



Voting Intentions – Alumina Ltd 2023 AGM

ASX Code	AWC
AGM Date	Monday 29 May 2023
Time and location	2.30pm, Village Roadshow Theatre, State Library of Victoria, 328 Swanston Street (access via Entry 3 on La Trobe Street), Melbourne, Victoria
Type of Meeting	Physical
Monitor	Richele Janjatovic assisted by Peter Aird
Pre AGM Meeting?	Yes with Chair Peter Day, GM Strategy & Investor Relations, Craig Evans and Company Secretary Stephen Foster

Summary of Historical ASA Issues with the Company

Historical issues raised have been addressed and adopted.

Proposed Voting Summary

2	Adoption of Remuneration Report	For
3	Election of Director — Peter Day	For
4	Grant of Performance Rights to Chief Executive Officer (LTI)	For
5	Fees Payable to Non-Executive Directors	For

Review of Board on Governance, Transparency, Fairness to Retail Shareholders

Positives

- The Board has an independent Non-Executive Chair and majority of independent directors.
- The Board is comprised of 33% female and at least 67% male directors with diversity of geography, age, and ethnic background.
- Directors and other KMP have/are investing at least one year's worth of base cash fees in company shares, within 3 to 5 years.
- The company meaningfully discloses ESG issues or risks facing business and the processes to manage them.
- The company discloses a meaningful skills matrix of the board easily accessible by shareholders in a simple format, easily understandable by shareholders.

Summary

Overall the company is generally well governed and is actively upskilling to adapt to future ESG issues.

Key Financials

USD	2022	2021	2020	2019	2018
Statutory NPAT (US\$m)	104.0	187.6	146.6	214.0	635.4
Underlying NPAT (US\$m)	104.0	187.6	146.6	214.0	635.4
Statutory EPS (cents) US\$	3.6	6.5	5.1	7.4	22.1
Dividend per Share (US c)	4.2	6.2	5.7	8.0	22.7
Share Price at EOFY (A\$)	1.52	1.86	1.83	2.30	2.30
Statutory CEO Remuneration (A\$m)	2.2	2.2	2.1	2.1	2.0
Take home CEO remuneration (A\$m)	2.0	1.8	2.2	1.7	1.7
Total Shareholder Return (%) Excl Franking Credits	(13.5)	6.8	(16.0)	10.8	3.8

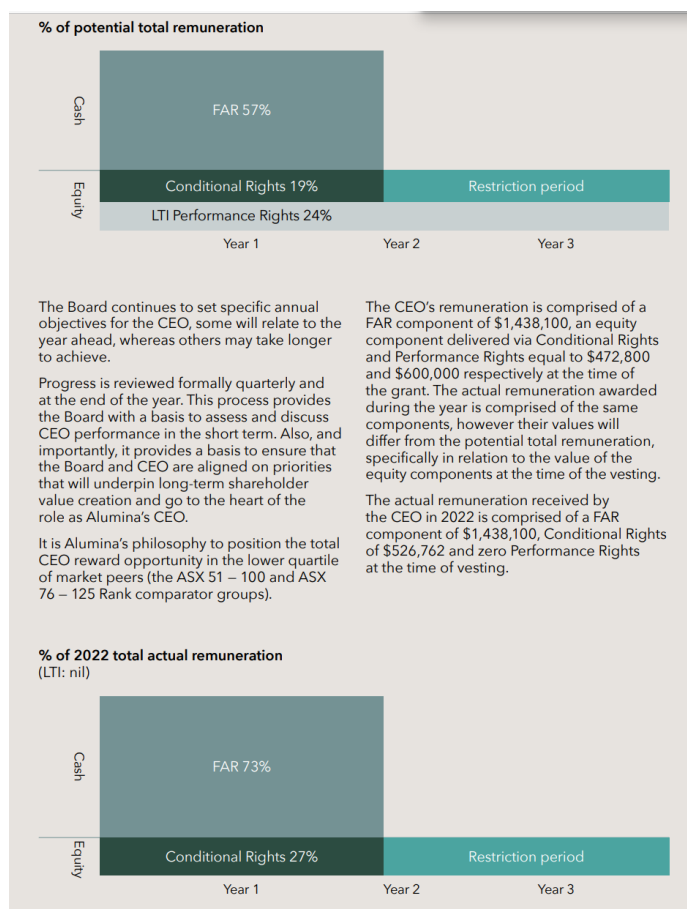
Statutory NPAT and EPS are the audited figures from the financial accounts. Statutory and take home remuneration are provided in the 2022 Annual report as is Total Shareholder Return which is on p 51.

Item 2 - Adoption of Remuneration Report – FOR

Positives

- CEO's actual take-home remuneration, as well as the target and maximum opportunity of each component is clearly disclosed.
- 24% of CEO's pay is genuinely at risk, with conditional rights less than fixed remuneration. The at-risk component of CEO and KMP remuneration is less than the minimum 50% ASA guideline, but the nature of this company (a holding company) and the low overall quantum of individual remuneration levels compared to peers, are ameliorating factors.
- Clear disclosure is provided for KMP performance hurdles (limited to LTI as no STI provided), and the weightings applied for each incentive.
- There is no retesting of performance hurdles.
- LTI hurdles are based on TSR, with no payment if absolute TSR is negative.
- No LTI awards based on a local and international comparator groups vest unless performance is >50th percentile.
- All share grants are allocated at face value not fair value.
- Share grants are satisfied by equity purchased on-market.
- The Remuneration report is not readable due to the table being spread over two pages, however it is, transparent, and understandable with a logical relationship between rewards and financial performance and corporate governance.

