



17 September 2018

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

## 2018 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 2018 Annual General Meeting.

The meeting will be held on Thursday, 25 October 2018 at 10:30am Australian Western Standard Time (AWST) in the Golden Ballroom at the Pan Pacific Hotel, 207 Adelaide Terrace, Perth, Western Australia, 6000, Australia.

The Notice of Annual General Meeting will be sent today to those members who have elected to receive electronic communications and will be dispatched no later than 26 September 2018 for all other members.

The Notice of Annual General Meeting is available on our website [www.south32.net](http://www.south32.net).

### About South32

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

### Further Information

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

JSE Sponsor: UBS South Africa (Pty) Ltd  
17 September 2018



# NOTICE OF MEETING 2018

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## CHAIRMAN'S LETTER

Dear Shareholder

I am pleased to invite you to attend the 2018 Annual General Meeting (Meeting) of South32 Limited. The Meeting will be held in the Golden Ballroom at the Pan Pacific Hotel, 207 Adelaide Terrace, Perth, Western Australia commencing at 10.30am (AWST) on Thursday 25 October 2018. Registration will be available from 9.30am (AWST).

The Meeting provides an opportunity for you to ask questions and hear from your Board and Lead Team members. Our 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 2018. For further information, I encourage you to visit our website and refer to our 2018 Annual Report.

Details about the Resolutions are included in the Notice of Meeting and the Explanatory Notes.

I encourage you to attend and to participate by voting on the Resolutions. If you are attending the Meeting in person, please bring the Proxy Form with you as the barcode printed on it will assist with your registration and admission.

For voting at this year's Meeting we will use a smartphone app and electronic handsets instead of paper voting cards. Information on electronic voting is available in the 'How to Vote' section on page 4 of the accompanying Notice of Meeting.

Shareholders who cannot attend the Meeting may appoint a proxy to attend and vote on their behalf. To do this, you should complete and return the Proxy Form enclosed with this Notice of Meeting so that it is received by 10.30am (AWST) on Tuesday 23 October 2018. You can do this online on the share registry website or you can post or fax the form to your local registry branch. Details of how to submit the Proxy Form are included with the form.

For those of you that cannot attend the Meeting, a live audio webcast will be available via a link on our website at [www.south32.net](http://www.south32.net). An archive of the webcast will be available at the same web address after the Meeting.

I also encourage shareholders who are entitled to vote at the Meeting to submit written questions in advance of the Meeting. Questions should relate to matters that are relevant to the business of the Meeting and may be submitted using the Shareholder Question Form included with this Notice of Meeting. Questions must be received by 5:00pm (AWST) on Thursday 18 October 2018. Time permitting, I will address the frequently raised topics during the Meeting.

The Directors and Lead Team of South32 also extend an invitation to shareholders to join them for light refreshments after the Meeting. I look forward to your participation at South32 Limited's Annual General Meeting.

Yours sincerely



**David Crawford AO**  
CHAIRMAN

# NOTICE OF MEETING

Notice is given that the 2018 Annual General Meeting (Meeting) of shareholders of South32 Limited (ABN 84 093 732 597) (South32 or the Company) will be held in the Golden Ballroom at the Pan Pacific Hotel, 207 Adelaide Terrace, Perth, Western Australia commencing at 10.30am (AWST) on Thursday 25 October 2018.

## 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 2018.

### 2 Re-election of Directors

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

- a) *"That Mr David Crawford AO is re-elected as a Director of the Company."*
- b) *"That Dr Xolani Mkhwanazi 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 2018 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 2018 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 Chairman 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 on Resolution 4 that are cast:

- 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 as proxy for a person entitled to vote on Resolution 4:

- in accordance with the directions on the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy even though Resolution 4 relates to the remuneration of a member of the Company’s KMP.

#### 5 Approval of leaving entitlements

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

*“For a period of 3 years commencing from the date this resolution is passed approval be given for all purposes, including Part 2D.2 of the Corporations Act 2001 (Cth), that 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 Chairman 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.

