



Company	Fortescue Metals Group Ltd
Code	FMG
Meeting	AGM
Date	29 October 2019
Venue	Hyatt Regency 99 Adelaide Terrace Perth
Monitor	Len Roy assisted by Ian Berry

Number attendees at meeting	260 including 148 shareholders
Number of holdings represented by ASA	148
Value of proxies	\$6.64 million
Number of shares represented by ASA	740,976
Market capitalisation	\$28 billion
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Co-Deputy Chair Sharon Warburton and Company Secretary Cameron Wilson.

Strong balance sheet, high level cash flows, record returns to shareholders and meeting customer Fe content expectations

Chair Andrew Forrest AO introduced all board members plus the Core Leadership Team. Former CEO Neville Power sitting in the front row was also acknowledged.

Mr Forrest was upbeat on the company’s performance in FY19 including reference to safety, financial performance, working with local communities, record returns for shareholders and upholding globally competitive costs plus shipping reliability.

The chair referenced FMG’s efforts in China to fully understand their customers’ priorities.

The company had two major developments underway – Eliwana Mine & Rail plus the Iron Bridge JV magnetite project. Collectively, the (progressive) budget capex amount for FY20 is USD1200million. The two incremental mine facilities will provide sustainably higher Fe specifications in accordance with customer requirements. Mr Forrest referenced the employment of modern engineering designs & technology for the plant & equipment.

Mr Forrest also attributed the FY19 success to both gender & ethnic diversity on the FMG.

CEO Elizabeth Gaines provided a comprehensive & positive operational summary, pre-warning attendees her commentary would be dotted with one word “record”, as the company builds on record results in FY19.

Voting Results of meeting are shown in the following link;

<https://www.asx.com.au/asxpdf/20191029/pdf/44b0gyk16cqxb7.pdf>

We believe one proxy advisor recommended an Against vote for the Remuneration resolution resulting in 24.72% Against. Mr Andrew Forrest holds 35% equity and did not vote on the rem resolution. The Against vote was contrary to the mood of the AGM where the CEO and chairman were resoundingly acknowledged for the record FY19 performance in all areas of the business.

The two directors (election of) Dr Ya-Qin Zhang and (re-election) Ms Sharon Warburton provided background information on their relevant skills & experience. ASA had questioned Ms Warburton on her external director workload and she confirmed to the audience that she was in the process of reducing that workload.

ASA noted the FY19 business performance and had sought (and received), assurance that the schedules and costs of the two major capex projects at Eliwana & Iron Bridge were broadly in line with budget.

ASA supported all five resolutions.

FMG board structure has equal gender representation and ethnic diversity (with two Chinese NEDs).

Two people in the audience separately asked if FMG would substantiate their commitment to reducing greenhouse gas emissions by signing up to Scope 3 Value Chain Emissions relevant to its Chinese customers’. Mr Forrest briefly summarised FMG’s commitments to environmental sustainability including renewable energy, the close technical relationship with its clients and FMG’s extensive research commitment. The chairman’s response received overwhelming support from the audience.

Mr Forrest provided a summary of the substantial philanthropic initiatives, including “Flourishing Oceans”, provided by Minderoo Foundation which was established 2001 by Mr Forrest & his wife Nicola.