Notice to company pursuant to ss 249N & P of the Corporations Act 2001 (CA)

I/we .... [name of 'shareholder']

of ....

.. [address]

identified by the Holder Identification Number (HIN) or Shareholder Reference Number (SRN) .... [HIN or SRN]

in respect of any holding of the shareholder's Whitehaven Coal Ltd ('WHC' or 'the company') ordinary fully paid shares;

hereby give notice (in accord with section 249N & P of the CA) to the company of: the following resolutions (1: Amendment to the Constitution, 2: Climate Risk Disclosure, 3: Strategy Alignment) the shareholder proposes to move at a general meeting of the company; and request (in accordance with section 249P) that the company give to all members each of the Supporting Statements following the resolutions.

SIGNED

………………………………………………	………………………………………………
(Signature of individual Shareholder† /company director)	(Signature of second shareholder in a joint holding/for a company second director or company secretary)

† Or sole company director and sole company secretary. JOINT HOLDING: For a holding in more than one name all shareholders must sign)

Resolution 1 – Amendment to the Constitution

To insert into our company's constitution beneath clause 10.1 'Business of general meetings' the following new clause 10.1A 'Advisory resolutions': "The company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material financial relevance and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company."

(Note that the accompanying ordinary resolutions seeking climate risk disclosure and strategy alignment should also be included on Whitehaven Coal Ltd's Notice of 2018 Annual General Meeting. Shareholders who vote by proxy should be able to lodge a vote on all resolutions.)

Supporting Statement - Amendment to the Constitution

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions other than Australia. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. As a matter of practice, typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian cousins in this respect.

A board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In rare situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations, such a personality-focused approach is unproductive and unwarranted. In those situations, a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that they seek more information or favour a particular approach to corporate policy.

The Constitution of Whitehaven Coal Limited is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting. In our view, this is contrary to the long-term interests of WHC, its Board and shareholders. Passage of this resolution – to amend the WHC constitution – will simply put our company in a similar position in regard to the rights of shareholders wishing to propose advisory resolutions as listed companies in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

Resolution 2 - Climate Risk Disclosure

That in order to address our interest in the longer-term success of the company, given the recognised risks and opportunities associated with climate change, we as shareholders request information about the company's exposure to climate change-related risks.

Such information should comply with the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD), and follow the TCFD's Supplemental Guidance for the Energy Sector.

Information satisfying all relevant recommendations of the TCFD should be disclosed as part of the company's routine annual reporting from 2019 onwards.

Supporting Statement - Climate Risk Disclosure

We move this resolution in order to:

a) Improve disclosures pertaining to material climate risks faced by our company, aligning them with international expectations;
b) Ensure our company is resilient to regulatory and market changes that can be foreseen as international action is taken to satisfy the goals established by the Paris climate change agreement; and
c) Ensure our company is resilient to the physical impacts of climate change and minimises financial risks thereof.

Task Force on Climate-related Financial Disclosures

In June 2017 the Task Force on Climate-related Financial Disclosures (TCFD) published its final recommendations. According to the TCFD, improved disclosure of climate-related information will allow investors to 'appropriately assess and price climate-related risk and opportunities.'[1]

The financial risks identified by the TCFD include physical risks, such as the impacts of extreme weather events and long-term shifts in climate altering the value of assets and commodities, and transition risks, which include market, technology and regulatory change, and the potential for reputational and legal costs.

Underscoring the importance of climate risk disclosure for fossil fuels producers, the TCFD provides specific disclosure recommendations for energy companies, stating:

> Transparent and decision-useful climate-related disclosures are crucial to fully understand the impact of climate change on business strategy and financial plans in energy activities. Consequently, disclosures should focus on qualitative and quantitative assessments and potential impacts of the following:
>
> - changes in compliance and operating costs, risks, or opportunities (e.g., older, less-efficient facilities or un-exploitable fossil fuel reserves in the ground);
> - exposure to regulatory changes or changing consumer and investor expectations (e.g., expansion of renewable energy in the mix of energy supply); and
> - changes in investment strategies (e.g., opportunities for increased investment in renewable energy, carbon-capture technologies, and more efficient water usage).[2]

In recent years, expectations that companies will improve their disclosure of climate-related risks in line with the TCFD recommendations have grown among institutional investors and regulators. According to the Australian Council of Superannuation Investors (ACSI): 'Over the next few years, we expect companies materially exposed to climate change risk to make substantive improvements in their climate-related reporting with reference to the TCFD recommended disclosures.'[3] The Federal Government has welcomed the release of the TCFD's

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[1] Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), Final Report, June 2017

[2] Implementing the Recommendations of the TCFD, June 2017, page 53

[3] ACSI Governance Guidelines, November 2017, page 26

Final Report, and 'encourages all stakeholders to carefully consider the recommendations of the Taskforce.'[4]

Since the final recommendations were released, numerous Australian fossil fuel companies have moved to disclose in line with those recommendations or committed to doing so in a clear time frame. These include Aurizon, South32, Oil Search and Santos.

Whitehaven Coal's treatment of climate risk

Whitehaven Coal's current disclosure of climate change risk is minimal at best. The 2017 Annual Report discusses climate change in terms of opportunities for Whitehaven Coal's business and reporting on sustainability (page 48).

The Directors' Report (on page 66 of the 2017 Annual Report) does not refer to climate change as a major risk to the company's future prospects. The risks broadly described in the Directors' Report are: Market risks; Operating risks; Geology risks; Development risks. Arguably 'Market risks' could include *transition risks* and 'Operating and development risks' could include *physical risks*, but this is not stated. Further, the financial report does not refer to climate change in part *5.3 Financial risk management objectives and policies* (pages 112-115), which states the Group's principal financial risks are associated with: market risk; credit risk; and liquidity risk.

