



Best laid plans o'mice and men, go oft awry - All looked good at start of 2019, but conditions deteriorated.

Company/ASX Code	SYRAH RESOURCES LIMITED (SYR)
AGM date	Friday, 22 May 2020
Time and location	Virtual, 10am Lv 28, 360 Collins Street, Melbourne VIC 3000
Registry	Computershare
Webcast	Yes - Hybrid Meeting
Poll or show of hands	Poll on all items
Monitor	Duncan Seddon
Pre AGM Meeting?	In progress of organising

The individual involved in the preparation of this voting intention has no shareholding in this company.

	Consideration of accounts and reports
ASA Vote	No vote required

Summary of ASA Position

Governance and culture

Syrah Resources is transitioning from an exploration and development company with no regular cash flow into a more standard company with regular cash flow as its Balama mine in Mozambique picks up production. This mine sells graphite to customers in China and has started to supply its battery anode plant in Louisiana. However, it appears to wish to retain some of the features of exploration companies by rewarding directors with shares and share options rather than paying fees. We believe the company should move on from this practice and we will oppose resolutions to award options to NEDs at the AGM.

Financial performance i

The 2019 financial year did not turn out as well as expected. There were some production issues at Balama but the main issue is the fall in price of graphite , which given the high logistics cost of moving product from the mine to the port, has considerably reduced the profitability of the operation. Like many other operators in the battery game, Syrah Resources seems to be a price taker and has to settle for the prevailing price, which is currently on a slide.

Key events such as restructures, acquisitions, buy backs and capital raisings

There was a significant capital raising of a convertible note offer to Australian Super (\$56 million) followed by a similar amount by means of a pro-rata offer.

Key Board or senior management changes

Christina Lampe-Onnerud resigned as a director in March. Her company is offering services to Syrah resources with respect to the Louisiana battery Anode plant. Sara Watts who has expertise in risk management was appointed to the board and is to be elected at this years AGM

Summary from CommSec

(As at FYE)	2019	2018	2017	2016	2015
NPAT (\$m)	-186.34	-41.05	-15.78	-20.03	-3.26
UPAT (\$m)					
Share price (\$)	0.44	1.49	4.38	2.93	3.75
Dividend (cents)	0	0	0	0	0
TSR (%)	-67.80	-66.60	49.30	-21.80	6.40
EPS (cents)	-0.34	-0.13	-0.06	0	0
CEO total remuneration, actual (AUD\$m)	1.147	1.249			

For 2019 the CEO's total actual remuneration was 13 **times** the Australian Full time Adult Average Weekly Total Earnings (based on Nov 2019 data from the Australian Bureau of Statistics).

Item 1	Adoption of remuneration report
ASA Vote	FOR

Summary of ASA Position

The CEOs remuneration and plan is reasonable

CEO rem. framework	Target AUD\$m	% of Total	Max. Opportunity AUD\$m	% of Total
Fixed Remuneration	0.537	40%	0.537	40%
STI - Cash	0.201	15%	0.201	15%
STI - Equity	0.201	15%	0.201	15%
LTI	0.403	30%	0.403	30%
Total	1.342	100.0%	1.342	100%

Item 2	Election of Ms Sara Watts as a Director
ASA Vote	FOR

Summary of ASA Position

Sara Watts is an accountant with former experience with IBM Asia Pacific. She is chair of the audit and risk committees. She has no other directorships and is not overloaded. She has 38,000 shares and 100,000 performance rights pending approval at this meeting.

Sara Watts was appointed in 25 July 2019.

Item 3	Re-election of Mr Jose M Caldeira as a Director
ASA Vote	For

Summary of ASA Position

Mr. Caldeira is a senior lawyer in Mozambique he has no other directorships of listed companies. He has been a director for 5 years. Because of its operations in Mozambique it is important to have a local representative on the board and Mr. Caldeira fulfils this role. We have supported his position in the past and will continue to do so. He has 12,000 shares.

Item 4	Approval of grant of 865,892 Performance Rights to Mr. Shaun Verner as part of Mr. Verner's 2020 LTI.
ASA Vote	For

Summary of ASA Position

This arises out of the previously agreed remuneration policy and there is no reason to oppose the grant.

Item 5	Approval to issue 286,473 fully paid ordinary shares to Mr. Shaun Verner as part of his STI
ASA Vote	For

Summary of ASA Position

This arises out of the previously agreed remuneration policy and there is no reason to oppose the issue. The policy is to pay 50% of the STI in cash and the rest in shares. This is the formal approval for the shares part.

Item 6	Approval of grant of 400,000 Performance Rights to Mr. Shaun Verner as a Five Year Performance and Retention Incentive
ASA Vote	Against

Summary of ASA Position

This appears to be a hybrid STI/LTI. If the company wishes to award Mr. Verner more money we would prefer this done by the fixed salary, STI and LTI system rather than another reward scheme.

Item 7	Approval of grant of 100,000 Performance Rights to Ms. Sara Watts as part of her 2020 LTI
ASA Vote	Against

Summary of ASA Position

The performance required is that she stays with the company for three years. We generally oppose share incentives for NEDs as it can lead to the independent director being compromised.

Item 8	Adoption of Non Executive Share Plan
ASA Vote	Against

Summary of ASA Position

This is a plan to encourage NEDs to take shares relative to cash. This will preserve the company's cash. This type of arrangement is fine for smaller E&P company's but we no longer regard Syrah in this category - it has an established cash flow and business. Furthermore, the plan seems to be a bonus for staying with the company for three years. This can lead the NEDs being compromised.

Item 9	Approval of 10% Placement Capacity
ASA Vote	Against

Summary of ASA Position

THIS RESOLUTION HAS BEEN WITHDRAWN. We cannot see this being in the interest of retail shareholders and would have voted against the motion.

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