



**ERA**

# ERA 2018 Notice of Annual General Meeting

Energy Resources of Australia Ltd  
ABN 71 008 550 865

Dear Shareholder,

You are invited to attend this year's Annual General Meeting to be held in the Grand Ballroom at the SkyCity Hotel Casino, Gilruth Avenue, Darwin, Northern Territory on Wednesday, 11 April 2018, commencing at 9.30am (ACST). Refreshments will be served after the meeting. The items of business for the meeting are set out on the accompanying Notice of Meeting. The Management of ERA would like to offer the opportunity for shareholders to tour the Ranger mine on Thursday, 12 April 2018. Bus transport will be provided between Darwin and Ranger. Full details are available on the separate attendance form. Your continuing interest in ERA is appreciated.

Yours sincerely

**Paul Arnold**  
Chief Executive and Managing Director

6 March 2018

## Items of business

Notice is hereby given that the Annual General Meeting of Energy Resources of Australia Ltd (**ERA** or the **Company**) will be held at the Grand Ballroom at the SkyCity Hotel Casino, Gilruth Avenue, Darwin, Northern Territory of Australia, on Wednesday, 11 April 2018, commencing at 9.30am (ACST).

- 1. Chairman and Chief Executive review**
- 2. Discussion of financial statements and reports** To receive and consider the Financial Report, Directors' Report, Directors' Declaration and Auditor's Report for the year ended 31 December 2017 as set out in the Annual Report.
- 3. Adoption of the Remuneration Report** To adopt the Remuneration Report for the year ended 31 December 2017 as set out in the Annual Report.
- 4. Approval of potential termination benefits payable under the Rio Tinto 2018 Equity Incentive Plan (RT 2018 EIP)** To approve for all purposes (including for the purposes of sections 200B and 200E of the *Corporations Act 2001* (Cth)) the giving of benefits under the RT 2018 EIP to persons (**Relevant Executives**) who, from time to time, are key management personnel (**KMP**) of the Company or who, from time to time, hold a managerial or executive office in the Company or a related body corporate, in connection with the person ceasing to hold an office, or position of employment, in the Company or a related body corporate.
- 5. Election of Directors** To elect the following Directors, each of which will be proposed as a separate resolution:
  - Ms Sinead Kaufman who, having been appointed by the Board since the last Annual General Meeting, retires in accordance with Rule 3.4 of the Company's Constitution and, being eligible, offers herself for election.
  - Mr Paul Dowd who, having been elected by shareholders on 4 May 2016, retires and being eligible, offers himself for re-election.

## Voting and proxies

Members who are recorded on the Company's register of members at 7.00pm (AEST) on Monday, 9 April 2018 are entitled to vote at the Annual General Meeting. A member may appoint a proxy to attend and vote for the member. A proxy need not be a member of the Company. The appointment may specify the proportion or number of votes the proxy may exercise. If the member is entitled to cast two or more votes, the member may appoint up to two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of those votes.

Proxy forms should be completed, signed and returned to the following address:

**Computershare Investor Services  
Pty Limited  
GPO Box 242  
Melbourne Victoria 3001  
Australia**

Proxy forms may also be sent by fax to facsimile number:

**(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555**

Alternatively a member may submit a proxy vote electronically, and details of the online proxy voting facility can be found on the proxy form. For Intermediary Online subscribers (Custodians) only, proxy forms may be submitted via [www.intermediaryonline.com.au](http://www.intermediaryonline.com.au).

Members may also appoint an attorney to act on their behalf at the Annual General Meeting. If the appointor is an individual, the power of attorney must be signed in the presence of at least one witness.

For an appointment of a proxy or attorney to be effective for the meeting, the completed proxy form (and any proxy appointment authority or a certified copy) or the powers of attorney (or a certified copy) must be received no later than 48 hours before the scheduled commencement of the meeting, being 9.30am (ACST) on Monday, 9 April 2018. A member that is a body corporate may appoint an individual to act as its representative at the Annual General Meeting as permitted by the *Corporations Act 2001* (Cth) (**Corporations Act**). The appropriate "Appointment of Corporate Representative" (the form of which may be obtained from the Company's share registry or at [www.computershare.com](http://www.computershare.com)) should be produced, including any authority under which it is signed, prior to admission to the meeting, unless it has previously been given to the Company.

If you appoint the Chairman of the meeting as your proxy (or the Chairman becomes your proxy by default), then by completing and submitting the proxy form accompanying this Notice of Meeting you are expressly authorising the Chairman to exercise the proxy on Items 3 and 4 even though Items 3 and 4 are connected with the remuneration of the KMP.

