

Notice is hereby given that the Annual General Meeting of OZ Minerals Limited (the 'Company') will be held at 2.00pm (Melbourne time) on Tuesday, 28 May 2013, at Melbourne Exhibition Centre Auditorium, Level 2, 2 Clarendon Street, Southbank, Melbourne.

# NOTICE OF ANNUAL GENERAL MEETING

OZ MINERALS LIMITED  
ABN 40 005 482 824

The Explanatory Notes that accompany and form part of this Notice of Annual General Meeting describe the various matters to be considered.

## AGENDA

### 1. FINANCIAL REPORT

To receive and consider the Financial Report of the Company for the year ended 31 December 2012 together with the Directors' Report and Auditor's Report as set out in the 2012 Annual Report.

### 2. ELECTION OF DIRECTORS

- (i) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Mr Paul Dowd, being a Director of the Company who retires in accordance with Rule 8.1(d) of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.'

- (ii) To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That Mr Charles Lenegan, being a Director of the Company who retires in accordance with Rule 8.1(d) of the Company's constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.'

### 3. ADOPT REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That the Company's Remuneration Report for the year ended 31 December 2012 be adopted.'

Please note that the vote on this resolution is advisory only, and does not bind the Directors or the Company.

### 4. GRANT OF PERFORMANCE RIGHTS TO MR TERRY BURGESS

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

'That approval is given for the Company to grant to the Company's Managing Director & Chief Executive Officer ('MD&CEO'), Mr Terry Burgess, a total of up to 330,000 performance rights to be granted over three years under the OZ Minerals Performance Rights Plan on the terms set out in the Explanatory Notes to this Notice of Meeting.'

By order of the Board.



Francesca Lee  
Company Secretary

Date: 28 March 2013

**VOTING ENTITLEMENTS**

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001, the Directors have determined that the shareholding of each member for the purposes of ascertaining voting entitlements for the Annual General Meeting will be as it appears in the share register at 2.00pm (Melbourne time) on Sunday, 26 May 2013.

**PROXIES, ATTORNEYS AND COMPANY REPRESENTATIVES**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on their behalf. If a member is entitled to cast two or more votes, the member may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. A proxy need not be a member and may be an individual or a body corporate. When more than one proxy is appointed, and the proportion of the member's voting rights is not specified, each proxy may exercise half the votes. If more than one proxy is present at the meeting, neither will be entitled to vote on a show of hands. On a poll, each proxy or attorney may only exercise votes in respect of those shares or voting rights the proxy or attorney represents.

A proxy form must be signed by the member or the member's attorney. Proxies given by a corporation must be signed in accordance with Section 127 of the Corporations Act or by attorney. In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form. A document creating the power of attorney must be duly executed and specify the name of the member, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be valid, duly signed proxies or attorneys (and any authority under which the proxy or attorney is signed or a certified copy of the authority) must be received at the Company's Share Registry, Link Market Services Limited, at the address or facsimile number below, or by the Company at its registered office not later than 2.00pm (Melbourne time) on Sunday, 26 May 2013. Alternatively, you can lodge your proxy online via the OZ Minerals registry website ([www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) and go to the 'Proxy Voting' icon) by the same date and time. A proxy form is enclosed.

A member which is a body corporate and entitled to attend and vote at the meeting, or a proxy which is a body corporate and is appointed by a member entitled to attend and vote at the meeting, may appoint an individual to act as its representative at the meeting by providing that person with:

- a letter or certificate, executed in accordance with the Corporations Act or the body corporate's constitution, authorising the person as the representative; or
- a copy of the resolution, certified by the secretary or a director of the body corporate, appointing the representative.

A copy of the letter, certificate or resolution, or other evidence satisfactory to the Chairman of the meeting, must be produced prior to admission to the meeting.

**DIRECTING YOUR PROXY HOW TO VOTE**

If you wish to indicate how your proxy should vote, please mark the appropriate boxes on the proxy form.

If you mark the abstain box for a particular item of business, you are directing your proxy not to vote on your behalf and your shares will not be counted in computing the required majority on a poll.

If you do not mark a voting instructions box in respect of a particular item of business and your proxy is not the Chairman (see the following section), you are directing your proxy to vote as he or she decides, subject to any voting exclusions that apply to the proxy (as described below).

