

24 February 2025

By Email

The Board of Directors (the “Board”)

Rio Tinto plc (“**PLC**”)
6 St James’s Square
London SW1Y 4AD
United Kingdom

Rio Tinto Limited (“**LTD**”) (together with PLC, “**Rio Tinto**”)
Level 43
120 Collins Street
Melbourne VIC 3000
Australia

Dear Members of the Board,

We draw your attention to our materials publicly available at www.UnifyRio.com

We write on behalf of Palliser Capital (UK) Limited and its affiliates (together, “**Palliser**”, “**we**”, “**us**” or “**our**”).

We have co-filed a resolution for the 2025 AGM asking for an independent, comprehensive and fully transparent review of whether Rio Tinto’s dual listed companies (“**DLC**”) structure should be unified into a single Australian-domiciled holding company (the “**Resolution**”). In light of the irrefutable rationale for unification consistently cited by almost every other DLC in the world, the Resolution is necessary in order to ensure a proper examination of Rio Tinto’s anomalous and illogical decision to retain the status quo.

We remain deeply disappointed that **the Board has outright rejected a review process which is entirely in line with best practices for a matter of such critical importance**. You have insisted it is not in the interests of shareholders to share your analysis or subject it to independent scrutiny – even though the **good corporate governance principles of transparency, accountability and fairness dictate otherwise**.

Worse still, you have deliberately omitted our Resolution from the LTD AGM. That step has deprived LTD shareholders of their right to vote, alongside PLC shareholders, on a topic that is of equal consequence to them.

This has shown the investor community that you will not allow a fair and fully inclusive shareholder referendum on the simple question of whether your decision to retain your archaic structure needs full and proper interrogation.

It has demonstrated a complete disregard for the core guiding principle of your DLC structure that **PLC and LTD shareholders must vote together on issues as if they held shares in the same company** – proving the urgency of a proper investigation into its structural deficiencies.

How can you tell shareholders the archaic structure benefits them all, when 23% of those shareholders cannot even vote in the debate?

Our engagement to date

While you have taken every opportunity to avoid our request, we have remained committed to setting out the irrefutable “value-case” for unification to you and asking for a fair process to resolve our diverging views.

We met with you several times during 2024, but you showed little interest in what we had to say. While you gave the market a few unsubstantiated sweeping statements to support your decision to retain the status quo, we shared comprehensive materials setting out the extensive empirical global evidence in favour of unification. We hoped that this would encourage you to share your work on the topic, so that there could be a robust and rigorous exchange of perspectives to ensure the integrity of any final determination on the issues between us.

You ignored us.

We co-filed our Resolution to broaden the debate so that other shareholders, who expressed overwhelming support for and agreement with our research, could share their views with you too. However, you remained adamant that your closed-door approach to the topic of unification is the right one, despite our continued efforts to ensure you do better for the benefit of all stakeholders involved.

Denying a fair and democratic shareholder vote on the topic

Your latest action to shut down the unification debate in the LTD line – by failing to table our resolution at its AGM – evidently reduces the airtime and range of perspectives shared on this critical topic.

To be clear, **the entire foundation of your DLC structure rests upon ensuring PLC and LTD shareholders are in substantially the same position as if they held shares in a single entity**,¹ including in terms of their voting entitlements.

The years of voting history, where PLC resolutions relating to the combined entity have consistently been voted on as a “**joint electorate**”,² demonstrate Rio Tinto’s steadfast commitment to the DLC’s underlying objective.

Yet, on this occasion, you – the Board – have taken it upon yourselves to deny LTD shareholders the opportunity to vote on a matter of joint interest. By doing so, you have placed decision-making on such a critical topic in the hands of **PLC shareholders only – blocking LTD shareholders** from contributing at the AGM forum on a matter that is of **equal importance to them**.

We see no valid reason for your failure to adhere to the mechanisms of the DLC structure you tout as being so effective. Rio Tinto has already shown the right course of action is to table at LTD’s shareholder meeting, resolutions requisitioned by shareholders of PLC – as it previously did with the “Aiming for A” coalition’s climate change resolution requisitioned in 2016. Rio Tinto set out its unambiguous position on the obligations to file an identical resolution at the LTD AGM at that time:

“UK law requires that in order to requisition a resolution at a Rio Tinto plc annual general meeting, 100 shareholders holding, in aggregate, 100,000 ordinary shares in Rio Tinto plc must co-file the requisitioned resolution and submit valid filings not later than six weeks prior to the annual general meeting. If co-filers meet the threshold (and they have), the board is legally bound to include the resolution on the agenda at the Rio Tinto plc annual general meeting in 2016.”

