Executive Committee Meeting Minutes

22 August 2023

Executive Committee Minutes of the World Coal Association

Executive Committee Directors and Alternates Present

Kate Campbell	Adani
Janpeter Bekkering	Caterpillar Global Mining
Dr Abani K Samantaray	Coal India Limited
Brian Thompson	Komatsu
Mike Teke	Seriti
Roman Golovin	SUEK
Stepan Solzhenitsyn (Vice Chair)	SUEK
July Ndlovu (Chairman)	Thungela
WCA - Michelle Manook	WCA
Michael Van Maanen	Whitehaven Coal

Executive Committee Directors and Alternates Absent

Paul Fennelly	Adani
Shri P M Prasad (Vice Chair)	Coal India Limited
Veera Reddy	Coal India Limited
Jim Grech	Peabody
Matthew Nugen	Peabody
Doug Gain	Seriti
Nikki Fisher	Thungela

1. CHAIR OPENING REMARKS

Apologies and Introductions

The Chair welcomed everyone to the meeting and further welcomed back Vice Chair, Stepan Solzhenitsyn in his new position as Chairman SUEK Group of companies. Shri Polavarapu Mallikharjuna Prasad (Vice Chair), Coal India Limited Chairman was unable to attend his first meeting and the Chair welcomed Dr Abani K Samantaray as Coal India Limited representative.

The Chair noted that apologies were received for Doug Gain (Seriti), Jim Grech (Peabody) and Shri P M Prasad (Coal India).

The Agenda was formally adopted.

Noting of Competition Law Compliance Guidelines

The Chair brought the Executive Committee's attention to the Competition Guidelines and that following a legal review changes were to be noted as per Agenda Item 3.3.6. The Executive Committee acknowledged this.

2. Minutes of 20 April 2023

2.1 Approval of Minutes

The Chair presented the Minutes of the previous Executive Committee Meeting.
There being no comments from the Members the Chair proposed that the Minutes be adopted as being formally approved which was supported by Members.

2.2 Matters Arising

All matters were noted as actioned and addressed in detail during the respective Agenda items.

3. Finance, Governance and Membership

Finance & Governance
3.1 Financial Updates

3.1.1. FY23 Q3 Profit or Loss Actual

The Finance and Governance Director provided an overview of the Q3 Profit or Loss stating that the:

- Membership Fees were negatively impacted due to a credit note passed for irrecoverable fees;
- Surplus brought forward and adjusted following implementation of the new Xero accounting system and finalisation of PKF audit FY22;
- Remuneration, Administration and Governance variances were impacted by timing allocations;
- Financial Charges were negatively impacted by foreign exchange losses;
- Depreciation and Amortisation variance was due to incorrect Fixed Asset Register base and audit adjustments in FY21; and

- the Work Programme expenditure was above budget due to timing differences relating to roadshow costs and recoveries.

3.1.2. FY23 Q4 Cash Flow Forecast

The Finance and Governance Director presented the Cash Flow forecast for Q4 stating that:

- cash management continues to be carefully monitored and optimised ensuring a minimum surplus target of three (3) months to ensure operational expenditure is covered;
- Remuneration (GBP 268k), Finance and Governance (GBP 74k) and Work Programme Expenditure (GBP 39k) forecasted payments were noted; and
- forecasted receipts from Membership Income approximates the potential FY24 fees due and payable by all members.

3.1.3. Membership Tiers and Fee Review

The Finance and Governance Director presented feedback on the Secretariat's two-phase Membership Tiers and Fee Review as follows:

1. **Phase One** focused on a fee structure to attract the changing profile of global Membership which increasingly encompasses more strategic; small to medium size producers; and similar sized downstream abated coal technology players. It was proposed that two new Associate Corporate sub-tiers be introduced and adopted to support securing the growing new Membership in these sectors.

The following was endorsement by the Executive Committee ahead of the October 2023 Board meeting:

- Coal Producing (new and emerging miners) - GBP 17 500 p.a. plus Tonnage; and
- Technology Players (emerging and technology) – GBP 10 000 p.a.

