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Mine Development Making Good Progress

Company/ASX Code	OZ Minerals (OZL)
AGM date	Thursday 1 April 2021
Time and location	10:30am (Adelaide Time) OZ Minerals Limited Head Office, 2 Hamra Drive, Adelaide Airport, South Australia
Registry	Link Market Services
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Ken Wakeman assisted by Cynthia Loh
Pre AGM-Meeting?	With Chairman Rebecca McGrath and Rem Chair Tonianne Dwyer

The individuals (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

Item 1	**Consideration of accounts and reports**
ASA Vote	No vote required

Summary of ASA Position

Financial performance

Revenue increased by 21% and NPAT by 28% to $212.6 helped by the increase in the price of copper, higher gold volumes and a stronger gold price. Earnings per share was 65.2c up by 29% after last year's fall of 29%. Operating cash flows were up 8% to $550 million but investing and financing cash flows were both down resulting in a flat cash on hand of 132 million. Finance expenses were $22.2 million higher with debt facility charges and lease finance expenses being recognized under AASB 16. Debt to equity was 22%. Fully franked dividends of 23 cps were paid. Share price was up by 80% and with dividends steady, a TSR of 81.3% was generated.

Key events

Prominent Hill delivered a sixth consecutive year of meeting or exceeding copper production guidance and is currently operating in the lowest cost quartile globally. Expansion study progressed to the next milestone.

Carrapateena production was ramped up to 4.25 Mtpa and expansion plan progressed to the next study stage.

A new 270 km transmission line to Prominent Hill via Carrapateena was commissioned to enable energy self-sufficiency for current operations and all contemplated expansion options from previous reliance on Olympic Dam's power line.

The company acquired Cassini Resources via a scheme of arrangement which resulted in the issue of 6,446,440 shares. It now owns 100% of the West Musgrave project. Pre-feasibility study (PFS) realised a long life (approx. 26 years) open pit copper and nickel sulphide mine with bottom quartile cash costs.

Key board or senior management changes

Jeã Silva, General Manager, Carajás, commenced as a member of the executive leadership team on 1 December 2020.

ASA focus issues

Board Composition

The board of six comprises 4 male and 2 female directors (33%). All directors except the Managing Director and CEO (MD&CEO) are independent.

Remuneration disclosure

See Item 3, vote on Remuneration report

Risk Management:

OZ Minerals risk framework is aligned with ISO Standard 31000. The extensive, robust risk management system served the company well during the pandemic.

Responsibility & Sustainability

OZ Minerals approach to corporate responsibility and sustainability is commendable.

Amongst other policies they have a whistle blower policy and this year introduced a modern slavery policy. Renewable energy which provides 70-80% of the power at the West Musgrave facility is forecast to reach 100% of all their South Australian mines by 2030.

From 2016, OZ Minerals sustainability performance has been reported in a combined annual and sustainability report to show the interconnectivity and interdependency of sustainability with company performance. Sustainability data is reported in accordance with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Metals and Mining Accountability Sustainability Accounting Standard.

To provide assurance over the company's energy and emissions data for their Australian assets, KPMG was engaged to audit the company's performance against the GRI standards and the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

Policies and other supporting documents relating sustainability are available on their website: ozminerals.com/sustainability

Shareholder participation

There were no capital raisings during the year.

Oz Minerals engages with shareholders via an annual general meeting and provides regular updates during the year via announcements to the ASX and on their website.

Summary

(As at FYE)	**2020**	**2019**	**2018**	**2017**	**2016**
NPAT ($m)	212.6	163.9	222.4	231.1	108.7
UPAT ($m)	212.6	163.9	228.3	231.1	134.3
Share price ($)	18.9	10.55	8.80	9.16	7.89
Dividend (cents)	23	23	23	20	20
TSR (%)	81.32	22.5	-1.42	18.6	99.8
EPS (cents)	65.2	50.7	71.5	77.4	35.7
CEO total remuneration, actual ($m)	4.16	2.9	4.6	1.38	1.42

For 2020, the MD&CEO's total actual remuneration was **45.45 times** the Australian Full time Adult Average Weekly Total Earnings (based on November 2020 data from the Australian Bureau of Statistics).

