

Fortescue Mining Group AGM Report

ASX code	FMG
Meeting date	22 November 2022
Type of meeting	Hybrid
Monitors	Len Roy assisted by Ian Berry
Pre AGM-meeting	Yes with Ind NED Jennifer Morris and Company Secretary Cameron Wilson

Meeting Statistics

Number of holdings represented by ASA	312
Number of shares represented by ASA	1,500,000
Value of shares represented by ASA	\$28.5m
Total number attending meeting	200, including visitors and shareholders
Market capitalisation	\$58 billion
ASA open proxies voted	On a poll. ASA voted in favour of all resolutions

FMG has reported its second-best earnings ever with focus on transition to become a green powerhouse.

The meeting commenced with introductions of the Board and senior executives.

The first section of the meeting dealt with the financial reports. The Chairman stressed that Fortescue was a family not only comprising employees, suppliers and contractors but including all stakeholders such as communities and shareholders. The 2022 financial results were the second best on record. The chairman praised the results and the team and referred to the company's growth and achievements in its short lifespan to date.

Adoption of the Remuneration Report

The ASA guidelines were met. One shareholder requested that remuneration be shown in terms of a multiple of the old age pension, which was noted.

Re-election of Ms Elizabeth Gaines

Ms Gaines has served as an executive and director of FMG for several years including the position of CEO for 4.5 years. Her re-election is as a NED and she will also be a Global Green

Ambassador for the group. The ASA representative commented on Ms Gaines positive contribution to Fortescue over the years and congratulated her on her achievements.

Election of Ms Li Yifei

A recent board appointment this resolution is to elect Ms Yifei to continue as a director. Holding positions in China including previously on the Global Alliance for Vaccines and Immunisation and now on the boards of Qbin Foundation, Blackrock China and the Rockefeller Foundation.

Approval of increase in fees paid to NEDS

It is recommended that the fee pool for non-executive directors be increased from the current A\$3 million to A4.5 million. The purpose of the increase is to accommodate the appointment of any fee increases to the new NEDs, to allow for succession planning to set fees at a competitive level and to maintain a high standard of corporate governance.

Special resolution to adopt a new constitution

Fortescue's existing constitution was last adopted in 2011 and this resolution updates the constitution to reflect changes to ASX listing requirements and corporate governance principles. The changes also back up changes to technology especially about advances in technology and its application at meetings. Revised treatment of restricted securities is incorporated. The changes are not major.

ASA voted open proxies in favour of all Resolutions [Results of 2022 AGM \(iguana2.com\)](#)

Prospects for the 2023 Year

The price for iron ore over the year is currently the main determinant of Fortescue's annual profit, although, as the price is in US\$ currency, exchange rates can moderate or exaggerate revenue realised. The price is currently depressed compared to last year due to the economic outlook in China, although recovery is expected as Covid restrictions are lifted. European demand is subdued due to the current shortage of energy due to a focus on renewables and reliance on Russian gas. This uncertainty explains the reluctance of Fortescue to provide overall profit guidance.

Production to be shipped is forecast at 187 to 192 million tonnes broadly in line with the 189 million tonnes last year. With the opening of the Ironbridge magnetite high iron mine next year this will improve FMG's Platts pricing position and help reduce Scope 3 emissions.

The Chairman and FFI CEO Mark Hutchinson provided examples of renewable, low emissions and green hydrogen projects in which FFI was actively involved.

Link to FMG / FFI presentation [Company Presentation \(iguana2.com\)](#)

ASA had two questions for the Executive Chairman.

1. Is the plan to relinquish the Executive role as soon as practicable after the appointment & settling in of the new CEO? We received a positive response and an indication the new CEO would be announced soon.

2. We acknowledged the huge R & D efforts in which FFI is involved in and ask if in FY23 accounts, meaningful non confidential break down of FFI costs & expenses can be provided. In response we were advised that FFI had been involved in many early-stage Net Zero / Low Emission /Green Hydrogen opportunities around the globe and more recently FFI was able to start filtering out those which would not justify further development and that the accounts for June 30 FY23 will be more expansionary.

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