



Company	Fortescue Metals Group
Code	FMG
Meeting	AGM
Date	9 November 2021
Venue	Grand Ballroom, Hyatt Regency, Adelaide Terrace and live webcast (no online representation)
Monitor	Len Roy assisted by Ian Berry

Number attendees at meeting	256 including 204 shareholders.
Number of holdings represented by ASA	267
Value of proxies	\$14.999 million
Number of shares represented by ASA	1,028,051
Market capitalisation	\$44.908 billion – on day of meeting
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with Chair of Remuneration and People Committee Ms Jennifer Morris, Company Secretary Cameron Wilson and Manager Investor Relations Andrew Driscoll.

Fortescue powers to a record result and innovates in decarbonisation with Fortescue Future Industries (FFI)

With the Chairman in Glasgow, Deputy Mark Barnaba chaired the Perth meeting with Dr Andrew Forrest, Lord Coe, Dr Jean Badershneider, Penny Bingham-Hall and Dr Ya -Qin Zehng attending virtually. Dr Cao Ziqiang was an apology. Director Jennifer Morris, CEO Elizabeth Gaines and Company Secretary Cameron Wilson were present in person.

The CEO addressed the AGM and annotated some of the achievements in 2020/21 – revenue p.t increased to US\$135, whereas costs were US\$13.93 w.m.t. NPAT was US\$10.3 billion. 182.2 million tonnes of iron ore were shipped. Dividends of A\$3.58 per share compared to A\$1.76 in 2019/20. Capex amounted to US\$3.6 billion.

Culturally, the focus on safety delivered a 17% improvement on 2020. Fortescue continues with its successful Aboriginal empowerment programmes (14% Aboriginal employees in the Pilbara) and \$3billion contracts awarded to Aboriginal enterprises. The female proportion of employees increased to 21%.

Fortescue set a target of being carbon neutral by 2030 and will utilise innovations through FFI in accomplishing this.

The Chairman spoke virtually, utilising technology that behaved itself for the most part but did silence him for a short time. He stressed the importance of Fortescue as a successful mining operation, arising from his original vision of a new iron ore venture in successful competition with the Pilbara mining majors.

His main future focus was on FFI, which he saw as a vehicle to transform Fortescue into a green global-scale energy producer and innovator.

The ASA representative congratulated Fortescue on a sterling result, noted the advances pursued in moving to save costs through embracing decarbonisation, and pursuing new technologies. He advised that the ASA would be voting as per the Board's recommendations in all resolutions.

The formal part of the meeting involved the adoption of the remuneration report (95.7% approval), the re-election of three directors (99% approval), approval of the FMG performance rights plan (99% favourable) and 88% approval of CEO participation in the Performance Rights Plan. The Board recommended voting against special resolution 7 to amend the Company's constitution saying it could enable small numbers of shareholders to use general meetings to subvert Board powers and pursue single issues, or their own interests, which may not align with the company's. This was voted down with 96% against. Resolution 8 could only be put if resolution 7 was successful and therefore fell away.

Questions were mainly focussed on FFI and the intended production of green hydrogen. It was confirmed that FFI a subsidiary of FMG and would be funded by 10% of NPAT each year as well as borrowings with no recourse to FMG and funding from joint venture partners. FFI would be subject to the same capital project disciplines and hurdles as for any FMG projects. It also emerged that FMG would not only reduce emissions but derive direct economic benefits from say substituting hydrogen for diesel.

Outlook based on the first quarter's result is promising with similar output, US\$118 revenue p.t. achieved with a disciplined cost per tonne of US\$15.25. Iron ore prices remain volatile.