Executive Committee Meeting Minutes

18 April 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
Mike Teke	Seriti
Stephan Solzhenitsyn (Vice Chair)	SUEK AG
Nikki Fisher	Thungela
Michael Van Maanen	Whitehaven Coal
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
Brian Thompson	Komatsu
Jim Grech	Peabody
Doug Gain	Seriti
Matthew Nugen	Peabody
Roman Golvin	SUEK JSC

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), Brian Thompson (Komatsu), Jim Grech (Peabody), Doug Gain (Seriti) and Roman Golvin (SUEK JSC).

Quorum confirmed and 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 15 February 2024

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 and addressed during the respective Agenda item.

3. Finance, Governance and Membership

Finance & Governance

3.1 Financial Updates

3.1.1. FY24 Q2 Profit or Loss Actual

The Finance and Governance Director provided an overview of the FY24 Q2 Profit or Loss stating that the:

- Membership Fees variance was due to unrecognised at-risk Members and unrealised prospects. It was also confirmed that the fees were annualised over the period following a query by Vice Chair (Stephan Solzhenitsyn).
- Surplus brought forward is assumed to remain consistent with budget pending the finalisation of the external FY23 audit;
- Remuneration variance due to vacant roles, with no immediate plans to fill the positions.
- 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.

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3.1.2. FY24 Q3 Cash Flow Forecast

The Finance and Governance Director presented the Cash Flow Forecast for FY24 Q3 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 228k), Finance and Governance (GBP 26k) and Work Programme expenditure (GBP 76k) forecasted payments were noted; and
- Receipts forecasted for outstanding Membership Income would be recovered by June 2024 (excluding at-risk Members), 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 concluded the Audit with no material findings. The Chief Executive acknowledged the Director Finance and Governance efforts.

The Audit Report and Draft Statutory Accounts will be presented at the FC80 Board and AGM39 Annual General Meeting in May 2024.

3.2 Governance

The Chief Executive presented updates on the following governance matters.

3.2.1 Policy and Engagement Committee (PECo)

It was noted that the next Policy and Engagement Committee (PECo) meeting will take place on 24 April 2024 with discussions centred on the following:

- an introduction of new Secretariat Member Dr David Ma (Regional Director – China and Mongolia);
- 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)

The next Brand and Communications Committee (BCCo) meeting will take place on 30 April 2024 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 Meeting and Strategy Workshop

The Chief Executive provided and update to the Executive Committee on the next Board, AGM and Strategy Workshop and advised:

- registration was open for the hybrid FC80 Board and AGM39 Annual General Meeting to be held at the Fairmont Hotel in Singapore; and
- Strategy Architecture (Phase 1) and workshop preparations are progressing. A Strategy Review questionnaire was sent to over 90 selected stakeholders to participate in a survey which will inform the content and direction of our 10-year strategy (2025-2035). The response rate was currently lower than expected, the Secretariat would over the next couple of weeks continue to seek further responses. The survey outcomes will be presented at our Strategy Workshop.

3.2.4 Membership Tiers and Fee Review

The Chief Executive provided an update on the Phase 2 Membership Tiers and Fee Review, advising a final draft paper outlining four possible tier options and addressing the grandfathering proposal, will be distributed to the Executive Committee in the week commencing 22 April 2024.

3.3 Membership

The Chief Executive provided the Executive Committee with the following Membership update and acknowledged the Director Business Development and Membership in her recruitment efforts:

3.3.1 Membership Movement

The Committee was updated with the following Membership movements:

- Zimbabwean Producer, Hwange Colliery on-boarded as new Corporate Member, subject to ratification at the F80 Board Meeting in May 2024;
- notice was received from Orica to exit FutureCoal due to their misaligned ESG policy. A formal letter was sent to recover the outstanding fees;
- further assistance from Members for Membership retention is sought; and
- no Director resignations or Company nominations received for the quarter.