2. **Phase Two** continues to review the best 'Future Coal' fee model and timing to transition away from our current tonnage fee structure. Tonnage creates many issues for current and new Members as it is the main contributing factor in most adverse recruitment and retention attempts. The WCA's reliance on tonnage income has put the organisation in a tenuous position and a range of cost cutting, and operational efficiencies have been put in place to reduce reliance on tonnage. Today the WCA tonnage income makes up approximately 15 % of its total income compared to 30% at the start of 2019 (when the Association was a going concern) and over 50% prior to 2017.

Despite this reduction, it is not feasible to immediately transition away from tonnage. This is mainly due to the transformation of the coal value chain which is translating across our Membership recruitment and retention efforts in:

a. higher than normal attrition particularly (but not limited to) large met and thermal producers in developed Western economies paying tonnage, usually as a direct result of shareholder activism, calling for withdrawal from coal industry bodies; and
b. increased recruitment in key coal developing and emerging markets where regardless of the size of enterprise, there exists a different expectation in relation to the fees level, that should be cognisant of purchasing power parity and/or due consideration of government owned enterprises.

For the WCA to remain whole the following conditions will likely need to manifest:

- a total average Reserves pool of GBP 800k is achieved to cover a 6-month base case staffing structure and Work Programme;
- at least two or more of the following conditions is achieved:
  - three (3) additional Corporate Members recruited GBP >200k;
  - a permanent surplus is maintained amounting GBP <600k; and
  - a critical mass of Membership is achieved to cover a baseline operating model equivalent to GBP1.4m per annum.

It was further noted that many of the non-member coal industry players continue to benefit from the good work that the WCA performs (some even admitting so) as the only truly global representative of the Coal industry. These non-members selectively leverage the WCA narrative yet appease their stakeholders who do not want the visibility of being part of an organisation publicly advocating for the coal industry. Other non-members seek to differentiate from public coal advocates either stating that they are in metallurgical coal (positioning the sector as the 'acceptable' coal business), and/ or coal producers who are positioning themselves as the 'responsible' owners, claiming they will be purchasing coal assets and/or running coal businesses with an exit strategy with no defined end point. This has been already called out as 'greenwashing' by prominent media and commentators. Other non-members do not see the value in joining if their National Industry Associations are WCA Associate Members (GBP 1500 annual fee).

The Chief Executive commented that this behaviour has the potential to erode current Membership efforts. The Future Coal Global Alliance rebrand is already cognisant of this and is continuing to develop its point of difference to counter this effect and enhance the value of Membership. The Chief Executive noted that success is more likely when engagement occurs at the C-suite level between Members and non-members. This discussion is earmarked for the Board Strategy Review (date to be determined at the October Board meeting).

3.1.4. FOREX Contracts

The Finance and Governance Director advised that analysis had determined that the following three items be addressed in order to mitigate the FOREX impact which is unsustainable given foreign spending accounts for 50% of WCA's total operating expenditure:

- payment of WCA contractors and other service providers in their respective currencies;
- a USD denominated account for Membership payment utilisation is required; and
- utilise a financial institution for multi-jurisdictional funds transfer, without the imposition of supplementary layers of due diligence.

The Secretariat would source a financial institution capable of addressing the aforementioned three(3) points and a decision regarding the selection will be communicated during the first quarter of the FY24.

3.2 FY24 Budget & Work Programme

3.2.1. FY24 Budget Process & Assumptions

The Finance and Governance Director presented the FY24 Budget and Work Programme recommending that the Executive Committee support the FY24 Base Case Budget acknowledging:

- a surplus is maintained to avert going concern issues;
- a lower surplus (albeit) than in previous two years is achieved as a result of a return to normal operations post pandemic including roadshow travel and a full team complement; and
- that Membership attraction and retention remains critical to ensure resourcing the Association at a level in which it can continue to implement the agreed strategy and achieve the objectives in line with Members expectations.

