

Good Result but Can It Last in The Era of De-Globalisation

Company/ASX Code	Rio Tinto/RIO
AGM date	Thursday, 1 May 2025
Time and location	09:30; BelleVue Ballroom, Lv. 3 The Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth WA
Registry	Computershare
Webcast	Yes
Poll or show of hands	Poll on all items
Monitor	Duncan Seddon, supported by Mike Robey, John Campbell and Ros Ferguson
Pre AGM Meeting?	Yes, with Chair Dominic Barton, director Ben Wyatt, Tim Paine, Robin Chant

The individual(s) (or their associates) involved in the preparation of this voting intention have a shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2	Approval of Remuneration Policy	Against
3	Approval of Directors Remuneration Report	Against
4 to 15	Election of Directors	For, against Wyatt, Henry, Woods, Nason
16	Appointment of auditor	For
17	Auditor Remuneration	For
18	Authority to make political donations	For
19	Climate Action Plan	For
20	Renewal of off-market and on-market buyback authorities	For
21	Shareholder requisition resolution	Against

2. Summary of Issues and Voting Intentions for AGM

As previous years - Russia and China but now including USA. The future for Pacific Aluminium and Australian alumina operations.

Is the company fit to prosper in an era of de-globalisation?

Low share ownership of some Directors.

3. Matters Considered

Accounts and Reports

Item 1	Receipt of 2024 Annual Report
ASA Vote	No vote required

Summary of ASA Position

This has been another good year for shareholders with impressive dividends from a large cash flow from the iron ore operations. As last year, the first 150 pages of the annual report out of a 300+ page report focuses on the threat of climate change to the company and the steps the company is taking to ameliorate this.

A major threat is that Rio is very reliant on China with 50% of the revenue coming from China (substantially iron ore). Since the publication of the Annual Report, Donald Trump as the newly elected president of the USA, has issued executive orders which could impact the company's revenue over the next year. The accession of Trump also throws doubt on some of the forecasts in the Annual report. At the time of writing, USA actions present a threat to the company's aluminium operations. The US has very little Aluminium smelting capacity and its major supplier is Canada. It has almost no chance to build smelting capacity in the medium term, since this requires a large source of low-cost energy and investment in large new smelters. As long as Canada is not hit with tariffs, which are substantially higher than other producer countries, then an increase in tariffs across the board merely raises the price of the metal to the main US businesses, which use it, such as Boeing.

The following table shows the return on capital employed by the various operating sectors. This clearly shows the success of the company rests on the continued performance of the iron ore division. The performance of the aluminium division has improved but the minerals division has deteriorated in the past year. However, the copper division continues to perform poorly.

ROCE	2024	2023	2022	2021	2020	2019
IRON ORE	50%	64%	61%	100%	74%	67%
ALUMINIUM	10%	3%	10%	16%	3%	4%
COPPER	6%	3%	6%	14%	6%	5%
MINERALS	8%	13%	22%	21%	14%	15%

Financial performance

This has been a good year for shareholders in terms of capital gain and dividends received.

Summary (Company data)

(As at FYE)	2024	2023	2022	2021	2020
NPAT (\$USm)	11,574	9,953	13,048	22,597	10,400
UPAT (\$m)					
Share price (\$A)	117.5	135.7	116.4	100.1	113.8
Dividend (US cents)/share	435	402	684	685	386
TSR (%)	-15.4%	15.8%	18.3%	-3.8%	34.0%
EPS (US Cents)	707.2	616.5	760.4	1,296.3	599.8
CEO total remuneration, actual, GBP)	3.564	8,311	5,010	2,788	8,670

For 2024, the CEO's total actual remuneration was **67 times** the Australian Full time Adult Average Weekly Total Earnings based on November 2024 data from the Australian Bureau of Statistics.

Governance and Culture

The company has a premium position in its governance and culture. No issues.

Key Events

The main issue for the next year is the various executive orders issued by the US government, particularly in relation to tariffs levied on imported goods from Canada and China.

