



<b>Company</b>	Rio Tinto Limited
<b>Code</b>	RIO
<b>Meeting</b>	AGM
<b>Date</b>	9 May 2019
<b>Venue</b>	Westin Hotel, 480 Hay St, Perth
<b>Monitor</b>	Duncan Seddon (meeting attended by John Campbell)

<b>Number attendees at meeting</b>	110 share or proxyholders plus 78 visitors
<b>Number of holdings represented by ASA</b>	677
<b>Value of proxies</b>	\$81.3m
<b>Number of shares represented by ASA</b>	856,000 (equivalent to 15th largest holder)
<b>Market capitalisation</b>	\$35.6b (Ltd) (PLC shares at ASX price = additional \$122.8b, making the dual listed entity's mkt cap \$158.4b)
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with chair Simon Thompson

### Rio's dividends and buy-back put shareholders in a happy mood

After addresses by the chair and CEO, the chairman called for questions on all resolutions of which 19 were on the agenda. After the questions were concluded, he called for a poll without showing the proxy votes for each resolution. This resulted in a more streamlined meeting but at the expense of allowing directors to speak to their election or re-election, and without shareholders knowing proxy votes in advance of voting. The allocation of share rights to the executive directors was also not included in the agenda. Rio Tinto, being a dual listed company with 78% of its shares on issue by the London-listed Rio Tinto PLC, adopts what we assume to be a UK approach to its AGM and voting at the London AGM would render proxy information confusing, and possibly misleading.

ASA congratulated board and management on the year's outstanding results and asked questions on Oyu Tolgoi's copper/gold mine in Mongolia, the new intelligent Koodaideri mine, and the Winu prospect in the Pilbara. With US\$6 billion invested in Oyu Tolgoi, block cave mining involves more initial cost than stoping, and comes with the significant risk that the ore body will not collapse satisfactorily as it is undermined but the difficult ground conditions referred to in the annual

report may assist in reducing this risk. We did not get a direct answer to when free cash flow is expected to be generated but a 60-year mine life was indicated. At this stage, the company is uncertain if its Winu copper/gold discovery in the Pilbara has the scale necessary to qualify as a Rio Tinto mine.

There were a number of questions mostly about climate change, and 'Market Forces' was given the opportunity to explain its requisition of two resolutions requiring changes aimed at giving shareholders the right to set policies and to require targets to be set for third party emission reductions. These resolutions were unsuccessful achieving only 2% and 6% support respectively.

We expressed our concern over the general level of remuneration, and particularly the level of short term incentives, paid to the CEO and executives, and to the hurdle for the long term incentive being only relative TSR; these concerns were addressed by the chair of the remuneration committee after the meeting. We also expressed concern about the generalist nature of board qualifications, being short of specific mining skills and experience.

All board-sponsored resolutions were passed with very substantial majorities, the remuneration report receiving a 7% vote against, and the next largest negative vote being 4% against the chairman's re-election.