AUSTRALIAN
SHAREHOLDERS'
ASSOCIATION

Australian Shareholders Association Ltd
ABN 40 000 625 669
PO Box A398
Sydney South NSW 2001
share@asa.asn.au
+61 2 9252 4244
australianshareholders.com.au

A tough year

Company/ASX Code	Bluescope Ltd/BSL
Meeting Time/Date	10am on Tuesday, 18 November 2025
Location	Novotel Northbeach Hotel, North Wollongong, NSW
Registry	MUFG
Type of Meeting	Hybrid
Monitor	Mike Muntisov assisted by Peter Aird
Pre AGM Meeting?	Yes, with Chair Jane McAloon, Investor Relations Chris Gibbs, Sustainability Manager Tim Rodstedt, and Yasmin Gardner, Company Secretary.

The individuals (or their associates) involved in the preparation of this voting intention have no shareholding in this company.

1. How we intend to vote

No.	Resolution description	
2a	Re-election of Ms K'Lynne Johnson as a Director	Undecided
2b	Re-election of Mr ZhiQiang Zhang as a Director	For
2c	Election of Ms Cheri Phyfer as a Director	For
2d	Election of Mr John Nowlan as a Director	For
3	Adoption of Remuneration Report	For
4	Approval of STI grant to CEO/Managing Director Mark Vassella	For
5	Approval of LTI grant to CEO/Managing Director Mark Vassella	For

2. Summary of Issues and Voting Intentions for AGM

- Volatile steel markets impacted profitability.
- Impairment write-down of its coated-steel US business
- Investment on capital growth projects continue.
- The company seeks to unlock the value of their surplus land holdings.

3. Matters Considered

Key Financials

The results in FY25 saw underlying Net Profit after Tax (NPAT) drop from $0.86B to $0.42B even though revenue was down by only 4%, reflecting the reduced steel spreads and volatile market through the year. The underlying Earnings before Interest and Tax (EBIT) result was $0.74 B, down around 45%.

Nevertheless, the company maintained a strong balance sheet with a net debt of only $28M and it continues to invest in growth initiatives.

The statutory result was affected by an impairment charge of $439M against the US coated-steel business, which Bluescope believes is being turned around.

The company's updated guidance for the first half FY26 is an EBIT result around 60% higher than the FY25 annual rate.

	2025	2024	2023	2022	2021
Statutory NPAT ($m)	84	806	1,009	2,810	1,193
Underlying NPAT ($m)	421	861	1,098	2,701	1,166
Statutory EPS (cents)	19	180	217	571	237
Dividend per Share (cents)	60	55	50	50	50*
Share Price at End of FY ($)	$23.11	20.43	20.55	15.90	21.96
Statutory CEO Remuneration ($)	$4.6m	$4.8m	$5.4m	$4.9m	$5.5m
Actual CEO Remuneration ($)	$5.4m	$4.6m	$6.6m	$5.0m	$6.2m
Total Shareholder Return (%)	16%	2%	32%	-25%	92%

Statutory NPAT and EPS are the audited figure from the financial accounts. Underlying NPAT is (usually) an unaudited figure used in management presentations or commentary. Total Shareholder Return is calculated as the share price change over the year plus the dividend declared during the year, divided by the share price at end of previous year. This may differ from the figure quoted by the company. includes 19c special dividend*

Key Events

Bluescope evaluated the failed Whyalla Steelworks and is a tenderer for its potential acquisition in partnership with Nippon Steel, JSW Steel and POSCO.

Bluescope began work to realise value from its 1,200ha portfolio of surplus and adjacent landholdings.

Work on the Port Kembla blast furnace No 6 reline and upgrade project continues and is expected to be completed in 2026.

Environmental, Social and Corporate Governance (ESG)

Bluescope's Sustainability Report is comprehensive and informative, and appears to be well integrated into the overall company strategy.

Key Board and management changes

Director Peter Alexander, will retire from the board due to illness in his family, effective November 2025.

Cheri Phyfer was appointed to the board in August 2025 and will face election at the upcoming AGM (see Resolution 2(c)).

Former Bluescope executive John Nowlan is nominated for election to the board at this AGM. (resolution 2(d)).

New appointments were made to fill vacancies through retirement for Chief Legal Officer/Company Secretary and Head of Climate Change. A new role is Head of Property Development, Michael Yiend, formerly of Lendlease, to pursue the opportunities offered by Bluescope's surplus land portfolio.