Key Board or senior management changes

The board continues to be revitalised with another three new board members. There are 14 board independent positions, which is quite heavy, and board meetings are light on, with only 7 full board meetings a year. Perhaps the full board visits in the year to all their foreign sites has enabled better bonding, but it is hard to imagine a handful of annual meetings would be sufficient to get maximum effectiveness from such a new board.

Sustainability/ESG

The company issues detailed sustainability and ESG reports addressing all relevant issues, with little detail in their efforts to join with their customers on scope 3 emissions, which are by far the largest of their portfolio. On balance, we think the climate reporting is thorough and presented well.

4. Rationale for Voting Intentions

Item 2	Approval of Directors Remuneration Policy
ASA Vote	Against

Summary of ASA Position

Generally, the remuneration report is comprehensive and meets some of our guidelines, including vesting of 50% of the short-term incentives and long period LTI plan (5 years). However, there is a big problem with the long-term incentive, which provides a 5-times multiple of the base pay for its

maximum payout. This is way out of line with the ASX-listed company norm, which maxes out at 2 times for most companies. The RIO justification is that it benchmarks well with the London Stock Exchange top 10 companies, which of course is where many of the directors and executives work. Interestingly, the world's largest miner, BHP has a 2-times multiple but is no longer an LSE top 10 company, since it was delisted in 2023. Particularly in the current depressed materials market it is not appropriate to enable a total annual payout for the CEO which could reach 8 times the base pay, to a maximum of GBP 10.28m p.a. in 2024 numbers. For 2025, this increases to GBP 11.28m p.a. and we will therefore vote against this. See Appendix 1 for details.

Item 3	Approval of Directors Remuneration Report
ASA Vote	Against

Summary of ASA Position

This motion is advisory and required under Australian law. See above for reason for against vote.

Items 4 to 15 Director Elections

As a dual listed company, Rio Tinto requires all directors to submit for election each year. We will support the re-election of directors to the board unless there has arisen a circumstance that we should vote otherwise.

A major Board renewal has taken place in the past two years. Consequently, many of the directors have low levels of share ownership, which we would like to see increased in future years. In addition, the company policy for share ownership is well below the norm in Australia of full fees after 5 years. We believe the value of shares owned by a director should exceed the annual fees earned and that this level should be attained within five years of appointment. The following Table summarises the director's remuneration and qualifications. The standout director with little skin-in-the-game is Mr Wyatt who has served 3 ½ years and accumulated only 11.7% of his annual total fees in shares. However, the cultural issue at play here is the lack of a reasonable target from the Board and the non-enforcement of their already low targets. We did take up the issue of share ownership with Mr Wyatt. The excuse is that it is hard to find time slots to buy RIO shares, but this excuse has been used by many holdouts in ASX listed companies. For this reason, we will be voting against a number of directors to start the process for changing their internal mandatory share ownership of directors.

2024 AR	CASH INCOME (FEES)	SHARE PLC	SHARE LTD	VALUE (US\$)	SHARE/ INCOME	OTHER DIRECTORSHIPS	QUALIFICATION	YEAR APP
	USD	47.23	123.7	\$81.67				
Dominic Barton BBM (Chair)	\$1,102,000		11900	\$971,834	88.19%	Leap Frog Investments; U. Waterloo	Fmr Canadian ambassador to China	2022
Jacob Stausholm (CEO)	\$3,564,000	95389		\$5,758,124	161.56%			2018