¹ See Rio Tinto website: “Rio Tinto operates under a dual listed companies (DLC) structure. This structure is designed to place the shareholders of Rio Tinto plc and Rio Tinto Limited in substantially the same position as if they held shares in a single entity owning all of the assets of both companies.”

² The handful of resolutions that have been reserved for the vote of PLC shareholders only are UK company related formalities such as authorities to allot or repurchase shares and the disapplication of shareholder pre-emption rights.

*The Chairman and management met with representatives of the coalition in December 2015 and support the intention behind the resolution. As Rio Tinto operates as a dual listed company the board is proposing an identical resolution to the annual general meeting of Rio Tinto Limited.*³

It cannot be that the Board can change the rules, with such inequitable consequences for LTD shareholders, to suit its purpose. The Board cannot inform the market that LTD shareholders are better off under the status quo – to quote your CEO “*Limited shareholders are bound to get a big negative impact by such a unification*”,⁴ while at the same time **disenfranchising** them from a vote that would confirm their views on the matter.

The Board’s resistance to a due and proper investigation of its conclusions

We know that Rio Tinto appreciates the necessity of holding itself to account on certain matters of public interest through independent expert scrutiny, having commissioned an external expert review of its workplace culture and the environmental impacts of its legacy assets.

But we do not understand why you are resisting these very same principles in the unification debate. With Rio Tinto facing regulatory and investor actions for improper disclosure of issues to shareholders in recent years, we would expect equitable treatment of shareholders to be high on your agenda. However, your exclusion of LTD shareholders from the vote on our Resolution indicates otherwise.

We urge the Board to follow due process and allow ALL shareholders to share their views, through our Resolution, on whether they value the structural hierarchy of PLC as much as you do.

While your CEO claims “*London kind of works for us*”,⁵ let your LTD shareholders also decide whether the UK headquarters should be protected when the group’s core assets are >10,000 km away⁶. Let them have a say on whether it is effective for your London-based C-suite to travel c.24 hours to manage the chronic safety concerns in the Australian mining sites;⁷ or contend with the 11-hour time difference when dealing with the systemic bullying, sexual harassment and racism prevalent in the Australian business (perhaps contributing to your CEO’s admission “*I hadn’t realized how much bullying exists in the company*”⁸).

We note you are now considering issuing shares in the LTD line to “*relieve tensions within*” the DLC structure.⁹ While you at least now accept that your archaic structure is at tipping point – would it not be reasonable to allow your LTD shareholders a voice on whether the right solution is to unify or be diluted through a share issuance at a sub-optimal price? The business does not need the capital from an equity raise: while you note it would be “*excellent if it [the share issuance] had matched the closing of Arcadium*”, you already dismissed the need for equity consideration to fund that deal (“*I must say we didn’t discuss that much because it just adds a layer of complexity*”¹⁰).

It is simply unacceptable to deprive LTD shareholders of the chance to indicate, through our Resolution, whether they prefer your latest suggestion or the more sustainable solution of unification. With unification providing the opportunity to unlock significant value for all shareholders and open up numerous capital allocation opportunities that remain constrained under the status quo – **we are confident about which solution they would choose.**

³ PLC 2016 AGM notice.

⁴ Rio Tinto UK analyst Q&A Conference Call, 31 July 2024.

⁵ Reuters “Rio Tinto opposes bid to cut London listing, 2024 profit hits five-year low” dated 20 February 2025.

⁶ On a value weighted average basis.

⁷ Q4 2023 operational highlights: “*But we maintain a state of chronic unease as safety incidents continued to occur at our sites, including two Permanent Disabling Injuries in 2023. We are applying learnings from these to enhance processes across our operations.*”

⁸ Reuters, “Report on Rio Tinto finds ‘disturbing’ culture of sexual harassment, racism, bullying” dated 1 February 2022: “*“The eye opener for me was two-fold,” Stausholm told Reuters. “I hadn’t realized how much bullying exists in the company and secondly that it’s quite systemic - the three issues of bullying, sexual harassment and racism ... that’s extremely disturbing.”*”

⁹ Australian Financial Review “Rio Tinto considers share sale to counter London drift” dated 24 February 2025.

¹⁰ Source: Management Arcadium deal presentation to investors, 9 October 2024. Response to a question by Glyn Lawcock.



It is incumbent upon the Board to table an identical resolution to ours at the LTD AGM as a matter of urgency. It is only then that the views of all shareholders will be heard and counted in a decision that affects each and every member of the combined group.

We remain available to discuss further.

Yours faithfully

A handwritten signature in black ink that reads "James Smith". The signature is written in a cursive, flowing style.

For and on behalf of
Palliser Capital (UK) Limited

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