CEO rem. framework	Target* (\$m)	% of Total	Max. Opportunity (\$m)	% of Total
Fixed Remuneration	1.43	57	1.43	57
STI - Cash	NA	NA	NA	NA
Equity - Conditional rights	0.47	19	0.47	19
LTI	0.60	24	0.60	24
Total	2.50	100	2.50	100



Source Alumina 2022 Annual Report

Areas for Improvement

- LTI performance is measured over a three-year period, not the minimum of four preferred by ASA. We continue to promote the longer-term benefits of a longer period, but to the credit of Alumina they did an extensive market benchmarking exercise and decided to retain what is the time norm in their sector.
- LTI hurdles are based only on TSR, with no payment if absolute TSR is negative. The reasonable justification given for a single measure is that commodity prices fluctuate considerably in this cyclical market sector.

Conclusion on Remuneration

The remuneration structure features an at-risk component of total remuneration of only 24% mainly in equity with reasonable performance hurdles, but as mentioned above this is appropriate for a holding company with no operational business functions. The performance period for Conditional Rights ranges from 3 years, and the company continues to implement improvements to its remuneration arrangements. Rights vest at the end of each year but cannot be sold for another 2 years TBC.

The Board compared the CEO’s remuneration package to companies within both the ASX 76 – 125 Rank (which includes companies significantly smaller than Alumina Limited) and the ASX 51 – 100 Rank (which was used for benchmarking purposes in prior years). The outcomes of the review continued to validate the modest positioning of the CEO’s total reward in the lowest quartile for each of the comparator groups.

Total CEO package remained positioning in the lowest quartile of both comparator groups after the abovementioned increase.

Therefore, on balance, the ASA will support the remuneration report.

Item 3 - Re-election of Director Peter Day - FOR

Mr Day was appointed as a Director of the Company on 1 January 2014 and was appointed Chairman of the Board on 1 April 2018.

Mr Day is also currently Non-Executive Chairman of Australian Unity Investment Real Estate (appointed September 2016) and a former Director of Ansell Limited, Boart Longyear, Federation Centres, Orbital Corporation and SAI Global.

Mr Day holds adequate shares of 148,770 which represents 52% of total remuneration - \$410,000 total remuneration.

Total shares 148,770 x \$1.46 (as at 12th May 2023) = \$217,204.20 / \$410,000 = 52%

3.2 Non-Executive Directors share holdings

Each Non-Executive Director is required to hold shares in the Company having a value at least equal to 50 per cent of their annual fees within five years from their appointment as a Director.

Non-Executive Director	Year	Number of shares as at 1 January ¹	Number of shares acquired during the year	Number of shares as at 31 December ¹	Date on which policy compliance achieved
Peter Day	2022	148,770	-	148,770	03/11/2014
	2021	133,770	15,000	148,770	

Source Alumina 2022 Annual Report Page 61

Mr Day brings extensive experience in the resource, finance and manufacturing sectors, having held a number of senior positions with Bonlac Foods, Rio Tinto, CRA, Comalco and the Australian Securities and Investments Commission. He is a former Chief Financial Officer (CFO) of Amcor.

For these reasons, the ASA is supportive of his re-election.

Item 4 - Grant of Performance Rights to Chief Executive Officer (Long Term Incentive) - FOR

The grant of performance rights is within ASA guidelines, with TSR's measured against different groups making 2 measures. The hurdles are defined as follows. The comparator groups are firstly, the group of entities (or securities) comprising the S&P/ASX 100 Index, (excluding property trusts, the top 20 companies by market capitalisation and the Company), and secondly, a group of 9 international companies operating in the alumina and/or aluminium industries that are listed on stock exchanges in Australia or overseas (excluding the Company) (as applicable). As this inline with ASA guidelines, we are supportive of this item.

Item 5 - Fees Payable to Non-Executive Directors - FOR

ASA is supportive of the increase of aggregate fees payable to the board from \$1,500,000 to \$1,700,000. The current Fee Cap of \$1,500,000 per annum was approved by shareholders at the 2016 AGM and has not changed for 7 years. The actual current base fee payable in respect of each Non-Executive Director role has not increased from the level set in 2011. In 2016, the Chairman's and Committee Chair's fees were market tested and increased with effect from 2017. In 2019, Committee Chair's and Committee fees were market tested and increased with effect from 2020. There will be no fee increases in 2023. The increase in the Fee cap also provides flexibility in the appointment of NED's as part of succession planning.

ASA Disclaimer

This document has been prepared by the Australian Shareholders Association Limited ABN 40 000 625 669 ("ASA"). It is not a disclosure document; it does not constitute investment or legal advice and it does not take into account any person's particular investment objectives. The statements and information contained in this document are not intended to represent recommendations of a particular course of action to any particular person. Readers should obtain their own independent investment and legal advice in relation to the matters contemplated by this document. To the fullest extent permitted by law, neither ASA nor any of its officers, directors, employees, contractors, agents or related bodies corporate:

- makes any representations, warranties or guarantees (express or implied) as to the accuracy, reliability, completeness or fitness for purpose of any statements or information contained in this document; or*
- shall have any liability (whether in contract, by reason of negligence or negligent misstatement or otherwise) for any statements or information contained in, or omissions from this document; nor for any person's acts or omissions undertaken or made in reliance of any such statements, information or omissions.*

This document may contain forward looking statements. Such statements are predictions only and are subject to uncertainties. Given these uncertainties, readers are cautioned not to place reliance on any such statements. Any such statements speak only to the date of issue of this document and ASA disclaims any obligation to disseminate any updates or revisions to any such statements to reflect changed expectations or circumstances.