

2023 Annual General Meeting – Shareholder Written Questions

Shareholder Question	Alumina Limited Response
Dividend	
Why was there no final dividend paid?	<p>The key reason is that there was insufficient cash flow from the JV in the second half of 2023.</p> <ul style="list-style-type: none"> • The Alumina Price Index (API) decreased relative to the first half. • Operations experienced higher costs due to the market prices of the input materials such as caustic
What is the likelihood that future Alumina Limited dividends will be fully franked?	<p>As at 31 Dec 2022, Alumina Limited had A\$474.2m (2021: A\$377.7m) franking credits available for subsequent financial years based on a tax rate of 30%.</p> <p>If franking credits are available, it is likely that they will continue to be utilised for Alumina Limited dividends. Alcoa of Australia generate significant franking credits underpinning Alumina Limited's ability to pay franked dividends.</p>
Does Alumina Limited plan to reinstate the Dividend Reinvestment Plan (DRP)?	<p>Alumina Limited has a suspended DRP that was last activated in Sep 2020.</p> <ul style="list-style-type: none"> • The Directors review whether it is appropriate to activate the DRP • Decisions to activate the DRP will be communicated to the market via the ASX
Were the borrowings increased by US\$45m to pay any dividends?	<p>The borrowings increased US\$45.0m to US\$110.0m as at 31 Dec 2022 (31 Dec 2021: US\$65.0m).</p> <p>Net debt levels fluctuate depending on the timing of receipt of dividends from the AWAC JV, and the payment of dividends to Alumina Limited Shareholders.</p> <p>Increase in the Alumina Limited's debt position was mainly attributed to the insufficient cash flow from JV in the second half of the year.</p>
Remuneration	
Why does the Chief Executive Officer need a long-term incentive?	<p>The Long-Term Incentive (LTI) is designed to align performance focus with the long-term business strategy and shareholders experience.</p> <p>In 2022, there was zero per cent vesting of the potential award.</p> <p>This outcome reflects the shareholder experience during the testing period and illustrates the LTI functioning as intended</p>
Board of directors	
Currently shareholders have little opportunity to guide board appointments. Why are there not a minimum of more than one candidate for open positions?	<p>In-line with the ASX Corporate Governance Principles, Alumina Limited has a Nomination Committee chaired by an independent director.</p> <p>The Nomination Committee is responsible for the Board's succession planning and, as necessary, nomination of candidates to fill any vacancy on the Board.</p> <p>Separately, in accordance with the Constitution of Alumina Limited, shareholders have the option to nominate to be elected as a director of Alumina Limited, otherwise only a retiring or a director vacating office, unless recommended by the Directors for election, is eligible to be elected at a General Meeting.</p>
Why are directors paid so much when Alumina Limited does not have control of the AWAC JV?	<p>Alumina Limited is required to meet its fiduciary obligations to shareholders in respect of its investment in the AWAC JV, and also to meet the expectations of an ASX listed entity. This requires attracting and retaining directors with appropriate experience, expertise and skills.</p> <p>In its role as steward for Alumina Limited's interest in AWAC, it requires sufficient expertise that enables it to have a view on:</p> <ul style="list-style-type: none"> • The bauxite, alumina and aluminium markets allow detailed and substantive discussion with Alcoa and our shareholders on portfolio management, investment opportunities, sustainability and disruptive threats. • Critical inputs to the manufacturing process, such as energy, and to encourage strategic analysis to the risks and opportunities • Future industry challenges