3.3.2 Membership Activities

The Committee was updated with the following Membership activities:

South Africa

- positive conversations with Eskom Group CEO, Dan Marokane who is supportive of a FutureCoal Membership and has initiated the internal processes towards approval. The MOU discussed during Indaba with the Minister of Resources will be dealt with the DMRE as a separate but complimentary course ;
- conversations with Sasol remain active; and
- discussions with Barloworld were not progressing as positively as it seemed during the Mining Indaba in early February 2024.

Mike Teke (Seriti), JP Bekkering (Caterpillar) and the Chairman, July Ndlovu (Thungela) advised that they will make various representations in support of these targets.

China and Mongolia
Roadshow concluded 12 April 2024 to progress the respective Country Strategies for China and Mongolia with the support of FutureCoal Vice Chair, Stephan Solzhenitsyn, during which the following activities were undertaken:

- second round meetings held with China Energy, whose application is progressing and CNBM who have indicated that a different membership arrangement i.e. technology partner is sought;
- Shandong Energy approval received but awaiting China Energy to formalise. China Coal application submitted for approvals, awaiting response;
- Erdenes Mongol (ETT parent) indicated it will seek approval to join despite current operational activities freeze; and
- Mongolian Coal Association and FutureCoal to explore 'bundling' individual membership approaches to the private sector smaller players given their shared objectives which is deemed likely to have more success.

India
In support of the Indian Country Strategy, discussions progressing with steel players, AMNS who signalled interest to join the FutureCoal Global Alliance and NTPC who are in process of obtaining final internal approval.

The Secretariat is engaging GE Vernova at a global level which should be able to join formally as members.

Michael Van Maanan, advised that Whitehaven would be launching their first marketing office in Delhi, and is interested in the India strategy and would be available to the Secretariat for support.

Australia
Australia Roadshow is planned for the third quarter FY24. Chief Executive and Director Business Development and Membership will engage with existing and prospective members (Glencore, QCoal and Bowen Coking Coal) in Queensland, Sydney, and Canberra. The Chief Executive advised that requests for government meetings to date had not been successful and that the Secretariat would reach out to the Australian members for support. Michael Van Maanan (Whitehaven) advised that he was not surprised and that they have had more success reaching out through the local members.

United States (US)
Chief Executive to deliver a keynote address at the Bluefield Coal Symposium, taking place in West Virginia in August. The event will present the opportunity to engage with prospective Members Consol Energy and Ramaco where discussions have progressed and been positive under the rebrand.

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 Q2 activities in support of our FY24 Work programme.

- **Interviews**
  - Interviews with the Chief Executive across various platforms included:
  - Australian Financial Review, with a 3.4 million readership;

- Mining Indaba TV, who have a circulation of 10 000;
- China Coal News, which targets 8 million people employed in the coal sector;
- Mongolian national media including Mongolian Tengen TV, National Broadcasting ASA, and TV 9, with a collective viewership of up to 3 million.
- Director Business Development and Membership also provided an interview on FutureCoal's Sustainable Coal Stewardship with BigMint, whose circulation exceeds 300 000.

- **Events**
  Director Strategy & Sustainability provided keynote at the 17th Indian Coal Market Conference Kolkata (21-22 March).

- **Op-eds**
  - "FutureCoal, its Rebrand and Philosophy", guest comments by Chief Executive to World Coal who have a 5000 circulation; and
  - "Leave Coal Behind, Leave Africa Behind", op-ed by South African Sunday Times with a 10 million circulation.

Upcoming Activities

High level and strategic activities in support of recruitment and advocacy for the next quarter would include:

- energy focus op-ed from Chief Executive on investment and funding;
- media outreach activities planned to support Australian Roadshow;
- virtual panel participation by Director Strategy and Sustainability at McCloskey Coal and Met Coke Conference of the Americas (17-18 April);
- pre-recorded keynote speech by Director Strategy and Sustainability at Argus Coal Conference 2024 (24-26 April);
- in-person keynote address by Chief Executive at Bluefield Coal Symposium (USA - West Virginia) (13-14 August);
- review of the complete Asset Suite to support our strategic objectives; and
- expansion of FutureCoal marketing collateral to boost recruitment. Includes translation of our promotional video and Sustainable Coal Stewardship map into multiple languages, along with the creation of additional brochures, videos, and infographics.

