



A horrible year but saved by a capital raise

Company/ASX Code	Pilbara Minerals Limited/PLS
AGM date	Tuesday 17 November 2020
Time and location	It will be a Virtual Meeting commencing at 2pm.
Registry	Computershare
Webcast	Via on line Meeting platform, Lumi
Poll or show of hands	Poll on all items
Monitors	Kevin Bowman and by John Ferguson
Pre AGM Meeting?	Yes, with Managing Director Ken Brinsden, Danielle Webber, Assistant Co Secretary.

The individuals (or their associates) involved in the preparation of this voting intention do not have shareholdings in this company.

Item 1	Consideration of accounts and reports and adoption of remuneration report
ASA Vote	For

Summary of ASA Position

Since March 2020, as a consequence of the COVID-19 virus, the world has experienced a once in a 100 year pandemic which has been incredibly challenging for everyone and the entire business community. Needless to say, Pilbara Minerals has not been immune from this pandemic.

Notwithstanding COVID-19, it continued to be a very challenging year for the company. While operations fared well, the market presented challenges in terms of spodumene demand and pricing with China's domestic market facing significant headwinds. The company recorded a net **loss** after tax of \$99.3m and the share price fell from 55c to 25c over the financial year. Fortunately the share price has made some recovery since the end of the financial year.

In September & October 2019 the company managed to raise \$111.5m in new equity which included an investment of \$55m from Hong Kong based CATL, China's largest battery manufacturer for electric vehicles and a Share Purchase Plan at 30cents per share. The company ended the financial year with a cash balance of \$86.3m as well as a US\$110m debt facility with the international bank BNP as well as the Australian Government's Clean Energy Finance Corporation.

The company did not pay a dividend.

Summary

(As at FYE)	2020	2019	2018	2017	2016
NPAT (\$m)	- 99.3	- 28.93	- 19.42	- 25.95	- 43.47
Share price (\$)	0.25	0.55	0.87	0.38	0.62
Dividend (cents)	0	0	0	0	0
TSR (%)	-54.1	-36.8	128.9	-38.7	416.7
EPS (cents)	-4.67	-1.63	-1.19	-2.11	-5.28
CEO total remuneration, actual (\$m)	1.168	1.368	1.729	3.311	1.947

For 2020, the CEO's total actual remuneration was **12.7 times** (15.5 times in 2019) the Australian Full time Adult Average Weekly Total Earnings [based on May 2020] data from the Australian Bureau of Statistics).

Because of the unusual circumstances and to conserve cash reserves, the company introduced several measures in April 2020, including

1. No fixed remuneration increases for all Key Management Personnel (KMPs) or the wider employee group.
2. Implemented a Salary Sacrifice Scheme, whereby employees could elect to salary sacrifice a fixed percentage of their salary into company shares over the 8 month period until December 2020.
3. Short Term incentives were deferred.
4. The company had no LTI to be vested.
5. The retention options to KMPs, approved by shareholders in March 2020 were retained.

The remuneration report is fairly clear and provides a generally sound overview of their remuneration policies. The CEO can earn a maximum short-term and long-term incentive (STI and LTI) that is 100% of his total fixed remuneration (TFR) each. For other key management personnel (KMP), the maximum STI and LTI targets can only be 60% of their TFR.

The STI plan ensures that there are some hurdles the KMP have to pass before the grant is awarded. These hurdles are weighted differently with 30% measured against safety, 40% measured against production and costs and 30% measured against individual and role specific targets. Safety is measured using objective measures such as total recordable injury frequency rate (TRIFR).

The LTIs are measured against two targets, a Total Shareholder Return (TSR) target which assesses relative performance against a defined peer group of companies with vesting only occurring between the 50th and 85th percentile. This accounts for 50% of the overall LTI award. The other 50% is set on performance targets that are based on project and strategic objectives that include targets like shipment, production and processing initiatives and targets as well as diversifying customer sales and downstream opportunities in chemical processing.

ASA would prefer a minimum LTI vesting period of longer than 3 years with the LTI award being paid fully in performance rights or shares and the STI award being paid half in cash and half in deferred equity (one or two year deferrals).

In August 2020, the Company introduced a Minimum Holding Policy for all NED, MD & CEO as well as other Executives.