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<p>Why do so many directors have LLB qualifications? There doesn't seem to be anyone on the AWC board with scientific qualifications. Does this make the AWC board entirely dependent on Alcoa on technical matters? Can't you find a chemical engineer to help with your deliberations?</p>	<p>There are multiple academic qualifications among Board members and all have experience as CEOs, CFOs or Executive Management roles. The directors have very broad and relevant commercial and management experience and skills</p> <p>For technical matters, Alumina Limited engages with appropriately qualified and experienced engineers who are experts in their respective fields.</p>
Alumina Limited Performance	
<p>Is the company in fiscal difficulties?</p>	<p>Alumina Limited is not in fiscal difficulties. The AWAC JV will go through periods of time where it does not make net distributions to its shareholders. Alumina Limited has prudent policies in relation to the level of borrowing facilities that it is to have in place. Please refer to the Alumina Limited 2022 Annual Report</p>
<p>How is management reducing its costs?</p>	<p>Management regularly reviews its costs. As noted in the “Consolidated Statement of Profit or Loss”, general and administrative expenses decreased 6% to US\$12.5m for the year ended 31 Dec 2022.</p> <p>Alumina Limited has always maintained a modest employee head count, but it is still required to meet its fiduciary obligations to shareholders in respect of its investment in the AWAC JV, and also exceed the expectations of an ASX listed entity.</p>
<p>What has the Alumina Limited share price been relatively low in the past few years? Is there any projected increased in the share value?</p>	<ul style="list-style-type: none"> It is difficult to explain movements in share prices. We cannot predict the stock market nor provide any investment forecast. Alumina Limited's share price can move in response to changes in general economic sentiment, facility production levels, commodity prices, costs of production, and foreign exchange. This is not an exhaustive list.
AWAC	
<p>The Portland smelter seems to have had quite a good year. Is that a result of the deal AWC has with the Victorian government concerning the price of electricity? Does Portland's alumina come from the AWAC's WA operations?</p>	<p>The performance of a smelter usually depends on the aluminium price (generally the LME cash aluminium, plus any regional premium), and input costs such as energy contracts and alumina prices. AWAC's aluminium realised price in 2022 was \$2,884/t, compared with \$2,557/t in 2021.</p> <p>Portland's alumina comes from the WA operations.</p>
<p>To what extent is Portland's aluminium exported?</p>	<p>The majority of Portland's aluminium is exported.</p>
<p>Is the use of aluminium fluoride at Portland a significant cost factor?</p>	<p>This is not a significant cost factor.</p>
<p>How is the joint research with Rio Tinto going on finding a replacement for carbon anodes in aluminium smelters?</p>	<p>Alumina Limited is not part of the Elysis Joint Venture.</p>
<p>What steps were taken to improve the viability of the Portland operation (e.g. Increased local electricity supply and safeguarding of local employment)</p>	<p>Portland's energy contracts are commercial and confidential in nature. However, the energy projects have helped improve the viability of the smelter. Portland's financial performance is mainly linked to the LME cash aluminium price.</p>

