



23 September 2021

South32 Limited  
(Incorporated in Australia under the *Corporations Act 2001* (Cth))  
(ACN 093 732 597)  
ASX / LSE / JSE Share Code: S32 ADR: SOUHY  
ISIN: AU000000S320  
south32.net

## NOTICE OF ANNUAL GENERAL MEETING

South32 Limited (ASX, LSE, JSE: S32; ADR: SOUHY) (South32) today releases its Notice of Annual General Meeting and sample Proxy Form for the 2021 Annual General Meeting (AGM) which are now available on our website at [www.south32.net](http://www.south32.net).

Due to continuing developments in relation to the COVID-19 pandemic and having regard to continuing Government restrictions, we will hold a fully virtual Meeting, which means there will not be a physical venue for Shareholders to attend. The meeting will be held at 12.00pm (AWST) on Thursday, 28 October 2021.

Further details regarding the AGM and how to attend using the virtual meeting technology is available in the Notice of Meeting and in the notice of access letter annexed. The link to the Notice of Meeting and InvestorVote will be emailed to those members who have elected to receive electronic communications and the notice of access letter and a hard copy proxy form will be dispatched by post no later than 27 September 2021 for all other members.

The Notice of meeting, the blank Proxy Form and other meeting materials can be accessed on South32's website at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings>.

### About South32

South32 is a globally diversified mining and metals company. Our purpose is to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources. We produce bauxite, alumina, aluminium, metallurgical coal, manganese, nickel, silver, lead and zinc at our operations in Australia, Southern Africa and South America. With a focus on growing our base metals exposure, we also have two development options in North America and several partnerships with junior explorers around the world.

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Further information on South32 can be found at [www.south32.net](http://www.south32.net).

Approved for release by Graham Kerr, Chief Executive Officer  
JSE Sponsor: UBS South Africa (Pty) Ltd  
23 September 2021



# FOR FUTURE GENERATIONS

NOTICE  
OF MEETING  
2021





# 2021 NOTICE OF ANNUAL GENERAL MEETING

Date: Thursday, 28 October 2021  
Time: 12.00pm (AWST)  
Location: Virtually by entering <https://web.lumiagm.com/339085528> into your browser

This year, with COVID-19 still being an ongoing health concern, South32 will be webcasting the Meeting online at <https://web.lumiagm.com/339085528>. Shareholders and proxyholders will be able to participate in the proceedings virtually in real-time.

## CHAIR'S LETTER

Dear Shareholder

I am pleased to invite you to the 2021 Annual General Meeting (**Meeting**) of South32 Limited, which will be held on Thursday, 28 October 2021 at 12.00pm (AWST).

We are disappointed that our Meeting will again be held virtually. The ongoing COVID-19 pandemic and continuing Government restrictions do not make it possible for us to meet in person.

Shareholders and guests will be able to attend the Meeting via the Lumi AGM platform. Shareholders and proxy holders will be able to vote and ask questions in real time, in relation to the business of the Meeting. Information on how to participate in the Meeting is set out in the accompanying Notice of Meeting and in the Lumi Online Meeting Guide which is available at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings>.

Chief Executive Officer, Graham Kerr, and I will open the Meeting by commenting on the performance of South32 Limited during the financial year ended 30 June 2021. For further information, I encourage you to visit our website and refer to our 2021 Annual Reporting Suite.

Details on each of the Resolutions to be proposed at the Meeting are included in the Notice of Meeting and the Explanatory Notes. Resolution 6(a) (amendment to Constitution) and 6(b) (climate-related lobbying) are Resolutions requisitioned by a group of shareholders representing approximately 0.007% of the shares on issue. Resolution 6(a) is not endorsed by the Board. The Board considers that the Resolution is not in the best interests of South32 shareholders as a whole. Resolution 6(b) requests that South32 strengthen its review of industry associations to ensure it identifies areas of inconsistency with the Paris Agreement. The Board believes membership of key industry associations provides opportunities to understand, learn and contribute to industry best practice. Our participation in industry associations is based on a set of principles which are outlined on our website. The principles include a requirement that an industry association's purpose and policy positions are aligned with our own. We support Resolution 6(b) given it aligns with the approach undertaken by the Company, however we disagree with many of the statements and claims made by the requisitioning shareholders in their supporting statement of the Resolution.

The Directors recommend that shareholders vote **in favour** of Resolutions 2(a) to 5 inclusive, **against** Resolution 6(a) and **in favour** of Resolution 6(b). Information on voting is available in the 'How to Vote' section on page 23 of the Notice of Meeting. If you cannot join the Meeting virtually, you may appoint a proxy to attend and vote on your behalf. To do this, you must appoint a proxy and lodge a proxy vote so that it is received by 12.00pm (AWST) on Tuesday, 26 October 2021. You can do this online at [www.investorvote.com.au](http://www.investorvote.com.au) or by returning a Proxy Form. Information on appointing a proxy is available in the 'How to Vote' section on page 24 of the Notice.

Questions from shareholders are important. Questions can be submitted either prior to or during the Meeting. Please note that questions for the Auditor must be received by 4.00pm (AWST) on Thursday, 21 October 2021. Information on submitting questions is available in the 'How to ask questions' section on page 26 of the Notice. Please note that individual responses will not be sent to shareholders.

For those of you who cannot join the Meeting, an archive of the webcast will be available at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings> after the Meeting.

The Directors and Lead Team look forward to your attendance at South32 Limited's Annual General Meeting.

Yours sincerely



Karen Wood  
CHAIR

## NOTICE OF MEETING

Notice is given that the 2021 Annual General Meeting (**Meeting**) of shareholders of South32 Limited (ABN 84 093 732 597) (**South32** or the **Company**) will be held virtually (online) on Thursday, 28 October 2021 at 12.00pm (AWST).

## BUSINESS OF THE MEETING

### 1. FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2021.

### 2. RE-ELECTION OF DIRECTORS

To consider and, if thought fit, pass the following Resolutions as separate ordinary Resolutions:

- a) "That Mr Wayne Osborn is re-elected as a Director of the Company."
- b) "That Mr Keith Rumble is re-elected as a Director of the Company."

### 3. ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, pass the following Resolution as an ordinary Resolution:

*"That the Remuneration Report for the financial year ended 30 June 2021 be adopted."*

Votes on this Resolution are advisory only and do not bind the Directors or the Company.

#### Voting exclusion statement for Resolution 3:

The Company will disregard any votes cast on Resolution 3:

- by, or on behalf of, a member of the Company's Key Management Personnel (**KMP**) named in the Remuneration Report for the financial year ended 30 June 2021 or their closely related parties (regardless of the capacity in which the vote is cast); or
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Resolution 3:

- in accordance with the directions on the Proxy Form; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even though Resolution 3 relates to the remuneration of the Company's KMP.

### 4. GRANT OF AWARDS TO EXECUTIVE DIRECTOR

To consider and, if thought fit, pass the following Resolution as an ordinary Resolution:

*"That approval be given for the purposes of ASX Listing Rule 10.14 and for all other purposes, to grant equity awards to the Chief Executive Officer, Mr Graham Kerr, under South32's short-term and long-term incentive plans as set out in the Explanatory Notes accompanying this Notice of Meeting."*

#### Voting exclusion statement for Resolution 4:

The Company will disregard any votes cast on Resolution 4:

- in favour of the Resolution by, or on behalf of, Mr Graham Kerr or any of his associates (regardless of the capacity in which the vote is cast); or
- as a proxy by a person who is a member of the Company's KMP at the date of the Meeting or their closely related parties,

unless the vote is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on Resolution 4 in that way; or
- the Chair of the Meeting as proxy for a person who is entitled to vote on Resolution 4, in accordance with the direction given to the Chair to vote on Resolution 4 as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting on Resolution 4; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### 5. APPROVAL OF LEAVING ENTITLEMENTS

To consider and, if thought fit, pass the following Resolution as an ordinary Resolution:

*"Approval be given for all purposes, including Part 2D.2 of the Corporations Act 2001 (Cth), for*

*the giving of benefits to any current or future person holding a managerial or executive office in the Company or a related body corporate in connection with that person ceasing to hold that office as set out in the Explanatory Notes accompanying this Notice of Meeting.”*

Voting exclusion statement for Resolution 5:

If any shareholder is a current or potential employee or Director of the Company or a related body corporate, then that shareholder (and their associates) should not vote on the Resolution if they wish to preserve their ability to receive benefits under this approval.

Further, the Company will disregard any votes cast on Resolution 5 as proxy by a person who is a member of the Company's KMP on the date of the AGM or their closely related parties unless the vote is cast as proxy for a person entitled to vote on Resolution 5:

- in accordance with the directions on the Proxy Form; or
- by the Chair of the Meeting pursuant to an express authorisation to exercise the proxy even though Resolution 5 relates to the remuneration of the Company's KMP.

**6. RESOLUTIONS REQUISITIONED BY SHAREHOLDERS**

The Resolutions in Items 6(a) and 6(b) have been requisitioned by a group of shareholders of the Company representing approximately 0.007% of the shares on issue.

The following Resolution is **not** supported by the Board:

**(a) Special Resolution to amend our Company's Constitution**

To consider and, if thought fit, pass the following Resolution as a special Resolution:

*“To insert into our company's constitution the following new clause 7.6 (l):*

***Member resolutions at general meeting***

*The Members in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to an issue of material relevance to the company or the company's business and cannot either advocate action which would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company.”*

The following Resolution is supported by the Board:

**(b) Ordinary Resolution on climate-related lobbying**

To consider and, if thought fit, pass the following Resolution as an ordinary Resolution:

*“Shareholders request that our company strengthen its review of industry associations to ensure that it identifies areas of inconsistency with the Paris Agreement.*

*Where an industry association's record of advocacy is, on balance, inconsistent with the Paris Agreement's goals, shareholders recommend that our company suspend membership, for a period deemed suitable by the Board.*

*Nothing in this resolution should be read as limiting the Board's discretion to take decisions in the best interests of our company.”*

The Board has considered the requisitioned Resolutions and the supporting statements put forward. The Board unanimously recommends that shareholders vote **against** Resolution 6(a) and **in favour** of Resolution 6(b). The Chair of the meeting intends to vote undirected proxies in line with these recommendations.

By order of the Board



Claire Tolcon  
Company Secretary  
17 September 2021

## EXPLANATORY NOTES

These Explanatory Notes form part of the Notice of Meeting and provide shareholders with information in relation to each of the proposed Resolutions in the Notice of Meeting.

Resolutions 2(a), 2(b), 3, 4, 5 and 6(b) are ordinary resolutions. Ordinary resolutions require a simple majority of votes cast in favour by shareholders entitled to vote on the Resolution.

Resolution 6(a) is a special resolution which requires a majority of at least 75% of votes cast in favour by shareholders entitled to vote on this resolution. Resolution 6(b) is contingent on Resolution 6(a) being passed.

Please read the information set out in the Explanatory Notes carefully before deciding how to vote.

### 1. FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

In accordance with section 317 of the *Corporations Act 2001* (Cth), the Directors' Report, Financial Report and Auditor's Report for the financial year ended 30 June 2021 (together, the **Reports**) will be tabled at the Meeting.

