

Met Coal 2019 Bonus Outcomes Scorecard Calibration Dashboard

This information is strictly confidential and commercially sensitive and should not be circulated without prior

>=85%
>=75% & <85%
<75%

Outcomes from Group (Group Calibrated)

BU	Business Results Score	Critical Tasks Score	% Outcome	Safety Deductor
	70	30		
Met Coal	36.0	24.0	54.0	10.0%
Capcoal	47.0	6.0	53.0	-
Grasstree	21.0	22.0	43.0	-
Grosvenor	27.0	30.0	57.0	-
Moranbah	37.0	29.0	52.8	20%

The table below presents the outcomes as a % of the score

BU	Business Results %	Critical Tasks %	Outcome %	Safety Deductor
	70	30		
Met Coal	51.4%	80.0%	54.0%	10.0%
Capcoal	67.1%	20.0%	53.0%	-
Grasstree	30.0%	73.3%	43.0%	-
Grosvenor	38.6%	100.0%	57.0%	-
Moranbah	52.9%	96.7%	52.8%	20%

Outcomes from this scorecards

BU	Business Results Score	Critical Tasks Score	Outcome %	Safety Deductor
	70	30		
Met Coal	36.0	24.0	54.0	10.0%
Capcoal	47.0	6.0	53.0	-
Grasstree	21.0	22.0	43.0	-
Grosvenor	27.0	30.0	57.0	-
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BU	Business Results %	Critical Tasks %	Outcome %	Safety Deductor
	70	30		
Met Coal	51.4%	80.0%	54.0%	10.0%
Capcoal	67.1%	20.0%	53.0%	-
Grasstree	30.0%	73.3%	43.0%	-
Grosvenor	38.6%	100.0%	57.0%	-
Moranbah	52.9%	96.7%	52.8%	20%



Official Scorecard Approved Outcome Confirmation from Group Below, based on points, not %:

From: Paula, Cary <Paula.Cary@metcoal.com>
 Sent: Tuesday, 11 February 2020 3:57 PM
 To: Mitchell, Tyler <Tyler.Mitchell@enginesolutions.com>; Jones, Warwick <warwick.jones@enginesolutions.com>; Eberhagen, Adrian <adrian.eberhagen@enginesolutions.com>; Cheaman, Chris <Chris.Cheaman@enginesolutions.com>
 Cc: Baker, Paul <Paul.Baker@enginesolutions.com>
 Subject: Bonus outcomes - Met Coal

	CT	Bus results	Total
Metallurgical Coal - BU	24.0	36.0	60.0
Metallurgical Coal - Capcoal OC	6.0	47.0	53.0
Metallurgical Coal - Capcoal V&D	22.0	21.0	43.0
Metallurgical Coal - Devon	27.0	30.0	57.0
Metallurgical Coal - Grosvenor	30.0	27.0	57.0
Metallurgical Coal - Moranbah North	29.0	23.8	52.8

Met All

Following Mark's note to Spencer yesterday, please see above the Met Coal bonus results in detail. Please note that a small top-down adjustment has been made by Mark to the Critical Task outcomes across all BUs and functions, to ensure that results are reflective of performance and that is sufficient comparability across the group. The adjustment was: 1 for Moranbah North and 3 for Devon. No Critical Task adjustments for the BU or other operations.

Please note that a 10% safety deductor will apply at BU level and a 20% safety deductor at Moranbah North.

Please let me know if you have any questions.

