

## LETTER TO RIO TINTO COMPANY SECRETARIES STEVE ALLEN AND TIM PAINE

Thursday, April 28, 2022

Dear Steve and Tim,

As you know, we are currently in the midst of the busy mini AGM season for ASX listed companies like yours with December 31 balance dates (see [full list](#)).

I've asked questions at almost 600 public company AGMs since 1998 and last year participated in a [record 70 meetings](#) thanks to the ease of access delivered by online AGMs. The aim is to crack 100 in 2022 and progress on that score can be seen [here](#).

For the first time in 24 years of asking AGM questions, this approach this year is to write to companies ahead of attending their AGM with some specific requests. Hence this letter which I'm hoping can be forwarded to the powers that be at Rio Tinto for consideration.

Firstly, whilst Rio's DLC structure might complicate matters, could you please still follow the lead of companies like Afterpay, Ausnet, NAB and G8 Education by including the proxies in your pre-AGM ASX announcement on May 5. This would normally include the formal addresses along with any slides that are presented. Here are the links to see how these other companies did this:

[GQG Partners in 2022](#)

[G8 Education in 2022](#)

[Afterpay in 2021](#)

[Ausnet in 2021](#)

[Slater & Gordon in 2021](#)

[NAB in 2021](#)

Such a move won't cruel debate at the AGM because most retail shareholders won't have seen the data on the ASX platform but for those of us interested in asking questions about the reasons behind any protest votes, we will have time to prepare. Disclosing the proxies BEFORE the debate on each item has been Australian Shareholders' Association policy (see [page 2 of practice note](#)) for a number of years, so please do that as well during the meeting.

Secondly, when announcing the results of the poll to the ASX, could you please include the data on how many shareholders voted for and against each resolution.

This is easy to produce for the major share registry companies and no different to what happens with a scheme of arrangement vote. Metcash set the precedent with a voluntary disclosure last year as you can see in [this announcement](#). Dexus [followed suit in 2021](#) and so far in 2022, we've had G8 Education do it in [the pre-AGM proxy announcement](#) but [not the final poll](#), which is not a bad option either given the rush to get a poll result announcement to the ASX.

Retail shareholder voting participation has been falling in recent years because we all feel powerless in the face of big institutional votes. Disclosing voter turnout will both encourage retail participation and also provide a public insight into retail shareholder sentiment. For instance, you can see in [these Metcash figures](#) that 99.6% of votes were in favour of the fee cap increase for the directors but it was only supported by 53.5% of the voting shareholders (462 out of 871).

Thirdly, I note that you have never published a full transcript of AGM debate on your website, although the webcast archive is available. The likes of Crown Resorts, Woolworths, IAG, Nine,

Suncorp, ANZ, Transurban and ASX now all provide full AGM transcripts as you can see from [this growing list](#). Politicians and judges are not told to go back and scroll through old videos to find out what happened, they rely on transcripts such as a the Hansard service. Please publish your first full AGM transcript in 2022, along with an archive of the webcast.

In terms of how the meeting is run, the online platform should be open for voting and questions an hour before the meeting commences. The formal addresses should run for a minimum of 15 minutes and maximum of 40 minutes. There should be no overall limit on individual shareholder questions besides an overall three hour cap on AGM debate. It was very disappointing last year when only [2 of my 11 questions](#) were read out – the lowest strike rate I’ve had at more than 80 virtual or hybrid AGMs since COVID first struck.

If multiple shareholders wish to speak, a shareholder should be limited to 2 questions at a time, particularly in the room and on the telephone. These should be asked concurrently with a 2 minute limit on speakers. However, that shareholder should be able to return multiple times for another 2 questions after waiting in turn. The text box for online questions should be limited to 1000 characters.

When fielding online questions, these should be read out by someone other than the chair or CEO (the likes of CBA and Backmores used journalist Helen Dalley as a professional MC in 2021), such as executives holding positions like company secretary, corporate affairs manager or media manager. Macquarie Group simply found one female and one male staff member with lovely strong clear voices and got them to alternate the questions in 2021.

We’ve seen a sudden burst of chairs reading out the online questions submitted during the meeting this mini-season at the CIMIC, Scentre Group, OZ Minerals and Latitude Financial Group AGMs. It didn’t work at Scentre because the chair failed to read the questions in full as you see on [the webcast](#) starting at 37 minutes. The same thing happened with Latitude chair Mike Tilley despite written promises before the meeting to read the questions in full, which he failed to do.

When it comes to the director elections, best practice is for each candidate to address the meeting before the debate commences, although with the whole board up for election, that might take some time. Perhaps just get those in the room in Melbourne to speak. Individual directors, particularly committee chairs, should also be available to answer specific questions if they are forthcoming.

If the chair wishes to prepare for likely standard questions which could be asked at the AGM, please check out [this useful list](#) on *The Mayne Report* website. I’m very much hoping the board will agree to these disclosure and procedural requests, in which case I will take a positive outlook into the AGM engagement, whilst giving them a big elephant stamp on Twitter and in my [regular column](#) for Alan Kohler’s *Eureka Report*. Rio Tinto might even make it into one of these pre-AGM letters for best practice!

Looking forward to your response to these requests and engaging with the board at the AGM.

Kind regards

**Stephen Mayne**

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