Media Trends
Chief Executive advised that the Secretariat continues to monitor media and an update was provided on the trends witnessed over the last few months from the Global North and Global South, as well as the critical changes in the financial sector's approach to climate and coal policies.

It was further noted that some articles supporting these trends were linked in the presentation which would be shared post the meeting.

4.2 Advocacy

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

4.2.1 Sustainable Coal Stewardship

Continued expansion of the “Innovation Network” in carbon capture innovation and policy, include the following :

- SaskPower (Canada) commercial scale CCS at Boundary Dam coal plant;
- Tree Associates (UK) and Purdue University (US) laboratory scale;
- Hydrobe (US) small-scale demonstration scale under construction;
- Japan Organisation of Metals and Energy Security (JOGMEC London) and Graduate Institute of Policy Studies – (GRIPS Japan); and
- IEA CIAB, continued existing relationships, with in-person attendance at associate meetings in Beijing.

4.2.2 Government and Finance and Investment Engagement

Government Engagement
In support of the Advocacy strategy for China and Mongolia, government engagement for Q2 included the Australian Embassy in China (Minister Counsellor, Mr. Simon Farbenbloom) and Embassy of United States of American in China (Minister Counsellor, Mr. Everett Wakai).

Upon a return visit to China, proposed engagements include Australian Ambassador to the People’s Republic of China, Mr Scott Dewar and United States Ambassador to the People’s Republic of China, Nicholas Burns.

To support the Australia Roadshow during the next quarter formal meeting requests sent to Energy and Resource Ministries of NSW, Queensland and Victoria. Including Minister Michael de Brenni, Senator Matt Canavan, as well as Minister Madeleine King, Minister Chris Bowen and Minister Penny Sharpe who as previously noted declined.

Finance and Investment Engagement
Chief Executive conducted 17 ‘off record’ enquiries initiated by key finance, investment and insurance professionals mostly located in Europe, US and South America.

Finance and Investment Strategy, currently under development and to be further informed by the outcomes of the strategy session.

Engagements scheduled for Q3 include follow-up in-person meetings with Howden, Willis Towers Watson (WTW), UBS and engagement opportunities in the Middle East.

The Chairman noted that in a recent meeting with Vanguard’s Global Head of Climate Investment having recently departed from Climate 100, he pointed to the work of FutureCoal and Chief Executive Michelle Manook as providing sensible and factual information in the energy transition debate.

4.2.3 Policy Brief & Reports

FutureCoal policy briefs released during the first quarter of 2024 included “IEA Lacks Credibility” and “ Navigating the Energy Transition in Europe”.

- Advocacy activities included the compilation of the following reports:
  - "A Pathway for Sustainable Coal" currently under final review with additional material from the University of Witwatersrand (South Africa);

- ‘Mapping UN SDGs in the ASEAN Coal Value Chain' first draft report completed for internal review and submissions to the ASEAN Centre for Energy for peer review; and
- ‘Digitalisation in Mining’ and ‘Coal in a Carbon-Neutral Future’ draft reviews is in progress.

- Continued research to support Policy, Communications, Finance and Investment and Business Development, in narrative, messaging, and value proposition.

5. ANY OTHER BUSINESS

There being no further business the Chair closed the Meeting.

6. CLOSE

Chair ……………………………..

Date ……………………………..

Annexure 1

Matters Arising

Executive Meeting
18 April 2024

ITEM NO	ACTION	BY WHOM	DUE DATE
3.2.4	**Membership Tier and Fee Review** Draft paper outlining four possible tier options and addressing the grandfathering proposal, will be distributed to the Executive Committee in the week commencing 22 April 2024	Secretariat	28 April 2024
	Meeting Presentation to be shared with Executive Committee.	Secretariat	Post Meeting