AUSTRALIAN SHAREHOLDERS' ASSOCIATION

Record Shipments, Underlying Earnings Up, Statutory Profit Down 15%.

Company/ASX Code	**Fortescue Ltd / FMG**
AGM time and date	10.00am Wednesday 28th October 2026
Location	State Reception Centre, Kings Park, WA
Registry	MUFG Corporate Markets
Type of meeting	Physical meeting with live webcast – viewing only, no live questions or voting https://webcast.
Monitor	Ros Ferguson and Len Roy
Pre-AGM Meeting	2.00pm Thursday 8th October 2026

Monitor Shareholding: 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	
1	Adoption of Remuneration Report	For
2	Re-election of Dr Andrew Forrest AO	For
3	Re-election of Mark Barnaba AM CitWA	For
4	Re-election of Penny Bingham-Hall	For
5	Re-election of Dr Larry Marshall	For
6	Election of Sigrid Kaag	For
7	Participation in the Performance Rights Plan by Mr Dino Otranto	For
8	Participation in the Performance Rights Plan by Mr Agustin Pichot	For

2. Summary of Issues and Voting Intentions for AGM

- Iron Bridge impairment: a US$750 million pre-tax impairment was taken against the Iron Bridge magnetite asset, reflecting a revised ramp-up schedule and a range of production scenarios
- Leadership transition: Executive Director and former CEO Elizabeth Gaines resigned effective 30 June 2026; Sigrid Kaag appointed as new Non-Executive Director on 24 August 2026

- Legal and workplace risk: the Yindjibarndi native title compensation order (A$150.4 million, paid 1 July 2026, now subject to a YNAC and State appeal) and a newly filed workplace class action (sexual harassment and sex discrimination allegations, filed 6 July 2026) both post-date FY26 year-end but carry financial and reputational exposure. The Yindjibarndi legal compensation expense of US$104 million was recognised during FY26.
- Rising cost guidance: FY27 Hematite C1 unit cost guidance of US$20.50–21.75/wmt is materially above the FY26 actual of US$18.74/wmt. The guidance reflects increased costs related to labour and consumables.
- Energy segment losses: despite a 43% narrowing of Energy segment Underlying EBITDA losses, the segment remains loss-making (US$422 million) with further asset write-downs in FY26 (Gladstone and Arizona).

3. Matters Considered

Overview

Fortescue Ltd is an Australian iron ore miner and exporter headquartered in Perth, Western Australia, operating integrated mining, rail and port infrastructure across the Pilbara. Its core Metals business produces Hematite ore and, via the Iron Bridge joint venture, high-grade Magnetite concentrate, shipped predominantly to China. Fortescue also operates an Energy segment (Nabrawind and related green energy, hydrogen and decarbonisation initiatives) pursuing its 2030 Real Zero emissions target, and has recently diversified into copper (Cañariaco, Peru) and iron ore exploration in Gabon.

Financial results

- Revenue increased 9% to US$16,966 million (FY25: US$15,541 million), driven by higher realised iron ore prices and record shipments.
- Underlying EBITDA rose 9% to US$8,635 million (FY25: US$7,941 million); Underlying EBITDA margin held at 51%.
- Statutory NPAT fell 15% to US$2,860 million (FY25: US$3,366 million), due to a US$750 million Iron Bridge impairment and a US$104 million Yindjibarndi legal compensation expense.
- Underlying NPAT rose 3% to US$3,458 million (FY25: US$3,366 million), i.e. earnings excluding those significant items grew.
- Net debt fell 23% to US$857 million (FY25: US$1,111 million); cash on hand rose 17% to US$5,074 million.
- Capital expenditure fell 7% to US$3,640 million (FY25: US$3,930 million).
- Total dividends declared fell to A$1.08/share (FY25: A$1.10/share), consistent with the Company's payout-ratio-linked dividend policy (65% of Underlying NPAT).

Financial performance

(As at FYE)	**2026**	**2025**	**2024**	**2023**	**2022**
NPAT (US$m)	2,860	3,366	5,664	4,796	6,197
UNPAT (US$m)	3,458	3,366	5,664	5,522	6,197
Share price (A$)	19.15	15.28	21.41	22.18	17.53
Dividend (A$ cents)	108	110	197	175	207
Simple TSR (%)	+32.4%	–23.5%	+5.4%	+36.5%	–21.3%
EPS (US$ cents)	93.3	109.7	184.8	156.0	201.4
CEO D. Otranto total remuneration, actual (A$m)	4.92	4.16	3.84m	5.57*	7.92*
CEO G. Pichot total remuneration, actual (A$m)	4.64	3.82	2.08		

Note. The Executive Chairman does not receive a salary or participate in any incentive plans.

