

# Non-Financial Risk Management Committee Charter

## 1 Overview

The Board of NuCoal Resources Ltd (the **Company**) has established a Non-Financial Risk Management Committee (the **Committee**) to support and assist the Board to recognise and monitor all non-financial risks arising from the activities of the Company and its subsidiaries (the **Group**).

This Charter sets out the roles, responsibilities, composition and structure of the Committee.

## 2 Roles and Responsibilities

The primary role of the Committee is to oversee the Group’s risk management systems, policies, practices and plans on behalf of the Board and report the result of its activities to the Board.

Whilst the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct risk management activities.

It is the responsibility of the Committee to maintain free and open communication between the Committee and management, as appropriate.

The responsibilities of the Committee are noted below.

### 2.1 Understanding the Business

The Committee will use all reasonable endeavours to understand the Group’s business and operations in order to assess whether the non-financial and operating risks faced by the Group have been identified and appropriate mitigation plans have been implemented.

### 2.2 Health and Safety

In assisting the Board (and without limiting its scope), the Committee will:

- review the systems in place so that safety is a priority of all of the Group’s operational sites;
- review the systems in place which are designed to ensure compliance with all safety and occupational health related legal and regulatory requirements;
- review the operational and personnel related risk management systems to ensure all safety and occupational health risks are identified and that appropriate risk management systems are in place;
- monitor the adequacy of safety and occupational health reporting systems for actual or potential accidents, breaches and incidents; and
- monitor subsequent safety and occupational health investigations and remedial actions.

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Date created	27 November 2013	Policy authoriser	Board

### 2.3 Environment

In assisting the Board (and without limiting its scope), the Committee will:

- review the systems in place which are designed to ensure compliance with all environmental related legal and regulatory requirements;
- review the environmental risk management systems within the Company to ensure all environmental risks are identified and that appropriate risk management systems are in place;
- review the environmental related contingency planning systems within the Company which are designed so that all environmental risks are identified and that appropriate contingency plans are in place;
- monitor the adequacy of environmental reporting systems for actual or potential accidents, breaches and incidents; and
- monitor subsequent investigations and remedial actions.

### 2.4 Social and Community

In assisting the Board (and without limiting its scope), the Committee will:

- review the systems in place which are designed so that the Group properly manages community and social relationships;
- review the systems in place which are designed so that there is appropriate community and social responsibilities to communities; and
- monitor relevant community and social perceptions of the Group and impacts of the Group's activities.

### 2.5 Internal Control and Risk Management

In assisting the Board (and without limiting its scope), the Committee will:

- review and assess the adequacy of the Group's systems of risk management, internal compliance and control;
- review and assess the effectiveness and efficiency of the Group's risk management systems so that all risks are identified and that appropriate risk management systems are in place;
- understand the processes management has implemented for managing insurable risks and, if applicable, self-insurance, including assessing the adequacy of insurance cover;
- review any periodic risk management reports prepared by the executive management and risk owners; and
- review the operational contingency planning systems within the Company to ensure all risks and critical systems are identified and that appropriate contingency plans are in place.

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## 2.6 Risk Management System

Without limiting its scope, the Committee will ensure management has established and operates a risk management system which will:

- establish an overall profile of the risks of the Company;
- assess the potential consequences and likelihood of the risks;
- rank the risks in accordance with their likely impact;
- assess the acceptability of each identified risk;
- consider and agree upon actions to eliminate, reduce or manage each material risk;
- assign responsibilities for risk management;
- establish a system for monitoring and reviewing the Company's risk profile, in particular when any of the Company's business circumstances change;
- present to the Board at least half-yearly, the overall results of this assessment and update this as required; and
- periodically review the effectiveness and suitability of the risk management system.

## 2.7 Legal and Regulatory Compliance

Without limiting its scope, the Committee will, in conjunction with the Board and Audit & Financial Risk Committee, use all reasonable endeavours to ensure the Group complies with:

- all relevant statutory and regulatory obligations; and
- all internal policies and procedures.

## 3 Committee Composition

### 3.1 Membership

The ASX Corporate Governance Council does not make recommendations regarding the structure of the Non-Financial Risk Committee; however the Group aims to achieve the following structure which is consistent with the composition requirements of the Audit and Financial Risk Committee:

- the committee must have a minimum of three members;
- all members should be non-executive directors;
- the majority of directors are to be independent; and
- the Committee chair is to be independent and not the Chairman of the Board.

As the current Board comprises a majority of non-independent directors, the Committee composition does not currently adhere to point (c) above. The Board will continue to assess the composition of the Committee with respect to any changes to the composition of the Board.

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The secretary of the Committee will be the Company Secretary, or such other person as nominated by the Board or the Committee from time to time.

If a Committee member retires, is removed or resigns from the Board, that member ceases to be a member of the Committee. The Board will appoint any successor.

**3.2 Qualifications**

Each Committee member should have appropriate skills, knowledge and experience of the Group’s business.

The Committee, as a whole, should have an appropriate mix and balance of relevant skills, knowledge and experience.

**3.3 Meetings**

The Committee will meet as frequently as required in order to undertake its role effectively but must, at a minimum, meet twice a year. Special meetings may be convened as required.

Proceedings of all meetings will be minuted and kept by the Company Secretary. The minutes shall be signed by the Committee chair, and distributed to all Committee members and tabled at the next Board meeting for noting.

The Committee may invite other persons to its meetings as it deems necessary (e.g. the Chairman and other Board members, Managing Director, external auditor).

**4 Access to information**

**4.1 Company Information and Personnel**

The Committee is granted unrestricted access to all information of the Group and shall have right of access to:

- all levels of management; and
- the external auditors.

**4.2 Independent Professional Advice**

If a director wishes to seek independent professional advice at the Company’s expense, he or she must obtain the permission of the Chairman. When doing so, the director should provide the Chairman with:

- the reason for seeking the advice;
- the name of the person from whom the advice will be sought; and
- a quote from that person for the provision of the advice contemplated.

Upon receipt of the required information, the Chairman:

- must not unreasonably withhold permission to obtain the advice; and
- must inform the Board of the request as soon as possible.

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Advice obtained at the Company's expense under these provisions must be made available to the Company.

## 5 Committee Performance

The Company Secretary, in conjunction with the Committee, will conduct an annual review of this Charter to ensure that it continues to reflect the current processes and guidance utilised when assessing the integrity of the Group's risk management systems, policies, practices and plans.

The Board will approve any amendments to this Charter.

## 6 Publication of the Charter

This Charter is made available to all directors and staff of the Group and published on the Group's website [www.nucoal.com.au](http://www.nucoal.com.au).

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