



16 September 2019

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

2019 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 2019 Annual General Meeting.

The meeting will be held on Thursday, 24 October 2019 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 25 September 2019 for all other members.

The Notice of Annual General Meeting is available on our website 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.

JSE Sponsor: UBS South Africa (Pty) Ltd
16 September 2019



**NOTICE OF
MEETING**
2019



CHAIR'S LETTER

Dear Shareholder

I am pleased to invite you to the 2019 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 24 October 2019. Registration will be available from 9.30am (AWST).

The Meeting gives us an opportunity to meet with shareholders and provide you with the opportunity to speak with your Directors and members of the Lead Team. It is an important part of our approach to governance. 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 2019. For further information, I encourage you to visit our website and refer to our 2019 Annual Report.

Details on each of the Resolutions to be proposed at the Meeting are included in the accompanying 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 electronic handsets instead of paper voting cards. Information on electronic voting is available in the 'How to Vote' section on page 5 of the Notice.

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 so that it is received by 10.30am (AWST) on Tuesday 22 October 2019. 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 who cannot attend the Meeting, a live audio webcast will be available via a link on our website at 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. Questions must be received by 5:00pm (AWST) on Thursday 17 October 2019. Time permitting, I will address the frequently raised topics during the Meeting.

The Directors recommend that Shareholders vote in favour of all Resolutions.

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

A handwritten signature in black ink, appearing to read 'Karen Wood', with a long, sweeping flourish extending to the right.

Karen Wood
CHAIR

NOTICE OF MEETING

Notice is given that the 2019 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 24 October 2019.

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 2019.

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 2019 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 2019 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 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 Chair 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.

By order of the Board



Nicole Duncan

Company Secretary
5 September 2019

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 22 October 2019. 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 5 September 2019 (being the latest practicable date prior to the publication of this Notice of Meeting), the issued share capital of South32 was 4,993,926,579 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 5 September 2019 is 4,993,926,579.

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 share held at 4:00pm (AWST) on Tuesday 22 October 2019.

Shareholders (or their proxies) will be provided with an electronic handset at the Meeting upon registration.

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 Chair 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 22 October 2019. 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;
- 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.

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 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. 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 or 4, 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 or 4, then by completing and returning 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.

The Chair 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.

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 23).

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 2019 (together, the Reports) will be tabled at the Meeting.

The Reports are set out on pages 72 to 131 of the 2019 Annual Report, which may be accessed on our website at 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 2019 Financial Report can be submitted using the Shareholder Question Form accompanying this Notice of Meeting by Thursday 17 October 2019. The auditor is not obliged to provide written answers.

2 RE-ELECTION OF DIRECTORS

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

Mr Osborn and Mr Rumble have not been re-elected since the Annual General Meeting in 2016. In accordance with Rule 8.1(d) of the Company's Constitution, Mr Osborn and Mr Rumble 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)



Wayne Osborn Dip Elect Eng, MBA, FAICD, FTSE, 67

Mr Osborn has been a non-executive director of South32 Limited since 7 May 2015. He is the Chair of the Remuneration Committee and the Nomination and Governance Committee and is a member of the Sustainability Committee. The Board has assessed Mr Osborn as independent pursuant to the Company's Policy on Independence of Directors.

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 our 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 their 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 sector.

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, where he is a member of the Remuneration Committee and the Nomination Committee.

He has been awarded a WA Business Leader Award from the Australian Business Arts Foundation in 2007 and an Australian Institute of Company Directors excellence award in 2018.

Other directorships and offices (current and recent):

Current ASX listed directorships:

- Wesfarmers Limited: Independent Non-Executive Director since March 2010.

Previous ASX listed directorships:

- Alinta Energy Limited March 2011 until April 2017.

Other Directorships and Offices:

- Fellow, Australian Academy of Technological Sciences and Engineering; and
- International Fellow, Explorers Club (New York).

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 and the Nomination and Governance Committee is highly regarded by the Board. His extensive experience in the mining, smelting and processing and manufacturing 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, regulatory compliance, climate change, remuneration and leadership.

RESOLUTION 2(b)



Keith Rumble BSc, MSc (Geology), 65

Mr Rumble has been a non-executive director of South32 Limited since 27 February 2015. He is Chair of the Sustainability Committee and a member of the Nomination and Governance Committee and the Remuneration Committee. The Board has assessed

Mr Rumble as independent pursuant to the Company's Policy on Independence of Directors.

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 as a principal investor and private equity fund manager in Russia, India and other emerging markets. Mr Rumble contributes to the Board of South32 this valuable combination of skills and knowledge.

He has held various leadership roles including CEO of SUN Mining (a wholly-owned entity of the SUN Group), CEO of Impala Platinum (Pty) Ltd and CEO of Rio Tinto Iron and Titanium Inc in Canada.