If you appoint a Director (other than the Chairman of the meeting) or another member of the KMP (or a closely related party of a member of the KMP) as your proxy, you should direct that person how to vote on Items 3 and 4. If you do not do so, that person will not be able to cast your votes as your proxy and any votes cast by them as your proxy on Item 3 and 4 would be disregarded.

The Chairman intends to vote undirected proxies (where permissible) in favour of each resolution proposed in this Notice of Meeting. If you do not wish the Chairman of the meeting to vote as your proxy in accordance with this intention, you should complete the voting directions in the proxy form.

## Voting exclusion statements

### ITEM 3

The Company will disregard any votes cast on Item 3:

- by or on behalf of a person who is a member of KMP named in the Remuneration Report for the year ended 31 December 2017 or their closely related parties (in any capacity); or
- as proxy by a person who is a member of KMP on the date of the meeting and their closely related parties.

However, votes will not be disregarded if they are cast as proxy for a person entitled to vote:

- in accordance with the directions on the proxy form; or
- by the Chairman of the meeting, in accordance with an express authorisation in the proxy form to exercise the proxy even though Item 3 is connected directly or indirectly with the remuneration of the KMP.

### ITEM 4

Any Relevant Executive (past, current or potential), or any associate, who wishes to preserve the benefit of Item 4 for the Relevant Executive must not vote on the resolution. However, they may cast a vote if the vote is cast as a proxy validly appointed by writing that specifies how the proxy is to vote on the resolution and it is not cast on behalf of a Relevant Executive or an associate.

Further, under the Corporations Act, Directors and other members of the KMP and their closely related parties must not vote as a proxy on Item 4 (and any votes so cast will be disregarded), unless the vote is cast as proxy for a person entitled to vote in accordance with a direction on the proxy form. However, this voting exclusion will not apply to the Chairman of the meeting acting as proxy if the proxy appointment expressly authorises the Chairman to exercise the proxy even though Item 4 is connected directly or indirectly with the remuneration of a member of KMP.

**Important notes:**

If any member is:

- an employee, Director, potential employee or potential Director of the Company or a related body corporate and wishes to preserve the benefit of the resolution for themselves; or
- an associate of such a person and wishes to preserve the benefit of the resolution for that person,

then they should not vote on the resolution or the benefit of it will be lost for the relevant person as an effect of the Corporations Act.

## Explanatory notes

Further details in respect of the resolutions to be put to the meeting are set out in the accompanying explanatory notes. The explanatory notes (including Appendix 1) form part of this Notice of Meeting and should be read in conjunction with the resolutions contained in this Notice of Meeting.

**By Order of the Board**



**J O'Connell**  
Company Secretary

6 March 2018

## Explanatory notes

### **ITEM 2 – DISCUSSION OF FINANCIAL STATEMENTS AND REPORTS**

The financial statements for the year ended 31 December 2017 are set out in the Company's 2017 Annual Report. A copy of the 2017 Annual Report, including the Financial Report and the Reports of the Directors and the Auditor for the year ended 31 December 2017, is available at [www.energyres.com.au](http://www.energyres.com.au).

### **ITEM 3 – ADOPTION OF THE REMUNERATION REPORT**

The Remuneration Report is set out in the Directors' Report contained in the Annual Report.

There will be an opportunity for shareholders at the meeting to comment on and ask questions about the Company's Remuneration Report for 2017. The vote on the Remuneration Report is advisory only and will not bind the Directors or the Company.

A voting exclusion applies to Item 3 as set out in the Notice of Meeting under the heading 'Voting exclusion statements'.

### **The Directors recommend that shareholders vote in favour of Item 3.**

### **ITEM 4 – APPROVAL OF POTENTIAL TERMINATION BENEFITS PAYABLE UNDER THE RT 2018 EIP**

If Rio Tinto shareholders approve the adoption of the RT 2018 EIP, benefits may be given under the RT 2018 EIP to people who hold managerial or executive offices in ERA or its related bodies corporate which include Rio Tinto (together the **Group**) in connection with them ceasing to hold office or their position of employment (**termination benefits**). The law in Australia restricts the termination benefits which can be given to such persons, unless shareholder approval is obtained.

As further described in Appendix 1, approval is sought to give certain termination benefits under the RT 2018 EIP to current and future directors, senior executives and other personnel in ERA and the Group who hold or have held managerial or executive office in a manner that is consistent with our Remuneration Policy and practices.

If the resolution is passed, it will be effective for termination benefits given in the next two years, that is, until the conclusion of the Company's Annual General Meeting in 2020.