The Reports are set out on pages 62-65, pages 94-147 and pages 148-152 respectively of the 2021 Annual Report, which may be accessed on our website at [www.south32.net](http://www.south32.net).

During this item of business, shareholders will have a reasonable opportunity to ask questions and make comments about the Reports, as well as the business and management of the Company.

Shareholders will also have a reasonable opportunity to ask a representative of the Company's auditor, KPMG, questions in relation to the:

- conduct of the audit;
- preparation and content of the Auditor's Report;
- accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- independence of the auditor in relation to the conduct of the audit.

Written questions to KPMG that are relevant to the content of the Auditor's Report or the conduct of the audit for the 2021 Financial Report must be submitted no later than 4:00pm (AWST) on Thursday, 21 October 2021. Please note that individual responses will not be sent to shareholders. Information on asking questions is available in the 'How to ask questions' section on page 26 of the Notice.

### 2. RE-ELECTION OF DIRECTORS

Resolutions 2(a) and 2(b) seek approval for the re-election of Messrs Wayne Osborn and Keith Rumble as Directors of the Company.

Messrs Osborn and Rumble have not been re-elected since the Annual General Meeting in 2019. In accordance with Rule 8.1(d) of the Company's Constitution, Messrs Osborn and Rumble will retire, and being eligible, will seek re-election at the Meeting.

In assessing the independent status of a Non-executive Director, the Board considers a range of factors as set out in our Independence of Directors Policy (contained in the Risk and Governance section of our website at [www.south32.net](http://www.south32.net)). The Policy mirrors the requirements set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations. The Board conducts a review of Directors' independence on an annual basis.

Following the FY21 review of Mr Osborn's and Mr Rumble's independence, the Board has not identified any factors that would compromise these Directors' independence status and classifies both Directors as independent.

The biographical details of each Director seeking re-election are set out below.

#### **RESOLUTION 2(A): WAYNE OSBORN DIP ELECT ENG, MBA, FAICD, FTSE, 69**

Mr Osborn has been an Independent Non-Executive Director of South32 Limited since 7 May 2015. He is Chair of the Remuneration Committee and is a member of the Sustainability Committee and Nomination and Governance Committee.



The biographical details of Mr Osborn are as follows:

Skills and experience:

Mr Osborn brings over 40 years of experience from the mining, resources and manufacturing sectors to the South32 Board.

Mr Osborn was Managing Director of Alcoa in Australia from 2001 until 2008, leading an integrated business comprised of bauxite mining, alumina refining, coal mining, power generation and aluminium smelting. This included operations in Victoria and Western Australia. His prior role at Alcoa included accountability for its Asia-Pacific manufacturing operations in China, Japan, Korea and Australia. He joined Alcoa in 1979 after working as an engineer in the iron ore and telecommunications sectors.

Since 2008, Mr Osborn has worked as a Non-Executive Director in the mining, construction and energy industries. He was also Chairman of the Australian Institute of Marine Science, Chairman of the Western Australia Branch of the Australia Business Arts Foundation and Vice President of the Chamber of Commerce and Industry, Western Australia.

Mr Osborn is currently a Non-Executive Director of Wesfarmers Limited (including membership of the Remuneration Committee and the Nomination Committee).

He has been awarded a WA Business Leader Award in 2007 for his work with the Australian Business Arts Foundation and an Australian Institute of Company Directors Award for Excellence in 2018.

Mr Osborn is a Fellow of the Australian Academy of Technological Sciences and Engineering and International Fellow of the Explorers Club (New York).

Current ASX listed directorships:

- Wesfarmers Limited: Independent Non-Executive Director since March 2010. Mr Osborn will retire as a Non-Executive Director by rotation at the conclusion of the Wesfarmers Annual General Meeting on 21 October 2021 and will not seek re-election.

Recommendation

Following a review of Mr Osborn's performance conducted by the Board, the Board (with Mr Osborn abstaining) recommends that shareholders vote **in favour** of the re-election of Mr Osborn as a Director of the Company.

Mr Osborn's contribution as Chair of the Remuneration Committee is highly regarded by the Board. His extensive experience in the mining, smelting and processing sectors is a valuable addition to the South32 Board, as well as his skills in business strategy, capital projects, commodity value chain, health & safety, risk management, environment and climate change, remuneration and leadership.

**RESOLUTION 2(B): KEITH RUMBLE BSC, MSC (GEOLOGY), 67**

Mr Rumble has been an Independent Non-Executive Director of South32 since 27 February 2015. He is Chair of the Sustainability Committee and is a member of the Remuneration Committee and Nomination and Governance Committee. The Board has assessed Mr Rumble as independent per our Independence of Directors Policy. If re-elected at this Meeting, Mr Rumble has indicated his intention not to seek re-election at the end of his next term.

The biographical details of Mr Rumble are as follows:

Skills and experience:

Mr Rumble has more than 40 years of experience in the resources industry, specifically in titanium and platinum mining. He also has experience managing a portfolio of private equity assets in the resource sector in Russia, India and other emerging markets. This combination of skills and knowledge is a valuable contribution to the South32 Board.

Mr Rumble has held various leadership roles including CEO of SUN Mining (a wholly-owned entity of the SUN Group), Chief Executive Officer of Impala Platinum (Pty) Ltd and President and CEO of Rio Tinto Iron and Titanium Inc in Canada. He also worked for Verref, a division of the Anglo American Corporation, prior to joining Richards Bay Minerals in 1980, working in smelting and metallurgy, progressing to General Manager and later CEO in 1996.

Mr Rumble has been a Non-Executive Director of a variety of private companies, including Platinum Mining Corporation of India PLC, Barplats Holdings Limited, Western Platinum (Pty) Limited, Eastern Platinum (Pty) Limited and Sarplat Investments Limited. He was also an independent Non-Executive Director at BHP Billiton plc, BHP Limited and at JSE listed Aveng Limited.

In November 2019, Mr Rumble retired as a Member of Board of Governors, Rhodes University and was appointed an Honorary Life Governor (Rhodes University).

Mr Rumble completed the Stanford (US) Executive Program in 1990.

Other Directorships and Offices:

- Director, Acetologix Pty Limited;
- Director, Enzyme Technologies (Pty) Limited;
- Director, Elite Wealth (Pty) Limited; and
- Trustee, World Wildlife Fund, South Africa.

#### Recommendation

BHP was previously the holding company of South32 and is no longer a shareholder following the Demerger in 2015. The Board considers that the time Keith Rumble spent on the Board of BHP Billiton plc and BHP Billiton Limited (he resigned in May 2015) does not contribute to his years of tenure with South32. The Board's opinion is that Keith Rumble's previous experience at BHP gives him invaluable corporate knowledge as it relates to South32's portfolio and a deep understanding of the industries and jurisdictions in which the Company operates. The Board concluded that this past relationship does not impact his independence, or his ability to bring independent and objective judgement to discussions.

Following a review of Mr Rumble's performance conducted by the Board, the Board (with Mr Rumble abstaining) recommends that shareholders vote in favour of the re-election of Mr Rumble as a Director of the Company.

Mr Rumble's contribution as Chair of the Sustainability Committee is highly regarded by the Board. He contributes to the Board of South32 a valuable combination of skills and knowledge of the mining industry, including smelting and processing, global business experience, capital projects, health & safety, environment and climate change and leadership.

### **3. ADOPTION OF THE REMUNERATION REPORT**

In accordance with section 250R(2) of the *Corporations Act 2001* (Cth), shareholders are asked to adopt the Company's Remuneration Report for the financial year ended 30 June 2021 (**FY21**).

The Remuneration Report is set out on pages 68-93 of the 2021 Annual Report, which is available on our website at [www.south32.net](http://www.south32.net).

The Board is committed to a remuneration philosophy and framework that supports the implementation and achievement of our strategy and business objectives. Our remuneration structure is designed to incentivise and reward our Executives, while ensuring that reward outcomes reflect overall business performance and the shareholder experience.

The Remuneration Report:

- outlines the remuneration philosophy and framework that informs the Company's remuneration policy and practices for its Directors and Executive KMP and explains the Board's policies in relation to the objectives and structure of remuneration;
- sets out the components of remuneration for Directors and Executive KMP, including relevant performance conditions;
- explains how the Company's remuneration structure links to the Company's overall strategy and supports the Company's performance;
- articulates the outcomes of 'at risk' remuneration for Executive KMP for FY21 following the Board's assessment of business and individual performance; and
- outlines the enhancements to the Reward Framework that will apply from FY22, to reinforce alignment to our business strategy.

A reasonable opportunity for discussion of the Remuneration Report will be provided at the Meeting.

This vote will be advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of this vote and the discussion at the Meeting into consideration when determining the Company's approach to remuneration going forward.

#### Recommendation

The Board recommends that shareholders vote **in favour** of adopting the Remuneration Report for the financial year ended 30 June 2021.

#### Voting Exclusion

A voting exclusion applies to this Resolution, which is set out in the Notice of Meeting under Resolution 3.

### **4. GRANT OF AWARDS TO EXECUTIVE DIRECTOR**

The Company is seeking shareholder approval for the proposed grant of rights to fully-paid ordinary shares in South32 (**Rights**) to Mr Graham Kerr, Chief Executive Officer and Managing Director of the Company, comprised of:

- the deferred equity component of Mr Kerr's short-term incentive (**STI**) award for FY21; and
- Mr Kerr's long-term incentive (**LTI**) award for the financial year ended 30 June 2022 (**FY22**).

Details of the approach taken to calculate the number of Rights to be granted are set out below.

Subject to shareholder approval, both equity awards will be made under the South32 Limited Equity Incentive Plan (**EIP**). As the Rights form part of Mr Kerr's remuneration, they will be granted at no cost to Mr Kerr and there will be no amount payable on vesting. Each Right will entitle Mr Kerr to receive one ordinary share in the Company on vesting, although the Company retains discretion to pay Mr Kerr cash to the same value as an alternative to providing shares where necessary or desirable (for example, where the Rights vest after Mr Kerr ceases employment).

ASX Listing Rule 10.14 requires the Company to obtain shareholder approval for the issue of securities to a director under an employee incentive scheme. While the Board intends to source any South32 shares allocated to Mr Kerr on vesting of his equity awards through on-market purchases (which are excluded from the operation of ASX Listing Rule 10.14), it is nevertheless seeking shareholder approval in the interests of transparency and good corporate governance, and to preserve flexibility if the Company decides at the time of vesting that it is more appropriate to issue South32 shares.

If shareholder approval is obtained, it is intended that the Rights will be granted to Mr Kerr in December 2021, and in any case within 12 months of the Meeting. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Kerr.

#### **Overview of CEO remuneration arrangements**

Mr Kerr's remuneration arrangements are structured to encourage a long-term approach to decision-making, while providing a balance between short-term results and longer-term business growth and success. For this reason, a high proportion of Mr Kerr's remuneration is comprised of 'at-risk' elements that will only be paid if pre-determined performance hurdles are met and the Company considers these awards are appropriate in all circumstances.

The 'at-risk' component of Mr Kerr's remuneration comprises an STI award and an LTI award.