By order of the Board



**Nicole Duncan**  
Company Secretary  
6 September 2018

# HOW TO VOTE

## 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.

## Entitlement to vote

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 23 October 2018. 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 6 September 2018 (being the latest practicable date prior to the publication of this Notice of Meeting), the issued share capital of South32 was 5,117,602,169 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 6 September 2018 is 5,117,602,169.

## Voting at the Meeting

As determined by the Chairman of the Meeting, each Resolution will be decided on a poll. Each shareholder present has one vote for each fully paid ordinary share held at 4:00pm (AWST) on Tuesday 23 October 2018.

If you have a tablet or smartphone device with internet access you can participate in the Meeting by using the Lumi AGM App. You can also vote at the Meeting by accessing Lumi AGM using a web browser on your PC, tablet or smartphone at <https://web.lumiagm.com>.

The Lumi AGM App is available for devices running Android and iOS operating systems only and can be downloaded from the Google Play™ Store Market or the Apple® App Store<sup>(1)</sup>. It is recommended that the Lumi AGM App be downloaded in advance of the Meeting. Your device must have access to the internet during the Meeting in order to use the Lumi AGM App and the Lumi AGM website. Complimentary Wi-Fi access will be provided at the Meeting venue.

Instructions on how to vote using the Lumi AGM app:

1. Open the Lumi AGM App or website and enter the Meeting ID (to be provided at the Meeting).
2. Enter your username (your SRN/HIN) and password (your postcode as recorded on the register).
3. From the Home screen, you can view Company documents and vote.
4. 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').
5. To change your vote, select another option (you can cancel your vote by pressing the 'cancel' button).

For shareholders (or their proxies) who do not have a smart phone or a tablet with internet access, an electronic handset including a smart card will be provided at the Meeting upon registration.

(1) Google Play™ is a registered trademark of Google Inc. Apple® is a registered trademark of Apple Inc

## **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 has not previously been provided to the Company or its share registry, Computershare, a copy must be provided before the Meeting.

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

A shareholder entitled to attend the Meeting and vote has the right to appoint a proxy to act on their behalf. A proxy need not be a shareholder of the Company and may be an individual or a body corporate. A proxy may be appointed by completing and returning the Proxy Form that accompanies this Notice of Meeting in one of the ways and by the time set out below.

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.

## **Completing and lodging the Proxy Form**

Please follow the instructions on the Proxy Form if you wish to appoint a proxy.

Where the name of the proxy is not specified, the Chairman of the Meeting will be appointed as the shareholder's proxy.

A shareholder may direct their proxy how to vote by marking the relevant box next to each Resolution in 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.

Proxy Forms must be received by no later than 10:30am (AWST) on Tuesday 23 October 2018. Proxy Forms received after this time will not be effective.

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

- electronically at [www.investorvote.com.au](http://www.investorvote.com.au);
- by post using the enclosed envelope;
  - Australia:  
Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne Victoria 3001
  - South Africa:  
Computershare Investor Services (Pty) Limited  
PO Box 61051  
Marshalltown 2107
- by fax to 1800 783 447 (within Australia) or to +61 3 9473 2555 (outside Australia); or
- Intermediary Online users only (custodians), electronically 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.

### **Appointing a representative to vote on behalf of a Company**

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. A "Certificate of Appointment of Corporate Representative" 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 certificate is available from the Share Registry; and
- the instrument appointing the corporate representative must be provided to the Company or its share registry, Computershare, before the Meeting.

### **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 Chairman of the Meeting is your proxy.

If you appoint the Chairman of the Meeting as your proxy, or the Chairman 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 and returning the Proxy Form you will be expressly authorising the Chairman of the Meeting to vote in respect of the relevant Resolution even though it is connected with the remuneration of the Company's KMP.

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

### **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 [www.south32.net/investors-media/annual-report-suite](http://www.south32.net/investors-media/annual-report-suite).

You will still have the option of receiving, free of charge, a printed copy of the Annual Report or alternatively receiving your securityholder communications by email. To arrange this, please update your details by contacting Computershare (contact details on page 21).