Peter Cunningham (CFO)	\$1,725,000	63065		\$3,806,897	220.69%		Accountant	2021
Dean Dalla Valle	\$317,000	0	579	\$47,285	14.92%	Hysata (Chair)	Project management; 40y BHP (CCO)	2023
Simon Henry	\$261,000	2200		\$132,802	50.88%	Harbour Energy; 7 other advisory roles	Finance; 30y with Shell (COO)	2017
Kaisa Hietala	\$234,000	1000		\$60,364	25.80%	Smurfit Kappa; ExxonMobil; Tracegrow; Oulu Univ.	Neste (Renewable Products)	2023
Sam Laidlaw	\$340,000	7500		\$452,734	133.16%	Neptune Energy; 2 other university roles	Capital Intensive Industries	2017
Susan Lloyd-Hurwitz	\$238,000		1421	\$116,048	48.76%	Macquarie; Spacecube; 4 gov advisory boards	Environment; equity	2023
Simon McKeon AO	\$121,000		10000	\$816,667	674.93%	Monash Uni; NAB; Energy tRansitions Steering Group	Financial services	2019
Martina Merz	\$172,000			\$0.00	0.00%	Supervisory board Volvo and Siemens; Zeiss AG; Schott AG	CEO ThyssenKrupp	2024
Jennifer Nason	\$248,000	1877		\$113,304	45.69%	American Australian Business Council	Investment banking	2020
Joc O'Rourke	\$244,000	0	0	\$0.00	0.00%	Toro; Weyerhaeuser	Barrick Gold	2023
Sharon Thorne	\$112,000	2593		\$156,525	139.75%	Govn. London Business School, 4 other advisory roles	Accountant	2024
Ngaire Woods	\$241,000	1482		\$89,460	37.12%	5 advisory roles	Governance (IMF etc)	2021
Ben Wyatt	\$280,000		400	\$32,666	11.67%	Woodside; West Coast Eagles; 2 other committees	WA politics	2021

This is a large board of 14 directors, of which two are executives, with few full board meetings annually. All board members attended all board meetings required. In discussion prior to the AGM the Company will make it easier for directors to acquire shares, but we would like the policy changed to require full fee equivalence in shares after 5 years. We consider none of the candidates for election or re-election are over-extended in their workload, though a number sit on advisory bodies, mostly in the UK, which we assume are not too taxing of their time.

Item 4	Election of Sharon Thorne as a Director
ASA Vote	FOR

Summary of ASA Position

Accountant and governor of London Business School. She is expected to be the senior independent director. We will support her election.

Item 5	To re-elect Dominic Barton as a Director
ASA Vote	FOR

Summary of ASA Position

Dominic Barton is the company chairman.

Item 6	To Re-elect Peter Cunningham Director
ASA Vote	FOR

Summary of ASA Position

Peter Cunningham is the company CFO.

Item 7	To Re-elect Dean Dalla Valle as a Director
ASA Vote	FOR

Summary of ASA Position

Significant experience in project management with BHP

Item 8	To re-elect Simon Henry as a Director
ASA Vote	Against

Summary of ASA Position

Significant experience in project finance with Shell.

Item 9	To re-elect Susan Lloyd-Hurwitz as a Director
ASA Vote	FOR

Summary of ASA Position

Significant experience in environmental management.

Item 10	To re-elect Martina Merz as a director
ASA Vote	FOR

Summary of ASA Position

Significant experience with Thyssen Krupp.

Item 11	To re-elect Jenifer Nason as a Director
ASA Vote	Against

Summary of ASA Position

Significant experience in investment banking.

Item 12	To re-elect Joc O'Rourke as a Director
ASA Vote	FOR

Summary of ASA Position

Significant experience in mining with Barrick Gold.

Item 13	To re-elect Jakob Stausholm as a Director
ASA Vote	FOR

Summary of ASA Position

Jakob Stausholm in CEO

Item 14	To re-elect Ngaire Woods as a Director
ASA Vote	Against

Summary of ASA Position

Ngaire Woods has a relative low shareholding after 4 years at RIO. We would like to see her stake in the Company increase over the coming years.

Item 15	To re-elect Ben Wyatt as a Director
ASA Vote	Against

Summary of ASA Position

Ben Wyatt was elected three years and a half ago and has a very low shareholding in the company and has shown little appetite to meet the company's own guidelines of share ownership. See above comments under director elections.

Item 16	Re-appointment of auditors (KPMG)
ASA Vote	FOR

Summary of ASA Position

This is a procedural vote required under UK law and hence required to be passed as part of the Dual Listing structure by Rio Tinto Limited.