Approximately half of Mr Kerr's FY21 STI award will be deferred into equity for a two-year period, and the entire LTI award is delivered in equity. Receipt of an STI award is dependent on achievement of performance targets measured over the financial year, that are linked to the key financial and non-financial drivers which are expected to have a significant short-term and long-term impact on the success of the South32 Group.

Performance under Mr Kerr's FY22 LTI award will be measured over a four-year period against hurdles linked to total shareholder returns (**TSR**) and specific strategic measures (explained in more detail below). These hurdles will ensure that the awards received by Mr Kerr reflect the Company's performance and the shareholder experience over a prolonged time frame. Further details of Mr Kerr's remuneration arrangements and how they are structured to support the Company's performance are set out in the Remuneration Report.

### Changes to the Reward Framework for FY22

South32 has a clear purpose - to make a difference by developing natural resources, improving people's lives now and for generations to come. We are trusted by our owners and partners to realise the potential of their resources.

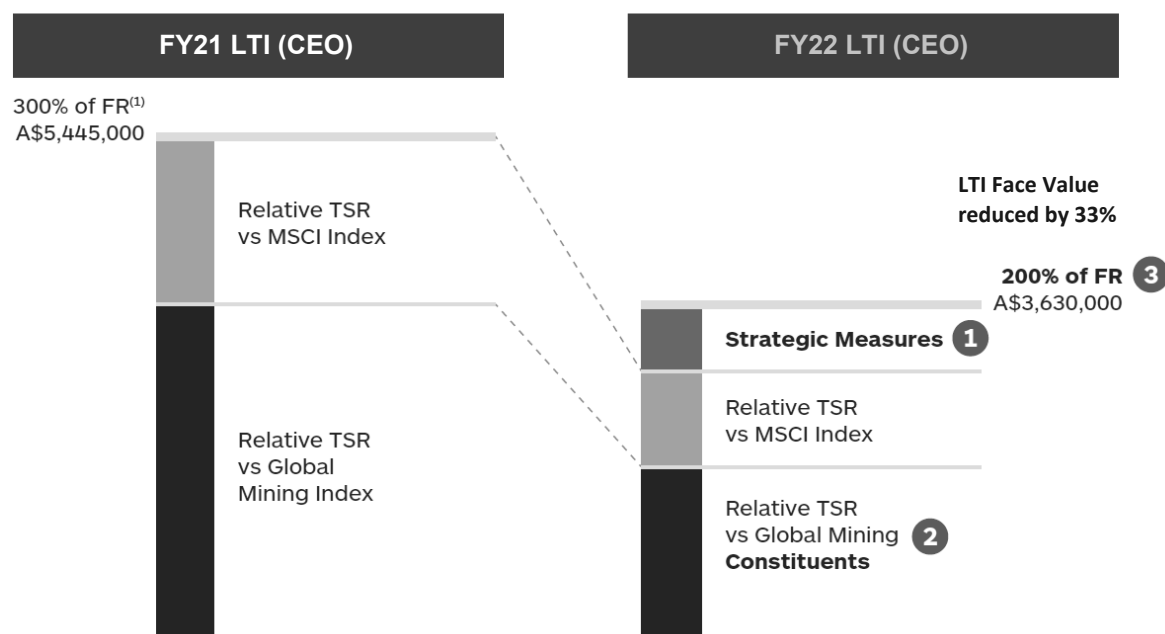
Our purpose is underpinned by our simple yet powerful strategy which is focused on optimising the performance of our operations, unlocking their potential and identifying new opportunities to create value for our stakeholders. This has seen us significantly simplify and reposition our portfolio for a low carbon future, and we've added multiple growth options and a pipeline of greenfield exploration projects with a bias to base metals. We're also working hard to minimise our impact as emphasised by our recent commitment to halve operational carbon emissions (Scope 1 and 2) by 2035.

Our reward framework is designed to be fit-for-purpose through the business cycle, allowing the Board to find the right balance between remuneration outcomes that reward and incentivise our Executives, while also reflecting overall business performance and shareholder experience.

Although we have maintained a consistent approach to remuneration since demerger and believe shareholders will be best placed if we retain the core elements of our Reward Framework, there are now opportunities for enhancement. The recent divestments of South African Energy Coal (**SAEC**) and Tasmanian Electro Metallurgical Company (**TEMCO**), the pending completion of the Taylor pre-feasibility study and our commitment to halve operational carbon emissions (Scope 1 and 2) by 2035, mean the timing is right for us to embed those enhancements into our executive Reward Framework from FY22.

These changes, which are outlined below, will further enhance the link between Executive Reward and our business strategy and priorities.

**Diagram 1: South32 Long-Term Incentive - weighting of measures and reduction in LTI face value for the CEO from FY21 to FY22**



(1) Figures reflect reward for South32 CEO, based on Fixed Remuneration (FR) of A\$1,815,000.

We are enhancing our LTI design for FY22 through the following adjustments:

- ① the introduction of two strategic measures for 20 per cent of our LTI, directly linking Executive reward to our approach to climate change and the transition of our portfolio towards the base metals required for a low-carbon future. These elements will underpin the long-term success of our business and the protection and creation of value for shareholders.
- ② a shift from an index to a constituent group of companies for the global mining comparator group in the LTI, against which two-thirds of relative total shareholder return performance is measured, to better align our approach to market practice.
- ③ reduced the face value of the LTI by 33 per cent to reflect the changes that have been taking place in the broader market and to better align with our Guiding Principles as outlined in our Remuneration Report. For the CEO, the face value has reduced from 300% to 200% of Fixed Remuneration.

Notwithstanding these changes which have resulted in a material reduction in Total Reward, there will be no adjustment to the quantum of Fixed Remuneration or target STI.

More details on these changes are outlined below and in the Remuneration Report.

### **Key terms of the FY21 deferred STI award**

#### *Quantum of award*

Mr Kerr has earned an STI award in respect of FY21 for performance against a combination of key business and individual objectives. The Remuneration Committee assessed Mr Kerr's performance and determined that he has earned an STI award at 54 per cent of maximum for his performance in FY21 against those objectives, which equates to a total value of A\$1,758,082.

Further details regarding the basis on which Mr Kerr's STI outcome was determined for FY21 are set out in the Remuneration Report. Approximately half of the STI award earned by Mr Kerr for FY21 has been paid to him in cash.

Subject to shareholder approval, it is intended that the remainder of the award (i.e. A\$879,041) will be provided to him in the form of Rights. The number of Rights to be granted will be determined based on the price of South32 shares at the time of grant, so it is not possible to specify the maximum number of Rights.

More specifically, the actual number of Rights to be granted to Mr Kerr will be determined by dividing the amount of A\$879,041 by the volume weighted average price (**VWAP**) of South32 shares traded on the ASX for the five trading days up to but excluding the date of grant (expected to be December 2021). The number of Rights resulting from this calculation will be rounded down to the nearest whole number of Rights.

For example, supposing the VWAP of South32 shares for the grant was A\$3.00 (this price is for illustrative purposes, noting that the VWAP will be recalculated at the time of grant), the number of Rights granted to Mr Kerr would be 293,013 (i.e. A\$879,041 divided by A\$3.00 and rounded down).

#### *Vesting conditions*

The Rights comprising Mr Kerr's deferred STI award will vest at the end of the two-year deferral period, subject to service, dealing and forfeiture conditions. Vesting is expected to occur following the release of the Company's full year results for FY23 (i.e. in August 2023).

#### *Cessation of employment*

The Board ultimately has discretion to determine how the STI award will be treated upon cessation of employment with the Company to ensure an appropriate outcome in all the circumstances. Typically, the Board will exercise its discretion to lapse unvested Rights immediately in bad leaver scenarios (for example, where Mr Kerr resigns or is terminated for cause) and to accelerate vesting of unvested Rights in other good leaver scenarios. Further details regarding potential treatment of equity entitlements on cessation of employment are set out in the Explanatory Notes to Resolution 5 below.

#### *Change of control*

In circumstances where there is a likely or actual change in the control of the Company, the Board has discretion to determine the level of vesting (if any) having regard to the relevant circumstances. As performance was assessed for Mr Kerr's FY21 STI award before the grant of the deferred equity component, the deferred equity component will generally vest in full on a change of control.

### **Key terms of the FY22 LTI award**

#### *Quantum of award*

Award levels for Mr Kerr's LTI award in respect of FY22 are set to incentivise him to meet South32's long-term goals, encourage his retention and contribute to the competitiveness of his overall remuneration package.

Based on market data relative to appropriate peer groups for the role, being a global resources peer group and an ASX peer group, South32 has set the face value of Rights for Mr Kerr at 200 per cent of his Fixed Remuneration for FY22 (reduced from 300% in FY21), or A\$3,630,000 (i.e. A\$1,815,000 x 200 per cent).

The target value of these Rights is estimated to be approximately A\$2,178,000, which is 120 per cent of Mr Kerr's Fixed Remuneration. This target value is an estimate of the value that Mr Kerr may derive from the LTI award and takes into account the difficulty of achieving the performance hurdles.

If shareholder approval is provided, 1,267,015 Rights will be granted to Mr Kerr as his FY22 LTI award. This number has been calculated by dividing the face value of the LTI award (i.e. A\$3,630,000) by A\$2.865, being the VWAP of South32 shares traded on the ASX over the last 10 trading days of June 2021. This period has been chosen because it precedes the start of the performance period for the LTI and is therefore aligned to the overall award approach. The resulting number of Rights has been rounded down to the nearest whole number of Rights.

These Rights represent the maximum number that can vest at the end of the four-year performance period if the performance conditions set for the award are satisfied in full (described below). Should the Company not perform at least to the median of the comparator groups, none of these Rights will vest and the full amount will lapse. Further detail on the vesting scale and Board discretion relating to vesting is provided below.

#### *Vesting conditions*

The Rights comprising Mr Kerr's LTI award will vest at the end of a four-year performance period from 1 July 2021 to 30 June 2025, subject to service, performance, dealing and forfeiture conditions. Vesting is expected to occur following the release of the Company's full year results for FY25 (i.e. in August 2025).

As outlined above, South32 has made changes to enhance Mr Kerr's LTI award. For FY22 the LTI will be subject to testing against the following performance conditions:

#### *a. Relative TSR*

A relative TSR performance condition has been retained for 80 percent of the award because it:

- allows for an objective external assessment of performance over a sustained period;
- is directly tied to the returns received by shareholders; and
- is a key indicator of Lead Team performance over the period.

For FY22, 53.3 per cent of the LTI award will be tested relative to the constituents of the IHS Markit Global Mining Index as at 1 July 2021. This comparator group comprises approximately 150 companies and is considered the most appropriate and objective sector comparison for South32 in terms of companies in a related industry, with a relevant commodity mix and a collective global footprint.

Vesting will occur on a sliding scale as outlined in the table below.

