

Whitehaven Coal Limited

Shareholder resolutions and supporting statements

Resolution 1 – Amendment to the Constitution

To amend the constitution to insert beneath Clause 9 ‘General meetings’ the following new sub-clause: “The company in general meeting may by ordinary resolution express an opinion or request information about the way in which a power of the company partially or exclusively vested in the directors has been or should be exercised. However, such a resolution must relate to a material risk as identified by the company and cannot either advocate action that would violate any law or relate to any personal claim or grievance. Such a resolution is advisory only and does not bind the directors or the company.”

Resolution 2 – Capital Protection

Shareholders request the company disclose, in subsequent annual reporting, information that demonstrates how the company’s capital expenditure and operations pertaining to its coal assets will be managed in a manner consistent with a scenario in which global energy emissions reach net zero by 2050.

This information should include:

- Details of how the company’s capital expenditure will facilitate the efficient managing down of coal operations and assets;
- Production guidance for the lifetime of coal assets;
- Plans and capital expenditure requirements for decommissioning and rehabilitating coal asset sites at the end of their lifetimes;
- Plans for how employees of the company will be informed of coal asset closures, and employee transition plans, including any compensation for job losses, training and support in seeking future employment; and
- Details of how the company’s remaining capital will be redeployed, or returned to investors.

Supporting Statement 1

Shareholder resolutions are a healthy part of corporate democracy in many jurisdictions. For example, in the UK shareholders can consider resolutions seeking to explicitly direct the conduct of the board. In the US, New Zealand and Canada shareholders can consider resolutions seeking to advise their board as to how it should act. Typically, unless the board permits it, Australian shareholders cannot follow the example of their UK, US, New Zealand or Canadian counterparts in this respect.

A board of Directors is a steward for shareholders and accountability for the discharge of that stewardship is essential to long-term corporate prosperity.

In some situations the appropriate course of action for shareholders dissatisfied with the conduct of board members is to seek to remove them. But in many situations such a personality-focused approach is unproductive and unwarranted. In those situations a better course of action is to formally and publicly allow shareholders the opportunity at shareholder meetings such as the AGM to alert board members that the shareholders seek more information or favour a particular approach to corporate policy.

The Constitution of WHC is not conducive to the right of shareholders to place resolutions on the agenda of a shareholder meeting.

In our view, this is contrary to the long-term interests of WHC, the WHC board and all WHC shareholders.

Passage of this resolution – to amend the WHC constitution – will simply put WHC in a similar position in regard to shareholder resolutions as any listed company in the UK, US, Canada or New Zealand.

We encourage shareholders to vote in favour of this resolution.

Supporting statement 2

Recognising the unacceptable financial risks posed by global warming, investors with more than US\$43 trillion in assets under management have committed to the goal of net zero greenhouse gas emissions by 2050 or sooner.¹

The rapid transition required to meet this goal presents existential financial risks for our company. The International Energy Agency's (IEA) seminal Net Zero by 2050 (NZE2050) scenario highlights these risks, projecting steeply declining coal demand over the next three decades.²

The likelihood of these risks materialising is rapidly increasing, with countries representing over 50% of the global economy, including the majority of WHC's current markets, having already committed to net zero emissions by 2050.³

This resolution is in the best interests of shareholders and the company, as it requests WHC to explain how its capital expenditure and operations will be managed in a way that minimises stranded asset risk as the world moves to meet its climate commitments.

¹ <https://www.netzeroassetmanagers.org/>

² <https://www.iea.org/reports/net-zero-by-2050>

³ <https://unfccc.int/climate-action/race-to-zero-campaign>