

# ASX ANNOUNCEMENT

30 October 2020

## AGM Resolutions – further explanation

Mineral Resources Ltd (ASX:MIN, MRL or the Company) wishes to provide further context to information contained in the Notice of Meeting (refer ASX announcement dated 16 October 2020) for the upcoming Annual General Meeting (AGM) to be held on 19<sup>th</sup> November 2020.

### **Increase in Aggregate Fee Pool for Non-Executive Directors**

As noted in the explanatory statement attached to the Notice of Meeting, the current aggregate Fee Pool for Non-Executive Directors is set at \$1 million per annum. Resolution 5 in the Notice of Meeting seeks Shareholder approval for the Fee Pool to increase by \$1 million to an aggregate amount of \$2 million per annum.

In addition to the details provided in support of this resolution in the Notice of Meeting, the Board would like to provide Shareholders with the following information in support of this resolution:

**a) Growth in Company size and complexity since 2015, when the fee pool was last approved**

The current Fee Pool limit of \$1 million was set in FY15, when the Company had gross assets of \$1.6 billion and a market capitalisation of \$1.2 billion (as at 30 June 2015). Since FY15 the Company has increased considerably in size, scale and complexity to have gross assets of \$4.6 billion and a market capitalisation of \$4.0 billion (as at 30 June 2020).

**b) Number of additional Non-Executive Directors required**

Currently, the Board comprises three Non-Executive Directors and the Chairman. The Board has agreed to the need to increase the number of its Non-Executive Directors for an expansion of the breadth and depth of Board skills to align with the increased size and diversity of the Company's business, and to better assess increased opportunities for growth. All new Non-Executive Directors appointed will be independent. The proposed change to the size of the board is expected to take place by October 2021. Given the additional skills and experience identified by the board it is likely that up to three additional independent Non-Executive Directors will be appointed. The first of these appointments is Ms Susie Corlett (refer Notice of Meeting resolution 4) whose appointment effective 1 January 2021 is fully endorsed by the Board.

**c) Additional workload**

As mentioned in the explanatory material in the Notice of Meeting, under current fee arrangements Non-Executive Directors do not receive additional fees for serving on Board committees and have not received an increase in fees since FY15. An increase in the Fee Pool will facilitate an allocation to Non-Executive Directors for the additional time and effort associated with chairing and participating in Board committees, the work of which has increased, and is expected to continue increasing, in line with the growth of the Company.

**d) Alignment with Shareholders**

The structure of payments to Non-Executive Directors is aligned with the interests of shareholders as 50% of the fee is paid in equity. The cash fees received will be less than directors of similarly sized companies, although the sum of cash and equity will be similar. The equity component is counted within the fee pool



cap. This practice will continue in FY21. Non-Executive Directors are encouraged to hold at least one year's worth of fees in MRL Shares.

**e) Current and proposed Non-Executive Directors' Remuneration positioning against market levels**

The Company has recently conducted a review of Comparator Businesses' Non-Executive Director Fees, which shows that the Company's Non-Executive Directors are currently remunerated at around the 25th percentile of Comparator Businesses. If shareholders approve an increase in the fee pool directors will receive fees for committee work, recognising the additional work that will be undertaken by directors in committees. This will assist bring director fees to market median levels.

The MRL Board does not currently intend to utilise the full increased Fee Pool, but considers the increase to be reasonable and appropriate for the reasons set out above. It will allow for the necessary growth in the size, skills and diversity of the Board to deliver the best outcomes for all shareholders.

### **Allocation of equity incentive rights to the Managing Director**

In recent discussions with proxy advisors, MRL has become aware that there is a preference for the grant of equity incentive rights for the Managing Director to be put to a vote of Shareholders. Notwithstanding the fact there is no requirement for the Company to seek such approval, the Board has considered these views and will ensure that this proposal is put to shareholders at the 2021 AGM.

This announcement dated 30 October 2020 has been authorised for release to the ASX by Mark Wilson, Company Secretary of Mineral Resources Limited.

#### **Ends**

For further information:

#### **Investor Relations**

James Bruce  
Head of Investor Relations  
T: +61 8 9329 3706  
E: [james.bruce@mrl.com.au](mailto:james.bruce@mrl.com.au)

#### **Media**

Peter Klingler  
Cannings Purple  
T: +61 411 251 540  
E: [pklinger@canningspurple.com.au](mailto:pklinger@canningspurple.com.au)

Mineral Resources Limited  
1 Sleaford Road  
Applecross, WA 6153  
Australia T: +61 8 9329 3600  
E: [investorrelations@mrl.com.au](mailto:investorrelations@mrl.com.au)  
W: [www.mineralresources.com.au](http://www.mineralresources.com.au)

#### **About Mineral Resources**

Mineral Resources Limited (ASX: MIN) is a Perth-based leading mining services provider, with a particular focus on the iron ore and hard-rock lithium sectors in Western Australia. Using technical know-how and an innovative approach to deliver exceptional outcomes, Mineral Resources has become one of the ASX's best-performing contractors since listing in 2006.

To learn more, please visit [www.mineralresources.com.au](http://www.mineralresources.com.au).

Follow us on:

