FUTURECOAL

Executive Committee Meeting Minutes

15 February 2024

Executive Committee Minutes of the FutureCoal

Executive Committee Directors and Alternates Present

July Ndlovu (Chairman)	Thungela
Janpeter Bekkering	Caterpillar Global Mining
Michelle Manook	FutureCoal
Brian Thompson	Komatsu
Mike Teke	Seriti
Stepan Solzhenitsyn (Vice Chair)	SUEK
Nikki Fisher	Thungela
Alok Lalit Kumar (Representative)	Coal India Limited
Chandra Shekhar Singh (Representative)	Coal India Limited
Andries Jacobs (By Invitation)	FutureCoal

Executive Committee Directors and Alternates Apologies

Kate Campbell	Adani
Samir Vora	Adani
PM Prasad (Vice Chair)	Coal India Limited
Veera Reddy	Coal India Limited
Jim Grech	Peabody
Matthew Nugen	Peabody
Doug Gain	Seriti
Roman Golvin	SUEK
Michael Van Maanen	Whitehaven Coal

1. CHAIR OPENING REMARKS

Apologies and Introductions

The Chair welcomed everyone to the meeting.

The Chair noted that apologies were received for Kate Campbell and Samir Vora (Adani), Vice Chair Polavarapu Mallikharjuna Prasad and Veera Reddy (Coal India) and acknowledge their representatives, Jim Grech and Matthew Nugen (Peabody), Doug Gain (Seriti), Roman Golvin (SUEK) and Michael Van Maanen (Whitehaven).

The Agenda was formally adopted.

Noting of Competition Law Compliance Guidelines

The Chair brought the Executive Committee's attention to the Competition Guidelines. The Executive Committee acknowledged this.

2. Minutes of 12 October 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. FY24 Q1 Profit or Loss Actual

The Finance and Governance Director provided an overview of the FY24 Q1 Profit or Loss stating that the:

- Membership Fees variance due to unrecognised at-risk Members and unrealised prospects. It was noted that subsequent to the period, a new pathway for the recovery of funds from Orica Ltd was identified. Funds from Bowen Coking Coal unlikely to be recovered due to a ran. Budgetary provisions were allocated to Peabody and Erdenes Tavantolgoi, however their realisation as income in FY24 Q1 has not occurred due to prevailing uncertainties. Discussions continue with both organisations regarding membership fees;
- Surplus brought forward is assumed to remain consistent with budget pending the finalisation of the external FY23 audit;
- Remuneration variance reflects timing difference. It was noted that subsequent to the period, both the Director Global Communications and Membership Co-ordinator roles remain vacant, with no immediate plans to fill the positions. These vacancies have created the opportunity for further efficiencies and refinement of existing roles with duties allocated to provide for

development opportunities for the current team;
- Finance and Governance variance was due to timing difference;
- Depreciation and Amortisation variance due to finalisation of rebrand intangible asset classification; and
- Work Programme expenditure variance mainly attributed to work stream timing.

3.1.2. FY24 Q2 Cash Flow Forecast

The Finance and Governance Director presented the Cash Flow Forecast for FY24 Q2 stating that:

- Cash Management continues to be monitored and optimised ensuring a minimum surplus target of three (3) months to ensure operational expenditure is covered;
- Remuneration (GBP 340k), Finance and Governance (GBP 45k) and Work Programme expenditure (GBP 36k) forecasted payments were noted; and
- forecasted Receipts for outstanding Membership Income would be recovered by March 2024, including miscellaneous revenue such as finance income and pending Value Added Tax (VAT) refunds.

3.1.3 External Audit FY23

It was noted that PKF had initiated the audit at the end of January 2024 and no areas of concern were identified during the planning phase with field work commencing early March 2024. The Audit Report and Draft Statutory Accounts will be presented at the FC80 Board and AGM39 Annual General Meeting in May 2024.

3.1.4 General

Company Secretary Review

The Secretariat has registered the new Company Secretary, Bridgehouse at Companies House and were completing administrative procedures post the removal of the previous officeholder.

FOREX Contracts

The introduction of the new FOREX system (TransferMate) was completed.

3.2 Governance

The Chief Executive presented updates on the following governance matters.