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Sustainability	
<p>What specific tangible outcomes can you demonstrate to shareholders that lead to continuous improvement in on-site, regional and national environmental sustainability and climate targets?</p> <p>What makes the company at the fore front, if not a leader in this regard?</p>	<p><u>Climate Change</u></p> <p>As at 31 Dec 2022, AWAC has reduced its greenhouse emissions by 47% since 2010 (AWAC equity basis). This exceeds the IPCC's targeted 45% reduction by 2030 from a 2010 baseline.</p> <p>All of AWAC's alumina refineries are in the first quartile for emissions intensity, with an average emissions intensity of 0.51 tonnes of CO₂e per tonne of alumina produced. This is compared to the global average of 1.26 tonnes of CO₂e per tonne of alumina produced (excluding AWAC).</p> <p>Both Alcoa and Alumina Limited have net zero by 2050 ambitions. The strategy that will be deployed to meet this ambition is to primarily undertake R&D into Mechanical Vapour Recompression (MVR) and Electric Calcination. It is anticipated that there will be an MVR pilot at the Wagerup Refinery in 2024. MVR will also have the added advantage of reducing refinery fresh water consumption.</p> <p><u>Rehabilitation</u></p> <p>AofA understands that it is a privilege to mine in areas such as the Darling Range. AofA observe strict policies such as not mining old growth forests.</p> <p>Alcoa has a target of achieving 100% plant species richness in respect of biodiversity, and have achieved in excess of 90% plant species richness over the last 20 years. This exceeds required criteria of 60% plant species richness. In order to achieve this, AofA pioneered techniques for the recalcitrant plant seedlings.</p> <p>AofA was the first mining company to receive recognition from the United Nations for rehabilitation excellence.</p>
<p>Is the Board worried about decarbonisation that leads to industrialisation?</p>	<p>Alumina Limited is concerned that measures such as carbon taxes could make industrial facilities uncompetitive, resulting in closures and carbon leakage to jurisdictions that are not concerned about decarbonisation. On the other hand, AWAC has the potential to benefit from decarbonisation trends which are expected to increase demand for aluminium through its role in the transition to a low-carbon economy. In addition, AWAC operates refineries in the first quartile of emissions intensity.</p>
General	
<p>Can you please provide a link to the remuneration report and other relevant documents on the Proxy Form?</p>	<p>We will consider this moving forward. Alumina Limited has a comprehensive website that contains all relevant documents. If you are having difficulties in obtaining documents, please contact the Company.</p>
<p>What is the company's view and opinion on the Voice to Parliament of Aboriginal Australians?</p>	<p>The Voice is an important debate. However, as a Company, we have not formed an opinion on the Voice.</p>
<p>In respect of EBITDA sensitivities, why don't you provide the percentage change in EBITDA for a 1% change in an input variable?</p>	<p>Alumina Limited provides production guidance for AAWAC, which is reviewed regularly. It is difficult to provide precise EBITDA guidance given the volatile nature of commodities.</p>
<p>I'm concerned that AWC is making decisions about reducing CO₂ emissions that aren't economically acceptable. Could you publish the argument for using mechanical vapour recompression + electricity</p>	<p>Large capital expenditure projects need to be proven commercial before they are deployed. This will be done with consideration of any Australian Carbon Credit Units (ACCU) that would need to be purchased by AWAC.</p> <p>In respect of MVR and EC, these projects are currently being assessed through rigorous R&D and pilot plants to ensure that they can be applied to alumina refineries and will produce adequate returns. The key advantage of MVR is that it is more energy efficient than conventional digestion technology.</p>

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versus gas + any charges flowing from the safeguard mechanism?	
Sodium hydroxide is an input to your alumina production. To what extent do the emissions generated in the manufacture of NaOH impact your scope 2 emissions?	Sodium hydroxide (Caustic soda) does not impact scope 2 emissions, rather it forms part of AWAC's upstream scope 3 emissions.
What is AWC doing about the supposed threats to Perth's water supply from its alumina operations?	AWAC have never negatively impaired the supply of drinking water in WA. We have however made commitment to increase separation from waterways and increased monitoring and surveying. Extensive information was provided on the status of the permit application process in WA in Alumina Limited's 2022 Annual Results (21 February 2023) and at the time of Alcoa's First Quarter 2023 Results (20 April 2023). AWC is in regular contact with Alcoa on this issue.
Is there a chance that AWC will be exempt from the safeguard mechanism because its operation are mostly export oriented and thus dependant on world prices?	The majority of AWAC's Australian facilities will be captured under the Safeguard Rules. They will not be exempt by virtue of their export orientation, but there may be some relief under the Emissions Intensity Trade Exposed (EITE)
Cyber security	
How strong is Alumina Limited's cyber security?	Appropriate controls are in place aligned with the cyber security frameworks, including digital information management and backup, training, technical support and monitoring of remote working practices.
Strategy	
What steps (if any) have been taken to diversify the company?	The strategy of the company is considered at least annually. We regularly discuss the strategy with investors, and the overwhelming feedback is that Alumina Limited should focus on the aluminium value chain and its adjacencies, and allow investors to diversify within their own portfolios.

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