



Bettercoal Technical & Advisory Committee (TAC) Terms of Reference (ToR)

Background

Bettercoal is a global, not for profit initiative, established in February 2012 by a group of major European utilities, to promote the continuous improvement of corporate responsibility in coal mining, with a specific focus on the mines themselves.

Bettercoal's vision is a coal supply chain that respects the rights of people and the environment and contributes positively to the social and economic livelihoods of workers, producers, and communities. Bettercoal works toward this vision through its mission to advance the continuous improvement of corporate responsibility in the coal supply chain by improving business practices through engagement with stakeholders and based on a shared set of standards.

In July 2013, Bettercoal members adopted the Bettercoal Code, which sets out the ethical, social, and environmental principles and provisions that Bettercoal expects companies in the coal supply chain to align with. The Bettercoal Code has been developed through an intensive consultation process involving coal producers, trade unions, social and environmental organisations, governments, mining related service providers, and utility companies around the world.

This document provides the background to and sets out the Terms of Reference for the establishment of the Bettercoal Technical & Advisory Committee (TAC). The Bettercoal Board of Directors approved the establishment of the TAC and its ToR at the Board meeting held on 17 November 2015.

Purpose and Scope

The Bettercoal Technical & Advisory Committee is a permanent committee of the Bettercoal Board. The Technical & Advisory Committee supports and advances the mission of Bettercoal by reviewing, developing, and ensuring the quality of Bettercoal's standards, assurance processes and impact assessment and reporting. In the arena of standards development and review, the Technical & Advisory Committee supports the Bettercoal Board by providing expert judgment, analysis and peer review of both Bettercoal standards and stakeholder comments on those standards. The Technical & Advisory Committee may:

- Recommend to the Bettercoal Board of Directors whether to revise an existing or add a new requirement to the Bettercoal Code or MIRO, to protect the credibility of Bettercoal and in response to or anticipation of external events relevant to Bettercoal that might occur from time to time between formal standard review processes;
- Support revisions of existing Bettercoal standards by providing technical expertise;



- Support development of new Bettercoal standards by providing technical expertise;
- Recommend to the Bettercoal Board of Directors non-substantive revisions to existing Bettercoal standards;
- Hear and make recommendations on appeals when called upon by the Board of Directors;
- Make recommendations regarding the assurance, monitoring and impact assessment program.

Composition and Appointment of Committee Members

The Technical & Advisory Committee is composed of up to fifteen members, appointed by the Bettercoal Board.

Bettercoal will appoint up to 2 of its staff to be permanent members of the Technical & Advisory Committee, one of which will be assigned the role of Chair. Bettercoal staff members may participate in Technical & Advisory Committee meetings as observers and may be invited to present information at the discretion of the Chair.

The Chair of the TAC will recommend to the Bettercoal Board of Directors the appointment of four (4) individual representatives from the membership companies of Bettercoal and four (4) individual representatives from the coal suppliers participating in Bettercoal to participate in the TAC. The Bettercoal Board of Directors will approve the appointment of all Bettercoal member and supplier representatives for participation in the TAC.

Acting on advice from the Chair of the TAC, the Bettercoal Board will also appoint to the Technical & Advisory Committee up to a maximum of six (6) 'non-industry' interested parties with expertise in the issues being addressed and/or who could influence implementation of the Bettercoal Code. Specific topic areas relevant to Bettercoal and its Code include, but are not limited to:

- Business ethics;
- Human rights;
- Labour rights;
- Social performance;
- Community development and engagement;
- Environment;
- Governance of collaborative initiatives;
- Mining, in particular coal mining; and,
- Coal mining regions including Colombia, Russia, South Africa and Indonesia.

Bettercoal will seek broad representation amongst the 'non-industry' representatives of those affected by coal mining, including representing the voice of those stakeholders who are challenged to access the resources necessary to facilitate their



participation in the stakeholder process. Relevant interested parties will include: – Non-government organisations (NGOs) – Standards-setting organisations with harmonisation interests – Academic and research institutions – Auditors – Other stakeholders that may be relevant to the Technical & Advisory Committee work program such as international institutions, national governments, and technical experts.

