

20 March 2020

ASX Release:

EXECUTIVE DIRECTOR APPOINTMENT

APPOINTMENT OF EXECUTIVE DIRECTOR AND VICE-CHAIR, RESIGNATION OF EXECUTIVE DIRECTOR, RESIGNATION OF CHIEF FINANCIAL OFFICER, AND CHANGE OF COMPOSITION OF BOARD COMMITTEE

Appointment of Chair of the Executive Committee

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 Ning Zhang as an Executive Director and Vice-Chair of Yancoal effective 20 March 2020. Mr Zhang has also been appointed as the Chair of the Executive Committee (**CEC**) effective 20 March 2020.

Mr Zhang (age 51) holds a bachelor degree and a master's degree from Tianjin University of Finance and Economics. He is professionally accredited as Professorate Senior Accountant and International Finance Manager (**IFM**). During his near 30 year career with the Yankuang Group Mr Zhang has held several senior roles, including Vice Director of the Finance Department and the Director of the Audit and Risk Department.

Mr Zhang has been appointed as a director to certain Yancoal subsidiaries with effect from 20 March 2020 and may be appointed to additional Yancoal subsidiaries in the future as and when business needs arise.

Save as disclosed in this announcement, Mr Zhang 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 Zhang 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 Zhang 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.

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

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

Resignation of Executive Director and Vice-Chair

Mr Zhang replaces Mr Fucun Wang, who has resigned as an Executive Director, Vice-Chair of Yancoal and all related Group directorships effective 20 March 2020. Mr Wang has resigned to pursue new career opportunities. The Board and Mr Wang have agreed to the terms of his resignation. Mr Wang 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 Wang made a significant contribution to Yancoal; he oversaw the consolidation of the Company following the transformative Coal and Allied acquisition, and Yancoal's transition to regular shareholder distributions following the inaugural dividend payment for the 2018 financial year. The Board thanks Mr Wang for his service and wishes him well in the future.

Resignation of Chief Financial Officer

Mr Lei Zhang has resigned as Yancoal's CFO effective 20 March 2020 to pursue new career opportunities. Mr. Zhang made a significant contribution to Yancoal's growth including his involvement with the transformational Coal and Allied acquisition and his efforts with the HKEx listing. The Board and Mr Zhang have agreed to the terms of his resignation. The Board thanks Mr. Zhang for his service and wishes him well in the future.

Yancoal has commenced the process to appoint a replacement for the CFO position and will advise the market when the appointment has been finalised in due course.

Change of Composition of Board Committees

Concurrently with his resignation as an executive director of Yancoal, Mr Wang has resigned as a member of the Health, Safety, Environment and Community Committee.

Mr Zhang has instead been appointed as a member of the Health, Safety, Environment and Community Committee with effect from 20 March 2020.

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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 Ning Zhang, are as follows:

1. Appointment

The appointment is to the position of Chair of the Executive Committee (**CEC**) effective from 20 March 2020.

2. Term

Mr Zhang's appointment will commence on the commencement date and will cease on the date on which Mr Zhang has given or been given by the Company notice of the termination of his employment. The termination provisions are set out below.

3. Duties

The duties of Mr Zhang are those expected of the CEC, reporting to the Chairman of the Board or as otherwise directed by the Board.

4. Remuneration

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

Fixed remuneration

Mr Zhang will receive from commencement of employment an annual fixed remuneration of A\$499,863 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 Zhang's employment) which will be reviewed annually.

In addition to receiving fixed remuneration, Mr Zhang 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 Zhang for any expenses that he reasonably incurs during the performance of his duties (including business-related travel).

Short Term Incentive Plan

Mr Zhang 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 Zhang 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 Zhang'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 Zhang may terminate his employment at any time by providing six months' written notice.

The Company may terminate Mr Zhang's employment at any time by providing 12 months' written notice. The Company may also terminate Mr Zhang'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 Zhang is restrained during employment and for three months after termination from competing with the Company and each Group Company (together, the **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.