3.2.1 Policy and Engagement Committee (PECo)

That no meeting of the PECo had taken place since the previous meeting held on 4 October 2023. It was noted that the next Policy and Engagement Committee (PECo) meeting will take place in April 2024 (date to be advised) Discussions to date include:

- an introduction of new Secretariate Member Dr David Ma (Country Manager China);
- reviewing the achievements related to rebranding efforts;
- update on the China / Mongolia roadshow;

- engagement strategy for Government and Financial Sectors; and
- invitation to committee Members to share insights on Responsible Coal Principles in Action.

3.2.2 Brand and Communications Committee (BCCo)

It was noted that an extraordinary meeting was held on 25 October 2023, providing an update to the Committee on the FutureCoal launch programme and post-launch activities. The activities included, new brand messaging, website re-design, social media updates and the media strategy plan.

The next Brand and Communications Committee (BCCo) meeting will take place in April 2024 (date to be advised) with discussions centred on the following:

- rebranding debrief of the launch programme and media activities;
- an overview of the new FutureCoal brand messaging;
- Membership update by FutureCoal Director Business Development and Membership;
- review of past and upcoming communications activities; and
- invitation to committee Members to provide update on their company's communication activities.

3.2.3 FC80 Board & AGM39 Annual General Meeting

The Chief Executive advised that the following proposal was endorsed by the Board at the WCA79 Board Meeting in November 2023 and that preparations were underway:

- the FC80 Board and AGM39 Annual General Meeting to be held in-person, in Singapore;
- the Secretariat's recommendation is that our Members fly into Singapore (Changi) Tuesday 14 May 2024 and fly out the evening of Thursday 16 May 2024 to attend a two-day programme as follows:
  - Wednesday 15 May 2024: (1) FutureCoal Strategy Workshop (10h00 - 17h00 SGT) and (2) Pre-Board Dinner (19h00 - 21h00 SGT); and
  - Thursday 16 May 2024: (1) FC80 Board and AGM39 Annual General Meeting (10h00 - 12h00 SGT); and (2) Lunch (12h30 - 14h00 SGT).
- the events will be held at the Fairmont Hotel and Members will be provided with further details in due course.

3.2.4 FY24 Strategy Review and Workshop Proposal

The Chief Executive provided an update on the FY24 Strategy Review and Workshop Proposal, and further advised that a pre-read document was distributed to Members.

The Executive Committee was further advised the *Evolving Coal* Strategy 2020-2025 will officially conclude on 30 April 2025 and it is envisaged that the Future Coal Direction will supersede the current strategy to further embed the Global Alliance's vision for Sustainable Coal Stewardship.

A strategy process will be executed in several phases as follows:

- Phase 1: Architecture to be created to present to the Board in May 2024;

- Phase 2: Members to be invited to provide key-inputs into work streams to determine the scope, design and timeline of the Future Coal Strategy workshops at a strategic planning workshop to be held pre-Board on 15 May 2024 in Singapore;
- Phase 3: Members to nominate representatives to attend one or more half / full day workshops virtually;
- Phase 4: The strategy workshop/s to commence post May 2024 and conclude end-September/October 2024, dates to be advised. Secretariat or suitable third party to prepare strategy conclusions; and
- Phase 5: A conclusions to be presented to Board for approval (Note the Financial Year 2025 commences 1 October 2024 and completes 30 September 2025).

3.2.5 Membership Tiers and Fee Review

The Chief Executive provided an update on the Phase 2 Membership Tiers and Fee Review conducted by the Directors Finance and Governance and Business Development and Membership following the completion of Phase 1 :

Phase two (2) aimed to address members desire to move away from the traditional tonnage model. A Corporate Member Revenue-based model was concluded to be the best approach and was in line with other international and national industry membership revenue models.

The Secretariat proposed a potential five (5) new tiers to ensure:

- coverage of current operational expenses and securing a retained surplus;
- organisation sustainability averting going concern issues;
- parity across value chain and geographies providing for a fair fee and transparent structure which would consider Members' financial diversity.

