



Ramelius Finally Gets into the ASX 200

Company/ASX Code	Ramelius Resources/RMS
AGM date	Thursday 26 November 2020
Time and location	11am AWT Frasers Suites, 10 Adelaide Terrace, Perth
Registry	Computershare
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Bob Kelliher
Pre-AGM Meeting?	Yes, with acting Chair Michael Bohm

Please note any potential conflict as follows: The individual (or associates) involved in the preparation of this voting intention has no shareholding in this company.

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

Summary of ASA Position

Financial performance

With increased production to 230koz, controlled costs and the elevated gold price, Ramelius Resources recorded an increased profit (NPAT up by 420%), paid their first dividend (1.0 cent/share), and was included in the ASX 200 at the September rebalance.

With increased production from, and planned from, recent acquisitions of Explauram (acquired December 2018), Marda (acquired February 2019), and Penny Gold (acquired March 2020), production guidance for FY21 is 260koz to 280koz. Total Ore Resources increased by 15% and Ore Reserves by 32%, after depletion from mining, due to these acquisitions and ongoing successful drilling operations.

Ore is produced from both open pits and underground tunnels, all within trucking distances from the Mills at Mt Magnet and Edna May.

The dividend has been announced to increase to 2 cents/share in FY21.

Key Board or senior management changes

Chairman Kevin Lines retired from the Board on 30 September 2020, replaced as acting Chair by Michael Bolm.

Natalia Streltsova, after being appointed to the Board on 01 October 2019, was elected to the Board at the last AGM held on 22 November 2019.

The Board currently comprises the CEO Mark Zeptner, acting Chair Michael Bolm, David Southam, due for re-election this AGM and Natalia Streltsova. So, the female representation is 25% of the four-person Board.

Summary

(As at FYE)	2020	2019	2018	2017	2016
NPAT (\$m)	134.4	21.8	30.8	17.8	27.5
Share price (\$)	1.99	.725	0.58	0.45	0.44
Dividend (cents)	1.0	0	0	0	0
TSR (%)	175.9	23.3	28	2.3	266.7
EPS (cents)	16.4	3.7	5.84	3.39	5.82
CEO total remuneration, actual (\$m)	1.33	0.999	0.675	0.894	0.635

For 2020 the CEO's total actual remuneration was **14.5 times** the Australian Full time Adult Average Weekly Total Earnings (based on May 2020 data from the Australian Bureau of Statistics).

Item 2, Resolution 1	Adoption of Remuneration Report
ASA Vote	Against

Summary of ASA Position

CEO rem. Framework for FYXX	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	0.65	42%	0.65	42%
STI - Cash	0.49	32%	0.49	32%
STI - Equity	0	0%	0	0%
LTI	0.39	24%	0.39	24%
Total	1.53	100.0%	1.53	100.0%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting.

The main change in the Remuneration Report is the CEO’s proportions of STI and LTI. In 2020, the CEO maximum STI is 75% of fixed remuneration, and LTI, 60% of fixed remuneration. In 2021, STI maximum is 60% of fixed remuneration and LTI, 100% of fixed remuneration.

STI is paid in cash, and the thresholds are: NPAT to budget (30%), Production to budget (20%), Costs to budget (30%), and Ore Reserve addition (20%). No details of the actual internal measures are available.

There are “no loss of life” and “no serious environmental, heritage or community breach” gateways, before any STI is paid.

The LTI single threshold is the relative TSR measure, with 50% paid at the 50th percentile, and 100% paid at the 75th percentile. Vesting is over only a 3-year period. The second threshold, 15% compound annual growth in TSR is added for FY 21.

With STI all paid in cash, with no proportion of Performing Rights to avoid the perception that this is just annual remuneration, opaque STI performance measures, the current single measure for LTI, and the increased proportion of fixed remuneration for the maximum LTI award, we cannot support this resolution.

Item 3, Resolution 2	Re-Election of David Southam as Director
ASA Vote	For

Summary of ASA Position

David was appointed to the Board on 2 July 2018, and still has no shareholding in the company, as at the date of the Annual Report. This should be addressed by the Board, to ensure this Director has “skin in the game”.

He is a qualified accountant with over 25 years’ experience, and is currently also the Managing Director of Mincor Resources NL.

He acts as the Chair of the Audit Committee, and is a member of the Nomination and Remuneration committee.

Item 4, Resolution 3	Approval of LTI grant to CEO Mark Zeptner
ASA Vote	For

Summary of ASA Position

This grant is for the maximum number of LTI Performance Rights to the CEO, under the company’s Performance Rights Plan.

The 355,392 Performance Rights are calculated on the new 100% (up from 60%) of the CEO fixed remuneration, divided by the 5 day average share price prior to the date of grant.

Half the number are tested against the relative TSR, compared to a reasonable group of peer gold producers. 50% is paid when the company is at the 50th percentile and 100% when the company is

at the 75th percentile, and 50% when the company's TSR is greater than 15% compounded annual growth.

While the relative TSR 100% payment at the 75th percentile is hardly a stretch level, when 25% of the peer group outperform the company, this is generally an industry standard.

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