<b>TSR Performance of the Company:</b>	<b>Vesting Outcome</b>
- at or below the TSR of 50 <sup>th</sup> percentile (the median) in the comparator group	0 per cent of Rights will vest
- exceeds the TSR of 50 <sup>th</sup> percentile and up to the 75 <sup>th</sup> percentile (upper quartile) in the comparator group	vesting will be on a sliding scale between 40 per cent and 100 per cent
- exceeds the TSR of 75 <sup>th</sup> percentile (upper quartile) in the comparator group	100 per cent of Rights will vest

Of the LTI award, 26.7 per cent will be tested relative to the MSCI World Index. This is a global equity index consisting of companies listed in developed markets and with a footprint in both developed and emerging market countries. It is considered an appropriate market index for South32 given the diversity of geographies across which it operates.

Vesting will occur on a sliding scale as outlined in the table below.

<b>TSR Performance of the Company:</b>	<b>Vesting Outcome</b>
- below the TSR of the comparator index	0 per cent of Rights will vest
- equal to the TSR of the comparator index	40 per cent of the Rights will vest
- between the TSR of the comparator index and Outperformance	vesting will be on a sliding scale between 40 per cent and 100 per cent
- exceeds the TSR of the comparator index by at least 23.9 per cent over four years, or 5.5 per cent per annum cumulative	100 per cent of the Rights will vest

The Board has the discretion to adjust the comparator group to take into account events, including but not limited to, takeovers, mergers or de-mergers that might occur during the Performance Period.

*b. Climate Change*

A climate change strategic measure has been incorporated in Mr Kerr's LTI from FY22 at a weighting of 10%, further aligning remuneration with our approach to climate change. We have announced plans to reduce our operational carbon emissions (Scope 1 & 2) by 50% by FY35, relative to our FY21 baseline, by implementing our Decarbonisation Strategy, which includes:

- the advancement of conceptual projects through our capital investment tollgates, and the successful commissioning of identified emissions reduction projects;
- the ongoing assessment of new technologies and alternative energy sources; and
- continued participation and direct investment in research and development partnerships.

Consistent with our purpose, we will work to provide a Just Transition towards net zero in a way that supports our people, local communities and other stakeholders.

Further information on our approach to climate change can be found in our Sustainable Development Report.

*c. Portfolio*

A portfolio strategic measure has been incorporated in Mr Kerr's LTI from FY22 at a weighting of 10%, further aligning remuneration with our critical portfolio decisions. We are planning to further reshape our business for a low-carbon world and increase our exposure to future facing base metals by:

- building a high-quality portfolio of greenfields and brownfields exploration and development options;
- optimising our existing portfolio by responsibly transferring ownership of non-core operations or transitioning them to closure;
- developing or acquiring operations which are cash generative through the cycle, improving the overall quality of our business; and
- maintaining discipline by adhering to our proven capital management framework.

*d. Assessing performance for the Strategic Measures*

The success of these strategic initiatives will be measured on our ability to make material progress in these areas, while protecting and creating shareholder value as we navigate this business-critical transformation. Transparent disclosure for the two strategic measures will be provided at the end of each 12-month period in the Remuneration Report so that external stakeholders have sufficient information to track and judge progress.

Vesting outcomes for the strategic measures will be determined by the Board following the end of the four-year performance period on 30 June 2025 using a scale between 0% and 100% vesting (for outstanding performance) for each measure. The Board's rationale in assessing performance and determining these vesting outcomes will be clearly articulated.

Full vesting of Mr Kerr's LTI award will only occur where:

- the Company's TSR significantly outperforms the TSR of the comparator groups, delivering value to shareholders compared to alternative investments in similar asset classes. Two comparator groups have therefore been selected to ensure the TSR performance condition is appropriately robust and reflective of the sectors and markets to which South32 has exposure; and
- the Company's performance against the strategic measures, as assessed by the Board at the end of the performance period, has been outstanding when assessed against defined criteria.

There will be no re-testing if the performance conditions are not met.

*Cessation of employment*

The Board ultimately has discretion to determine how the LTI award will be treated upon cessation of employment with the Company to ensure an appropriate outcome in all circumstances. Unvested Rights may vest immediately (for example, if Mr Kerr ceases employment due to death or serious injury), lapse immediately (for example, where Mr Kerr resigns or is terminated for cause) or in any other circumstance, a pro rata portion of the unvested award may remain on foot (subject to the Board's discretion to lapse or vest the award). Further details regarding potential treatment of equity entitlements on cessation of employment are set out in the Explanatory Notes to Resolution 5 below.

*Change of control*

In circumstances where there is a likely or actual change in the control of South32, the Board has discretion to determine the level of vesting (if any) having regard to the portion of the vesting period elapsed, performance to date against the performance conditions and any other factors it considers appropriate.

**Common terms of the LTI and STI awards***No rights before vesting*

Rights are not ordinary shares and do not carry entitlements to dividends or other shareholder rights (such as voting) prior to vesting.

*Clawback and malus*

The Board has broad discretion under the EIP to reduce or clawback vested and unvested awards in certain circumstances to ensure that no inappropriate benefit is obtained by the participant. These circumstances include where: a participant engages in misconduct, vesting of a participant's awards has been triggered by another person's misconduct, there is a material misstatement in a South32 Group company's accounts or any other factor exists that justifies the exercise of the Board's forfeiture or clawback discretion.

*Dealing restrictions*

Mr Kerr is not permitted to deal with Rights granted as deferred STI or LTI awards to him before vesting.

Mr Kerr is not allowed to protect the value of any unvested awards or to use unvested awards as collateral in any financial transaction, including hedging and margin loan arrangements.

**Additional information**

In accordance with ASX Listing Rule 10.15, the Company provides the following information in relation to the proposed grant of Rights.

- Mr Kerr's current total remuneration package comprises Fixed Remuneration (FR) of \$1,815,000, \$3,267,000 as his maximum STI opportunity (being 180% of FR) and \$3,630,000 as his face value LTI opportunity (being 200% of FR);
- The Company uses Rights under the EIP because they create share price alignment between executives and ordinary shareholders but do not provide executives with the full benefits of share ownership (such as dividend and voting rights) unless and until the performance rights vest;
- Mr Kerr has previously been awarded Rights under the EIP, in relation to the LTI and the deferred equity component of his STI awards from FY16 to FY21, at no cost as part of his remuneration (refer to the table below for more details);

Year	Rights granted under deferred STI	Rights vested under deferred STI	Rights granted under LTI	Rights vested under LTI
FY21	TBD	Service period to June 2023	2,695,544	Performance period to June 2024
FY20	280,988	Service period to June 2022	1,696,261	Performance period to June 2023
FY19	352,097	352,097	1,450,819	Performance period to June 2022
FY18	325,725	325,725	2,026,717	0
FY17	272,055	272,055	3,277,777	0
FY16	359,190	357,649	3,002,513	3,002,513

- Mr Kerr is the only Director (or associate of a Director) entitled to receive Rights under the EIP;
- no loan will be made by the Company in connection with the acquisition of Rights under the proposed awards to Mr Kerr; and
- details of any Rights issued under the EIP pursuant to these approvals will be published in the Company's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of Rights under the EIP after this Resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under that rule.



**Recommendation**

The Board (with Mr Kerr abstaining) recommends that shareholders vote **in favour** of granting Rights to Mr Kerr as a deferred STI award for FY21 and an LTI award for FY22.

**Voting Exclusion**

A voting exclusion applies to this Resolution, which is set out in the Notice of Meeting under Resolution 4.

**5. APPROVAL OF LEAVING ENTITLEMENTS**

At the 2018 Annual General Meeting, shareholders approved a Resolution which provides the Company with flexibility around leaving entitlements for senior employees on cessation of employment for a period of three years. As that approval will expire at the end of the 2021 Annual General Meeting, approval is sought under Resolution 5 to refresh the approval for a further period of three years.

Part 2D.2 of the Corporations Act restricts the benefits that can be given without shareholder approval to individuals who hold or held a managerial or executive office (as defined in the Corporations Act) on leaving employment with South32 Limited or its related bodies corporate (**Group**).

Approval is being sought for the purposes of sections 200B and 200E of the Corporations Act (**the Act**) in respect of any termination benefits that may be provided to individuals who hold, or held in the last three years prior to cessation of employment, a managerial or executive office, in South32 Limited or a related body corporate (**Relevant Executives**), including KMP and directors of subsidiaries of South32 Limited.

Non-Executive Directors do not participate in South32's incentive plans and are not entitled to receive any termination payments in connection with their retirement from the Board.

Potential benefits upon termination for Non-Executive Directors would therefore be limited to unpaid fees and entitlements and other non-material incidental benefits (e.g. retention of property such as phones or electronic devices). Accordingly, the focus of this Resolution is on Relevant Executives who serve in a KMP or subsidiary director role within the Group.

**Rationale for seeking approval**

The approval sought is in relation to the Group's existing obligations to Relevant Executives and to enable the Group to operate its remuneration programs to support the Group's strategy. South32 is a global business with subsidiaries and operations in many jurisdictions across the world. As well as covering Relevant Executives who are employed in Australia, this approval will extend to Relevant Executives employed outside of Australia whose employment terms are designed to meet local laws, regulations and practice.

The approval sought will enable the Board to:

- facilitate the execution of South32's remuneration policy as outlined in the Remuneration Report;
- deliver current Relevant Executives the benefits to which they are contractually entitled;
- attract and retain future Relevant Executives on market competitive terms; and
- preserve the discretion for South32 to determine the most appropriate termination package for Relevant Executives at the time cessation occurs, having regard to their contribution to the Group and the circumstances in which they are ceasing employment.

If shareholder approval is obtained, this will not guarantee that a Relevant Executive will receive any of the termination benefits described below. The Company is conscious of the need to strike an appropriate balance between ensuring fair treatment of Relevant Executives on cessation of employment and avoiding excessive termination pay-outs.

The Company is seeking shareholder approval for the following benefits or entitlements:

- additional termination benefits to a Relevant Executive (such as payments in lieu of notice, or restraint payments included under their employment contract) up to a maximum of 12 months' base salary (based on the salary of the Relevant Executive at the time their employment ceases);
- death and disablement benefits to which a Relevant Executive is contractually entitled upon cessation of their employment;
- other amounts due under applicable laws, regulation and local practice of the jurisdiction in which the Relevant Executive is employed; and
- the full range of leaver treatments provided for under the terms of incentive awards for Relevant Executives, some of which involve exercise of discretion by the Board (or its delegates) and/or acceleration of vesting in limited circumstances.

South32 is committed to transparency in communicating its remuneration arrangements to shareholders. To enable shareholders to meaningfully assess whether to approve this Resolution, the summary below outlines the key categories of potential termination benefits that may become payable to Relevant Executives and the types of circumstances in which they may arise.

### **Summary of South32 leaving benefits**

The summary is not intended to provide an exhaustive list of every benefit that could become payable to Relevant Executives in every potential termination scenario and in every jurisdiction. Part of the reason South32 is seeking the shareholder approval is to preserve a degree of flexibility for the Board to tailor the termination arrangements for Relevant Executives having regard to the circumstances of the Relevant Executive's cessation of employment and within the parameters imposed by:

- South32's remuneration philosophy and policy, as set out in the Remuneration Report;
- the Relevant Executive's employment contract;
- the terms of any equity awards granted to the Relevant Executive under South32's incentive plans (which may vary from year to year); and
- prevailing laws, regulations, market practice and governance expectations in the relevant jurisdiction at the time the Relevant Executive ceases employment.