*Previous singular CEO

Simple TSR is calculated by dividing (change in share price plus dividend paid during the year, excluding franking) by the share price at the start of the year.

Governance and culture

- Board comprises 12 directors as of 30 June 2026 (10 non-executive, 2 executive), with 50% gender diversity and most directors assessed as independent; Dr Larry Marshall serves as Lead Independent Director. Note, with Ms Gaines' resignation on 30 June 2026, and subsequent appointment of Ms Kaag, the Board comprises 11 non-executive directors and 1 executive director
- Dr Andrew Forrest holds the combined role of Executive Chairman and Founder — a departure from ASX Corporate Governance Council guidance favouring separation of Chair and CEO roles.
- Key Board committees (Audit, Finance and Risk Management; People, Remuneration and Nomination; Safety and Sustainability) are chaired by non-executive directors and are majority independent.
- PwC is the external auditor; rotating audit engagement partners every five years in line with the Corporations Act; the audit partner attends the AGM.
- Board and Committee meeting attendance was generally strong.
- Voluntary employee turnover was 7.2% in FY26, and the engagement index improved five percentage points following two years of below-target results.

Key events

- Impairment: US$750 million pre-tax impairment recognised against the Iron Bridge Cash Generating Unit, reflecting a revised ramp-up schedule and production scenarios.
- Legal/regulatory: Federal Court ordered Fortescue to pay A$150,353,909 in Yindjibarndi native title compensation; paid in full on 1 July 2026; YNAC and the State chose to appeal the Federal Court's determination, and Fortescue chose to cross-appeal to protect its legal position.
- Legal/regulatory: a representative proceeding (class action) alleging workplace sexual harassment and sex discrimination was filed in the Federal Court on 6 July 2026; it is at an early stage, with damages unspecified.
- Acquisitions: Alta Copper acquired, bringing the Cañariaco copper project (Peru) into the portfolio; exploration continued at the Belinga hematite deposit in Gabon.
- Milestones: Fortescue shipped its 2.5 billionth tonne of iron ore since its first shipment in 2008; Iron Bridge magnetite shipments rose 27% to 9.0Mt
- Write-downs: further write-downs at the Gladstone Electrolyser Manufacturing Centre and Arizona Hydrogen Project (both following initial FY25 write-downs).
- Recent iron ore sales were negatively impacted by ongoing negotiations with China Mineral Resources Group (CMRG).

Key board or senior management changes

- Elizabeth Gaines resigned as Executive Director (and Global Ambassador role) effective 30 June 2026, after more than thirteen years with Fortescue in both executive and non-executive positions, including as Group CEO.
- The Directors appointed Sigrid Kaag to the Board on 24 August 2026, and she now stands for election by Shareholders at the FY26 AGM; she brings international affairs, trade, finance and climate-transition experience and sits on the Safety and Sustainability Committee.
- Gus Pichot was appointed Chief Executive Officer, Growth and Energy, effective 1 July 2025, with remuneration benchmarked to align with Dino Otranto's (CEO, Metals and Operations).
- Apple Paget (Group CFO) received an 11% increase in fixed remuneration effective 1 July 2025 to reflect performance and market benchmarking; a further market-driven increase is planned for FY27.
- No increase to fixed remuneration is planned for Dino Otranto or Gus Pichot in FY27, notwithstanding the substantial increase in their LTIP opportunity (150% to 200% of TFR).

Sustainability/ESG

- Scope 1 and 2 emissions within the Real Zero Target boundary rose from 2.60 $MtCO_2$-e (FY25) to 2.72 $MtCO_2$-e (FY26), driven by higher shipments, Iron Bridge gas consumption, and increased material movement; Fortescue says this is consistent with its transition plan and expects emissions to decline from FY28.
- This is Fortescue's first climate statement prepared under AASB S2 — a positive step in disclosure maturity, though it also means like-for-like historical comparability is limited.
- Continued build-out of the Pilbara Green Grid (solar, battery storage, battery-electric haul trucks and locomotives) demonstrates tangible decarbonisation progress. However, the widening gap between rising near-term emissions and the 2030 Real Zero Target places execution risk on the back half of the decade.