Finally, the 2017 Annual Report cites the Energy Agency's New Policies Scenario in future coal demand projections (pages 20-21), which is consistent with 3.3°C global warming to 2100.[5] The Annual Report does not reference the expected 50% reduction in coal demand to 2040 under the IEA's 450 scenario (which gives a 50% chance of limiting warming to below 2°C), compared with the New Policies Scenario.[6] No reference is made to a scenario consistent with the Paris Agreement's goal: 'Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.'[7]

Scenario analysis

Arguably the most important TCFD recommendation relates to climate change scenario analysis. Stress testing Whitehaven's operations against a number of scenarios, including one in which the Paris Agreement's aims are met, is integral to demonstrate the company's long term sustainability in a carbon constrained economy.

Noting the emergence of scenario analysis as a 'benchmark tool,' the Commonwealth Climate and Law Initiative states Australian 'courts may, increasingly, be persuaded such an analysis is essential to the discharge of directorial due care and diligence where climate change is a foreseeable risk.'[8]

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[4] Australian Government response to the Senate Economics Reference Committee report: Carbon risk: a burning issue, March 2018, page 3

[5] https://www.climateinteractive.org/programs/scoreboard/

[6] International Energy Agency, World Energy Outlook 2016, page 206

[7] Paris Agreement, Article 1(a)

[8] Directors' Liability and Climate Risk: Australia - Country Paper, April 2018, pg 21

This resolution asks that Whitehaven provide scenario analysis information consistent with the recommendations of the TCFD so shareholders can understand the extent to which the company is exposed to climate risk, and have confidence in the company's capacity and competency to manage it.

We encourage shareholders to vote in favour of this resolution.

Resolution 3 - Strategy Alignment

That in order to address our interest in the longer-term success of the company, given the recognised risks and opportunities associated with climate change, we as shareholders express our opinion that the Board must ensure our company's strategy and capital expenditure decisions are consistent with the climate goals of the Paris Agreement.

Supporting Statement - Strategy Alignment

We move this resolution in order to ensure our company is protected from stranded asset risks, and poised to take advantage of regulatory and market changes as international action is taken to satisfy the goals established by the Paris climate change agreement.

Financial Stability Board Chairman and Bank of England Governor, Mark Carney, warned in 2015 that a carbon budget likely to limit global warming to 2°C 'would render the vast majority of reserves "stranded" – oil, gas and coal that will be literally unburnable.'[9] These comments were based on a January 2015 study, which found 95% of Australia, Korea and Japan's combined coal resources were unburnable by 2050 under a scenario with a 60% chance of holding global warming below 2°C by 2100.[10]

Stranded asset risk has already seen a number of large fossil fuel producers alter their business strategies. Spanish oil and gas company Repsol SA in May 2018 announced plans to limit oil and gas output and restrict the amount of reserves on its books. The company is actively trying to enter the renewable energy sector.[11] Other oil majors Royal Dutch Shell Plc and Equinor (formerly Statoil) are also diversifying their businesses in order to increase resilience to regulatory and market changes that can be foreseen as international action is taken to satisfy the goals established by the Paris climate change agreement.

Given the higher stranding risk of coal assets over oil and gas,[12] coal producers should be acting more urgently than other fossil fuel producers. Diversified miners Rio Tinto and South32 have exited the coal industry, the latter stating explicitly the climate risk imperative behind its

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[9] Mark Carney, 'Breaking the tragedy of the horizon', 29 September 2015

[10] Christophe McGlade and Paul Ekins, 'The geographical distribution of fossil fuels unused when limiting global warming to 2°C', Nature, 8 January 2015, page 189

[11] Rodrigo Oriheula, 'Repsol to End Pursuit of Oil Growth', Bloomberg, 16 May 2018

[12] McGlade and Ekins, above n 10

decision. In stark contrast, Whitehaven Coal is continuing to develop the Vickery project, ramping up production at both the Narrabri and Maules Creek mines, and continuing significant exploration expenditure.[13]

Presently, Whitehaven Coal does not appear to have its strategy aligned with a scenario consistent with holding global warming below 2°C. We consider this dangerous, given it amounts to second-guessing the ambition of 197 nations that signed the Paris Agreement.

In addition to the planned coal production expansions mentioned above, the 2017 Annual Report cites the International Energy Agency's New Policies Scenario in future coal demand projections (pages 20-21), which is consistent with 3.3°C global warming to 2100.[14] The Annual Report does not reference the expected 50% reduction in coal demand to 2040 under the IEA's 450 scenario (which gives a 50% chance of limiting warming to below 2°C), compared with the New Policies Scenario.[15] No reference is made to a scenario consistent with the Paris Agreement's goal: 'Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.'[16]

This resolution asserts the company should act to align its strategy in order to protect shareholder capital from stranded asset risk, and remain viable in a low-carbon economy.

Action to align the company's strategy with the goals of the Paris Agreement would entail, but may not be limited to:

- avoiding investment in projects and assets that are expected to become unviable or stranded in a scenario in which global warming is held well below 2ºC;
- pursuing assets and projects that provide stable and reliable revenues in an economic outlook where global warming is held well below 2ºC; and
- restructuring executive remuneration to incentivise changes necessary to meet these ends.

We encourage shareholders to vote in favour of this resolution.

[13] Whitehaven Coal, Quarterly Report, 17 April 2018
[14] https://www.climateinteractive.org/programs/scoreboard/
[15] International Energy Agency, World Energy Outlook 2016, page 206
[16] Paris Agreement, Article 1(a)