

9 March 2020

# ASX Release:

## CEO APPOINTMENT

### APPOINTMENT AND RESIGNATION OF CHIEF EXECUTIVE OFFICER, RESIGNATION OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND CHANGE OF COMPOSITION OF BOARD COMMITTEES

The board (the **Board**) of directors of Yancoal Australia Ltd (**Yancoal** or the **Company**), together with its subsidiaries (the **Group**), is pleased to announce the appointment of Mr David James Moulton as Yancoal's new Chief Executive Officer (**CEO**) effective 9 March 2020.

Mr Moulton (age 63) is an experienced CEO and company director with a career that spans over 40 years across the global mining and coal industries.

Mr Moulton was appointed as an independent non-executive director of Yancoal in January 2018. During his tenure as a Yancoal director, he has been the chairman of the Health, Safety, Environment and Community Committee (6 February 2018 – current), a member of the Nomination and Remuneration Committee (8 June 2018 – current) and a member of the Audit and Risk Management Committee (8 June 2018 – current).

The Board considers that his broad experience, as well as existing knowledge of Yancoal's operations as an independent non-executive director, will provide continuity to the CEO role and enable Mr Moulton to effectively implement the Company's strategic priorities.

Mr Moulton was previously the managing director and CEO of Centennial Coal Company Limited (**Centennial**) from 2011 to 2017, and then a non-executive director of Centennial from May 2017 until January 2018. Before being appointed as CEO at Centennial, he had held the position of chief operating officer from 1998 to 2011. Mr Moulton previously held senior management positions at Joy Mining Machinery in the USA and Australia, RJB Mining PLC and British Coal in the UK.

Mr Moulton is a former director of the Minerals Council of Australia, former chairman and director of the New South Wales Minerals Council, former chairman and director of the Australian Coal Association Low Emissions Technology Ltd, and a former director of the Newcastle Coal Infrastructure Group (in which Yancoal has a 27% shareholding) and the Port Kembla Coal Terminal.

Mr Moulton is a Chartered Engineer in Mining (CEng), holds a Masters of Business Administration (MBA) degree from the Nottingham Business School of the Nottingham Trent University, is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and a Member of the Australian Institute of Company Directors (MAICD). He is also a member of the University of NSW Education Trust Advisory Committee. Mr Moulton is also a current director of the following industry organisations: Coal Services Pty Ltd; Coal Mines Insurance Pty Ltd; and Mines Rescue Pty Ltd.

Mr Moulton is a director of various Yancoal subsidiaries and may be appointed as a director to additional Yancoal subsidiaries in the future.

Save as disclosed in this announcement, Mr Moulton does not (i) hold any other position with the Company or its subsidiaries; (ii) hold any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; and (iii) have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

Mr Moulton does not currently own any shares in the Company and does not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

There is no information which is disclosable nor is/was Mr Moulton involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to 13.51(2)(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**HKSE Listing Rules**).

The key terms of Mr Moulton's employment agreement are set out in the **Appendix**.

Mr Moulton has resigned as an independent non-executive director of Yancoal, with his resignation effective today concurrently with his appointment as CEO. In connection with Mr Moulton's resignation as an independent non-executive director, he has confirmed that he has no disagreement with the Board.

There is no other matter concerning Mr Moulton that needs to be brought to the attention of the shareholders of the Company.

The Company notes that due to Mr Moulton's resignation as an independent non-executive director to take up the role of CEO, it does not currently have sufficient independent non-executive directors to meet the one-third requirement set out in HKSE Listing Rule 3.10A. The Company intends to appoint an additional independent non-executive director as soon as reasonably practicable in compliance with the HKSE Listing Rules.

### **Change of Composition of Board Committees**

Concurrently with his resignation as an independent non-executive director of Yancoal, Mr. Moulton has resigned as the chair of the Health, Safety, Environment and Community Committee and as a member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee.

Dr. Geoffrey William Raby has been appointed as the chair of the Health, Safety, Environment and Community Committee and a member of the Nomination and Remuneration Committee.