ASA focus issues

1: Link Between Executive Pay and Long-Term Performance

- Performance hurdles: ESSIP scorecard is reasonably transparent — Mission Pillars (70%: Metals/Operations, Growth and Energy, Decarbonisation), Enablers (15%: safety, engagement, diversity) and Individual KPIs (15%). LTIP uses Relative TSR (70%) and Key Strategic Measures (30%), both disclosed in the structure, though strategic measures are not always fully quantified publicly. The FY27 LTIP comprises Relative TSR (70%, vesting from the 50th percentile of the ASX 100 Resources Index, full vesting at the 90th percentile) and Strategic Objectives (30%, scored 0–10 against six named strategic measures including AI return-on-investment and Pilbara resource growth).
- Three-year+ alignment: the FY24 LTIP (three-year performance period to 30 June 2026) vested at only 20.5% overall, with the rTSR and ROE components not vesting at all — evidence of genuine downside sensitivity to underperformance, which supports pay-performance alignment.
- Board discretion: the People, Remuneration and Nomination Committee reviews measure design annually and can make recommendations to the Board to apply an individual performance modifier; the Board also holds malus/clawback rights over vested and unvested awards, retains discretion over the LTIP Maximum Value Limit (150% of grant value for the FY27 Transitional LTIP, 200% for the FY27 Ongoing LTIP), and can adjust vesting outcomes for conduct, risk-taking or culture concerns.
- Equity valuation: ESSIP and LTIP awards are valued and vest based on five-day VWAP mechanics disclosed in the Remuneration Report footnote.

- Remuneration is delivered via Performance Rights (equity); from FY27, ESSIP rights will be granted only after performance is assessed, a change that demonstrates tightening the link between pay and outcomes.
- From FY27, the Board is increasing LTIP opportunity (CEOs: 150% to 200% of TFR) and extending the performance period from three to four years, while raising minimum shareholding requirements—changes that further link pay to sustained long-term performance.

2: Disclosure of Individual Directors' Skills, Experience, Tenure and Independence

- Fortescue publishes a Board skills matrix (Leadership, Governance, Capital Projects, Financial Acumen, and further categories) alongside individual director bios, appointment dates, tenure bands (1–6 years / 7+ years), and gender/geographic diversity statistics – no direct mapping of directors to Board skills
- Individual director tables disclose date of initial appointment, period of office, last election and next election dates for each director.
- The report discloses committee membership and meeting attendance by director, supporting accountability.
- While committee chairs and 'Lead Independent Director' status are disclosed, the report does not appear to include an explicit, director-by-director independence determination table (although those directors standing for election have an independence determination).
- Directors' individual skills alignment to strategic priorities (Metals, Growth and Energy, Decarbonisation) is implicit in the matrix categories rather than explicitly mapped director-by-director to each strategic pillar.

3: Hybrid AGM — Real-Time Voting and Questions

- The 2026 AGM will be held in person with a live webcast – viewing only.
- Shareholders unable to attend in person may only vote in advance, by mail or online proxy lodged by 10.00am (AWST) on 26 October 2026 (two days before the Meeting); the Notice of Meeting provides no mechanism for shareholders to virtually vote or submit questions online in real time during the meeting itself.

4: Board Oversight of AI and Cybersecurity

- Cybersecurity oversight sits formally with the Audit, Finance and Risk Management Committee, whose disclosed responsibilities explicitly include 'risk management, internal control framework, insurance and cybersecurity'.
- Fortescue discloses specific technical and governance measures: a move towards a zero-trust security model, enhanced insider threat programs, segregated IT networks, regular cyber threat simulations, and collaboration with government agencies and industry peers on threat monitoring.

- Fortescue has established an AI governance framework aligned with international standards (ISO/IEC 42001, NIST AI RMF, the EU AI Act, and Singapore's Model AI Governance Framework), and states this guides ethical, secure and effective AI deployment.
- The Notice of Meeting confirms AI oversight now extends into remuneration: 'Artificial Intelligence' is a named FY27 LTIP strategic measure, requiring the Company to 'deliver a minimum five-times return on AI investment through measurable AI-enabled business value' — embedding AI value-realisation directly into executive incentives.
- While frameworks and controls are well described, the report does not disclose specific Board or Committee-level metrics, incident statistics, or the frequency/cadence of Board reporting on cyber and AI risk, limiting shareholders' ability to assess the intensity of active oversight.

4. Rationale for Voting Intentions

Resolution 1 Adoption of Remuneration Report - For

- Summary: an advisory (non-binding) resolution asking Shareholders to approve the Remuneration Report for the year ended 30 June 2026, covering the Board's remuneration policy and the arrangements in place for Directors and specified Executives, including the ESSIP and LTIP outcomes discussed in Sections 10 and 15 of this report.
- Governance alignment: consistent with ASX Corporate Governance Council Principle 8 (fair and responsible remuneration) and the Corporations Act 'two-strikes' framework; the Report discloses clear performance hurdles, three-year+ vesting sensitivity (the FY24 LTIP vested at only 20.5%) and Board discretion provisions.
- Value assessment: the FY26 Remuneration Report reflects genuine pay-for-performance outcomes (reduced ESSIP outcomes given the Iron Bridge impairment and Yindjibarndi provision). It foreshadows shareholder-responsive FY27 changes (ESSIP grants deferred until after performance is assessed). It does not, however, increase CEO fixed pay despite inflation since 2021, which is a positive restraint signal.