Governance, Transparency, and Fairness to Retail Shareholders

Positives

- The Board has an independent Non-Executive Chair and majority of independent directors.
- The Board (of ten directors) has a 50: 50 split on gender with a diversity of age, skills and geography.
- Non-Executive directors are expected to own the equivalent of 100% of base fee ($189,000) in equity, the Managing Director 200% of fixed pay and other KMPs 100% within five years. The existing directors and management meet this expectation on a pro-rata basis.
- The company published its director skills matrix in the annual report.
- The company meaningfully discloses ESG issues or risks facing business and the processes to manage them.
- The company has a policy limiting directors to a maximum tenure of nine years (from the date of first election by shareholders).

Areas for improvement

- The company made political donations to the value of $115,000 in FY25. This was not disclosed in the Annual Report but rather in the Sustainability Report. The ASA advocates for no political donations, but in the event they are made, that they be disclosed in the Annual Report.

Summary

The company is generally well governed.

4. Rationale for Voting Intentions

Resolution 2a: Re-election of Ms K'Lynne Johnson as a Director (Undecided)

Ms Johnson has qualifications in Psychology and Organisational Behaviour and was appointed to the board in January 2022. She is based in the United States.

Her previous corporate experience was in the chemicals industries including at BP. She is considered independent. She holds the requisite 'skin-in-the-game' shareholding taking account of her tenure on the board.

Ms Johnson is a director on the boards of NYSE-listed FMC Corporation (USD3.9B Market Cap) and Tinseo PLC (USD75M), and she is the chair of the latter. She also sits on the boards of private companies JM Huber Corp. (~USD3B revenue) and BMC Biotechnologies (~USD7M revenue). She is the chair of BMC, which she joined in 2025.

Measured against ASA guidelines, her workload is excessive.

We propose to question Ms Johnson about her workload plans and vote depending on her answers.

Resolution 2b: Re-election of Mr ZhiQiang Zhang as a Director (For)

Mr Zhang has engineering and business qualifications. He was appointed to the board in January 2022. He has no other listed company directorships. He has extensive corporate experience in manufacturing and product development through roles heading up the China businesses at Siemens, ABB and Sandvik. He has adequate skin-in-the-game shareholding and is considered independent.

He is based in China.

ASA proposes to support his re-election.

Resolution 2c: Election of Ms Cheri Phyfer as a Director (For)

Ms Phyfer has qualifications in science and business. She was appointed to the board in August 2025. Her corporate experience was mainly with US paint and coatings firm The Sherwin Williams Company which may prove valuable for Bluescope's coated-steel ambitions in the US.

She currently serves on the boards of NYSE-listed O-I Glass (USD1.9B market cap) which is a glass container manufacturer, and W.C. Bradley Company (~USD300M revenue) which has businesses in outdoor living products and property development. Her director workload is not excessive.

She is based in the USA.

ASA proposes to support her election.

Resolution 2d: Election of Mr John Nowlan as a Director (For)

Mr Nowlan has engineering and business qualifications. He is a recently retired executive of Bluescope having been with the company and its predecessor for more than fifty years. Most recently he filled the roles of Chief Executive Australian Steel Products and Chief Technical and Development Officer. By virtue of his recent executive role and sizable shareholding in the company, he is considered non-independent. However, the board will remain majority independent.

Mr Nowlan brings a great deal of corporate knowledge and steel-making know-how to the board. Therefore, ASA proposes to support his election.

Resolutions 3, 4, and 5: Adoption of Remuneration Report and approval of equity grants to Managing Director (MD)/CEO (For)

The remuneration structure has many features which ASA supports. However, there are areas which do not meet ASA guidance, and we have discussed these with the company and received acceptable explanations as described in Appendix 1.

We have an unaddressed concern about how this year's impairment charge will be treated in calculating future LTI performance measures.

Nevertheless, our conclusion overall is that the remuneration plan is tailored to the nature of the unique Bluescope business. The quantum of remuneration falls within benchmarks. However, we will continue to challenge the company to ensure the remuneration plan remains fit-for-purpose as the company evolves and circumstances change.

On balance, we believe the remuneration plan continues to drive long-term decision-making by the Executive team and so the ASA proposes to support the remuneration report.