### **Resignation of Chief Executive Officer**

Mr Moulton replaces Mr Reinhold Hans Schmidt, who has resigned as the CEO and all related Group directorships effective 8 March 2020 to pursue new career opportunities. The Board and Mr Schmidt have agreed to the terms of his resignation. Mr Schmidt has confirmed that he has no disagreement with the Board and that there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of the Company.

Mr Schmidt made a significant contribution to Yancoal's growth and expansion, and he implemented many initiatives that have led to the Company's strong operational and financial position. His contribution to the Company transforming Coal and Allied acquisition was invaluable, creating Australia's largest pure play coal producer. The Board thanks Mr Schmidt for his service and wishes him well in the future.

**END**

Authorised for lodgement by the Board of Yancoal Australia Ltd  
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## APPENDIX

The material terms of the employment agreement entered into with Mr David James Moulton, are as follows:

### 1. Appointment

The appointment is to the position of Chief Executive Officer effective from 9 March 2020 (**Commencement Date**).

### 2. Term

Mr Moulton's appointment will be for an initial period of 2 years from the Commencement Date. Mr Moulton will have the option to convert his appointment to a permanent position, during the second year, if mutually agreed with the Yancoal Board. The termination provisions are set out below.

### 3. Duties

The duties of Mr Moulton are those expected of the CEO, reporting to the Chair of the Executive Committee and Chairman of the Board.

### 4. Remuneration

There are three key components to Mr Moulton's remuneration package:

#### Fixed remuneration

Mr Moulton will receive an annual fixed remuneration of A\$1,699,986 per annum (inclusive of cash salary, superannuation and any grossed up fringe benefits tax, but not any payroll tax or workers' compensation insurance paid by the Company in respect of Mr Moulton's employment) which will be reviewed annually.

In addition to receiving fixed remuneration, Mr Moulton will receive additional benefits including directors' and officers' liability insurance that may be applicable to any directorships he will be required to hold as part of his duties. The Company will also reimburse Mr Moulton for any expenses that he reasonably incurs during the performance of his duties (including business-related travel).

#### Short Term Incentive Plan

Mr Moulton will be eligible to participate in a Short Term Incentive Plan (**STIP**) in respect of a performance year and may receive an annual award in accordance with the STIP and Equity Incentive Plan Rules (**EIP Rules**) in effect for the performance year.

The payment of any award will be subject to the terms of the EIP Rules and STIP. STIP awards are paid 50% cash and 50% in the form of performance share rights. The terms on which the performance rights vest are set out in the EIP Rules. The Company may vary the STIP but only on an annual basis.

#### Long Term Incentive Plan

Mr Moulton will be eligible to participate in a Long Term Incentive Plan (**LTIP**) in respect of a performance year and may receive an annual award of performance share rights in accordance with the LTIP and EIP Rules in effect for the performance year.

The payment of any award will be subject to the terms of the EIP Rules and LTIP. The size and nature of any payment will be in accordance with the LTIP and EIP Rules. The Company may vary the LTIP but only on an annual basis.

Mr. Moulton's remuneration was determined by reference to his duties and responsibilities and the prevailing market conditions and will be reviewed by the Nomination and Remuneration Committee of the Board from time to time.

## **5. Termination Provisions**

Mr Moulton may terminate his employment at any time by providing 6 months' written notice.

The Company may terminate Mr Moulton's employment at any time by providing 12 months' written notice. The Company may also terminate Mr Moulton's employment at any time without notice for certain prescribed events including serious misconduct, serious negligence in the performance of his duties, serious or persistent breach of the employment agreement, bringing the Company into disrepute or being charged with an imprisonable offence.

## **6. Restrictive Covenant**

Mr Moulton is restrained during employment and for a period of 3 months after termination from competing with the Company and each Group Company (**Group**) and soliciting customers or clients, directors or employees of the Group.

## **7. Other provisions**

The employment agreement also contains general provisions regarding confidential information, intellectual property and moral rights.