## 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.

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 Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2018 (together, the Reports) will be tabled at the Meeting.

The Reports are set out on pages 91 to 158 of the 2018 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;
- the preparation and content of the Auditor's Report;
- the accounting policies adopted by the Company in relation to the preparation of its financial statements; and
- the 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 2018 Financial Report can be submitted using the Shareholder Question Form accompanying this Notice of Meeting by Thursday 18 October 2018.

## 2 RE-ELECTION OF DIRECTORS

Resolutions 2(a) and 2(b) seek approval for the re-election of Mr Crawford AO and Dr Mkhwanazi as Directors of the Company.

Mr Crawford AO and Dr Mkhwanazi have not been re-elected since the Annual General Meeting in 2015. In accordance with Rules 8.1(d) and 8.1(j) of the Company's Constitution, Mr Crawford AO and Dr Mkhwanazi will retire, and being eligible, will seek re-election at the Meeting.

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

### RESOLUTION 2(a)



**David Crawford** AO, BCOMM, LLB, FCA, FCPA, FAICD, 74

Mr Crawford has been a non-executive director of South32 Limited since 2 February 2015. He is the Chairman of the Board and a member of the Nomination and Governance Committee and the Risk and Audit Committee. The Board has assessed Mr Crawford as independent per our Policy on Independence of Directors.

If re-elected at this AGM, Mr Crawford has indicated his intention to retire from the Board before the end of this three year term. The Board has commenced the Chair succession process, which is being led by the Chairman of the Nomination and Governance Committee. In conducting the process, the Board may reference both internal and external candidates. The Board expects to announce the new Chair before the 2019 AGM.

Mr Crawford will retire from the Board upon handover to the new Chair.

The biographical details of Mr Crawford are as follows:

#### *Skills and experience:*

Mr Crawford has extensive experience in risk management and business reorganisation. He has acted as a consultant, scheme manager, receiver, manager and liquidator to very large and complex companies. Mr Crawford was previously Australian National Chairman of KPMG, Chartered Accountants.

#### *Other directorships and offices*

- Chairman, Lendlease Corporation Limited (ASX listed) since May 2003 and Director since July 2001. In June 2018, Lendlease announced that Mr Crawford AO will retire from the Board following the conclusion of its 2018 Annual General Meeting on 16 November 2018.
- Chairman, Australia Pacific Airports Corporation Limited
- Director, Evans Dixon Limited (ASX listed) since May 2018
- Advisory Board Member, Bank of America Merrill Lynch Australia

#### **Recommendation**

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

Mr Crawford's extensive experience as a director of major listed Australian companies with international businesses, and his background in risk management and business reorganisation provides significant depth and experience to the South32 Board.

## RESOLUTION 2(b)



**Xolani Mkhwanazi** BSC, MSC and PHD (APPLIED PHYSICS), 63

Xolani Mkhwanazi has been a non-executive director of South32 Limited since 2 July 2015. He is a member of the Sustainability Committee. Given his previous executive position with BHP Billiton, Dr Mkhwanazi is deemed to be non-independent.

The biographical details of Dr Mkhwanazi are as follows:

### ***Skills and experience:***

Dr Mkhwanazi was Chairman of BHP Billiton in South Africa from 2009 to 2015. He was previously President and Chief Operations Officer (COO) South Africa Aluminium with BHP Billiton (from February 2005). Dr Mkhwanazi has served as CEO of Bateman Africa Ltd and the National Electricity Regulator. Prior to that, he held senior positions at the Council for Scientific and Industrial Research. During this period, he played a key role in the formulation of the South African National Science and Technology Policy. In his early career, Dr Mkhwanazi was a Senior Scientist at the Atomic Energy Corporation and Head of the Physics Department at the University of Swaziland.

### ***Other directorships and offices (current and recent):***

- Director, Murray and Roberts Ltd (JSE listed) since August 2015
- Deputy Chairman, The Public Investment Corporation (SOC) Limited
- Chairman, Odgers Berndtson SA (Pty) Ltd
- Chairman, Private Label Promotion (Pty) Ltd
- Director, South32 SA Coal Holdings (Pty) Ltd

### **Recommendation**

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

Dr Mkhwanazi's extensive experience in Southern Africa and his in-depth knowledge of South32's African operations is of great value to the South32 Board.

### 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 2018 (FY18).

The Remuneration Report is set out on pages 67 to 90 of the 2018 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 align activities and behaviours of Executives with the long-term interests of our shareholders.

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; and
- outlines the outcomes of 'at risk' remuneration for Executive KMP for FY18 following the Board's assessment of the business and individual performance.

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 2018.

#### **Voting Exclusions**

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 of the Company, comprised of:

- the deferred equity component of Mr Kerr's short-term incentive (STI) award for FY18; and
- Mr Kerr's long-term incentive (LTI) award for FY19.

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 a 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 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 shares.

If shareholder approval is obtained, it is intended that the Rights will be granted to Mr Kerr in December 2018, and in any case within 12 months of the Meeting.

### 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 FY18 and an LTI award for FY19.

### Voting Exclusion

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

## 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 the circumstances.

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

Half of Mr Kerr's FY18 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 FY19 LTI award will be measured over a four-year period against a hurdle linked to total shareholder returns (explained in more detail below). This will ensure that the awards received by Mr Kerr reflect the Company's performance and share price 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.

## Key terms of the FY18 deferred STI award

### *Quantum of award*

Mr Kerr has earned an STI award in respect of FY18 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 64 per cent of maximum for his performance in FY18 against those objectives, which equates to a total value of A\$2,034,709.

Further details regarding the basis on which Mr Kerr's STI outcome was determined for FY18 are set out in the Remuneration Report.

Approximately half of the STI award earned by Mr Kerr for FY18 has been paid to him in cash. Subject to shareholder approval, it is intended that the remainder of the award (A\$1,019,520) 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\$1,019,520 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 2018). 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\$3.50 (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 291,291 (i.e. A\$1,019,520 divided by A\$3.50).

***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 FY20, i.e. in August 2020.

***Cessation of employment***

The Board has discretion to determine how the STI award will be treated upon cessation of employment with the Company. Unvested Rights may vest immediately (for example, if Mr Kerr ceases employment due to death or serious injury) or lapse immediately (for example, where Mr Kerr resigns or is terminated for cause) or in any other circumstance, may remain on foot (subject to the Board's discretion to lapse or vest the award).

***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 FY18 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 LTI award*****Quantum of award***

Award levels for Mr Kerr's LTI award in respect of FY19 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 300 per cent of his Fixed Remuneration for FY19, or A\$5,310,000 (i.e. A\$1,770,000 x 300 per cent).

The target value of these Rights is estimated to be approximately A\$2,124,000, 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, 1,450,819 Rights will be granted to Mr Kerr as his FY19 LTI award. This number has been calculated by dividing the face value of the LTI award (i.e. A\$ 5,310,000) by A\$3.66, being the VWAP of South32 shares traded on the ASX over the last 10 trading days of June 2018. 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 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 2018 to 30 June 2022, subject to service, performance, dealing and forfeiture conditions. Vesting is expected to occur following the release of the Company's full year results for FY22, i.e. in August 2022.

Mr Kerr's FY19 LTI award will be subject to a relative TSR performance condition, which has been chosen as 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.

Full vesting of Mr Kerr's LTI award will only occur where the Company's TSR significantly outperforms the TSR of the comparator indices, delivering value to shareholders compared to alternative investments in similar asset classes. Two comparator indices 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.

For FY19:

- two thirds of the award will be tested relative to the IHS Markit (formerly Euromoney) Global Mining Index, constrained by company and sector. This comparator index comprises approximately 150 companies and is considered the most appropriate sector comparison for South32 in terms of companies in a related industry, with a relevant commodity mix and a collective global footprint; and
- one third of the award 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. If the TSR of the Company:

- is below the TSR of the comparator index, 0 per cent of the Rights will vest;
- is equal to the TSR of the comparator index, 40 per cent of the Rights will vest;
- exceeds the TSR of the comparator index by at least 5.5 per cent per annum cumulative (Outperformance), 100 per cent of the Rights will vest; or
- is between the TSR of comparator index and Outperformance, vesting will be on a sliding scale between 40 per cent and 100 per cent.