The Executive Committee formally endorsed the FY24 Base Case Budget (Total Income (including accumulated surpluses) GBP 2.13m; Total Expenditure GBP 1.79m; Total Surplus GBP 0.36m) and the following assumptions were noted:

Base Case Assumption
The Base Case scenario assumes majority of the FY23 conservative financial assumptions for the year including:

- a 5% Member attrition rate;
- new Membership targets of six (6) factoring 50% probability ratios;
- *Evolving Coal* Work Programme continues its focus on Flagship Initiatives: Reputation Management; Advocacy and Governance;
- Key projects include:
  - Reputation Management Project (RMP) Rebrand;
  - FY26-FY33 Strategy Process initiated to embed 'Future Coal', Responsible Coal Stewardship and Future Coal Alliance directions;
  - International Government Engagement Strategy and Plan;
  - Finance and Investment Engagement Strategy and Plan;
  - Membership Engagement Strategy and Plan;
- one (1) in-person Board Meeting and one Virtual Meeting; and
- four (4) Annual Roadshows to align with Board, significant keynotes, in identified key markets only, support government and Membership strategies objectives and goals.

Provisional Approval – FY24 Q1 Operational Budget

In line with the Board's mandate, the Executive Committee approved a provisional FY24 Q1 Operational Budget of £507k to enable the Secretariat to expend from 1 October – 31 December 2023.

A formal budget approval will be attained at the WCA79 Board Meeting.

3.2.2 FY24 Work Programme and KPI's

The Chief Executive provided feedback on the Year five (5) – Work Programme and Key Performance Indicators (KPIs) which support the FY24 Base Case Budget advancing the Purpose, Vision and Goals outlined in *Evolving Coal.*

KPIs will continue to form part of the Chief Executive's reporting to the Executive Committee and Board and the following assumptions (in alignment with the Base Case budget) are included for the year:

- maintain the three (3) flagship initiatives and cross functional international virtual operating model:
  - Reputation Management – a 'Future Coal' Direction (includes Strategy, Digital and Brand activities, Communications, and Membership attraction);

- Advocacy (Industry, Academic, Policy, Government, and Finance and Investment community engagement); and
- Governance (consists of Membership activities, Finance, Corporate, Board and Committee).

- Key Projects include:
  - Reputation Management Project (RMP) Rebrand);
  - FY26-FY33 Strategy Process to be initiated to embed 'Future Coal', Responsible Coal Stewardship and Future Coal Alliance directions;
  - International Government Engagement Strategy and Plan;
  - Finance and Investment Engagement Strategy and Plan; and
  - Membership Engagement Strategy and Plan.

- adverse factors impacting achievement of the KPIs include: increased momentum and activity pressuring an under-resourced Secretariat; attrition; lower-than-expected Membership; income; and travel restrictions.

3.3 Governance

The Chief Executive handed over to both the Policy and Engagement Committee (PECo) Chairman and Brand and Communications Committee (BCCo) Chairman for their respective updates.

3.3.1 Policy and Engagement Committee (PECo)

It was noted that the Policy and Engagement Committee (PECo) met on 5 April with discussions as follows:

- Committee welcomed the new Membership of Menar whose representation was in attendance;
- review of WCA engagement activities, including successful roadshows to India, Australia, and South Africa;
- discussion on the events of engagement regarding the Asia-focus on activities spearheaded by the 'Future Coal' Leader's Forum in Singapore; and
- Digital Communications Lead presented a brief on rebranding and the agencies' shortlisting to carry out the task; as well as the Member Lounge, its function and purpose.

The next Committee meeting is to be held on 4 October 2023.

3.3.2 Brand and Communications Committee (BCCo)

It was noted that the Brand and Communications Committee (BCCo) met on 10 August 2023, with discussions focusing on:

- endorsement received for the 'Future Coal' rebrand including the logo, tagline and colour palette of the new branding. Comments included "future-focused, fresh, forward thinking and bold." Similarly, members supported use of the words "alliance" and sustainability" in the tagline. The Committee also committed to meet two weeks before the rebrand launch to provide input and share the rebrand collateral material;
- progress noted on LinkedIn strategy and followers with a 55% increase;

- endorsement of the proposed sitemap for the new website to align with organisation rebrand. Members keen to ensure clear identification of "key facts." with strong support for a new emphasis on member contribution, especially in the area of sustainable development; and
- updates presented by the Committee regarding their respective member companies, notably the royalty issue in Australia, and event participation in Australia.