The Remuneration Report for 2019 was passed at the AGM by 95.8% of shareholders.

The ASA will support the Remuneration Report.

Resolution 2	Re-election of Ms Sally-Anne Layman as a Director
ASA Vote	For

Ms Layman is a mining professional, financier and advisor with 25 years international and cross commodity experience. Previously Sally-Anne held a range of senior positions with the Macquarie Bank.

More recently Ms Layman has worked as a consultant providing financial consulting services to miners and explorers, including strategy and business development. She is a Director of Perseus Mining Limited, IMDEX Limited and Beach Energy Limited.

She is a member of the Audit and Risk Committee and Sustainability Committee and was appointed as a Director in April 2018.

Summary of ASA Position

The ASA will support the re-election of Ms Layman.

Resolution 3	Re-election of Mr Stephen Scudamore as a Director
ASA Vote	For

Mr Scudamore is an experienced Australian company director.

His distinguished career includes more than 3 decades with KPMG, includes several senior roles in Australia, London and PNG.

Mr Scudamore is Chairman of the Audit and Risk Committee, a member of the People and Culture Committee and the Sustainability Committee established in July 2020.

He is a Non-Executive director and Chairman of MDA National Insurance Pty Ltd, the insurance arm of a mutual medical defence organisation founded in Perth in 1925. He is also a director of Regis Resources Ltd and Australis Oil & Gas Limited.

He was appointed as a Director of Pilbara in July 2016.

Summary of ASA Position

The ASA will support the re-election of Mr Scudamore.

Item 4	Approval of Employee Award Plan and amendments to existing securities under the Plan.
ASA Vote	For

Summary of ASA Position

The Employee Award Plan was originally passed by shareholders in November 2019.

The amendment relates to a change in the rules of the Award Plan in the event a Change of Control within the company and accords with market practice.

The ASA will support the amendment.

Item 5	Issue of Employee Options and Performance Rights to Mr Ken Brinsden under Employee Award Plan.
ASA Vote	For

Summary of ASA Position

Since ASA believes that the overall reward is not excessive or unreasonable even though we have some objections relating to the remuneration plan, we will vote for this resolution.

Item 6	Issue of Share Rights to Mr Ken Brinsden.
ASA Vote	For

Summary of ASA Position

In April 2020 a Salary Sacrifice Scheme, whereby employees could elect to salary sacrifice a fixed percentage of their salary into company shares over the 8 month period until December 2020 was implemented.

Mr Brinsden Salary Sacrificed 25% Of his fixed salary and is therefore entitled to these shares in lieu of salary.

The ASA supports the motion.

Item 7	Issue of STI Shares to Mr Ken Brinsden
ASA Vote	For

Summary of ASA Position

These shares are issued in lieu of 70% of Mr Brinsden's cash bonus vested under FY 2020 STI.

Item 6 Re-Approval of Employee Award Plan.

The ASA supports the motion.

Item 8	Issue of Issue of Share Rights to Mr Anthony Kiernan
ASA Vote	For

Summary of ASA Position

These shares are issued in lieu of Mr Kiernan's Directors fees under the Salary Sacrifice Scheme.

The ASA supports the motion.

Item 9	Issue of Issue of Share Rights to Mr Stephen Scudamore
ASA Vote	For

Summary of ASA Position

These shares are issued in lieu of Mr Scudamore's Directors fees under the Salary Sacrifice Scheme.

The ASA supports the motion.

Item 10	Issue of Issue of Share Rights to Mr Nicholas Cernotta
ASA Vote	For

Summary of ASA Position

These shares are issued in lieu of Mr Cernotta's Directors fees under the Salary Sacrifice Scheme.

The ASA supports the motion.

Item 11	Issue of Issue of Share Rights to Ms Sally-Anne Layman
ASA Vote	For

Summary of ASA Position

These shares are issued in lieu of Ms Layman’s Directors fees under the Salary Sacrifice Scheme.
The ASA supports the motion.

Item 12	Approval of Termination Benefits
ASA Vote	Against

Summary of ASA Position

The ASA believes that Shareholders should have the right to vote on the termination benefits paid at a time when all the facts of the termination are known.

The ASA **does not** support the motion.

Item 13	Section 195 Approval
ASA Vote	For

Summary of ASA Position

In the circumstances, the ASA supports the motion.

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