Mr Rumble 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 and BHP Limited and at JSE-listed Aveng Limited.

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

Other directorships and offices (current):

- Director, Acetologix Pty Limited
- Director, Enzyme Technologies (Pty) Limited
- Director, Elite Wealth (Pty) Limited
- Member of Board of Governors, Rhodes University
- Trustee, World Wildlife Fund, South Africa

Recommendation

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 also 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, business strategy, 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 2019 (FY19).

The Remuneration Report is set out on pages 50 to 71 of the 2019 Annual Report, which is available on our website at 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 FY19 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 2019.

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 FY19; and
- Mr Kerr's long-term incentive (LTI) award for FY20.

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 2019, 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 FY19 and an LTI award for FY20.

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.

Approximately half of Mr Kerr's FY19 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 FY20 LTI award will be measured over a four-year period against a hurdle linked to total shareholder returns (TSR) (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 FY19 deferred STI award***Quantum of award***

Mr Kerr has earned an STI award in respect of FY19 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 58 per cent of maximum for his performance in FY19 against those objectives, which equates to a total value of A\$1,847,880.

Further details regarding the basis on which Mr Kerr's STI outcome was determined for FY19 are set out in the Remuneration Report.

Approximately half of the STI award earned by Mr Kerr for FY19 has been paid to him in cash. Subject to shareholder approval, it is intended that the remainder of the award A\$923,940 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\$923,940 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 2019). 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 307,980 (i.e. A\$923,940 divided by A\$3.00).

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 FY21 (i.e. in August 2021).

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 FY19 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 FY20 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 FY20, or A\$5,445,000 (i.e. A\$1,815,000 x 300 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, 1,696,261 Rights will be granted to Mr Kerr as his FY20 LTI award. This number has been calculated by dividing the face value of the LTI award (i.e. A\$5,445,000) by A\$3.21, being the VWAP of South32 shares traded on the ASX over the last 10 trading days of June 2019. 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 2019 to 30 June 2023, subject to service, performance, 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).

Mr Kerr's FY20 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 FY20:

- two thirds of the award will be tested relative to the IHS Markit 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 23.9 per cent over four years or 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 re-testing 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 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. 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 2018 Annual General Meeting, Mr Kerr has received 325,725 Rights as the deferred component of his FY18 STI award and 1,450,819 Rights as his FY19 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.

LOCATION OF ANNUAL GENERAL MEETING

Thursday 24 October 2019 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.

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.

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 \$18.00 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 or by calling 1300 889 613
- 391 – 393 Hay Street Car park. More information can be found at 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 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 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

- 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



[SOUTH32.NET](https://www.south32.net)



South32 Limited
ABN 84 093 732 597

Lodge your vote:



Online:

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

For all enquiries call:

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

Proxy Form

 <h3>Vote and view the Annual Report online</h3> <ul style="list-style-type: none"> Go to www.investorvote.com.au or scan the QR Code with your mobile device. Follow the instructions on the secure website to vote. 	
<h3>Your access information that you will need to vote:</h3> <p>Control Number: 132784</p> <p>SRN/HIN: PIN:</p> <p>PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.</p>	

 **For your vote to be effective it must be received by 10.30am (AWST) on Tuesday 22 October 2019**

How to Vote on Items of Business

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

Appointment of Proxy

Appointing the Chair of the Meeting as proxy: If you wish to appoint the Chair 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 Chair 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 and 4, unless you direct them how to vote by marking a voting box in Step 2 or you appoint the Chair of the Meeting as your proxy. If the Chair of the Meeting is or becomes your proxy by default, but you do not mark a voting box for Items 3 and 4, then by completing and returning the Proxy Form, you will be expressly authorising the Chair of the Meeting to exercise your proxy on the relevant Item as she 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 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 →**

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.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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 (**Company**) to be held in the Golden Ballroom at the Pan Pacific Hotel, 207 Adelaide Terrace, Perth, Western Australia 6000, Australia on Thursday 24 October 2019 at 10.30am (AWST) and at any adjournment or postponement of that Meeting.

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

Important Note: If the Chair of the Meeting is (or becomes) your proxy, you can direct the Chair of the Meeting to vote for or against or abstain from voting on Items 3 and 4 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.

	Board Recommendation	For	Against	Abstain
Item 2a Re-election of Mr Wayne Osborn as a Director	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2b Re-election of Mr Keith Rumble as a Director	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Adoption of the Remuneration Report	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Grant of awards to Executive Director	FOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each Item of business. In exceptional circumstances, the Chair of the Meeting may change her 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 ____ / ____ / ____

Contact Email _____