There will be no retesting if the performance condition is not met.

### ***Cessation of employment***

The Board has discretion to determine how the LTI award will be treated upon cessation of employment with the Company. 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).

### ***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 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. In particular, 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**

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

- ASX Listing Rule 10.15.4 requires the Company to disclose all securities received by Directors and their associates under an employee incentive scheme since the last shareholder approval was sought. In accordance with the shareholder approval at South32's 2017 Annual General Meeting, Mr Kerr has received 272,055 Rights as the deferred component of his FY17 STI award and 2,026,717 Rights as his FY18 LTI award at no cost to him. These are the only Rights that have been granted to Mr Kerr since the last Annual General Meeting. Full details of these awards are set out in the Company's Remuneration Report;
- 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
- If approval is given by shareholders under ASX Listing Rule 10.14, approval will not be required under ASX Listing Rule 7.1.

## 5 APPROVAL OF LEAVING ENTITLEMENTS

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 Key Management Personnel (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 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 payouts.

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) 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 gross salary; or
- in cases of disability, a pension equal to 30% of their annual gross salary.

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 normal treatment for 'good leavers' 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 reserves a discretion:

- to vest or lapse incentive awards with effect from the cessation date; or
- in the case of performance-based awards, to allow more than a pro-rata portion to remain on foot and be eligible for vesting in the ordinary course.

The Board does not envisage that it would exercise its discretion to accelerate vesting of 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 a period of three years from the date the resolution is passed. This means that the approval will be effective:

- if the Board (or its delegates) exercise the discretions outlined above upon cessation of employment; and/or
- if the Relevant Executive ceases employment with the Group.

during the period beginning at the conclusion of the Meeting and expiring at the conclusion of the 2021 Annual General Meeting. If considered appropriate, the Board will seek a new approval from shareholders at the Company's Annual General Meeting in 2021.

### **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.

## LOCATION OF ANNUAL GENERAL MEETING

**Thursday 25 October 2018 at 10:30am (AWST)**

Golden Ballroom  
Pan Pacific Hotel  
207 Adelaide Terrace  
Perth  
Western Australia



### Transport Options

#### *Train*

The Elizabeth Quay train station is approximately 1.2km from the hotel. For train timetables and further information visit [www.transperth.wa.gov.au](http://www.transperth.wa.gov.au).

#### *Bus*

There are two bus stops on Adelaide Terrace, near the corner of Bennett Street and Adelaide Terrace. For bus timetables and further information visit [www.transperth.wa.gov.au](http://www.transperth.wa.gov.au).

#### *Car*

Self-parking and valet parking options are available at the Pan Pacific Hotel, entry is via Hill Street. For guests of the Meeting, the Pan Pacific Hotel can offer a discounted parking rate of \$20.00 for the day. Please note parking spaces are limited, subject to availability at time of entry and cannot be guaranteed.

Alternate parking options can be found at:

- Hay Street East, 262 Hay Street. More information can be found at [www.cityofperthparking.com.au](http://www.cityofperthparking.com.au) or by calling 1300 889 613
- 391 – 393 Hay Street Car park. More information can be found at [www.wilsonparking.com.au](http://www.wilsonparking.com.au) or by calling 1300 726 702

#### *Taxi*

Hotel staff can assist guests to order taxis from the hotel.

## UPDATE YOUR DETAILS

### **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 South32's share registry service, Computershare, at [www.investorcentre.com](http://www.investorcentre.com) or alternatively refer to the relevant Investor Centre noted below.

### **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 Computershare with their TFN or ABN.

### **Direct credit details**

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

### **Computershare contact details:**

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

- Australia  
Telephone: 1800 019 953 or + 61 3 9415 4169
- South Africa  
Telephone: +27 (11) 373 0033
- United Kingdom  
Telephone: +44 (0) 370 873 588

# SHAREHOLDER QUESTION FORM

South32 values the feedback and comments of its shareholders. We invite you to submit questions regarding any matter that may be relevant to the 2018 Annual General Meeting.