#### *Employment contract benefits*

Under their employment contracts, Relevant Executives may become entitled to payments in lieu of notice and restraint payments upon cessation of their employment. For KMP, these payments are capped at a combined value of six months' base salary. For other Relevant Executives, notice periods of 3 to 6 months typically apply, with the contracts allowing for payment in lieu of notice in certain circumstances. Post-employment restraints of up to 3 to 6 months may also be applied at South32's election, in which case a payment may be required to enforce the restraint.

In addition to payments in lieu of notice and to support the enforceability of restraints, the Board may also determine to make a pro-rata short-term incentive award to Relevant Executives in respect of the year in which their employment ceases. This award will be paid wholly in cash, with no amount deferred into equity.

Members of the Lead Team (including Executive KMP) who were appointed prior to 30 September 2018 are contractually entitled to the following where employment ceases due to death or disability:

- in cases of death, a lump sum payment equal to four times their annual Fixed Remuneration; or
- in cases of disability, a pension equal to 30% of their annual Fixed Remuneration.

Members of the Lead Team (including Executive KMP) appointed from 1 October 2018 are contractually entitled to a lump sum payment equal to four times their annual gross salary where employment ceases due to death.

Relevant Executives are generally not eligible for any contractual payments, aside from statutory entitlements, where their employment is terminated for cause.

#### *Other payments under law, regulation or local practice*

Given the breadth of jurisdictions in which South32 employees are based, there are a range of local laws, regulations and local practices that may influence South32's treatment of a Relevant Executive upon termination. A common example is redundancy payments, which are provided for under contract, but are governed by regulations and local practice in the relevant jurisdiction.

#### *Incentive plan entitlements*

In general, the awards made to Relevant Executives under South32's incentive plans differentiate between 'good leaver' and 'bad leaver' scenarios. 'Good leavers' are typically those who cease due to death or disability, retirement, redundancy or other appropriate circumstances at the Board's discretion (which could include circumstances of termination due to expiry of a fixed term contract or termination by mutual agreement). Termination for cause and resignation would typically be 'bad leaver' scenarios.

For equity awards made under South32's long-term and short-term incentive plans, the Board has broad discretions under the plan rules to apply a range of treatments for ceasing executives, including:

- to vest or lapse incentive awards with effect from the cessation date; and
- to allow some or all of the awards to remain on foot and be eligible for vesting in the ordinary course.

The normal treatment for 'good leavers' under South32's current remuneration framework is:

- unpaid short-term incentives are delivered wholly in cash with no deferral, and are subject to pro-rating where a Relevant Executive only serves part of the performance period;
- unvested equity that is subject only to a service condition will automatically vest on the termination date. This includes deferred STI for members of the Lead Team that vests in full and retention rights for other Relevant Executives which are pro-rated for the portion of the vesting period served; and
- unvested equity that is subject to a performance condition remains on foot and is pro-rated for the portion of the performance period served. These awards are eligible for vesting in the ordinary course, subject to any applicable performance hurdles.

However, the Board retains its discretion to apply a different treatment if it is considered appropriate in all the circumstances.

The Board does not envisage that it would exercise its discretion to accelerate vesting of performance-based equity awards absent extraordinary circumstances (e.g. death, serious injury, disability or illness). Similarly, the Board would only exercise its discretion to allow more than a pro-rata portion of unvested performance-based awards to remain on foot in limited circumstances, having regard to the duration of the vesting period elapsed, the level of performance against any applicable hurdles and the specific circumstances of the individual ceasing employment.

Relevant Executives who cease employment as 'bad leavers' will generally forfeit all unpaid short-term incentives and unvested equity plan entitlements on cessation of employment.

#### **The value of the potential termination benefits**

The amount and value of the termination benefits that may be provided to a Relevant Executive in accordance with this approval cannot be ascertained in advance. This is because various matters will, or are likely to, affect that value, including:

- the circumstances in which the Relevant Executive ceases employment and the extent to which they served the applicable notice period;
- the Relevant Executive's base salary at the time the relevant awards were made and the time they ceased employment;
- the Relevant Executive's length of service and the portion of any relevant performance periods for equity awards that have expired at the time they cease employment;
- the number of unvested performance rights or other equity entitlements that the Relevant Executive holds at the time they cease employment and the number that the Board determines to vest, lapse or leave on foot;
- South32's share price when the value of any equity-based termination entitlements is determined, and the terms of those entitlements (including performance conditions);
- any other factors the Board considers relevant when exercising its discretion, including where appropriate its assessment of the performance of the Relevant Executive up to the date of cessation;
- the jurisdiction and location in which the Relevant Executive is based at the time they cease employment and the applicable laws in that jurisdiction; and
- any changes in law between the date the Group enters into an employment agreement with a Relevant Executive and the date they cease employment.

#### **Approval is sought for a three-year period**

If approval is obtained, it will be effective for three years from the date the Resolution is passed or the 2024 Annual General Meeting (whichever is later) (**Effective Period**). This means that the approval will be effective if:

- the Board (or its delegates) exercise discretion as outlined above in connection with the cessation of employment of a Relevant Executive; or
- the Group executes a deed of separation with the Relevant Executive in respect to the cessation of their employment; or
- the Relevant Executive ceases employment with the Group,

during the Effective Period. If considered appropriate, the Board will seek a new approval from shareholders at the Company's Annual General Meeting in 2024.

If shareholder approval is obtained, the value of the benefits outlined in this resolution and Explanatory Notes will be disregarded when calculating the Relevant Executive's termination benefits cap for the purpose of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

#### Recommendation

The Non-Executive Directors recommend that shareholders vote **in favour** of the approval of termination benefits in accordance with the terms outlined above.

### Voting Exclusion

A voting exclusion applies to this Resolution, which is set out in the Notice of Meeting under Resolution 5.

## **6. RESOLUTIONS REQUISITIONED BY SHAREHOLDERS**

The Resolutions in Items 6(a) and 6(b) have been requisitioned by a group of shareholders of the Company (representing approximately 0.007% of the shares on issue) under section 249N of the *Corporations Act 2001* (Cth).

In accordance with section 249P of the *Corporations Act 2001* (Cth), the requisitioning shareholders have also requested that statements set out in Appendix 1 to this Notice of Meeting be provided to shareholders.

### **Item 6(a) – Amendments to the South32 Constitution (not supported by the Board)**

Resolution 6(a) seeks to amend the South32 Constitution to insert a new provision which would enable shareholders to express an opinion or request information about the way in which a power of the Company vested in the Board has been or should be exercised (with some limits).

The statement from the requisitioning shareholders in relation to Item 6(a) is set out in Appendix 1 to this Notice of Meeting on page 19.

### **The Board's response**

The Board respects the rights of shareholders to requisition a resolution seeking to amend the South32 Constitution and has carefully considered the proposed amendment to the South32 Constitution and the supporting statement provided by the requisitioning shareholders.

The Board does not consider the proposed amendments to the South32 Constitution in the form set out in Item 6(a) to be in the best interests of shareholders as a whole and recommends that shareholders vote **against** Resolution 6(a). The Board's reasons for this recommendation are set out below.

The Board believes that the amendment to the South32 Constitution is not necessary because shareholders have a number of existing rights and avenues which already provide them with an opportunity to express their opinions about the management of the Company.

We recognise that effective communication is important for our shareholders to exercise their right as owners of the Company. In addition to the right of shareholders to requisition valid resolutions at general meetings, shareholders are able to participate in general meetings and may either submit written questions in advance or ask questions during the meeting relating to the management of the Company.

South32 regularly engages with shareholders and other stakeholder groups on matters related to the Company and our broader community impact. We have dedicated Investor Relations and Company Secretariat teams, and operate an annual investor engagement program. We regularly assess our approach to engaging with shareholders and other stakeholders to ensure it continues to be effective at gauging stakeholder views.

The Investor Relations and Company Secretariat teams provide regular updates to the Board on feedback from shareholders and other stakeholders, which includes feedback on environmental, social and governance (ESG) matters.

The annual program of investor engagement includes a number of avenues for shareholders to engage with and provide feedback to South32 (including the Directors and Management team), such as:

- briefings to analysts and institutional investors;
- roadshows with the Chair, Chair of the Remuneration Committee and members of the management team, covering financial, operational and ESG updates;
- engagement with proxy advisors, investor representation organisations and civil society groups; and
- retail investor events and forums, and engagement with the Australian Shareholders Association.

ESG issues are frequently a topic of focus in our investor engagement program and the 2021 Corporate Governance Statement (available on our website) sets out some of South32's key investor and market engagement activities on ESG issues during the 2021 financial year.

Our sustainability reporting has continued to evolve and we continue to improve the scope and quality of our reporting. We have recently updated our approach to sustainability reporting to reflect feedback from investors and other stakeholders and produced a comprehensive Sustainable Development Report, supported by a Sustainability Databook.

The Board has the power to manage the business of South32 under the Constitution. It is important that the Board is able to make decisions that affect the business and affairs of South32 in the best interests of the Company as a whole.

The Board does not believe that the constitutional amendment proposed in Resolution 6(a) will improve the ability for shareholders as a whole to provide feedback about the management of South32. Creating a constitutional power to “express an opinion” or “request information” on the exercise of powers vested in the Board would allow groups of shareholders to use the general meeting process as a public platform to pursue single issues or individual interests, which may not be in the broader interests of South32 or shareholders as a whole. Interest and advocacy groups have other avenues to engage with South32 that are more appropriate.

### **Recommendation**

For the reasons set out above, the Board recommends that shareholders vote **against** the proposed amendment to the South32 Constitution. The Chair of the meeting intends to vote undirected proxies **against** Resolution 6(a).

### **Item 6(b) – Climate-related lobbying (supported by the Board)**

Resolution 6(b) is an advisory Resolution and is conditional on Resolution 6(a) being passed by special Resolution.

Under Resolution 6(b), shareholders request that South32 strengthen its review of industry associations to ensure it identifies areas of consistency with the Paris Agreement and where an association’s advocacy is inconsistent with the goals of the Paris Agreement, shareholders recommend that South32 suspends its membership with the industry association for a period determined by the Board.

The statement from the requisitioning shareholders in relation to Item 6(b) is set out in Appendix 1 to this Notice of Meeting on page 20-22.

### **The Board’s response**

The Board acknowledges the significant interest from investors and other stakeholders in our industry association memberships and the advocacy they undertake.

The Board believes participation in industry associations is an important avenue to engage and influence matters affecting the Company. Membership offers opportunities to understand, learn and contribute to industry best practice. We choose to participate in a wide variety of industry associations to achieve this purpose, including those representing specific sectors, issues and commodities.

Since 2019 South32 has undertaken an annual review of our member industry associations’ policies on climate change and published our findings in our sustainability disclosures. Our latest review of our industry associations and their alignment to our policy positions can be found in our Sustainability Databook at [www.south32.net](http://www.south32.net).

Our Company’s existing practice is substantively consistent with the Resolution. For this reason, the Board recommends shareholders support the Resolution.