A similar resolution was put to, and approved by, shareholders of the Company at the 2017 Annual General Meeting (the **2017 Resolution**) for the termination benefits described in the 2017 Notice of Annual General Meeting and paid or granted to a person who ceases to hold a relevant office or position of employment before the conclusion of ERA's Annual General Meeting in 2020. The proposed introduction by Rio Tinto of the RT 2018 EIP necessitates the resolution that is to be put to ERA shareholders at the 2018 meeting, so that termination benefits which may be provided under the RT 2018 EIP are similarly approved. The 2017 Resolution will also continue to be effective with respect to the benefits approved by that resolution, whether or not the resolution proposed in Item 4 is passed. That is, the resolution in this Item 4 will operate alongside of, and does not affect the operation of, the 2017 Resolution.

A voting exclusion applies to Item 4 as set out in the Notice of Meeting under the heading 'Voting exclusion statements'.

### **The Directors recommend that shareholders vote in favour of Item 4.**

## ITEM 5 – ELECTION OF DIRECTORS

### (i) Ms Sinead Kaufman (MSC Mineral Exploration, BSc (Hons) Geology)

Ms Kaufman was appointed as a Director in November 2017.

The Constitution of the Company (Rule 3.4) requires that any Director appointed since the last Annual General Meeting automatically retires at the next Annual General Meeting and is eligible for election. Accordingly, Ms Kaufman will resign and seek election at the Annual General Meeting.

The Board does not consider Ms Kaufman to be an independent Director, given her position as an executive of the Company's major shareholder, Rio Tinto.

Ms Kaufman has worked for Rio Tinto for 20 years and is currently the Managing Director, Coal, Salt & Uranium in the Energy & Minerals product group, with accountability for the operational and commercial aspects of Rio Tinto's coal operations, Dampier Salt Limited and Rio Tinto's investments in ERA and Rossing Uranium. Ms Kaufman has previously led various Rio Tinto Iron Ore mines in the Pilbara as General Manager, Operations, including West Angelas and Robe Valley, Tom Price and Marandoo and Paraburdoo Operations.

**The Directors (other than Ms Kaufman, who makes no recommendation) recommend that shareholders vote in favour of the election of Ms Kaufman as a Director of the Company.**

### (ii) Mr Paul Dowd (BSc (Eng), FAusIMM, MAICD)

Mr Dowd was first appointed as a Director of the Company in October 2015 and was most recently elected as a Director at the 2016 Annual General Meeting. He serves as Chair of the Health, Safety and Environment Committee and is a member of the Audit and Risk Committee and the Remuneration Committee.

The Board considers Mr Dowd to be an independent Director.

Mr Dowd is a mining engineer with more than 50 years' experience in the mining industry, primarily in the private sector, but also serving in the public sector as head of the Victorian Mines and Petroleum Departments.

Mr Dowd has previously held senior executive positions as Managing Director of Newmont Australia Ltd and Vice President Australia and New Zealand Operations for Newmont Mining Corporation and prior to that as Chief Operating Officer of Normandy Mining Ltd. Mr Dowd was previously Chairman of Adelaide Resources Ltd and a non-executive Director of Macarthur Coal Ltd and OZ Minerals Limited.

He is currently a non-executive Director of PNX Metals Limited, Chairman of CSIRO Minerals Resources Sector Advisory Council and an Advisory Board Member of South Australian Minerals and Petroleum Expert Group (SAMPEG) and University of Queensland – Sustainable Minerals Institute.

**The Directors (other than Mr Dowd, who makes no recommendation) recommend that shareholders vote in favour of the re-election of Mr Dowd as a Director of the Company.**

## Appendix 1: Further explanation on Item 4

### WHY SHAREHOLDER APPROVAL IS BEING SOUGHT

Shareholder approval is being sought for the purposes of sections 200B and 200E of the *Corporations Act 2001* (Cth) (the **Corporations Act**) for any termination benefits given under the RT 2018 EIP that may be provided to individuals who hold a managerial or executive office, as defined in the *Corporations Act*, in a member of the Group or to individuals who have held such an office during the preceding three years before they ceased to hold their office or position of employment. (Such individuals are Relevant Executives in terms of the proposed resolution).

This includes members of ERA's KMP (including all ERA directors) and directors of other Group companies.

The termination benefits which any particular Relevant Executive may be given under the RT 2018 EIP, and the amount or value of any such termination benefit, will depend on a number of factors and cannot presently be ascertained. The table below describes the kinds of termination benefits that may be given under the RT 2018 EIP to Relevant Executives, the manner in which the amount or value of their benefit may be calculated, and the matters, events or circumstances that will, or are likely to, affect the calculation of that amount or value.

If approval is obtained, it will be effective for benefits given in the next two years, that is, until the conclusion of the Company's Annual General Meeting in 2020. This will bring the approval into alignment with the similar resolution that was put to, and approved by, shareholders of the Company at the 2017 Annual General Meeting (the **2017 Resolution**). The 2017 Resolution will continue to be effective until the conclusion of the 2020 Annual General Meeting with respect to the benefits approved by that resolution. That is, Item 4 will operate alongside of, and does not affect the operation of, the 2017 Resolution.

