives of the greater Donkin and Port Morien Communities who reside in these areas, including the CBRM Councillor from the Donkin and Port Morien constituency, who, if available will hold an ex-officio position.

Community representation to the CLC is voluntary and representation is reviewed on a yearly basis.

Provincial Government agencies will not be represented in the membership of the CLC. However, the CLC may request (on a needs basis) that agencies provide advisers to the CLC.

Community Representatives

The Community Representatives will be appointed or replaced via a process as outlined in *Appendix 1*. Community Representatives will be selected to represent those most likely to be directly affected by the Project: residents of the greater Donkin and Port Morien area.

Technical Experts

The CLC may request to a technical expert attending the meeting as needed and agreed to by the Chairperson.

Special Interest Representative

The CLC in agreement with XCDM may approve the participation of a nominated, representative of a special interest group when issues of particular relevance to the group are to be discussed.

CLC Meetings

Timing and Location of Meetings

The CLC shall determine the frequency of its meetings. It is suggested that the CLC meet at least bi-monthly or as required based on activities at the project.

Meetings will be conducted in the Project office or at other venues as nominated by CLC members.

At least two weeks' notice must be given to all members of any meeting of the CLC (except extraordinary meetings where one weeks' notice can be given).

Meeting Proceedings

The Chairperson shall convene and chair meetings of the CLC. The CLC is an advisory group and it is not a requirement that consensus be reached amongst members on issues discussed. Meetings of the CLC should follow standard "good practice" for community meetings.

The Chairperson in consultation with XCDM shall determine the agenda items. Any member may propose a matter for inclusion on the agenda, either before or during a meeting, providing the matter is within the purpose of the CLC. The Chairperson should ensure that issues of concern raised by Community Representatives on behalf of the Community, CBRM or other stakeholders are properly considered. Late items may be deferred to a following meeting.

Agenda items would normally include:

- a) Apologies;
- b) Declarations of monetary issues or other interests;
- c) Confirmation of the Minutes of the previous meeting;
- d) Business arising from previous Minutes;
 - Response to issues raised or provision of additional information requested;
- e) Reports and overview of activities;
 - Project Update;
 - Monitoring and environmental performance;
 - Report on information provided to the broader community and any feedback;
- f) General business and new business raised; and

g) Next meeting.

Minutes of Meetings

XCDM will be responsible for taking Minutes of the CLC's meetings, which shall be distributed to all members. The Minutes shall record issues raised and actions to be undertaken, who is responsible for taking those actions and by when. If a member so requests, then the Minutes shall record that Member's dissenting views on any matter.

Minutes will be distributed a minimum one week before the scheduled meeting. XCDM shall be responsible for distribution of the minutes. Distribution shall be via email where practical.

Conduct of Members

In meetings of the CLC and when otherwise involved in the business and activities of the CLC, Members shall, to the best of their abilities:

- a) act properly, honestly and in accordance with an open and transparent process;
- b) perform their functions impartially and in the best interests of the local and broader communities;
- c) be respectful to fellow Members and not engage in threatening, intimidating or disorderly behaviour; and
- d) refrain from any form of conduct which may cause any reasonable person unwarranted offence or embarrassment.

The Chairperson should bring any breach of these requirements to the attention of the Member concerned.

Dispute Resolution

The CLC is encouraged to discuss all matters that may be the subject of substantial disagreement between its members. The Chairperson carries a particular responsibility in respect of dispute resolution, in respect of both disputes between members of the CLC and also between the CLC and XCDM.

A dispute resolution process will be agreed to by the CLC.

Meeting Attendance

CLC members who miss three consecutive without providing apologies to the chair will be asked to resign their position.

Responsibilities of the Company

XCDM shall regularly provide the CLC with timely, accurate and comprehensive reports on the Project's activities and performance with respect to environmental management and community relations.

XCDM shall respond in a timely fashion to any advice or recommendations the CLC may give it concerning the Project's activities with respect to environmental management or community relations. The XCDM shall forward to each CLC member within 21 days of the CLC's meeting:

- a copy of the Minutes;
- the XCDM response to any recommendations by the CLC; and
- any information requested at the meeting by the Chairperson.

Communication with the Broader Community

CLC Members are encouraged to discuss issues with and disseminate information about the Project to the wider community, including special interest groups. If appropriate, the Chairperson of the CLC may also give briefings to community organisations such as special interest groups, the local Chamber of Commerce, environmental or heritage organisations, or school CLCs.

The CLC may agree to release statements or other information to the media or to adopt other approaches to public dissemination of information, but at all times will comply with the Xstrata Coal Media Policy.

CLC Members Roles and Responsibilities

Role	Responsibilities
Project Manager	Develop CLC Guidelines and allow for resources under the Guideline. The Project Manager will ensure that any activities of the CLC fit the needs of XCDM and are built on sound risk and change management principles.
Xstrata Coal Representative	Assist in selection of the Community Representatives to the CLC
Independent Consultant	Facilitate the activities of the CLC, assist in selection of CLC members and participate as required under these Guidelines.
Local Councillor	participate as a CBRM Representative as required under these Guidelines.

Role**Responsibilities**

Community Representatives Bring a positive attitude to the CLC, be mindful of screening all possible community issues at the lowest level, declare any conflicting interests at the commencement of any meeting or as relevant throughout the meeting. At all times act in the best interest of the community as a whole and not allow self interest or self interest of small groups within the community to cloud their judgement.

The CLC Guidelines will meet the intent of the Nova Scotia Department of Environment and Labour's "*Guidelines for formation of a Community Liaison Committee*"

Responsibility for oversight of the Project's compliance with the project approval and all other Government approvals remains with the relevant agencies.

References

Nova Scotia Department of Environment and Labour's "*Guidelines for formation of a Community Liaison Committee*"

APPENDIX 1 – SELECTION AND REPLACEMENT OF COMMUNITY LIASION COMMITTEE REPRESENTATIVES

There are two occasions when membership of the CLC shall be determined

- a. Initial formation; and
- b. Replacing a member.

Replacing a member

Replacement positions of representatives of the CLC shall be advertised.

Nomination boxes or forms and envelopes shall be placed in appropriate community locations as determined by the XDCM, but as a general consideration the location for the nomination boxes shall be accessible to the community as much as is reasonably achievable.

Nomination forms are to be of a format such that the person nominating will fill out their personal details and then require a 2nd community member from Donkin and/or Port Morien to second the nomination.

When the nomination has been completed and the nomination seconded then the nomination form is placed in the nomination box/envelopes.

These nomination boxes, forms and envelopes will remain in their selected locations for a minimum 10 days.

After this 10 day period the nominations shall be opened. All nominated persons shall be contacted to check the bona-fide intent of their nomination.

XCDM in consultation with the appointed Chairperson and independent consultant shall then arrange for each nominated person to have a formal discussion regarding their desire to join the CLC and also for the nominated person to decide if they wish to pursue representation of the CLC. This discussion will assess but is not limited to the following areas:

- History of Community Involvement;
- Motivation for involvement;
- Availability of the person;
- Suitability for working co-operatively within a small group; and
- Community support for this person's inclusion in the CLC.

Using this information, and also mindful but not limited to:

- Geographical location of the nominees - it is desirable to have a geographical spread over the communities of Donkin and Port Morien; and
- Age distribution - it is desirable to have a spread over the age demographics of the communities of Donkin and Port Morien.

Up to 7 Community Representatives may be selected for the CLC.

Final approval of membership candidates rests with the CLC by consensus or in a vote.

The CLC can have up to nine members.