Voting recommendation: in favour, on the basis that the FY26 remuneration outcomes were reasonably aligned with the Company's actual (mixed) performance and that the Board has shown willingness to adjust the framework in response to shareholder and proxy adviser feedback.

Resolution 2 Re-election of Dr Andrew Forrest AO - For

Dr Andrew Forrest AO — Executive Chairman and Founder

- Bio: Founder of Fortescue (2003), growing it into a major global iron ore producer; also founded Minderoo Foundation and Tattarang. Holds a PhD in Marine Ecology and is an Officer of the Order of Australia. Continuous Board tenure since July 2003.
- Governance alignment: the combined Executive Chairman/Founder role is a recognised departure from ASX Corporate Governance Council Principle 2 (structural separation of Chair and CEO). However, it is common in founder-led companies and is partially mitigated by a Lead Independent Director and a large majority-independent Board.
- Value to Board: brings unmatched institutional knowledge, strategic vision and founder alignment with long-term shareholder value; his continued leadership has coincided with strong operational execution, though it concentrates influence at the top of the Company.

Voting recommendation: in favour; shareholders should weigh Dr Forrest's continued strategic contribution against ongoing governance concerns about role concentration.

Resolution 3 Re-election of Mark Barnaba AM CitWA - For

Mark Barnaba AM CitWA — Deputy Chairman, Non-Executive Director

- Bio: Deputy Chairman and Chair of the Audit, Finance and Risk Management Committee. Extensive board and executive experience including at Macquarie Group, McKinsey, and as a former Reserve Bank of Australia board member. Director since February 2010.
- Governance alignment: with 16 years' tenure, Mr Barnaba exceeds ASA's 12-year threshold and ASA does not consider him independent. ASA's guidelines support such directors only where the Board has an independent Non-Executive Chair, which Fortescue does not have. ASA has nonetheless decided to support his re-election as an exception, given his role as Chair of the Audit, Finance and Risk Management Committee (which also oversees cybersecurity), the value of continuity in that role, and the fact that the Lead Independent Director role is now held by an independent director, Dr Larry Marshall.
- Engagement history: ASA supported Mr Barnaba's re-election in 2023 and, at that AGM, raised that it no longer regarded him as independent because of his tenure. Mr Barnaba acknowledged ASA's position and indicated that the Lead Independent Director role would pass to another director, which occurred in 2024 when Dr Marshall assumed the role. ASA regards this as a constructive response to its concerns.
- Workload: in addition to his Fortescue role (Director since February 2010; Deputy Chairman since November 2017), Mr Barnaba chairs ASX-listed Greatland Resources Limited (since May 2023) and privately owned AirTrunk (since October 2023). Counting each Chair role as two and including the unlisted AirTrunk role, ASA assesses his workload as equivalent to five non-executive roles. This is at, but

not above, ASA's maximum. ASA would be concerned by any further board commitments and will seek his confirmation that he has sufficient capacity to fulfil his Fortescue responsibilities.
- Value to Board: brings deep financial, risk and capital markets expertise directly relevant to Fortescue's balance sheet management, debt issuance and major investment decisions.

Voting recommendation: in favour, as a considered exception to ASA's guidelines on tenure and independence. ASA recognises Mr Barnaba's financial, risk and capital markets expertise, his leadership of the Audit, Finance and Risk Management Committee, and the Board's response to ASA's earlier concerns about the Lead Independent Director role. ASA will continue to monitor Board renewal, including succession planning for the Audit, Finance and Risk Management Committee Chair.

Resolution 4 Re-election of Penny Bingham-Hall - For

Penny Bingham-Hall — Non-Executive Director, Chair of People, Remuneration and Nomination Committee

- Bio: Chair of the People, Remuneration and Nomination Committee; over 30 years' senior executive and non-executive experience across ASX-listed companies including Vocus Group, Dexus Property Group and BlueScope Steel—director since November 2016.
- Governance alignment: as Chair of the Committee responsible for executive remuneration structure and Board nominations, her re-election is directly relevant to shareholders' ability to hold the Board accountable for the FY27 remuneration framework changes described in this report.
- Value to Board: brings deep remuneration governance and workplace safety expertise; her Committee's FY27 changes (raising minimum shareholding requirements, deferring ESSIP grant timing, extending LTIP periods) reflect responsiveness to shareholder and proxy adviser feedback.