It can be reasonably anticipated that aspects of the RT 2018 EIP will be amended from time to time in line with market practice and changing governance standards and, where relevant, these changes will be reported in the Company's Remuneration Report, which forms part of the Annual Report. However, it is intended that this approval will remain valid for as long as the RT 2018 EIP provides for the treatment on cessation of employment as set out in this Appendix.

Continued over page

## GLOBAL GROUP

As the Company is a member of the Rio Tinto Group, it generally implements the remuneration policies and procedures determined by the Rio Tinto Remuneration Committee (**Remco**) and applied to senior management personnel across the wider Rio Tinto Group. The Company's Chief Executive and senior executives are seconded from Rio Tinto and are hence drawn from the talented pool of executives in the wider Rio Tinto Group.

It is the view of the Company's Remuneration Committee (which has been endorsed by the Board) that a company of ERA's size, scope and remote location would have significant difficulty in attracting executives of the calibre necessary to ensure superior performance or in retaining them for significant periods if this arrangement was not in place. Under these circumstances, the Board believes that the general application of the Rio Tinto remuneration framework to the Company's

Chief Executive and senior executives, with appropriate review by the Company's Remuneration Committee, is of benefit to ERA.

As a result, the Company is seeking termination benefits approval on similar terms as the termination benefits approval proposed to be sought by Rio Tinto Limited at its 2018 Annual General Meeting.

---

**TABLE 1: POTENTIAL BENEFITS AND RELEVANT CIRCUMSTANCES**

### POTENTIAL TERMINATION BENEFITS

Grants made under the RT 2018 EIP to Relevant Executives will be retained when a Relevant Executive ceases employment and vest at the scheduled vesting date, except that:

- awards will lapse if the Relevant Executive leaves the Group due to resignation, misconduct or any other reason at the discretion of Remco;
- awards may lapse if the Relevant Executive breaches any applicable restrictions on competition, solicitation or the use of confidential information;
- awards held by a Relevant Executive below Group Executive Committee level that are not subject to performance conditions may vest on leaving;
- awards subject to a performance condition will also be subject to the satisfaction of the performance condition or conditions;
- Remco can decide that an award subject to a performance condition will vest before the scheduled vesting date, but subject to the extent to which the performance condition has been achieved;
- awards that vest on or after cessation will be reduced pro rata to reflect the fact that the Relevant Executive's employment ceased before the scheduled vesting date. Pro rating will not apply to an award subject to a performance condition where the Relevant Executive leaves on or after third anniversary of grant or to deferred bonus awards;
- if a Relevant Executive dies, the award will vest on the date of death; and
- any options will be exercisable for 12 months after the later of the date on which the option vests and the date on which the Relevant Executive ceased employment. However, if a Relevant Executive leaves employment because of misconduct or breach of the terms of their employment after options have vested, the options will lapse.

Most of the exceptions are subject to Remco's discretion to vary the vesting date and / or the number of awards that will vest. Remco does not intend to exercise any discretion to accelerate the vesting of any awards for any member of the Group Executive Committee when they leave the Group. Any dividend equivalent shares will be calculated on vested shares. Remco may determine to satisfy an entitlement under an award by paying the equivalent cash amount. The value of awards will be equal to the market price of the shares on vesting.

---

**TABLE 1: POTENTIAL BENEFITS AND RELEVANT CIRCUMSTANCES (continued)**

**OTHER MATTERS, EVENTS OR CIRCUMSTANCES THAT WILL, OR ARE LIKELY TO, AFFECT THE CALCULATION OF THE AMOUNT OR VALUE OF THE BENEFITS**

The circumstances of the Relevant Executive's cessation of employment (for example, whether cessation of employment arises due to resignation, misconduct, death or some other reason).

Whether the Relevant Executive is employed below Group Executive Committee level.

The number of awards held by the Relevant Executive prior to cessation of employment.

The vesting date.

The time period served by the Relevant Executive from the date of award to the date of cessation of employment as a proportion of the vesting period.

The performance conditions (if any) and achievement of those conditions.

The number of awards that vest.

The Rio Tinto share price at the relevant time.

The applicable statutory requirements of the jurisdiction in which the Relevant Executive is employed and any change in those requirements.

Any other factors that Remco determines to be relevant when exercising discretion (such as the assessment of the performance of the Relevant Executive up to the termination date).

In all cases, treatment will be subject to, and in accordance with, these explanatory notices, the Remuneration Policy, the terms of the RT 2018 EIP, and the law. For example, Remco retains the discretion in certain circumstances to reduce the level of vesting of an award, determine that an award does not vest or clawback an award made after vesting. Nothing in this approval is intended to limit the exercise of such discretion.



**ERA**