Revenue (EBITDA) Tiers	Proposed Corporate Membership Fee USD/GBP
100M >	150/120k
70 – 99M	125/100k
50 – 70M	90/70k
25 – 50M	63/50k
1 – 25M *	25/20k

The Secretariat advised that this fee structure was still significantly lower to its member organisation peers and over 70% of current Corporate Members would be adversely affected if the Revenue Based Model was implemented for FY25.

The Committee broadly endorsed the tiers with Vice Chairman, Stephan Solzhenitsyn (SUEK) suggesting that current members should be grandfathered for a certain period given their commitment and support of the organisation's advocacy efforts and in establishing the new FutureCoal brand for the benefit of all the value chain, noting that in grandfathering current corporate producing members that they would still be paying tonnage.

Chairman, July Ndlovu agreed that the organisation could not immediately transform but that we need to make amendments to the fees structure to support the recruitment of new Members and continue to sustain operations ensuring continuity. The responsible Directors are tasked with compiling a draft paper to address these concerns for the ExCo review ahead of Board discussion and decision at the May board meeting and AGM.

3.3 Membership

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

3.3.1 China and Mongolia

In support of the Country Strategies for China and Mongolia it was noted that the following activities were undertaken:

- proposals were submitted to relevant stakeholders including China Energy, China Coal, China Huaneng Group, Shandong Energy and MAK following the October 2023 Roadshow;
- Shandong Energy received all required approvals, including regional government to join FutureCoal subject to our recruitment of China Energy and China Coal, and as such:
  - MoU discussions are underway with both the NEA and NDRC in China who have been identified as critical stakeholders and influencers in the recruitment process; and
- we are seeking further Chairman-Chairman/CEO engagement with both China Energy and China Coal post the Spring Festival celebration.

3.3.2 India

In support of the Indian Country Strategy, individual proposals have been developed and submitted to the key steel stakeholders, including JSW, SAIL, Tata Steel, and AMNS following the November Roadshow. Both GE India and NTPC have also signalled their intent to join FutureCoal by FY24 Q3.

3.3.3 Membership Movement

The Committee were updated with the following Membership movements:

- notice was received from Orica to exit FutureCoal due to their misaligned ESG policy and an additional avenue identified to recover fees;
- Zimbabwean Producer, Hwange Colliery signalled interest in joining, and the governance and due diligence checks, as part of the on-boarding process were underway;
- successful meetings held with: (1) Barloworld who are seeking internal approval to rejoin; and (2) Eskom who signalled interest in joining FutureCoal to support the MOU with the DMRE and to work with global players including China and India on the FutureCoal platform;
- in support of our Work Program and South Africa Strategy the Secretariat is also engaging with Sasol and the DMRE with the support of our South African Members;
- Advanced discussions with NTPC who have obtained all relevant internal approvals to join FutureCoal subject to their Board endorsement.
- further assistance from Members for Membership retention is sought; and
- no Director resignations or Company nominations received for the quarter.

4. FY24 Work Programme and KPIs Update

4.1 Reputation Management

The Chief Executive acknowledged the continued work by the Secretariat and highlighted the following Reputation Management activities in support of our FY24 Work programme.

4.1.1 FutureCoal Launch and Media

Launch and Media highlights were detailed as follows:

- launch held on 20 November 2023, in New Delhi, India, a destination that showcases the strategic significance India holds for both our organisation and the global coal industry;
- the launch event was attended by Chief Executive Michelle Manook, Vice Chairman Stepan Solzhenitsyn, and Board Member Sunil Chatervudi. Further attendees included esteemed journalists from Indian and global media giants like Bloomberg, Reuters, S&P Global, Times of India, The Hindu, along with many others;
- the event included insightful keynote speeches from the three FutureCoal attendees, the unveiling of the new FutureCoal Logo, followed by an engaging Q&A session with journalists and one-on-one interviews post-event;
- Agility conducted an independent media analysis concluding a conservative reach of over 1.2 billion people, with over 500 individual pieces of media coverage;
- 77% of stories were independently rated by positive, a strong outcome given the bias against coal. It concluded that our narrative continues to resonate on a global scale as we remain the sole global voice advocating for coal's total contribution and inclusion amongst policymakers and the investment community;
- publications included global distribution platforms, such as Bloomberg, AP, and Yahoo!, as well as regional media Xinhua, China Daily, and The Hindu. Industry media coverage included S&P Global Platts (India) and China Coal News. Including the China coverage which cannot be accurately measured but estimated >2 billion reach;
- post-rebrand interviews include the Financial Times, Reuters, Business Today (India), China Daily, Times of India and Japan NRG.