**THE CHAIRMAN OF THE MEETING ACTING AS PROXY**

You may appoint the Chairman of the meeting as your proxy. In addition, the Chairman of the meeting is deemed appointed where a signed proxy form is returned which does not contain the name of the proxy or where the person appointed on the form is absent.

If you direct the Chairman how to vote on an item of business, the Chairman must vote in accordance with your direction.

If you appoint the Chairman of the meeting as your proxy or the Chairman of the meeting is appointed as your proxy by default and you do not mark a voting instructions box for Items 3 or 4, then by signing and returning the proxy form you will be expressly authorising the Chairman of the meeting to exercise the proxy in respect of the relevant item even though the item of business is connected directly or indirectly with the remuneration of the Company's key management personnel.

The Chairman intends to vote all available proxies in favour of each item of business, subject to any voting exclusions that apply to the proxy (as described below).

**VOTING EXCLUSION**

For resolutions that are directly or indirectly related to the remuneration of a member of the key management personnel ('KMP') of the Company, the Corporations Act and the ASX Listing Rules restrict KMPs and their closely related parties from voting, and from voting as proxies, in certain circumstances.

Closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by KMP.

In respect of Item 3 (Remuneration Report), in accordance with the Corporations Act, the Company will disregard any votes cast on Item 3 (in any capacity):

- by or on behalf of a member of the KMP whose remuneration is disclosed in the Remuneration Report and any closely related party of those KMPs; or
- as a proxy by a member of the KMP or a KMP's closely related party,

unless the vote is cast as a proxy for a person who is entitled to vote on Item 3, and that vote has been cast as directed on the Proxy Form; or where there is no specified voting direction, the vote is cast by the Chairman of the meeting as proxy pursuant to an express authorisation to exercise the proxy even though Item 3 is connected with the remuneration of the Company's KMP.

## EXPLANATORY NOTES

In respect of Item 4 (Grant of Performance Rights to Mr Terry Burgess), in accordance with the Corporations Act and the ASX Listing Rules, the Company will disregard any votes cast on Item 4:

- by or on behalf of Mr Burgess or a Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or their associates; or
- as a proxy by a member of the KMP or their closely related parties.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting pursuant to an express authorisation to exercise the proxy even though Item 4 is connected with the remuneration of a member of the Company's KMP.

If you appoint a KMP of the Company or one of their closely related parties as proxy, they will not be able to cast your votes on Items 3 and 4 unless you direct them how to vote or the Chairman of the meeting is your proxy (see above).

### Share Registry

#### Postal address:

Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235

#### Or by hand, to:

By delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 or Level 12, 680 George Street, Sydney NSW 2000

#### Facsimile:

+61 2 9287 0309

These explanatory notes are intended to provide members of the Company with information to assess the merits of the proposed resolutions in the accompanying Notice of Annual General Meeting. The Directors recommend that the members read these Explanatory Notes before making any decision in relation to the resolutions.

## ITEM 2 – ELECTION OF DIRECTORS

### (i) Mr Paul Dowd

Mr Dowd joined the Board in July 2009. Mr Dowd, a mining engineer, brings to the Board more than 40 years' experience in mining, primarily in the private sector, but also serving in the public sector as head of the Victorian mines and petroleum departments. He has held senior executive positions with Newmont and prior to that Normandy, including as Managing Director of Newmont Australia Limited and Vice President Australia and New Zealand Operations for Newmont Mining Corporation. Mr Dowd was formerly Chairman of Adelaide Resources Limited and a non-executive director of Macarthur Coal and Northgate Minerals Corporation. Mr Dowd was also formerly the Managing Director of Phoenix Copper Limited and remains with Phoenix Copper as a non-executive director. Mr Dowd has various advisory positions with SA Minerals and Petroleum Expert Group, Advisory Councils of CSIRO (MRSAC), the University of Queensland – Sustainable Minerals Institute and SA Training and Skills Commission (TaSC). Mr Dowd is also Chairman of RESA, (the SA Resources & Engineering Skills Alliance).

Mr Dowd is a member of the Sustainability Committee and a member of the Nomination & Board Governance Committee.

Mr Dowd has considerable experience in senior executive roles in the mining industry, which enables him to make a significant contribution to the Board and its committees.