‘Non-industry’ members shall be appointed in their personal capacity based on their expertise and not simply as representatives of a specific organisation.

With the exception of the Bettercoal representatives, members of the Technical & Advisory Committee will serve staggered two-year terms. Consecutive terms for ‘non-industry’ members are acceptable and may be requested by the Board to enable continuity on standards development programs.

Members may terminate their position on the Committee before the end of their term if the reason for being on the Committee ends, either through a change of employment status or responsibilities within Bettercoal.

Names of Committee members are publicly disclosed on the Bettercoal website.

Duty of Committee Members

Technical & Advisory Committee members support the mission of Bettercoal and have the duty to provide the perspectives of materially-affected parties, issues, and/or their relevant expertise to the Committee’s work.

Members of the Committee shall adhere to the Bettercoal Anti-Trust Principles.

Members of the Committee shall abide by the general principles of confidentiality and in some cases may be asked to sign a non-disclosure agreement related to specific confidential or commercially sensitive information.

Committee members shall make reasonable effort to regularly attend committee meetings.

Committee Chair and Meetings

The Bettercoal Board will appoint a Bettercoal staff member to Chair the Technical & Advisory Committee. The Chair may appoint a co-chair from the Committee if deemed necessary and appropriate, as well as administrative support to ensure meeting are conducted properly and efficiently.

The Chair is responsible for convening meetings, drafting meeting agendas and recording the minutes of the meetings and for ensuring that all voices are heard and recorded appropriately. The Chair may publish redacted versions of the minutes of meetings on the Bettercoal website.



A simple majority of the Committee members present constitutes a quorum, as long as there is present at least one member representing the Bettercoal membership companies, one member representing the supplier companies, one member who is a 'non-industry' representative, and the Chair or his or her nominee from the Bettercoal staff.

The Technical & Advisory Committee shall meet at least twice per calendar year. Committee meetings will be conducted using electronic means such as teleconferences to the extent possible to support broad participation; at least one Committee meeting a year will be an 'in-person' meeting. The members of the Technical & Advisory Committee shall agree to be available for consultation and coordination by phone and email in a timely manner.

Decision-making

Committee Meetings will be conducted so as to endeavour to reach decisions through the consensus of all participants. Consensus is defined here as general agreement characterised by the absence of sustained opposition to substantial issues by any important stakeholder group: it is not necessarily unanimity. Consensus should be the result of a process seeking to take into account the views of interested parties and reconcile any conflicting arguments.

To work towards consensus on significant decisions, the Chair will ensure that all participants in meetings are invited to express their views. Sufficient time to discuss and debate decisions of significance should be allocated. Additional time and/or information may be requested by Committee Members to help facilitate a consensus outcome.

In the event that a consensus cannot be reached on a decision of significance, a vote will be taken amongst the Committee Members. This may be taken during the meeting, if a balance of interests are present, otherwise it will be conducted by electronic poll following the meeting. The Chair or a delegate will act as the returning officer. The electronic poll will require a Quorum of ballots cast, and will be deemed to have passed by a simple majority. Individuals attending meetings who are not Board-appointed members of a Committee are not eligible to vote.

Relationship with Bettercoal Governing Bodies

The Chair of the Technical & Advisory Committee will participate in meetings with the Board of Directors and actively represent the deliberations from the Technical & Advisory Committee during Board meetings.

The Technical & Advisory Committee shall meet with the Board of Directors in formal setting at least once a year. The Technical & Advisory Committee may request to meet with the Chairman and/or the Executive Director of Bettercoal on a more frequent basis in formats suited for the topics to be discussed.



The approved minutes from the Technical & Advisory Committee will be included in the Board of Directors meetings' agenda.

The Members Working Group will receive recommendations from the Technical & Advisory Committee in order to inform Board members in advance of Board meetings.

Compensation

Non-industry members of the Technical & Advisory Committee are entitled to claim an annual stipend of €1750 from Bettercoal and may be compensated for necessary and reasonable travel expenses, when approved in advance by Bettercoal.