At the Meeting the Chairman will endeavour to address as many of the frequently asked questions as possible. Please note that it will not be possible to send individual responses to questions. Questions relating to your shareholding will be actioned by the share registry, Computershare.

You are also invited to use this form to submit questions to South32's auditor, KPMG, if the questions are relevant to the content of the Auditor's Report or the conduct of the audit for South32's 2018 Financial Report.

Please return this question form by **5:00pm (AWST) on Thursday 18 October 2018** to our share registry, Computershare, in one of the ways specified for the return of Proxy Forms in the Notice of Meeting.

### Shareholder's Name (Please print)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

### Securityholder Reference Number (SRN) or Holder Identification Number (HIN)

I  X

### My question relates to (please mark the most appropriate box):

- South32's performance or financial reports
- A Resolution being put to the Meeting
- South32's Remuneration Report
- South32's approach to sustainability
- My shareholding
- South32's auditor KPMG (only mark this box if your question relates to the content of the Auditor's Report or the conduct of the audit of the Financial Report to be considered at the Meeting)
- Other

### Questions

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South32 Limited  
ABN 84 093 732 597



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SAM  
MR SAM SAMPLE  
FLAT 123  
SAMPLE STREET  
SAMPLE STREET  
SAMPLE STREET  
SAMPLETOWN VIC 3030



## Lodge your vote:



Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



By Mail:

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

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

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

## For all enquiries call:

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

## Proxy Form



### Vote and view the Annual Report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

Control Number: 123456

SRN/HIN: I1234567890

PIN: 123456

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

For your vote to be effective it must be received by 10.30am (AWST) on Tuesday 23 October 2018

## How to Vote on Items of Business

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

### Appointment of Proxy

**Appointing the Chairman of the Meeting as proxy:** If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you leave Step 1 blank, or your named proxy does not attend the Meeting or does not vote on a poll in accordance with your instructions, the Chairman of the Meeting will be your 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.

### Voting restrictions for members of the key management personnel

**(KMP):** Please note that if you appoint a member of the KMP or one of their closely related parties as your proxy, they will not be able to vote your proxy on Items 3, 4 and 5, unless you direct them how to vote by marking a voting box in Step 2 or you appoint the Chairman of the Meeting as your proxy. If the Chairman of the Meeting is or becomes your proxy by default, but you do not mark a voting box for Items 3, 4 and 5, then by completing and returning the Proxy Form, you will be expressly authorising the Chairman of the Meeting to exercise your proxy on the relevant Item as he thinks fit, even though the resolution is connected with the remuneration of the Company's KMP.

**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 sign this form under Power of Attorney and have not already lodged the Power of Attorney with Computershare, 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 sign alone. Otherwise this form must be signed by a Director with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or corporate proxy is to attend the meeting, you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" before the meeting. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the Company, please complete the 'Shareholder Question Form' that accompanies the Notice of Meeting and return it with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form →**

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.



I 1234567890

I N D

# 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 Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman 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 Chairman 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 (**Company**) to be held in the Golden Ballroom at the Pan Pacific Hotel, 207 Adelaide Terrace, Perth, Western Australia 6000, Australia on Thursday 25 October 2018 at 10.30am (AWST) and at any adjournment or postponement of that Meeting.

**Chairman of the Meeting authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), by completing and submitting this Proxy Form, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Items 3, 4 and 5 (except where I/we have indicated a different voting intention below), even though Items 3, 4 and 5 are connected directly or indirectly with the remuneration of the Company's key management personnel.

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

## 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.

	For	Against	Abstain
Item 2a Re-election of Mr David Crawford AO as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2b Re-election of Dr Xolani Mkhwanazi as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Grant of awards to Executive Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Approval of leaving entitlements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each Item of business. In exceptional circumstances, the Chairman of the Meeting may change his voting intention on any resolution, in which case an ASX or market announcement will be made.

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_