

**MEMEMORANDUM OF  
UNDERSTANDING  
Engagement Framework**

**RIO TINTO IRON ORE  
and  
SHIRE OF BROOME  
2013**

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## Memorandum of Understanding

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# Memorandum of Understanding

This Memorandum of Understanding (MOU) is made on **INSERT DATE**

**Between:**

**Shire of Broome**

and

**Pilbara Iron Company (Services) Pty Ltd** ABN 35 107 210 248 of Level 22, 152 – 158 St Georges Tce, Perth, Western Australia 6000 (**Rio Tinto**).

## Executive Summary

Rio Tinto Iron Ore prides itself on developing positive, sustainable and enduring relationships with the communities in which we operate. This belief is at the heart of our overall approach to communities and is why we build good quality relationships with the people in the areas where we operate. We are committed to building enduring relationships with our neighbours, characterised by mutual respect, openness, trust, active partnerships and long term commitment.

Rio Tinto has a unique relationship with the Shire of Broome and the broader region through our direct commute fly-in fly out operation.

The Shire of Broome is located in the south- west Kimberley in the far north of Western Australia and covers approximately 56,000 square kilometres, boasting a coastline of 900 kilometres which includes the world famous Cable Beach. Broome has experienced rapid and continued growth over the last decade to become one of the fastest growing towns in the state.

## Broome Shire - Vision

‘A thriving and friendly community that recognises our history and embraces cultural diversity and economic opportunity, whilst nurturing our unique natural and built environment’.

## Broome Shire - Strategic Goals

- **People Goals-** Foster a community environment that is accessible, affordable, inclusive, healthy and safe.
- **Place Goal-** Help to protect the natural and built environment and cultural heritage of Broome whilst recognising the unique sense of the place.
- **Prosperity Goal-** Create the means to enable local jobs creation and lifestyle affordability for the current and future population.
- **Organisation Goal-** Continually enhance the Shire’s organisational capacity to service the needs of a growing. (Shire of Broome Strategic Community Plan 2013-2023)

Both parties acknowledge the positive impact that Rio Tinto's regional FIFO commute brings to the region through new employment opportunities, supporting the economic growth and development of the region.

This document provides an overarching framework that outlines the desire of both parties to develop a mutually beneficial relationship between based on mutual trust and goodwill. This relationship will be founded on:

Communication, Consultation and Engagement: A commitment to communicate, consult and engage on issues of mutual interest; and

Collaboration: A commitment to work together to explore opportunities of mutual interest in relation to Rio Tinto's direct commute operations.

The Parties agree as follows:

## **1. Name**

This document shall be referred to as the Memorandum of Understanding (MOU)

### **Aim**

To outline an engagement framework to underpin the co-operative interaction between both parties in relation to Rio Tinto's direct commute operations. This collaborative arrangement recognises the mutual interest between parties in ensuring that there is an ongoing engagement and dialogue.

### **Engagement Principles**

- 1.1. *Respect* - To work together in a collaborative and constructive manner that recognises individual viewpoints, constraints and processes of each party and respecting differences in order to achieve the outcomes of the Partnership;
- 1.2. *Accountability* - that the Parties recognise the accountabilities that each party has to the other and to those external to the Agreement;
- 1.3. *Communication* - To increase the reputation of the individual Parties through effective communication strategies that promotes this relationship to relevant government, business stakeholders and the wider community;
- 1.4. *Collaboration* - Collaboration between the Parties and with additional key government, business and community stakeholders

## **2. Engagement Objectives**

To develop a mutually beneficial relationship between the Shire and Rio Tinto based on consultation, engagement and collaboration.

## **3. Engagement Outcomes / Deliverables**

### **Engagement**

Rio Tinto and the Shire of Broome will:

- 3.1. Appoint a relationship manager as a key point of contact for interactions between both parties. The relationship managers will give consideration to issues of mutual interest and the best way to develop and progress strategies to consider identified issues. Relationship managers will endeavour to meet on a six monthly basis.
- 3.2. Host a joint meeting on annual basis, or as required, between Shire of Broome Councillors and senior staff, and senior Rio Tinto staff, to brief each other on key activities and discuss areas of mutual interest. The agenda for these meetings will be developed by the Relationship Managers.
- 3.3. Rio Tinto will facilitate as appropriate a visit to a Pilbara mine site for Shire of Broome Councillors and senior staff to provide a context for Rio Tinto's direct commute operations.

