



EGM in attempt to revive failed item at AGM

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| Company/ASX Code | Resolute Resources/RSG |
| EGM date | 21 November 2019 |
| Time and location | 3.00pm at L2, 15-17 William Street Perth |
| Registry | Computershare |
| Webcast | No |
| Poll or show of hands | Poll only for this one item |
| Monitor | Bob Kelliher assisted by Derek Miller |
| Pre EGM Meeting? | No, Not required |

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|-----------------|---|
| Item 1 | Approval to grant 3,000,000 extra Performance Rights to CEO John Welborn |
| ASA Vote | Against |

Summary of ASA Position

This Extraordinary General Meeting has been called in an attempt to pass the resolution to grant 3,000,000 Performance Rights to the CEO. A similar resolution failed at the May AGM with 53% of voted shares directing proxies Against. The resolution was withdrawn by the Chair before voting. ASA had intended to vote against that resolution.

While the proposed resolution has the basics similar to the failed resolution, it has the following improvements:

- There is a Relative Total Shareholder Return “gate”; i.e. must be at or greater than the 33rd percentile of the “peer” group. (not a very testing threshold)
- The peer group has been re-defined as “gold companies of a similar size operating in similar operational jurisdictions (i.e. Mali and Ghana in Africa, Queensland in Australia). This list of peer group companies is yet to be issued.

The basics that remain unacceptable are that 50% is awarded for Absolute Total Shareholder Returns (ATSR). This metric is paid at 33% when the ATSR is 10%, then pro rata to a payment of 100% when ATSR is 20%. These are fairly low thresholds for such a successful gold miner, and the 20% has been exceeded in recent history.

The other 50% is awarded for undefined, yet to be Board-defined Strategic Objectives, apparently based on the company’s Strategic Plan and Life of Mine Plans.

As we stated in our Voting Intentions on the resolution for the May AGM:

“... There is no compelling case for an extra 1,000,000 Performance Rights per year for the CEO,

for each of the next three years, on the basis of a good TSR, which is already rewarded through the current STI and LTI thresholds, and the so far undefined “Strategic Objectives”, which should already be included in the CEO’s role...”

Note that the CEO receives annual LTI performance rights up to a value of 100% of his “fixed remuneration”.

The minor improvements included in the current resolution are insufficient to improve this item to an acceptable standard.

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

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