In recommending support for the Resolution the Board does not, however, support many of the claims made by the requisitioning shareholders in their supporting statement.

In July 2020 we published “Our Approach to Industry Associations”. That document, which is available on our website at [www.south32.net/who-we-are/our-approach/industry-associations](http://www.south32.net/who-we-are/our-approach/industry-associations), outlines how we govern this important area. The approach includes:

- a requirement that an industry association’s purpose and policy positions are aligned with our own;
- the process we follow where a material policy difference or misalignment exists;
- principles and procedures that guide our involvement; and
- a list of our material industry association memberships.

The value of our memberships was never more apparent than during the emergence of COVID-19 as we developed plans to maintain safe and reliable operations, while supporting our people and communities. Industry associations in our respective jurisdictions acted as the interface between government and industry to assist in developing response plans, sharing timely information and facilitating agreements to allow operations to continue under agreed protocols.

Industry associations are by nature representative of similar member interests, but often from varied backgrounds and perspectives, so consensus on all issues is not possible. We believe healthy debate and discussion can often lead to better industry outcomes.

We acknowledge that at times industry associations advocate on specific issues not aligned with our position. Where a material misalignment exists, we follow a formal process to seek alignment. Where the misalignment is material and outweighs the benefits of belonging, we will terminate our membership.

Many of our industry associations have recently strengthened their climate policy positions, including support for Paris Agreement objectives. We are pleased to have participated in processes during FY21 that have led to revised policies at the WA Chamber of Minerals and Energy and the Queensland Resources Council.

Our approach to climate change is aligned with our purpose and integrated with our strategy and we will continue to progress our plans to achieve net zero operational carbon emissions by 2050 and our recently announced commitment to our medium-term target by 2035 (read about our approach to Climate Change in our Sustainable Development Report). A key part of our approach is to continue to undertake annual reviews of member industry association policy positions and to publish outcomes. The Board's preference is to advocate for climate action within an industry association, but will consider, on balance, whether any identified inconsistencies are sufficiently material to instigate action such as membership termination.

As previously disclosed, we intend to include a 'Say on Climate' non-binding resolution at our 2022 AGM. This will provide shareholders with a further opportunity to consider how our Company is approaching this critical issue including the role our membership of industry associations plays.

#### **Recommendation**

For the reasons set out above, the Board recommends that shareholders vote **in favour** of Resolution 6(b) (relating to climate-related lobbying). The Chair of the meeting intends to vote undirected proxies **in favour** of Resolution 6(b).

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The Board recommends shareholders vote **in favour** of Resolutions 1 to 5 and 6(b) and **against** Resolution 6(a).

## APPENDIX 1

Statements pursuant to section 249P of the *Corporations Act 2001* (Cth)

The shareholders who requisitioned the Resolutions in items 6(a) and 6(b) have requested, pursuant to section 249P of the Corporations Act, that the following statements accompany the Resolutions.

South32 is legally required to circulate the statements to shareholders. However, the Board and the Company are not responsible for the contents of the statements or for any inaccurate or misleading statements contained in them.

### Statement by the requisitioners in support of Item 6(a)

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. As a shareholder, the Australasian Centre for Corporate Responsibility (ACCR) favours policies and practices that protect and enhance the value of our investments.

The Constitution of our company is not conducive to the right of shareholders to place ordinary resolutions on the agenda of the annual general meeting (AGM). In our view, this is contrary to the long-term interests of our company, our company's Board, and all shareholders in our company.

Australian legislation and its interpretation in case law means that Australian shareholders are unable to directly propose ordinary resolutions for consideration at Australian companies' AGMs. In Australia, the Corporations Act 2001 provides that 100 shareholders or those with at least 5% of the votes that may be cast at an AGM with the right to propose a resolution.<sup>1</sup> However, section 198A specifically provides that management powers in a company reside with the Board.<sup>2</sup>

Case law in Australia has determined that these provisions, together with the common law, mean that shareholders cannot by resolution either direct that the company take a course of action, or express an opinion as to how a power vested by the company's constitution in the directors should be exercised. Australian shareholders wishing to have a resolution considered at an AGM have dealt with this limitation by proposing two part resolutions, with the first being a 'special resolution,' such as this one, that amends the company's constitution to allow ordinary resolutions to be placed on the agenda at a company's AGM. Such a resolution requires 75% support to be effective, and as no resolution of this kind has ever been supported by management or any institutional investors, none have succeeded.

It is open to our company's Board to simply permit the filing of ordinary resolutions, without the need for a special resolution. We would welcome this. Permitting the raising of advisory resolutions by ordinary resolution at a company's AGM is global best practice, and this right is enjoyed by shareholders in any listed company in the UK, US, Canada or New Zealand.

We note that the drafting of this resolution limits the scope of permissible advisory resolutions to those related to "an issue of material relevance to the company or the company's business as identified by the company" and that recruiting 100 individual shareholders in a company to support a resolution is by no means an easy or straightforward task. Both of these factors act as powerful safeguards against 'opening the floodgates' to a large number of frivolous resolutions.

ACCR urges shareholders to vote for this proposal.

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<sup>1</sup> Sections 249D and 249N of the Corporations Act 2001 (Cth).

<sup>2</sup> S198A provides that "[t]he business of a company is to be managed by or under the direction of the directors", and that "[t]he directors may exercise all the powers of the company except any powers that this Act or the company's constitution (if any) requires the company to exercise in general meeting."

**Statement by the requisitioners in support of Item 6(b)**

ACCR supports our company's commitment to the Paris Agreement and its recently updated target to reduce operational emissions by 50% by 2035 (on FY2021 levels).<sup>3</sup> ACCR also welcomes our company's commitment to disclose the resilience of its portfolio under a 1.5°C scenario.<sup>4</sup>

The International Energy Agency's recently published report, 'Net zero by 2050'<sup>5</sup> concluded that no new coal, gas or oil developments could proceed beyond this year, in order to limit global warming to 1.5°C.

This resolution seeks to ensure that the advocacy of our company's industry associations is consistent with its commitment to limit global warming to 1.5°C and the long-term interests of shareholders.

Our company's approach to industry associations

Our company published its second review of its industry associations within its 2020 Sustainable Development Report.<sup>6</sup> Additionally, our company has explained its approach to industry associations on its website.<sup>7</sup>

The 2020 review identified "potential misalignment" with only one group—the Queensland Resources Council (QRC)—due to its failure to explicitly support the Paris Agreement.<sup>8</sup> Despite stating that it assessed industry associations' "formal policies, website content, advocacy activity and media articles",<sup>9</sup> our company failed to assess its industry associations' advocacy during the COVID-19 pandemic, and the repeated lobbying for new and expanded coal and gas developments.

While our company states that it will "advocate an alternative view" where it cannot reach agreement with an industry association,<sup>10</sup> there is little evidence that our company has ever taken such action.

An annual review of industry associations is not enough. If our company is genuinely committed to limiting warming to 1.5°C, it must curtail advocacy that promotes fossil fuel expansion.

According to Fiona Reynolds, the CEO of Principles for Responsible Investment (PRI):

*"It's time to confront negative climate lobbying from every link in the chain, from the funding by corporates to the lobbying organisation and ultimately to the closed-door undermining of climate action."<sup>11</sup>*

In March 2021, the Climate Action 100+ initiative published its first Net-Zero Company Benchmark. Our company only partially met its assessment of climate policy engagement, as it has not made an explicit commitment that it (and its industry associations) "conduct all of its lobbying in line with the goals of the Paris Agreement".<sup>12</sup>

Australia's lack of climate policy

In February 2021, Bloomberg ranked Australia's climate policies as the weakest of the largest developed economies.<sup>13</sup> In June 2021, Australia received the lowest score awarded to any of the 193 UN member states for climate action.<sup>14</sup> Australia's commitment to reduce emissions by 26-28% by 2030 (from 2005 levels) has been deemed inadequate by a range of experts.<sup>15</sup> Australian government forecasts suggest that emissions will decline by just 22% by 2030.<sup>16</sup>

ACCR has engaged our company on the issue of climate-related lobbying for three years. Despite improved transparency of our company's governance of industry associations, UK think tank InfluenceMap rates our company's climate policy footprint 'D' (scale A-F),<sup>17</sup> making it one of the most oppositional companies on climate and energy policy in Australia.

Our company remains a member of at least two industry associations with climate lobbying practices that are misaligned with the Paris Agreement (ranked D or below) and two with strongly misaligned climate lobbying practices (ranked F).<sup>18</sup>

On balance, the impact of our company's industry associations on Australia's climate and energy policy has been overwhelmingly negative, and there has been little improvement in recent years.

Recent industry association advocacy

Despite our company's commitment to the Paris Agreement, its industry associations continue to advocate for new and expanded coal and gas extraction, to prolong the use of coal-fired power in electricity generation and do not support more ambitious 2030 targets or net zero by 2050.



**NSW Minerals Council (NSWMC)**

InfluenceMap score: F

- Throughout 2020, the NSWMC advocated for fast-tracking the approval of 21 new or expanded coal mining projects, claiming they were necessary for recovery from the pandemic;<sup>19</sup>
- In recent months, the NSWMC has lobbied the NSW State Government and the NSW Deputy Premier in particular, on our company's behalf, seeking to overturn the Independent Planning Commission's (IPC) rejection of the Dendrobium coal mine.<sup>20 21</sup> The IPC rejected the mine due to the risks it would pose to Sydney's drinking water catchment.<sup>22</sup>
- Campaigned during the Upper Hunter by-election in NSW,<sup>23 24</sup> claiming that demand for Australia's thermal coal would continue for "decades to come".<sup>25</sup>

**Queensland Resources Council (QRC)**

InfluenceMap score: F

- Throughout 2020, the QRC advocated for further coal and gas exploration and the fast-tracking of new and expanded coal and gas projects, framed as a "recovery agenda";<sup>26</sup>
- During the Queensland State election campaign in late 2020, the QRC ran an advertising campaign targeting a single party, resulting in BHP Group and Origin Energy suspending their memberships;<sup>27</sup>
- Following the election, the QRC continued to press for further coal and gas expansion;<sup>28</sup>
- In April 2021, the Queensland Government launched its 'Resources Industry Development Plan',<sup>29</sup> delivering many of the QRC's demands.

**Chamber of Minerals and Energy of Western Australia (CME)**

InfluenceMap score: E+

- Supports the expansion of the gas industry in Western Australia;<sup>30</sup>
- Opposed state-based regulation that would have required new emissions intensive projects to offset their emissions;<sup>31</sup>
- Supports the Australian government's "gas-fired recovery" from the pandemic.<sup>32</sup>

The Minerals Council of South Africa (InfluenceMap score: E) has also advocated to prolong the life of coal-fired power generation.<sup>33</sup>

Unlike its peers BHP Group, Origin Energy and Rio Tinto, our company's governance of industry associations and record of climate advocacy has not been previously subject to scrutiny by shareholders at an annual general meeting.

Our company has had several years to affect change within its industry associations with limited success. It can and must do more to ensure that its industry associations advocate consistently with the Paris Agreement.