Voting recommendation: in favour, based on her committee leadership record and demonstrated responsiveness to shareholder feedback on remuneration design.

Resolution 5 Re-election of Dr Larry Marshall - For

Dr Larry Marshall — Non-Executive Director, Lead Independent Director

- Bio: Lead Independent Director; former CEO of CSIRO; extensive technology, innovation and public company board experience across the US, Australia and China. Director since August 2023.
- Governance alignment: his role as Lead Independent Director is a positive governance feature that partially offsets the combined Executive Chairman/Founder structure, providing an independent escalation point for shareholders and directors.

- Value to Board: brings scientific, technology and innovation expertise relevant to Fortescue's decarbonisation and AI/technology strategy, and formal governance experience from large public and research institutions.

Voting recommendation: in favour, given his independent status, relevant expertise and the importance of the Lead Independent Director role to Board balance.

Resolution 6 Election of Sigrid Kaag - For

- Bio: Board member since 24 August 2026. Former First Deputy Prime Minister and Minister of Finance of the Netherlands (managing a national budget exceeding €300 billion and oversight of 40+ state-owned enterprises); former Dutch Minister for Foreign Affairs and for Foreign Trade and Development Cooperation; senior United Nations leadership roles including in Syria, Lebanon and Gaza; co-chaired the Coalition of Finance Ministers for Climate Action—member of the Safety and Sustainability Committee.
- Governance alignment: the Board has formally determined Ms Kaag is independent, as confirmed in the Notice of Meeting; her election as a newly Board-appointed director at the first AGM following appointment is standard and expected practice under the Company's constitution (rule 4.7(a)) and ASX Listing Rule 14.4.
- Value to Board: brings deep international finance, climate-policy and government relations experience directly relevant to Fortescue's global capital raising, climate transition strategy and international regulatory engagement — though her background is materially different from the mining/engineering skew of the existing Board.

Voting recommendation: in favour, given her strong and directly relevant international finance and climate-policy credentials and confirmed independence.

Resolution 7 & 8 Participation in the Performance Rights Plan by Mr Dino Otranto and Mr Agustin Pichot - For

- Summary: seeks approval for the grant of up to 333,012 performance rights to Dino Otranto (CEO, Metals and Operations) and up to 333,012 performance rights to Agustin (Gus) Pichot (CEO, Growth and Energy) for FY27, split evenly between the FY27 Transitional LTIP (three-year performance period to 30 June 2029) and the FY27 Ongoing LTIP (four-year performance period to 30 June 2030), each set at 150% of TFR and vesting against Relative TSR (70%) and Strategic Objectives (30%). Shareholder approval is sought voluntarily for governance transparency, not because it is legally required.
- Governance alignment: the grant sits within a disclosed, performance-hurdled framework (see Section 10) with a Maximum Value Limit against windfall gains, malus/clawback rights and a rTSR threshold requiring at least median (50th percentile) performance before any vesting — consistent with ASX Corporate Governance Council Principle 8. The transition to a four-year LTIP period and the

increase in overall LTIP opportunity (150% to 200% of TFR from FY27) is a substantial change.

- Value assessment: extending the performance period to four years and retaining the rTSR full-vesting bar to the 90th percentile (more demanding than typical Australian market practice, per the Notice of Meeting) both strengthen long-term alignment.

Voting recommendation: in favour, on the basis that the performance hurdles are genuinely demanding and the Board has demonstrated a willingness to let awards lapse on underperformance (FY24 LTIP vesting at only 20.5%).

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Appendix 1

Remuneration framework detail

Dino Otranto — Chief Executive Officer, Metals and Operations

CEO rem. Framework for FY2026	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	2.08	27.6%	2.08	27.6%
STI - Cash	1.17	15.5%	1.17	15.5%
STI - Equity	1.17	15.5%	1.17	15.5%
LTI	3.12	41.4%	3.12	41.4%
Total	7.54	100%	7.54	100%

Gus Pichot — Chief Executive Officer, Growth and Energy

CEO rem. Framework for FY2026	Target* $m	% of Total	Max. Opportunity $m	% of Total
Fixed Remuneration	2.08	27.6%	2.08	27.6%
STI - Cash	1.17	15.5%	1.17	15.5%
STI - Equity	1.17	15.5%	1.17	15.5%
LTI	3.12	41.4%	3.12	41.4%
Total	7.54	100%	7.54	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan. *Target remuneration is sometimes called budgeted remuneration. It is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. Some remuneration frameworks set a maximum opportunity amount, but not all.