4.1.2 COP28 Media

Media Sentiment

The following media sentiment was noted:

- Global North focused on eliminating fossil fuels, reporting world leaders of fossil fuel nations out of context, and the attendance of fossil fuel lobby groups at COP28.

- global South media raised more relevant concerns over promises made by developed countries to fund developing nations for climate mitigation and adaptation as they continue to fail to meet expectations.

FutureCoal Media

- released a press release on COP28 welcoming COP28's recognition of the role that abated coal and carbon capture technologies will play in lowering global emissions but questions whether there is genuine acceptance of the multiple pathways to decarbonisation ahead of next year's summit in Azerbaijan;

- journalists from across the world has approached us for interviews to discuss our rebrand, thoughts on COP28 and coal's future; and
- the publications include Australian Financial Review, Financial Times, Times of India, Business Today, Japan NRG, and Mining People.

4.1.3 Upcoming Activities

The Secretariat continues to devote resources to provide research and written material to underpin advocacy efforts to raise the profile of coal as a strategic fuel and material. This is disseminated widely as follows:

- conducting media interviews;
- continuing efforts in producing Policy briefs on the latest events;
- speaking at international coal and energy forums; and
- research publications on SDGs in the ASEAN coal value chain, proposed briefing papers on the digitalisation in mining, and coal power in a net-zero future.

It was further noted that subsequent to the period, the FutureCoal Chief Executive had attended the Mining Indaba held in Cape Town during the first week of February 2024 and participated in the following two panel discussions:

- "The just transition and coal: is coal holding Africa back?"
- "Finding the balance for an energy secure world through coal".

4.2 Advocacy

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

4.2.1 Sustainable Coal Stewardship

- ongoing efforts focused on fostering a community of innovators within the coal ecosystem, with emphasis on environmental stewardship alongside innovation;
- SCS Value Proposition plays a significant role in providing value to Government and Financial stakeholders;
- FutureCoal's new Finance and Investment strategy is being finalised with the team looking to engage with finance sector players;
- Q1 included our engagement with key South African governmental stakeholders at Mining Indaba 2024; and
- the SDG report with ACE has allowed us an avenue to engage with more ASEAN public stakeholders, particularly Indonesia, Malaysia and the Philippines.

4.2.2 Government and State Entity Engagement

Government engagement during FY24 Q1 in support of the Advocacy strategy for China, Mongolia, India facilitated by existing Members, our MOUs and new regional director for China, Dr David Ma, included:

- Deputy DG for the Department of International Cooperation of National Energy Authority of China; the VC of the China Electricity Council, and the secretaries of the Indian Ministries of Coal, Power, and Steel;
- further inroads in India with meetings, with the Chairman and Managing Director of NTPC, an important value chain prospect for the power sector; and
- most recent meetings included Minister Mantashe of the DMRE and CEO Dan Marokane of Eskom.

4.2.3 Policy Briefs

FutureCoal policy briefs released during the first quarter of 2024 included:

- IEA's releases of the World Energy Outlook 2023 and Coal 2023;
- IEA's Peak Fossil Fuels by 2030; and
- COP28.

Research material including SDGs in the coal value chain in the ASEAN region in partnership with the ASEAN Centre for Energy is in the pipeline. Further research includes digitalisation in mining, advances in coal power in a net zero future, and ongoing country and regional policy analyses associated with speaking engagements.

The Chief Executive handed over to FutureCoal 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 18 April 2024 at 12:00 hours (UK BST).

There being no further business the Chair closed the Meeting.

6. CLOSE

Chair ……………………………..

Date ……………………………..

FUTURECOAL

Annexure 1

Matters Arising

Executive Meeting
15 February 2024

ITEM NO	ACTION	BY WHOM	DUE DATE
3.2.5	**Membership Tier and Fee Review** Draft a paper outlining four possible tier options and address grandfathering proposal.	Secretariat	March 2024