**ACCR urges shareholders to vote for this proposal.**

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<sup>3</sup> [https://www.south32.net/docs/default-source/exchange-releases/south32-strategy-and-business-update.pdf?sfvrsn=ef6f9aa4\\_2](https://www.south32.net/docs/default-source/exchange-releases/south32-strategy-and-business-update.pdf?sfvrsn=ef6f9aa4_2)

<sup>4</sup> *ibid.*

<sup>5</sup> <https://www.iea.org/reports/net-zero-by-2050>

<sup>6</sup> <https://www.south32.net/docs/default-source/sustainability-reporting/fy20-sustainability-reporting/sustainable-development-report-2020>

<sup>7</sup> <https://www.south32.net/who-we-are/our-approach/industry-associations>

<sup>8</sup> <https://www.south32.net/docs/default-source/sustainability-reporting/fy20-sustainability-reporting/sustainable-development-report-2020>

<sup>9</sup> *ibid.*

<sup>10</sup> <https://www.south32.net/who-we-are/our-approach/industry-associations>

<sup>11</sup> <https://www.unpri.org/pri-blog/time-must-be-called-on-negative-climate-lobbying/8259.article#>

<sup>12</sup> <https://www.climateaction100.org/company/south32/>

<sup>13</sup> <https://www.bloomberg.com/professional/blog/webinar/bnef-g20-zero-carbon-policy-scoreboard-whos-doing-it-best/>

<sup>14</sup> <https://www.sdindex.org/reports/sustainable-development-report-2021/>

<sup>15</sup> <https://www.theguardian.com/australia-news/2021/jan/05/australias-new-climate-pledge-to-un-criticised-for-not-improving-on-2030-target>

<sup>16</sup> <https://www.industry.gov.au/data-and-publications/australias-emissions-projections-2020>

<sup>17</sup> <https://influencemap.org/filter/List-of-Companies-and-Influencers#>

<sup>18</sup> *ibid.*

<sup>19</sup> <https://www.nswmining.com.au/news/2020/7/32-mining-projects-in-planning-pipeline-can-drive-economic-recovery-for-nsw>

<sup>20</sup> <https://www.abc.net.au/news/2021-02-15/john-barilaro-campaigns-to-overturn-dendrobium-mine-rejection/13156096>

<sup>21</sup> <https://www.dpc.nsw.gov.au/assets/dpc-nsw-gov-au/publications/January-March-2021-1894/Deputy-Premier-and-Minister-for-Regional-New-South-Wales-Industry-and-Trade-January-March-2021.pdf>

<sup>22</sup> <https://www.abc.net.au/news/2021-02-05/dendrobium-coal-mine-expansion-rejected-by-planning-commission/13124466>

<sup>23</sup> <https://thecoalface.net.au/2021/05/03/at-the-coalface-may-2021/>

<sup>24</sup> <https://www.newcastleherald.com.au/story/7256233/anti-mining-campaign-based-on-myths/>

<sup>25</sup> <https://twitter.com/JakeLapham/status/1390208133092478980?s=20>

<sup>26</sup> [https://www.qrc.org.au/wp-content/uploads/2020/10/Resource-Industry-Recovery-Agenda\\_Oct20.pdf](https://www.qrc.org.au/wp-content/uploads/2020/10/Resource-Industry-Recovery-Agenda_Oct20.pdf)

<sup>27</sup> <https://www.abc.net.au/news/2020-10-07/qld-state-election-origin-bhp-suspend-qrc-membership-greens-ad/12732652>

<sup>28</sup> <https://www.qrc.org.au/media-releases/qrc-ready-to-work-with-government-new-minister-to-help-qld-recover-from-covid/>

<sup>29</sup> <https://statements.qld.gov.au/statements/91984>

<sup>30</sup> <https://cmewa.com.au/media-release/wa-gas-development-to-provide-multi-billion-dollar-boost-to-the-nation/>

<sup>31</sup> <https://cmewa.com.au/media-release/cme-response-to-epa-environmental-factor-guideline-for-greenhouse-gas-emissions/>

<sup>32</sup> <https://cmewa.com.au/media-release/cme-welcomes-federal-support-for-wa-mining-and-resources-sector/>

<sup>33</sup> [https://twitter.com/Mine\\_RSA/status/1224600980655869952?s=20](https://twitter.com/Mine_RSA/status/1224600980655869952?s=20)

## HOW TO VOTE

### Entitlement to vote

The Board has determined, in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), that a shareholder's entitlement to vote at the Meeting will be based on shareholders who appear in the Register of Members at 4:00pm (AWST) on Tuesday, 26 October 2021. Any share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

### Total shares and voting rights

As at 17 September 2021 (being the latest practicable date prior to the publication of this Notice of Meeting), the issued share capital of South32 was 4,664,801,847 ordinary shares, carrying one vote each. For the purposes of the UK Financial Conduct Authority's Disclosure Guidance and Transparency Rules, no ordinary shares are held in treasury by South32. Therefore, the total number of voting rights in South32 as at 17 September 2021 is 4,664,801,847.

### Voting at the Meeting

As determined by the Chair of the Meeting, each Resolution will be decided on a poll. Each shareholder present has one vote for each fully paid ordinary South32 share held at 4:00pm (AWST) on Tuesday, 26 October 2021.

You may vote in one of two ways, by voting in:

- in advance of the Meeting, by appointing a proxy:
  - electronically, using the link embedded in the email (for those shareholders who receive the notice electronically) or at [www.investorvote.com.au](http://www.investorvote.com.au); or
  - by returning the personalised Proxy Form (for those shareholders who receive notice by post) or using the blank Proxy Form which is available on South32's website at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings>, by 12.00pm (AWST) on Tuesday, 26 October 2021; or
- during the Meeting using the Lumi AGM platform at <https://web.lumiagm.com/339085528>.

Instructions on how to vote using the Lumi AGM platform:

- open the Lumi AGM platform by entering <https://web.lumiagm.com/339085528> in your browser and enter the Meeting ID (339085528).
- enter your username (your SRN/HIN) and password (your postcode as recorded on the register).
- from the Home screen, you can view Company documents and vote.
- once the poll is open, the voting icon will appear at the bottom of your screen – to vote, click on the icon and select your desired option ('for', 'against' or 'abstain').
- to change your vote, select another option (you can cancel your vote by pressing the 'cancel' button).

An illustrative guide on how to use the Lumi AGM platform is available on our website at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings> and your computer, smart phone or tablet must have access to the internet during the Meeting in order to use the Lumi AGM platform.

### Jointly held shares

Where shares are held jointly and more than one joint holder votes (either personally or by proxy, attorney or representative) in respect of a Resolution, the vote of the holder named first in the Register of Members will be accepted to the exclusion of the votes of other joint holders.

### Appointing an attorney

A shareholder may appoint an attorney to act on their behalf at the Meeting. If you wish to appoint an attorney, such appointment must be made by a duly executed power of attorney. If the power of attorney (or a certified copy) has not previously been provided to the Company's share registry, Computershare, then it must be provided **before** the Meeting.

### Appointing a representative to vote on behalf of a body corporate

Where a shareholder is a body corporate or a body corporate is appointed as proxy, the body corporate will need to ensure that:

- it appoints an individual as its corporate representative in accordance with section 250D of the *Corporations Act 2001* (Cth) to exercise its powers at the Meeting. An "Appointment of Corporate Representative" form signed in accordance with section 127 of the *Corporations Act 2001* (Cth) or by a duly appointed attorney can be used for this purpose. A copy of the form may be obtained from the

Company's share registry, Computershare, or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms"; and

- the instrument appointing the corporate representative must be provided to the Company's share registry, Computershare, **before** the Meeting.

#### Appointing a proxy to vote on your behalf

A shareholder entitled to attend the Meeting and vote at the Meeting has the right to appoint up to two proxies to act on their behalf. A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

Shareholders are encouraged to notify an appointed proxy of their appointment to enable them to participate in the Meeting and to exercise your voting instructions. Appointed proxies will need to contact Computershare Investor Services on +61 3 9415 4169 or (AUS) 1800 019 953 during the online registration period which will open 24 hours before the start of the Meeting.

A shareholder entitled to cast two or more votes is entitled to appoint no more than two proxies to attend and vote at the Meeting and may specify the proportion or number of votes that each proxy is appointed to exercise. This may be done by specifying both names on the Proxy Form. If a shareholder does not specify the proportion or number of votes that each proxy may exercise in the Proxy Form, each proxy may exercise half of their votes. Fractions of votes will be disregarded. The Proxy Form contains instructions for appointing two proxies.

#### Completing and lodging the Proxy Form

Shareholders are encouraged to complete their Proxy Form online. Shareholders who elect to receive the Notice of Meeting electronically will receive an email with a link to the Company's share registry, Computershare, site at [www.investorcentre.com](http://www.investorcentre.com). You will need a specific six-digit Control Number to vote online which will appear on your letter.

A shareholder may direct their proxy how to vote by marking one of the boxes opposite each item of business on the Proxy Form (that is, 'for', 'against' or 'abstain'). Shareholders are encouraged to direct their proxy how to vote. If a shareholder does not mark a voting box in respect of a Resolution, their proxy can vote or abstain as they choose, subject to any voting exclusions that apply to the proxy.

If you do not specify a proxy in your completed proxy vote or if the person you appoint as proxy does not participate in the Meeting, the Chair of the Meeting will be taken to be your proxy by default. In accordance with the *Corporations Act 2001* (Cth), any directed proxies that are not voted as directed on a poll at the Meeting will automatically default to the Chair of the Meeting, who is required to vote proxies as directed.

Your Proxy Form (and the power of attorney or other authority under which it is signed, if any) must be received by the Company's share registry, Computershare, no later than **12.00pm (AWST) on Tuesday, 26 October 2021**. Proxy Forms received after this time will not be effective.

You may lodge your Proxy Form in one of the following ways:

- online at [www.investorvote.com.au](http://www.investorvote.com.au) (by following the instructions set out on the website);
- by post if you complete the personalised Proxy Form or the blank Proxy Form (available on South32's website) and sending it to:
  - Australia: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001
  - South Africa: Computershare Investor Services (Pty) Limited, Private Bag X9000, Saxonwold 2132
- by fax to 1800 783 447 (within Australia) or to +61 3 9473 2555 (outside Australia); or

For Intermediary Online subscribers only (custodians and nominees), please submit your voting intentions online at [www.intermediaryonline.com](http://www.intermediaryonline.com).

Holders of shares dematerialised into Strate should return their Proxy Forms directly to their Central Securities Depository Participant or stockbroker.

#### Proxy voting by members of the KMP

If you appoint a member of the Company's KMP or one of their closely related parties as your proxy, they will not be able to cast your votes on Resolutions 3, 4 or 5, unless you direct them how to vote, or the Chair of the Meeting is your proxy.

If you appoint the Chair of the Meeting as your proxy, or the Chair of the Meeting becomes your proxy by default, and you do not mark a voting box for Resolutions 3, 4 or 5, then by completing the Proxy Form you will be expressly authorising the Chair of the Meeting to vote in respect of the relevant Resolution even though it is connected with the remuneration of the Company's KMP.

