

Draft Charter for the Community Advisory Panel on the South 32 Hermosa Project

Section 1- Purpose

South32 is committed to promoting the well-being of the Santa Cruz County, Arizona community and understanding community needs and concerns for the Hermosa underground mine development known as the Hermosa Project. For this reason, South32 has initiated and will support a process by which a self-governing panel of community leaders (a “Community Advisory Panel”, or “CAP”) with diverse perspectives and strong networks will:

- 1) Advise South32 on aspects of their project development that impact communities in Santa Cruz County, Arizona; and
- 2) Identify goals and priorities that could benefit both the larger community and South32

The Panel will be a safe space for constructive dialogue and debate around alternatives to maximize proper impact management and generation of shared value around the Hermosa project.

This charter is intended to serve as a guide for Panelist responsibilities and activities. It will be reviewed by the CAP and updated if needed every two years.

Section 2 - Roles

The key roles of panelists are to:

- 1) Facilitate communication between the community and South32
- 2) Discuss and explore community impacts related to the Hermosa operation
- 3) Enable issues or questions to be raised and addressed that are relevant to the local community as it relates to impacts of the operation
- 4) Share the findings and discussions from the panel with the community, including groups where panelists have strong connections and networks
- 5) Guide, change, and improve the way that South 32 engages with the community (Santa Cruz County), including recommending ideas to ensure those impacted have the opportunity to benefit from the project
- 6) Provide advice and recommendations on aspects of the project that reflect values held by the community (Santa Cruz County)

Section 3 – Responsibilities

Key responsibilities are to:

- Attend all scheduled meetings, ideally in person but via Teams/Zoom if occasionally not possible (or provide an excused absence prior to the meeting if unable to attend)

- Be willing to contribute constructively in all aspects, from planning, meeting participation, and evaluations
- Refrain from being part of actions or situations involving participating directly or through organizations, in litigation or legal actions intended to deny, withdraw, delay, or affect the permits needed for the project. (This is not intended to prevent Panelists from commenting on public documents as individuals, just not as CAP members/representatives of the CAP.)
- In the case of a potential conflict of interest, a Panelist should disclose the potential conflict and recuse themselves from discussion about the topic of potential conflict.
- Commit to sharing information and getting feedback, before and after each meeting, from the panel member's represented community.
- Participate in ways where their work is:
 - Focused, structured and time effective (purposeful, not a "marketing" exercise)
 - Respectful of each other
 - Engages all panelists in voicing concerns
 - Mindful, kind and honest
 - Open to diverse voices
 - Productive, with conversations producing action with concrete outcomes

Section 4 – Structure

The Advisory Panel is to have a membership of 15 residents of Santa Cruz County.

- At least six of the panel's members should be representative of a balanced age and gender diversity.
- At least two members of the panel should be less than 20 years old at the start of their tenure to ensure the future interests of affected communities.
- All members will be chosen by South32 and the facilitator from a list of people who submit their interest in writing to participate and comply with the CAP's Charter. The tenure for each member will be for two years with a possible reelection for up to three consecutive terms and after a two year break, may be considered for an additional two terms, with a lifetime maximum of 5 terms. Every two years, no less than 40 % of the CAP composition should be renewed.
- The CAP will be comprised of community representatives who can demonstrate that they have played leadership roles as part of any organization present in Santa Cruz County and who reside in the following locations:
 - At least five delegates from Nogales
 - At least five from Patagonia
 - At least one from Rio Rico
 - At least one from Sonoita

Panelists are expected to make a minimum one year commitment to the panel.

Along with the community members, at least one South32 staff representative will attend meetings, except when the panel excuses the representative. The staff representative is responsible for the community facets of the business. As appropriate, other company representatives and/or consultants will be invited as guests to address a specific topic or area or where they have expertise.

Meetings are facilitated by a third-party consultant external to South32. The consultant is paid for by South32, with panel approval, and will at all times act as a neutral third party facilitator with the sole objective of ensuring panelists achieve the CAP Purpose. All members are invited to review the facilitator's performance. The facilitator provides administrative support for the meetings including meeting notes and issuing of meeting invitations to members/other invited speakers. Meeting minutes will be posted on the CAP website.

As a CAP established by South32, the company will provide required materials for each meeting, including reasonable costs for background information on the topics as required, experts to provide information on topics of interest and a meal and/or refreshments to Panelists. For site visits, South32 will provide personal protective equipment along with transport if required.

Section 5 - Membership

The Advisory Panel is a forum of interested residents selected by the third-party consultant to provide a broad and balanced membership.