Summary of ASA Position

Item 17	Remuneration of auditors
ASA Vote	FOR

Summary of ASA Position

Audit fees for 2024 were US\$28.1; 2023, \$US26.6. In addition, non-audit fees were US\$5.4M; 2023, US\$4.2M.

Item 18	Authority to make political donations
ASA Vote	FOR

Summary of ASA Position

The ASA is opposed to political donations and the company states that it is Rio's policy not to make political donations. However, UK law in this matter may embrace donations to trade organisations and the like which may involve them (the trade organisations) in political activities. This resolution may have its merit in making the point that the shareholders sanction the company that it can donate to such trade organisations, which conduct lobbying and other quasi-political activity on behalf of an industry sector (e.g., aluminium industry, mineral council etc.) in which the company has a relevant interest. We supported this motion last year and will do so again.

Item 19	Climate Action Plan
ASA Vote	FOR

Summary of ASA Position

At the time of writing, the company is committed to achieving net zero carbon emissions by 2050. This includes scope 3 emissions from purchasers of the company's products. Last year, the company spent US\$589 on decarbonisation efforts. This cost is likely to increase in the future years and this resolution seeks approval for this approach, at least for the next three years. That is expenditure of at least US1,500 million of shareholder funds. The company insists that the policy produces tangible financial benefits for the shareholders. The plan is comprehensive and there are responsibilities cascaded to the heads of all Business Units, with governance managed by a sub-committee of the board. The chaos caused by the Trump presidency in both geopolitical terms will be of great interest in the climate change commitments of the world's largest emitters.

Item 20	Renewal of off-market and on-market buy-back authorities
ASA Vote	FOR

Summary of ASA Position

Non-controversial and we have supported these resolutions in the past.

Item 21	Shareholder Requisition Resolution
ASA Vote	Against

Summary of ASA Position

The resolution concerns the dual listed status (DLC) of the company. The proponent is of the view that the listing in London should be wound-up and the Company only listing in Australia. The proponent claims this will be to the benefit of shareholders. The Board is vigorously opposing this view and says the proposed action will not be in the interest of the shareholders.

The ASA has regularly called for the Board to examine the DLC to no avail. This resolution has prompted the Board into action.

Our discussions with the chairman resulted in RIO outlining some of the main reasons for their opposition. That they have both independent tax advice from Goldman Sachs and commissioned (i.e. had access to company legal and financial records) tax advice from EY that, is as follows:

Their foreign businesses in various parts of the world are in the name of RIO PLC and contracts with the various governments are under this name. A delisting from the UK Bourse would precipitate a change of ownership to RIO Ltd, the Australian listed company. This in turn would require a change of contract and would open the door for the foreign governments to change the financial terms, and levy greater tax.

The proponent used the advisor Grant Thornton, which explicitly stated they have not examined the tax implications of a delisting. In addition, the proposal, which must be taken up unaltered if voted for, suggests an independent review conducted by a group of directors and a shareholder representative, which in part will undermine the purpose of the board, which is to represent shareholders, as well as create confidentiality and insider trading issues for any chosen representative.

A second point is that the bulk of their profits (ca. 80%) come from Australia at present (from their iron ore business) but the profit centre of gravity is rapidly shifting offshore as the investments in Mongolia and Guinea etc start to generate significant revenue. So, the franking credit issue dilutes over time, since these businesses will book their profits overseas.

Consequently, when faced with the realities of a change of name for the offshore investments and the potential for a change of contract terms with unfavourable outcomes for the business and thus for shareholders, we will oppose this resolution.

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Appendix 1

Remuneration framework detail

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

CEO rem. Framework for FY2024	Target Million GBP	% of Total	Max. Opportunity Million GBP	% of Total
Fixed Remuneration	1,285*	22	1,285	12.5
STIP (50% cash, 50% shares)	1,285	22	2,570	25
PSA (long term shares)	3,215	56	6,425	62.5
Total	5,785	100	10,280	100

*Fixed remuneration in 2025 increases to GBP 1.41m