**Communication**

A commitment by both parties to inform each other in a timely and effective manner of activities which may be of interest or impact on their respective activities and interest.

A commitment to work together to inform the community on activities of mutual interest.

**Collaboration**

Agreed initiatives will be developed through specific partnership agreements which set out the terms and conditions of these initiatives along with the roles and responsibilities and obligations of both parties.

**4. Term**

The Parties agree that the Terms of this Agreement will take effect as between them when signed and will continue for a period of three (3) years, unless terminated earlier.

**5. Evaluation and Review**

5.1. The MOU will be monitored and evaluated by the nominated relationship managers for each party.

The effectiveness of this MOU will be reviewed every year by both parties. To assess and make recommendations on the effectiveness and impact of the MOU on:

- 5.1.1. the impact of the MOU on individual Partners in terms of the engagement framework;
- 5.1.2. the development and performance of specific partnerships created under this MOU
- 5.1.3. wider community and other key stakeholder's relationships such as government and business.

**6. Confidentiality**

The Parties must keep the terms of this Agreement confidential unless required to disclose it by law or a requirement of any stock exchange or any other purpose as first agreed by both Parties. RTIO may disclose this Agreement and any confidential information to a member of the Rio Tinto Group provided the member agrees to keep such confidential information confidential and not disclose it to any other Party. If a Party is required by law or a stock exchange to disclose this Agreement or confidential information it shall, to the extent possible, provide the other Party with prior notice and cooperate with the other Party to mitigate the required disclosure.

**7. Termination**

Either party may terminate the MOU by thirty days written notice or if either party considers the other party is not adhering to the principles of the MOU.

## 8. General

- 8.1. Amendments to this MOU may be made at any time by agreement in writing signed by both Parties;
- 8.2. In the event of a dispute relating to this MOU, the Parties will meet in an attempt to resolve the dispute on a basis consistent with a wish to retain a good working relationship between the Parties. If the dispute cannot be resolved within 14 days then parties will agree on an independent arbitrator to mediate.
- 8.3. The relationship of the Parties under this Agreement is not one of partnership, joint venture or agency. The rights, duties, obligations and liabilities of the Parties are several and not joint or collective;
- 8.4. Neither Party shall, in relation to this Agreement, be liable to the other Party in contract, tort (including negligence) or breach of statutory duty for any indirect or consequential loss including without limitation, loss of profit, loss of revenue or business or loss of goodwill;
- 8.5. RTIO shall not be liable for the Shire or any third Parties in relation to any of the Shire's operations or activities or in connection to this MOU or otherwise unless expressly provided in this Agreement;
- 8.6. The Shire must not assign the benefit of this MOU without the consent of RTIO which may be withheld in RTIO's absolute discretion;
- 8.7. RTIO may assign or novate this Agreement to any member of the Rio Tinto Group provided it gives written notice to the Shire. For the purposes of this clause and this Agreement, the Rio Tinto Group means the dual listed company structure incorporating Rio Tinto Ltd (**RTL**), Rio Tinto plc (**Rplc**) and any related body corporate of these entities, any unincorporated joint venture in which RTL or Rplc has a participating interest and any body corporate or unincorporated joint venture managed by RTL or Rplc or their related bodies corporate;
- 8.8. This MOU is intended to operate as a framework for the parties and is not otherwise intended to be binding on them;
- 8.9. Any notice given by either Party under this Agreement is to be in writing and sent to the following:

RTIO:

Attention:

Shire of Broome

Attention: Chief Executive Officer

**9. Signatories**

**Executed as an Agreement:**

**Shire of Broome**

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**Chief Executive Officer – Mr Ken O’Donohoe**

Date: .....

**Shire of Broome**

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**Shire President – Mr Graeme Campbell**

Date: .....

**Pilbara Iron Company (Services) Pty Ltd**

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**General Manager West Angelas and Robe River Operations – Mr Darrin Strange**  
**For and on behalf of Pilbara Iron Company (Services) Pty Ltd**

Date: .....