Proxy voting by Chair

The Chair of the Meeting intends to vote all available proxies **in favour** of Resolutions 2(a) to 5 inclusive, **against** Resolution 6(a) and **in favour** of Resolution 6(b).

## HOW TO ASK QUESTIONS

Questions and comments from shareholders are important. Although the Board may not be able to reply to each question individually, the Board will endeavour to address as many of the frequently asked questions as possible during the Meeting. Please note that individual responses will not be sent to shareholders.

Shareholders eligible to vote at the Meeting may submit written questions to the Auditor, KPMG, or the Company and should be sent by either:

- email to [Company.Secretary@south32.net](mailto:Company.Secretary@south32.net);
- online at [www.investorvote.com.au](http://www.investorvote.com.au) when lodging a proxy vote; or
- by using the Shareholder Question Form which can be downloaded from our website at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings>. You can lodge the form by:
  - facsimile to +61 8 9324 9200;
  - post to the Company's registered office Level 35, 108 St Georges Terrace, Perth WA 6000;
  - post to Computershare Investor Services Pty Ltd (see page 24 for contact details).

### Shareholders' questions of the Auditor

Shareholders may submit written questions to KPMG to be answered at the Meeting, provided the question is relevant to the conduct of the audit and content of the auditor's report.

All written questions to the Auditor must be received no later than 4:00pm (AWST) on Thursday, 21 October 2021. A list of qualifying questions will be made available to shareholders.

### Shareholders' questions of the Chair and Board

Shareholders who would like to ask the Chair, Board or management a question, are strongly encouraged to do so in writing before the Meeting.

All written questions to the Company must be received no later than 12.00pm (AWST) on Tuesday, 26 October 2021.

### Shareholders' questions during the Meeting

Shareholders will also be able to ask questions during the Meeting via the Lumi AGM platform (instructions on how to ask questions through the Lumi AGM platform will be available in the platform).

## HOW TO ATTEND THE MEETING VIRTUALLY

Shareholders can participate in the Meeting, ask questions and vote in real time virtually, once they have registered their attendance on the Lumi AGM platform.

### Participating in the Meeting virtually

By participating in the Meeting virtually, you will be able to access the live webcast, ask questions and cast live votes during the Meeting.

To participate in the Meeting virtually, you can log in to the Meeting in the following ways from your:

- computer, by entering <https://web.lumiagm.com/339085528> into your browser (the recommended method);
- smart phone or tablet by entering <https://web.lumiagm.com/339085528> in your browser.

You will need the latest version of Chrome, Firefox, Edge or Safari. Please ensure your browser is compatible.

Once you have selected one of the options above, you will need the following information to participate in the Meeting:

- the Meeting ID which is: **339-085-528**;
- your username, which is your Shareholder Reference Number (**SRN**) or Holder Identification Number (**HIN**); and
- your password, which is the postcode registered on your holding if you are an Australian shareholder. Overseas shareholders and appointed proxies should refer to the Lumi Online Meeting Guide (which is available on our website) in advance of the Meeting to obtain their password details – allowing sufficient time to contact the Company's share registry, Computershare, in the event of any difficulties on +61 3 9415 4169 or (AUS) 1800 019 953.

If you choose to participate in the Meeting virtually, registration will open at 11.00am (AWST) on Thursday, 28 October 2021 (one hour before the Meeting).

Appointed proxies: to receive your username and password to participate in the Meeting, please contact the Company's share registry, Computershare, on +61 3 9415 4169 (in the hour prior to the Meeting starting) to obtain your unique username and password.

Guests can access the live Meeting webcast. To register as a guest, please refer to the instructions at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings>.

Further information regarding participating in the Meeting virtually, including browser requirements, how to vote and how to ask questions, is detailed in the Lumi Online Meeting Guide which is available on our website at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings>. Instructions on how to vote and ask questions during the Meeting are also outlined in the 'how to vote' and 'how to ask questions' sections on pages 23 and 26 respectively.

## HOW TO UPDATE YOUR DETAILS

### How we communicate with you

In line with our commitment to the environment and our focus on lowering costs, unless you elect otherwise, we will provide our Annual Report to you by making it available on our website at <https://www.south32.net/investors-media/investor-centre/annual-reporting-suite>.

You will still have the option of receiving, free of charge, a printed copy of the Annual Report. To arrange this, please update your communications preferences by contacting the Company's share registry, Computershare.

The Sustainable Development Report and accompanying Sustainability Databook is also available from the Company's website. Printed copies of the Sustainable Development Report are not available.

### Better for you, better for the environment

South32 uses its website and email as the primary means of communicating with shareholders. This enables timely receipt of information and reduces the environmental footprint of our communications. To elect to receive electronic communications, and other online services designed to help you manage your shareholding, visit the Company's share registry, Computershare, at [www.investorcentre.com](http://www.investorcentre.com) or alternatively refer to the relevant Investor Centre noted below.

Investor Centre is a free, secure, self-service website, where shareholders can manage their holdings online. The website enables shareholders to:

- view share balances
- change address details
- view payment and tax information; and
- update payment instructions.

Shareholders who register their email address on Investor Centre can be notified electronically of events such as Annual General Meetings and can receive shareholder communications electronically such as the Annual Report, Notice of Meeting and dividend payment advices.

### Computershare contact details:

Please contact the Company's share registry, Computershare, if you have any queries about your shareholdings either:

- online by visiting [www.investorcentre.com](http://www.investorcentre.com)
- by telephone:
  - Australia: Telephone: 1800 019 953 or + 61 3 9415 4169
  - South Africa: Telephone: +27 (11) 373 0033
  - United Kingdom: Telephone: +44 (0) 370 873 5884
- by post to the Company's registered office at Level 35, 108 St Georges Terrace, Perth WA 6000; or
- by post to the Company's share registry, Computershare Investor Services Pty Ltd in:
  - Australia: Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001
  - South Africa: Computershare Investor Services (Pty) Limited, Private Bag X9000, Saxonwold 2132

### Tax File Numbers

If you are an Australian tax resident shareholder and have not provided a Tax File Number (TFN) or Australian Business Number (ABN) or exemption, tax will be deducted from the unfranked portion of any dividend paid, at the highest marginal rate. Shareholders are encouraged to provide the Company's share registry, Computershare, with their TFN or ABN.

### Direct credit (banking) details

South32 has implemented mandated direct credit payments for all dividend payments. Shareholders are encouraged to provide the Company's share registry, Computershare, with their banking details, if they have not already done so.



## GENERAL INFORMATION

### South32 listings

South32 has a primary listing on the Australian Securities Exchange (ASX), a secondary listing on the Johannesburg Stock Exchange (JSE), is admitted to the standard segment of the Official List of the UK Listing Authority and its ordinary shares are traded on the London Stock Exchange (LSE). South32 also has a Level 1 American Depositary Receipt (ADR) program, which trades on the United States over-the-counter market.

### Webcast

Shareholders can view the proceedings of the Meeting via the Lumi AGM platform. An archive of the webcast will be available at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings> for later viewing.

The live webcast may include the question and answer session with shareholders.

### All Resolutions will be by poll

The Chair intends to call a poll on each of the Resolutions set out in this Notice of Meeting in accordance with the Company's Constitution.

### Technical difficulties

Technical difficulties may arise during the Meeting. The Chair has discretion as to whether and how the Meeting should proceed if a technical difficulty arises. In exercising their discretion, the Chair will have regard to the number of shareholders impacted and the extent to which participation in the business of the Meeting is affected.

Where considered appropriate, the Chair may continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a proxy by 12.00pm (AWST) on Tuesday, 26 October 2021 even if they plan to attend the Meeting in-person or virtually.

In the event of a technological failure that prevents Shareholders from having a reasonable opportunity to participate in the Meeting, South32 will provide an update on its website and the ASX/JSE/LSE platforms to communicate the details of any postponement or adjournment of the Meeting to shareholders. If it becomes necessary to make further alternative arrangements for holding the Meeting, we will give shareholders as much notice as practicable with further information being made available on South32's website at <https://www.south32.net/investors-media/investor-centre/annual-general-meetings>.





South32 Limited  
ABN 84 093 732 597

S32

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Need assistance?



**Phone:**

1800 019 953 (within Australia)  
+61 3 9415 4169 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12.00pm (AWST) Tuesday, 26 October 2021**.

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to the meeting. A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is:



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of South32 Limited hereby appoint

**The Chair of the Meeting** OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of South32 Limited to be held at 12.00pm (AWST) on Thursday, 28 October 2021 and at any adjournment or postponement of that meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 3, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

**Important Note:** If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Items 3, 4 and 5 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority.

**Please Note:** If the Chair of the Meeting is appointed as your proxy (or becomes your proxy by default), the Chair of the Meeting intends to vote available proxies in the manner set out beside each resolution. This reflects the Board's recommendation. In exceptional circumstances, the Chair of the Meeting may change their voting intention on any resolution, in which case a stock exchange announcement will be made.

Board Recommendation			For	Against	Abstain
For	Item 2(a)	Re-election of Mr Wayne Osborn as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	Item 2(b)	Re-election of Mr Keith Rumble as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	Item 3	Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	Item 4	Grant of awards to Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	Item 5	Approval of Leaving Entitlements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Against	Item 6(a)	Special resolution to amend our company's constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
For	Item 6(b)	Ordinary resolution on climate-related lobbying	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1 <input type="text"/>	Securityholder 2 <input type="text"/>	Securityholder 3 <input type="text"/>	/ /
Sole Director and Sole Company Secretary	Director	Director/Company Secretary	Date

Update your communication details (Optional)

Mobile Number  Email Address

By providing your email address, you consent to receive Notice of Meeting and Proxy communications electronically in the future





South32 Limited  
ABN 84 093 732 597

## Need assistance?



**Phone:**  
1800 019 953 (within Australia)  
+61 3 9415 4169 (outside Australia)



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)

S32

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## South32 Limited Annual General Meeting

The South32 Limited Annual General Meeting will be held virtually at 12.00pm (AWST) on Thursday, 28 October 2021. You are encouraged to participate in the meeting using the following options:

### ACCESS THE MEETING DOCUMENTS ONLINE

Access the Notice of Meeting and other meeting documents at:  
<https://www.south32.net/investors-media/investor-centre/annual-general-meetings>  
If you require a hard copy of the Notice of Meeting, please contact Computershare using the details above.  
Access the annual reporting suite at [www.south32.net](http://www.south32.net)



### MAKE YOUR VOTE COUNT

To lodge a proxy, visit [www.investorvote.com.au](http://www.investorvote.com.au) and use the below information:



**Control Number: 999999**  
**SRN/HIN: I999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

For your proxy appointment to be effective it must be received by 12.00pm (AWST) on Tuesday, 26 October 2021.



### PARTICIPATING IN THE MEETING VIRTUALLY

To watch the webcast, ask questions and vote on the day of the meeting, please visit:  
[web.lumiagm.com/339085528](http://web.lumiagm.com/339085528)

For instructions refer to the online user guide [www.computershare.com.au/virtualmeetingguide](http://www.computershare.com.au/virtualmeetingguide)