Regards

Paula

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Metallurgic BU		Adjusted for price/FX and uncontrollables								
BU	Asset	Metric	Detail / Critical task	Unit	Unadjusted target	Adjusted target	Achieved	Score	Points achieved	Points available
Business Results										
Group Financial										
Group BU	BU	EPS Anglo American Group @ Fixed Prices		cps	-	-	-			5.0
Group BU	BU	EPS Anglo American Group @ Actual Prices		cps	-	-	-			5.0
Group BU	BU	Attributable Free cash Flow		\$m	-	-	-			5.0
BU Financial										
Metallurgical Coal	BU	EBITDA	-	\$m						6.0
Metallurgical Coal	BU	Operating Free Cash Flow	-	\$m						6.0
Metallurgical Coal	BU	Return on Capital Employed (BU)	-	%						6.0
Production & Sales										
Metallurgical Coal	BU	Saleable Production (Mt)	-	Mt	22.1	22.0	21.0	49.5%	6.2	12.5
Costs, capex & cashflow										
Metallurgical Coal	BU	Unit Cost (AUD/t)	-	AUD/t						12.5
Safety, Health and Environment										
Metallurgical Coal	BU	Elimination of Fatalities (Weighted Average)		#	2.0	2.0	5.0	100.0%	4.0	4.0
Metallurgical Coal	BU	TRCFR		#	8.36	8.36	6.2	100.0%	3.0	3.0
Metallurgical Coal	BU	Zero (0) Level 3, 4 and 5 incidents		#	-	-	-	100.0%	2.5	2.5
Metallurgical Coal	BU	Health - Medical Surveillance		%	95.0%	95.0%	100.0%	100.0%	2.5	2.5
Critical Tasks										
Metallurgical Coal	BU	Critical Task #1	Safety a. Reduction in the % of Critical Controls classified as 'Administrative' from current 43% to 35%	%		Only 35% controls are admin related	Yes	100.0%	6.0	6.0
Metallurgical Coal	BU	Critical Task #2	Development step change - a. establish Smart Centre capability for development activities - receiving and actively analysing real time data to drive improvement in operating and maintenance strategies. A critical precursor for further automation and reduction of development cycle times. b. develop perfect pillar cycle process as part of a development improvement programme, initially at Moranbah, then replicated	# of CM's linked; development metres advance		At least 2 CM units transmitting real time data to the Smart Centre by Q4	Yes	100.0%	6.0	6.0
Metallurgical Coal	BU	Critical Task #3	MG Debottlenecking upside a. Deliver 150hr week and rate of 2250tph post MG1 upgrade b. Run two improvement projects to increase yield - APC implementation and review of fines recovery c. Procure and improve above rail capacity to meet budget volume (step up per week of 13% y-o-y)	Increased sales		Allow for sprint CHPP capacity, allow ROM blending. Understand capability limit	Yes	100.0%	6.0	6.0
Metallurgical Coal	BU	Critical Task #4	Implementation of the Operating Model - a. MG Complex: full implementation of Ops Planning, Work Management and Feedback by Q4/2019 b. Dawson and Capcoal: Ops Planning completed by Q4/2019 with WM in progress by end of year targeting full implementation by end of H1 2020	% progress		100% implementation	No			6.0
Metallurgical Coal	BU	Critical Task #5	Successful development of a strategy or new solution for gas (immediate and future low permeability coal) that provides a cost-effective methodology that meets the current BP production schedule and allows for P101 upside	Pre-drainage gas flows		Gas flow from pre-drainage wells sufficient to meet outburst thresholds	Yes	100.0%	6.0	6.0
Total points										100.0
Safety Deductor										
Fatality Prevention (10% malus per each fatal incident above baseline of zero)									10.0%	



Metallurgic: Capcoal OC Adjusted for price/FX and uncontrollables

BU	Asset	Metric	Detail / Critical task	Unit	Unadjusted target	Adjusted target	Achieved	Score	Points achieved	Points available
Business Results										
BU Financial										
Metallurgical Coal	BU	EBITDA	-	\$m						70.0
Metallurgical Coal	BU	Operating Free Cash Flow	-	\$m						15.0
Metallurgical Coal	BU	Return on Capital Employed (BU)	-	%						5.0
Production & Sales										
Metallurgical Coal	Capcoal OC	Saleable Production (Mt)	-	Mt	2.8	2.8	2.9	94.9%	17.6	18.5
Costs, capex & cashflow										
Metallurgical Coal	Capcoal OC	Unit Cost (AUD/t)	-	AUD/t						18.5
Safety, Health and Environment										
Metallurgical Coal	Capcoal OC	Elimination of Fatalities (Weighted Average)		#	2.0	2.0	5.0	100.0%	18.0	18.0
Metallurgical Coal	Capcoal OC	TROFR		#	4.57	4.57	3.6	100.0%	4.0	4.0
Metallurgical Coal	Capcoal OC	Zero (0) Level 3, 4 and 5 incidents		#	-	-	-	100.0%	5.0	5.0
Metallurgical Coal	Capcoal OC	Health - Medical Surveillance		%	95.0%	95.0%	100.0%	100.0%	4.5	4.5
Critical Tasks										
			Safety & Environment					18.3%	5.5	30.0
Metallurgical Coal	Capcoal OC	Critical Task #1	Reduce HPI's by 50% (3 HPI's in 2018) through: - implementation of Fatigue Technology Q2, - review of PUE's & CC's Q2, - introduction of Fewzion planning tool Q3, - introduction of Behavioural Safety program Q3	#	1		No	-	-	8.0
Metallurgical Coal	Capcoal OC	Critical Task #2	Prime 12.5% improvement in Shovel performance (40Mt 2018 annualised to 45Mt 2019) and 10% improvement in EX302 (21Mt in 2018 to 23Mt in 2019) through: - deliver Work Through Crib on 1 Jan - implement 12.5hr dayshift from 1 Jul - increase truck utilisation (hours increase from 5,597 2018 to 5,977hrs 201)	Mt	68.0		No	-	-	11.0
Metallurgical Coal	Capcoal OC	Critical Task #3	Cost Improve Operational efficiency from \$5.76/Unit 2018 to BP19 of \$5.49/Unit through: - equipment productivity - manning efficiency (to 200kunit prime/FTE) - expense control	\$/unit	5.5		Partial	50.0%	5.5	11.0
Total points										
Safety Deductor										
Fatality Prevention (20% malus per each fatal incident above baseline of zero)										