Appendix 1
Remuneration framework detail

The table below represents the FY25 framework

CEO rem. framework	Target ($m)	% of Total	Max. Opportunity ($m)	% of Total
Fixed Remuneration	2.015	41%	2.015	37%
STI – Cash*	0	0%	0	0%
STI – Equity*	0.896	18%	1.343	25%
LTI	2.015	41%	2.015	37%
Total	4.93	100%	5.37	100%

**Key Management Personnel (KMP) may elect (at the beginning of the year) to take none, 50 per cent or 100 per cent of their potential STI payment in equity, with the remainder in cash. The equity, if selected, is in the form of rights. In FY25 the MD & CFO elected for 100 per cent of their STI payment to be delivered in equity.*

FY25 Outcome

The CEO actual remuneration was $5.4m. This is higher than the maximum above because of the increased value of the share rights that vested in FY25 due to share price escalation.

In FY25 the MD achieved 39% of maximum opportunity for the Short Term Incentive (STI), in which the board used their discretion to reduce the actual outcome in recognition of the impairment of the coated-steel business in the USA. One hundred percent of the Long Term Incentive Plan (LTI) vested.

Remuneration Framework Positives

- CEO's actual take-home remuneration, as well as the target and maximum opportunity of each component is clearly disclosed.
- The total quantum of the CEO remuneration package is within typical benchmarks.
- The quantum of Board fees are within typical benchmarks.
- At least 50% (59% at target) of CEO's pay is genuinely at risk, with STIs less than fixed remuneration.
- The majority of STIs are based on quantifiable and disclosed performance metrics (50% on financial parameters, Return on Invested capital (ROIC) and free cash flow)
- This year the CEO and CFO have elected to receive 100% of STI in equity.
- Clear disclosure is provided for all KMP performance hurdles and the weightings applied for each incentive.
- No retesting of performance hurdles is allowed.
- LTI (Alignment Rights) hurdles are based on two hurdles: ROIC and leverage ratio

The LTI hurdles and criteria are as follows (both criteria have to be met for any LTI to be awarded):

LTI Performance Criteria	**Contribution % of total LTI award**	**Threshold performance**	**Vesting at threshold performance**	**Target performance for 100% vesting**
Leverage (Debt/EBITDA)	*	<1.3	100%*	<1.3*
ROIC (3-year ave)	*	>10%	100%*	10%*

* both criteria must be met for any vesting to occur and then 100% of award vests. There is no sliding scale.

- All share grants are allocated at face value not fair value.
- Share grants are satisfied by equity purchased on-market.
- No retention payment on any awards are subject only to continuing service.
- No termination payments exceed 12 months fixed pay.
- Board discretion on vesting in a takeover or "change of control" events.
- Overall, the Remuneration report is readable, transparent, and understandable with a logical relationship between rewards and financial performance and corporate governance.

Areas for Improvement

- The all-or-none nature of the LTI award is not aligned with the shareholder experience and makes the 'underlying' ROIC performance measure potentially susceptible to manipulation if it is close to the measure threshold.
- There was an impairment charge of $473M in FY25 related to the coated-steel business in the USA. Once applied, this write-off will reduce the "invested capital" component of the ROIC calculation which will overstate the ROIC performance. Therefore, it is important that the company use "underlying invested capital" which retains the $473M investment in calculating ROIC for the purposes of determining long-term incentive payments in future years.

- The LTI ROIC hurdle is set at 10% which was above the 10-year performance average when it was first introduced. However, the current 10-year average ROIC is much higher, so one could argue the hurdle is not sufficiently challenging.
- LTI (Alignment Rights) hurdles are measured over three years rather than ASA's preferred four years after issue.
- Key Management Personnel (KMP) can elect to receive all of their STI in cash which is contrary to ASA guidelines. Nevertheless, in FY25 at least the MD and CFO chose to receive all of their STI in equity.
- There is no minimum 12 month holding lock on STI share grants. The company justifies this because of "the conservative STI opportunity relative to market peers (67% of fixed vs 100%+ for peers)". This is because when the current plan was implemented in 2018, some of the STI reward was shifted to the LTI (3-year).
- Total Shareholder Return (TSR) is not used as a LTI hurdle. BlueScope believes that in the steel industry the incentive is handled better by their KMP shareholding policy (minimum holding value of 200% of fixed pay for CEO, 100% of fixed pay for other KMP)