



<b>Company</b>	SOUTH32 Limited
<b>Code</b>	S32
<b>Meeting</b>	AGM
<b>Date</b>	29 October 2020
<b>Venue</b>	Online via Lumi
<b>Monitor</b>	John Campbell

<b>Number attendees at meeting</b>	N/A
<b>Number of holdings represented by ASA</b>	664
<b>Value of proxies</b>	\$10,762,146
<b>Number of shares represented by ASA</b>	5.2m (smaller than the 20th largest holder in Top 20 list)
<b>Market capitalisation</b>	\$9,983m – on day of meeting
<b>Were proxies voted?</b>	Yes, on a poll
<b>Pre AGM Meeting?</b>	Yes, with Karen Wood (chair) and Wayne Osborne (chair of rem committee)

### As boring as a virtual meeting can be

The meeting lasted for 90 minutes and most of it was taken up by the chair's and CEO's addresses both of which mirrored the information in the annual report, with very little additional information. Your monitor's viewing of the CEO's address became indefinitely "paused" by the software necessitating him to open a laptop connection to reconnect to the meeting. He had been told that he was unable to vote his shares on the same screen as his ASA proxies, so this was useful when it came to voting.

There were a number of questions from shareholders on matters relating to the annual report, both pre-submitted with typically bland responses, and those submitted online. We asked about recent media reports of Chinese government/agencies stalling Australian coal shipments, and whether S32 had experienced this or been threatened as regards future shipments. Both chair and CEO purported to answer this question without answering it all, simply acknowledging that there had been media reports and that there were risks involved in commodity exports.

Most other questions revolved around climate change, emissions and coal mining and one wonders whether these shareholders have the same investment objectives as ASA members. Question time highlighted the ineffectiveness of the virtual format of shareholder meeting given

the ability of directors to stonewall on difficult issues without the opportunity for feed-back and follow-up questions from participating shareholders.

All resolutions except remuneration and grant of shares to the CEO received 98-99% approval, but proxy advisor ISS had recommended against the remuneration report and the grant of shares to the CEO with the result that these two resolutions gained a 20-21% vote against. ASA voted in favour of all resolutions because we accept that elevated levels of salaries and incentives need to be paid to experienced executives in what is now a booming employment market in the mining industry, and that it is necessary to discount the effect of commodity prices and exchange rates in looking at the performance of management and its achievement in meeting financial objectives. In any event, our total proxies accounted for less than 0.2% of the shares voted on these resolutions.

The S32 AGM highlighted the serious limitations of fully virtual AGMs:

- The presentations mirrored information in the S32 Annual Report issued several weeks earlier
- Low level interaction between board members & shareholders / investors
- Limited opportunity for shareholders to raise questions of the board and the inability to respond to a chair or director who has not seriously addressed the shareholder question
- Technology drop out or malfunction