Metallurgic: Capcoal UG Adjusted for price/FX and uncontrollables

BU	Asset	Metric	Detail / Critical task	Unit	Unadjusted target	Adjusted target	Achieved	Score	Points achieved	Points available
Business Results										
BU Financial										
Metallurgical Coal	BU	EBITDA	-	\$m						70.0
Metallurgical Coal	BU	Operating Free Cash Flow	-	\$m						15.0
Metallurgical Coal	BU	Return on Capital Employed (BU)	-	%						5.0
Production & Sales										
Metallurgical Coal	Capcoal UG	Saleable Production (Mt)	-	Mt	4.0	4.0	3.4			18.5
Costs, capex & cashflow										
Metallurgical Coal	Capcoal UG	Unit Cost (AUD/t)	-	AUD/t						18.5
Safety, Health and Environment										
Metallurgical Coal	Capcoal UG	Elimination of Fatalities (Weighted Average)		#	2.0	2.0	5.0	100.0%	18.0	18.0
Metallurgical Coal	Capcoal UG	TROFR		#	12.79	12.79	7.6	100.0%	4.0	4.0
Metallurgical Coal	Capcoal UG	Zero (0) Level 3, 4 and 5 incidents		#	-	-	-	100.0%	5.0	5.0
Metallurgical Coal	Capcoal UG	Health - Medical Surveillance		%	95.0%	95.0%	100.0%	100.0%	4.5	4.5
Critical Tasks										
Metallurgical Coal	Capcoal UG	Critical Task #1	Safety - Fully implement a surface zoning system with all activities managed through Fewzion (eg similar to UG). System to include electronic tracking boards and live tracking of personnel (improve safety and management of surface activities which represent a large percentage of total workforce at U/G sites)	# of zones	100% of zones covered		Yes	100.0%	8.0	8.0
Metallurgical Coal	Capcoal UG	Critical Task #2	Digitisation – Phase One digitisation Road Map implemented (part of digitisation of underground mine of the future)	% completion	Phase 1 roadmap completed (includes tablets U/G, training of people)		Yes	100.0%	4.0	4.0
Metallurgical Coal	Capcoal UG	Critical Task #3	Development / LW - resulting from the panel sequence change to 800's due to unplanned gas levels, target as per BP for no LW discontinuity in 2019. Implement development improvement plan in 2019 to address potential discontinuity deferred to 2020	Tonnes/ Days of no coal	Despite sequence change achieve saleable tonnes for the year		Yes	100.0%	10.0	10.0
Metallurgical Coal	Capcoal UG	Critical Task #4	Longwall – Deliver ROM tonnes through a combination of targeting operating hours of 95hours/week and rate of 1712tph	LW ROM tonnes	7.0Mt LW ROM tonnes		No			8.0
Total points										100.0
Safety Deductor										
Fatality Prevention (20% malus per each fatal incident above baseline of zero)										