Item 2a	**Re-election of Mr. Peter Wasow**
ASA Vote	For

Summary of ASA Position

Mr. Wasow has extensive experience in the resources sector as both a senior executive and director. He has held managerial positions in various companies including Alumina Limited, Santos Limited and BHP.

Mr. Wasow is currently a non-executive director of APA Group.

He is chairman of the audit committee and a member of the people and remuneration committee.

Mr. Wasow's experience as a company director and executive experience in the resources sector, finance, investment, and corporate strategy further enhances the Board's ability to oversee OZ Minerals performance and governance.

We support his re-election.

Item 3	**Adoption of Remuneration Report**
ASA Vote	For

Summary of ASA Position

Overall, the remuneration report is clear, concise and easy to read.

From 1 January 2021, the MD&CEO, Andrew Cole's fixed annual remuneration (FAR) increased by 11%. The CFO, Warrick Ranson's and CCO, Mark Irwin's FAR increased by 5.35% and 7.33% respectively. Board chairman's fees and directors' fees also increased by 9% and 5% respectively, their first increase since 2018.

Under the remuneration framework, STI performance rights remain at 30% of the award paid in equity with a 2-year deferral lock. Whilst we would like the amount to be 50% as specified in the ASA guidelines, the 2-year deferral lock is a mitigating factor.

The LTI performance rights are assessed against TSR (70%) and all in sustaining costs (AISC) (30%). They have a three-year performance period and post vesting are subject to a 2-year lock.

The Board has the flexibility to claw back awards or shares under the STI and LTI plans. Although there is claw back provision in general terms, we would prefer a gate requiring positive absolute TSR for the relative TSR component of LTI.

A review of the MD&CEO remuneration against other similar ASX listed companies shows that it is higher than some companies with higher market cap. However, the company is making good progress to becoming a worldwide mining company and as such we regard his remuneration as reasonable.

The company has a requirement for executives and non-executive directors to acquire shares in the company equal to 100% of base fee for non-executive Directors, 100% of fixed remuneration for the MD&CEO and 50% for other senior executives over 5 years. Whilst the ASA prefers a period of 3 years, it is noted that all directors are either well on the way to achieve this or have already done so prior to a 3-year timeframe.

We again suggest two areas for improvement: changing the MD&CEO LTI performance right vesting period from 3 to 4 years; and recommending that the 70% TSR performance hurdle only applies when absolute TSR is positive.

Item 4	**Approval of LTI grant of performance rights to MD&CEO Andrew Cole**
ASA Vote	For

Summary of ASA Position

It is proposed to grant Mr Cole 75,622 performance rights, based on 150% of his FAR ($1,000,000) divided by the volume weighted average share price (VWAP) on the 20 trading days from 1st January 2021 (19.8355 per share) rounded up the nearest whole number.

The award is subject to 2 vesting conditions: 70% relative TSR; and 30% AISC. As noted above, we recommend that there be a gate requiring positive absolute TSR for the relative TSR component of LTI.

The award has the same conditions as last year.

The award fails to meet all ASA guidelines as the vesting period is only 3 years instead of 4 years. However, the award contains a 2-year lock and as it meets all other guidelines, we support the resolution.

Item 5	**Approval of STI grant of performance rights to MD&CEO Andrew Cole**
ASA Vote	For

Summary of ASA Position

It is proposed the number of performance rights to be granted to Mr Cole will be 18,029, based on 150% of his FAR ($1,000,000). This number was determined by dividing $375,615 (being the amount of the 30% deferred equity portion of Mr Cole's STI outcome) by the volume weighted share price of the company over the twenty trading days commencing on 1 January 2021 ($19.8355). Performance rights do not carry any dividend prior to vesting but the Board determined that Mr Cole will also receive a dividend equivalent payment upon his performance rights vesting, subject to fulfilment of conditions, following the end of the deferral period, on 31 December 2022. Balanced against the exceptional TSR achieved, the dividend payment is insignificant.

According to ASA guidelines, we would prefer that 50% of the STI was awarded in equity but the award is mitigated by a 2-year holding lock and the ability of claw back. As in Item 4, we support the resolution.

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