The next Committee meeting is to be held in October 2023, the date to be finalised.

3.3.3 WCA79 Board & WCA 'Future Coal' International Coal Summit

The Chief Executive advised that registration for the WCA79 Board Meeting being held in-person at the Sheraton Grand Beijing Dongcheng Hotel, in Beijing on 24 October 2023 were open and the Agenda and Board papers would be sent closer to the time.

It is recommended that our Members fly into Beijing Monday 23 October 2023 and fly out Thursday 26 October 2023 to attend the following events planned over two days.

- **Day 1 (Tuesday 24 October 2023)**
  10:00 - 12:00 (CST) WCA Strategy Review (TBC)
  12:30 - 14:30 (CST) Pre-Board Lunch
  15:00 - 17:00 (CST) WCA79 Board Meeting

- **Day 2 (Wednesday 25 October 2023)**
  10:00 - 17:00 (CST) WCA 'Future Coal' International Coal Summit

The Chief Executive further advised that preparations are well underway for the 'Future Coal' International Coal Summit taking place on Day 2 in Beijing on Wednesday 25 October, with confirmed in-person attendance from key stakeholders across the value chain.

Committee Members were encouraged to register for the event which has attracted an esteemed audience from across the Asia Pacific region to discuss the future of coal.

3.3.4 WCA Executive Committee Members Review

The Chief Executive advised that the Secretariat was conducting a review of the current WCA Executive Committee structure, aimed at aligning with our Articles of Association and *Evolving Coal* Strategy, ensuring a thoughtful, progressive and responsible WCA Executive Committee who can support both the:

- recruitment of new Members; and
- retention of current Members.

A recommendation is expected to be made following discussion with the Chairman in FY24 Q1.

3.3.5 Company Secretary Review

The Director Finance and Governance advised that due to lack of performance with the current Company Secretary's contracted services, the Secretariat was reviewing five (5) potential replacements to be effective FY24 Q1.

A recommendation will be provided to the Executive Committee at the October Executive Committee Meeting for endorsement, following which, Board approval will be sought.

3.3.6 Competition Law Compliance Guidelines Review

The Director Finance and Governance advised that following a Competition Law Compliance Guidelines review in July 2023 by UK and US lawyers (Weightmans), concluded no material changes with the following updates noted:

- changes in law and practice in US, EU and UK;
- removal of the need to provide dishonesty as an Element of UK criminal offences;
- topics allowed for discussions at WCA meetings (Section 2A);
- requirements for admittance and expulsion of members of the US, EU and UK. (Section 2B); and
- updated information exchange guidelines. (Section 2C and Annex A).

3.3.7 Secretariat Movements

The Chief Executive advised that in support of the new 'Future Coal' Direction and Membership Strategy, David Ma (Country Manager, China), had joined the Association on a 6-month trial contractor basis to support Daleen Lopez-Ruiz, Director Business Development and Membership.

The Executive Committee was also provided with an overview of the Secretariat's Finance and Governance structure changes which took effect 1 August 2023:

- Director Finance and Governance (Andries Jacobs) will increase part-time capacity supporting Membership administration and executing accounting matters;
- Finance and Governance Officer role ceased;
- further efficiencies and automation will be explored and embedded; and
- additional support required will be outsourced.

.

3.4 Membership

The Chief Executive provided the Executive Committee with the following Membership update:

- no Company resignations were received during Q3;
- WCA Executive Vice Chairmen Maxim Basov (SUEK) and Pramod Agrawal (Coal India) resigned as Directors and were replaced by Stepan Solzhenitsyn (Chairman SUEK group of companies) and Shri Polavarapu Mallikharjuna Prasad (Chairman Coal India Limited) respectively. Formal approval to be sought at the WCA79 Board Meeting and ratified at the next Annual General Meeting (AGM39).