Metallurgic: Grosvenor Adjusted for price/FX and uncontrollables

BU	Asset	Metric	Detail / Critical task	Unit	Unadjusted target	Adjusted target	Achieved	Score	Points achieved	Points available	
Business Results											
BU Financial											
Metallurgical Coal	BU	EBITDA	-	\$m						70.0	
Metallurgical Coal	BU	Operating Free Cash Flow	-	\$m						15.0	
Metallurgical Coal	BU	Return on Capital Employed (BU)	-	%						5.0	
Production & Sales											
Metallurgical Coal	Grosvenor	Saleable Production (Mt)	-	Mt	5.0	5.0	4.7	32.8%	6.1	18.5	
Costs, capex & cashflow											
Metallurgical Coal	Grosvenor	Unit Cost (AUD/t)	-	AUD/t						18.5	
Safety, Health and Environment											
Metallurgical Coal	Grosvenor	Elimination of Fatalities (Weighted Average)		#	2.0	2.0	5.0	100.0%	4.0	4.0	
Metallurgical Coal	Grosvenor	TRCFR		#	12.14	12.14	9.1	100.0%	5.0	5.0	
Metallurgical Coal	Grosvenor	Zero (0) Level 3, 4 and 5 incidents		#	-	-	-	100.0%	4.5	4.5	
Metallurgical Coal	Grosvenor	Health - Medical Surveillance		%	95.0%	95.0%	100.0%	100.0%	4.5	4.5	
Critical Tasks											
Metallurgical Coal	Grosvenor	Critical Task #1	Safety - Fully implement a surface zoning system with all activities managed through Fewzion (eg similar to UG). System to include electronic tracking boards and live tracking of personnel (improve safety and management of surface activities which represent a large percentage of total workforce at U/G sites)	# of zones	100% of zones covered		Yes	100.0%	8.0	8.0	
Metallurgical Coal	Grosvenor	Critical Task #2	Digitisation – Phase One digitisation Road Map implemented (part of digitisation of underground mine of the future)	% completion	Phase 1 roadmap completed (includes tablets U/G, training of people, statutory and production reporting completed via tablet, real time planning underground)		Yes	100.0%	4.0	4.0	
Metallurgical Coal	Grosvenor	Critical Task #3	Development – Achieve cutting hours of 77hrs/week for development in next critical panel by end of year to avoid LW discontinuity	Hours	77hours/week on a single panel		Yes	100.0%	10.0	10.0	
Metallurgical Coal	Grosvenor	Critical Task #4	Longwall – Operate at 88hours/week from Q2 2019 (post thin interburden seam zone); review opportunities to increase cut height and LW rate improvement	Tonnes	7.0Mt LW ROM tonnes		Yes	100.0%	8.0	8.0	
Total points											100.0

Safety Deductor

Fatality Prevention (20% malus per each fatal incident above baseline of zero)



Metallurgic: Moranbah North Adjusted for price/FX and uncontrollables

BU	Asset	Metric	Detail / Critical task	Unit	Unadjusted target	Adjusted target	Achieved	Score	Points achieved	Points available
Business Results										
BU Financial										
Metallurgical Coal	BU	EBITDA	-	\$m						70.0
Metallurgical Coal	BU	Operating Free Cash Flow	-	\$m						15.0
Metallurgical Coal	BU	Return on Capital Employed (BU)	-	%						5.0
Production & Sales										
Metallurgical Coal	Moranbah North	Saleable Production (Mt)	-	Mt	6.6	6.5	6.1	44.2%	8.2	18.5
Costs, capex & cashflow										
Metallurgical Coal	Moranbah North	Unit Cost (AUD/t)	-	AUD/t						18.5
Safety, Health and Environment										
Metallurgical Coal	Moranbah North	Elimination of Fatalities (Weighted Average)		#	2.0	2.0	5.0	100.0%	4.0	4.0
Metallurgical Coal	Moranbah North	TRCFR		#	8.90	8.90	9.2	-	-	5.0
Metallurgical Coal	Moranbah North	Zero (0) Level 3, 4 and 5 incidents		#	-	-	-	100.0%	4.5	4.5
Metallurgical Coal	Moranbah North	Health - Medical Surveillance		%	95.0%	95.0%	100.0%	100.0%	4.5	4.5
Critical Tasks										
Metallurgical Coal	Moranbah North	Critical Task #1	Safety - Fully implement a surface zoning system with all activities managed through Fewzion (eg similar to UG). System to include electronic tracking boards and live tracking of personnel (improve safety and management of surface activities which represent a large percentage of total workforce at U/G sites)	# of zones	100% of zones covered		Yes	100.0%	5.0	6.0
Metallurgical Coal	Moranbah North	Critical Task #2	Digitisation – Phase One digitisation Road Map implemented (part of digitisation of underground mine of the future)	% completion	Phase 1 roadmap completed (includes tablets U/G, training of people, statutory and production reporting completed via tablet, real time planning underground)		Yes	100.0%	4.0	4.0
Metallurgical Coal	Moranbah North	Critical Task #3	Development – Achieve combined Super Panel cutting hours of 136hrs/week for LW 605 development by end of year to avoid LW discontinuity	Hours	136 combined Super Panel hrs/week		Yes	100.0%	8.0	8.0
Metallurgical Coal	Moranbah North	Critical Task #4	Introduce 1m web and operate wall to maximise full potential of wall capability	Increased tonnes	+300tph increased cutting		Yes	100.0%	6.0	6.0
Metallurgical Coal	Moranbah North	Critical Task #5	MG CHPP (post Phase 1 completion) improved performance: (CHPP Performance – hours and rates)	Increased feed tonnes	Target 150hrs /week and 2250tph from Q2		Yes	100.0%	6.0	6.0
Total points										100.0
Safety Deductor										
Fatality Prevention (20% malus per each fatal incident above baseline of zero)								-20.00%		