Members of the Panel have no legal liability or operational responsibility.

a. Membership guidelines:

1. Members of the panel should be residents of Santa Cruz County and/or directly represent organizations with significant property, have business holdings in the county, or are students in the County.
2. Panelists have given voluntarily of their time, along with representatives of South 32's Hermosa Project and its consultants.
3. Members are associated with a community based group/s to enable information to be disseminated with and views sought from other community groups and people within the area.
4. Members have an interest in community activities.
5. Members have good local networks to share and gather information.
6. Members will miss no more than three meetings each year. Members who inform the facilitator in the event of illness or another acceptable reason are exempt from this requirement.

b. New members

When new members join the Panel, the process for new members shall be as follows:

- Invitations will be provided to Santa Cruz County residents by South 32
- Applicants will complete the SCC Advisory Panel on the S32 Hermosa Project Expression of Interest form
- Completed applications will be returned to the facilitator
- Shortlisted applicants will be interviewed by the facilitator according to selection criteria indicated in the expression of interest form
- Final decision of successful applicants will be made by CAP members
- Applicants will be advised in writing by the facilitator whether their application was/was not successful
- Successful applicants will to be invited to join the Advisory Panel.

c. Termination of membership

If a member no longer wishes to be a part of the group, written notice shall be provided at least two weeks prior to the next scheduled meeting. If the CAP, in coordination with the facilitator, determines that a member is not meeting the terms of this Charter, it will notify the member at least two weeks prior to termination.

Section 6: Meeting Arrangements

a. Meeting date, times and location

Meetings are generally two hours long are proposed for the first Wednesday of the month (dependent on member availability).

In addition, the panel may make site visits to the Hermosa Project or take field trips to learn about issues relevant to their work; additional meetings may be convened to discuss any matter warranting urgent consideration.

b. Meeting agendas

A draft agenda will be distributed to members at least one week prior to the scheduled meeting. Members are encouraged to add issues, questions or suggestions. The agenda will be finalized one day before the meeting.

Standard agenda items may include:

1. Welcome and introductions
2. Excused absences
3. Acceptance of previous minutes
4. Actions arising from previous minutes
5. Action Items for Panel
6. Community questions for the Panel
7. Hermosa project update
8. General community group updates
9. Meeting close

Meetings will be open to the public, but those who are not members of the CAP will be observers only (not active participants or speakers in the meetings.) CAP members may decide (by consensus) to make any portion of a meeting, or a full meeting, closed to the public. Any items raised during the meeting not included on the agenda may be deferred to the following meeting if information needs to be obtained or personnel present are unable to provide an informed response. No question will remain unanswered.

c. Meeting notes

Meeting notes will be taken at each meeting. The notes will be recorded by the facilitator to capture the main summary points raised in each meeting (not a transcript) and reviewed by all members.

The notes of the meeting will be distributed to members within 7 days of the next meeting. The minutes will be in draft format until approved by members at the next meeting at which time the notes will be finalized.

The final notes become a public document available to all interested parties. Copies will be provided to all members and posted on the CAP website. Discussions during CAP meetings will not be recorded unless pre-approved by all CAP members.

d. Meeting quorum

Eight members of the Panel will constitute a quorum for the transaction of the business of a meeting. Unless a quorum is present and if within half an hour after the time appointed for the meeting a quorum is not present, the meeting stands adjourned to a time appointed by the facilitator.

e. Meeting voting and decisions

Panelists will strive to reach agreement on points and questions raised by consensus. Only if agreement cannot be reached by consensus, a vote may be taken.

Each community member present at a meeting of the Advisory Panel is entitled to one vote.

Decisions requiring a vote -- that is where agreement or consensus cannot be reached -- requires two thirds of all panel members to carry the issue. **f. Site visits**

Site visits may be held for members of the Advisory Panel and these will all be optional to attend.

When members participate in site visits, no video, photographic or audio recording is to be undertaken without prior approval from the site manager / tour leader. Prior to any site visit the facilitator, on behalf of the Panelists present, will ask in writing for approval to take photographs and will advise members of the decision before the visit.

Information learned at the site visit is like that provided at regular meetings and able to be shared with the broader community.

Section 7 - Public Statements

Should the Advisory Panel wish to issue a press release or make a statement to the media on behalf of the members, this would need to be agreed to by a quorum of the members. Any statement or press release would be drafted by the facilitator and provided to all Panel members and South 32 for review and agreement.

Individual Panel members may make comments to the media or in public forums on behalf of themselves or the stakeholders they represent, but not on behalf of the Panel. Panel members may not share or make comments outside of the Panel on information agreed by the Panel during a meeting to be kept confidential.

Panel meetings will only be recorded if there is consent from all CAP members.