The Chief Executive further advised the following key highlights achieved in the quarter noting:

- Morupule Colliery (Botswana) agreed to join as an Associate Corporate Member and Mongolian Coal Association and South Africa Minerals Council are in the process of being onboarded as Associate Members;
- discussions with China Energy who have signalled their intent to re-join under their new leadership were progressing;

- plans in trend for a Mongolia Roadshow with the support of ETT, Mongolian Coal Association and SUEK. In parallel arrangements for the China Roadshow taking place late October 2023 to coincide with the China Coal & Mining Expo taking place in Beijing from 25-28 October are progressing; and
- positive engagements held with key Senate Office stakeholders as well as value chain players who signalled Membership interest following a successful visit to Washington DC, Utah, Gillette and Wyoming.

4. *Evolving Coal* Work Programme Update

4.1 Reputation Management Project Phase 2:Rebrand

An update on the upcoming next steps to support the Reputation Management Project Phase 2:Rebrand was provided by the Chief Executive detailing the following:

- new brand 'Future Coal' as endorsed by Board will be launched at a stand-alone media event on 20 November in New Delhi to coincide with the 5th Annual India Coal Conference in New Delhi on 21-22 November 2023;
- India selected as launch base due to its strong stakeholder/influencer support for coal-related issues and strong pro-coal media interest;
- WCA Chief Executive, Michelle Manook, will front the rebrand with support from key Member heads;
- WCA is supported by brand agency, chlorophyl, and its sister company, Adfactors, the latter of which is organising launch logistics and media attendance (senior commentators from Mumbai, Delhi and Kolkata are expected as well and international affiliated media);
- all collateral is being collated in-house by the WCA Communications Team with emphasis on issues management in the event of a NGO attack; and
- WCA Communications Team to manage a range of at and post launch international media through a campaign targeting exclusive backgrounders and Op-eds.

The Chief Executive took the Executive Committee through some rebrand support material including a condensed 'Future Coal' Action Plan and the new Brand Guidelines. The Executive Committee were further advised that a proposed website structure provided by 'chlorophyll' is under review and the 'futurecoal.org' website domain had been purchased by the WCA and secured for three years; a further five (5) other purchased domains include:

- futurecoal.com (1 year);
- futurelesscoal.org (3 years);
- futurelesscoal.com (3 years);
- nofuturecoal.org (3 years); and
- nofuturecoal.com (3 years).

4.1.1 Reputation Management

Chief Executive provided feedback on the Reputation Management *Evolving Coal* Work programme highlights for the quarter as follows:

- interviews held with US based Newsweek, Politico and Fox News, and covered the following topics:
  - Changing energy landscape, countries in the Global North reassessing energy policies and prioritising energy security;
  - Coal's reemergence;

- Availability of existing clean coal technologies;
- The purpose and aim of the WCA; and
- Coal's contribution, including its role in beyond combustion.

- in-person Keynote speech at the American Coal Council's (ACC) Coal Market Strategies (CMS) (Utah, United States - 9 August 2023);
- pre-recorded keynote speeches for virtual participation to support the following events:
  - 3rd Coal India Outlook (India -24-26 August 2023);
  - JCOAL Symposium (Japan - 5-6 September 2023); and
  - Africa Mining Summit (Botswana - 20 September 2023).
- WCA's LinkedIn increased by 55% (gained almost 5,000 followers) between June 2022-June2023.

Activities for the next quarter include:

- 3rd Coal Log India | 14-15 September; a keynote speech "The Case for Coal in India." and Panel discussion on "Women in Mining."
- 'Future Coal' International Coal Summit (China - 25 October 2023 with China National Coal Association (CNCA);
- 'Future Coal' rebrand launch to take place in New Delhi, India on 20 November 2023 with activities including:
  - Global and national press conference, and press release to global media;
  - Launch of the rebranded website;
  - Social media updated to reflect new brand; and
  - WCA stakeholder communications supporting strategy and marketing collateral.
- 5th Annual India Coal Conference (New Delhi, India - 21-22 November 2023).

4.2 Advocacy

Further updates on our Advocacy program by the Chief Executive included:

- the WCA continues to track emerging issues, organisations and policies worldwide to target engagement opportunities with key policy-stakeholders;
- extensive engagement between Chief Executive and US Senate staff US Federal and State policy staff, leading technical institutions, coal producer/exporters.throughout the U.S Roadshow (31 July - 16 August 2023);
- Chief Executive Keynote address at American Coal Council's Coal Market Strategies Conference (Utah, U.S 8-10 August 2023);
- foundation development for Ministerial level engagement in South Africa, India, the US, Japan, Mongolia, and China;
- ongoing prospecting for financial and insurance institutions including South Africa, Indonesia, South Korea, and the US;
- creating contacts within the advanced coal value chain specialising in or expressing an interest in coal-based hydrogen export/imports;
- continued planning of the upcoming WCA 'Future Coal' International Coal Summit on the 25 October in Beijing;
- MOU engagement creating world-class research including new studies on SDG in the ASEAN; and
- showcase of Responsible Coal Stewardship and Sustainable Development Goals by Members to demonstrate 'Future Coal' Direction on digital media platforms.

It was noted that upcoming Q4 activities to further engage key coal market governments, finance and investment sector stakeholders included:

- Third India Coal Outlook Event (24-26 August 2023);
- ASEAN Energy Business Forum (AEBF) 2023 (Bali, Indonesia 24-26 August);
- Coal Log India 2023: Chief Executive to talk to the theme "Role of Coal – Transition to Net Zero" (Kolkata, India 14-15 September 2023);
- Africa Mining Summit 2023 (Gaborone, Botswana 20-21 September 2023);
- 'Future Coal' International Coal Summit (Beijing, China 25 October 2023); and
- Fifth Annual India Coal Conference (Kolkata, India 1-4 November 2023).

The Chief Executive handed over to WCA Chairman for discussions on any further business.

5. ANY OTHER BUSINESS

The Executive Committee Members were advised that the next meeting would be held virtually on 12 October 2023 at 12:00 hours (UK BST).

There being no further business the Chair closed the Meeting.

6. CLOSE

.... **Chair**

.... **Date**

Annexure 1

Matters Arising

Executive Meeting
22 August 2023

ITEM NO	ACTION	BY WHOM	DUE DATE
3.1.3	**Membership Tiers and Fee Review** Board approval for the two new Associate Corporate sub-tiers endorsed by Executive Committee 22 August 2023.	Secretariat	WCA79 Board (October 2023)
3.1.4	**FExC Contracts** Secretariat to source a financial institution to address multi-jurisdictional funds transfers and provide a USD denominated account for Membership payments.	Secretariat	FY24 Q1
3.2.1	**FY24 Budget** Board approval for the Fy24 Budget, endorsed by Executive Committee 22 August 2023.	Secretariat	WCA79 Board (October 2023)
3.3.4	**WCA Executive Committee Members Review** Review recommendation to be communicated to Executive Committee.	Secretariat	FY24 Q1
3.3.5	**Company Secretary Review** Replacement recommendation to be provided to Executive Committee endorsement, following which Board approval will be sought.	Secretariat	FY24 Q1
3.3.6	**Competition Law Compliance Guidelines Review** Update Articles of Association where necessary and seek Board approval.	Secretariat	FY24 Q1
3.4	**Membership** WCA Executive Vice Chairmen Maxim Basov (SUEK) and Pramod Agrawal (Coal India) resigned as Directors and were replaced by Stepan Solzhenitsyn (Chairman SUEK group of companies) and Shri Polavarapu Mallikharjuna Prasad (Chairman Coal India Limited) respectively. Formal approval to be sought at the WCA79 Board Meeting and ratified at the next Annual General Meeting (AGM39). Companies House to be updated.	Secretariat	WCA79 Board (October 2023) FY24 Q1