The Board (in the absence of Mr Dowd), having reviewed Mr Dowd's performance, unanimously recommends that members vote in favour of the re-election of Mr Dowd.

*The Chairman of the meeting intends to vote undirected proxies in favour of the re-election of Mr Paul Dowd.*

### (ii) Mr Charles Lenegan

Mr Lenegan joined the Board in February 2010. Mr Lenegan is an experienced company director and senior mining executive. Mr Lenegan is a former Managing Director of Rio Tinto and he had a distinguished 27-year career with Rio Tinto where he held various senior management positions across a range of commodities and geographies. Mr Lenegan was formerly the Chairman of the Minerals Council of Australia and a former board member of the Business Council of Australia. Mr Lenegan was formerly Chairman of Rey Resources Limited and he is currently a non-executive director of Turquoise Hill Resources (since August 2012).

Mr Lenegan is a member of the Audit Committee and a member of the Nomination & Board Governance Committee.

Mr Lenegan has many years experience in senior executive roles and as a non-executive director in the mining industry, which enables him to make a significant contribution to the Board and its committees.

The Board (in the absence of Mr Lenegan), having reviewed Mr Lenegan's performance, unanimously recommends that members vote in favour of the re-election of Mr Lenegan.

*The Chairman of the meeting intends to vote undirected proxies in favour of the re-election of Mr Charles Lenegan.*

## ITEM 3 – REMUNERATION REPORT (NON-BINDING RESOLUTION)

The Company has included in the 2012 Annual Report a detailed Remuneration Report setting out prescribed information relating to remuneration. This report is submitted for adoption by a non-binding vote of members at the Annual General Meeting.

A copy of the Remuneration Report is set out on pages 27 to 44 of the 2012 Annual Report and is available from the Company's website [www.ozminerals.com](http://www.ozminerals.com).

The Remuneration Report:

- explains the Board's policies in relation to the objectives and structure of remuneration;
- discusses the relationship between the policies and the Company's performance;
- provides a detailed summary of performance conditions, why they were chosen and how performance is measured against them; and
- sets out the remuneration details for each of the KMP of the Company.

The Board unanimously recommends that members vote in favour of adopting the Remuneration Report.

The resolution is advisory only and does not bind the Directors or the Company. Nevertheless, the discussion on this resolution and the outcome of the vote will be taken into consideration by the Board and the Remuneration Committee when considering the future remuneration arrangements of the Company.

*The Chairman of the meeting intends to vote all available undirected proxies in favour of Item 3.*

#### **ITEM 4 – APPROVAL FOR GRANT OF PERFORMANCE RIGHTS TO THE MD & CEO**

In accordance with ASX Listing Rule 10.14, the Company is seeking the approval of shareholders for proposed grants of performance rights (Rights) to the MD&CEO, Mr Terry Burgess, pursuant to the OZ Minerals Long Term Incentive Plan (LTIP) over the next three years on the terms set out below.

Approval is being sought to allow the Company flexibility to either issue new shares or to purchase shares on-market, for allocation to Mr Burgess upon vesting of Rights.

#### **LTIP TERMS AND CONDITIONS**

Information regarding the general operation of the LTIP is set out in the Company's Remuneration Report.

If shareholder approval is obtained, the Rights will be granted once per year in accordance with the timeframes referred to below as part of Mr Burgess' long-term incentive remuneration for the next three years. Rights will be granted at no cost to Mr Burgess, and no amount is payable on vesting of the Rights. Rights will be granted under, and subject to, the rules of the OZ Minerals Performance Rights Plan. Rights do not carry any dividend or voting rights prior to vesting.

Each Right entitles Mr Burgess to one fully paid ordinary share in the Company, subject to the satisfaction of the vesting conditions described below. Shares allocated on vesting of Rights will rank equally with shares in the same class. The total number of Rights to be granted to Mr Burgess over the three-year period will not exceed 330,000.

The size of each grant will be determined according to the following formula, calculated immediately prior to the grant:

$$((A \times C) \div B) \times (D \div 12)$$

Where:

- A = the value of Mr Burgess' total fixed annual remuneration (excluding any short-term or long-term incentives) at the date of grant;
- B = the volume weighted average price (VWAP) of the Company's shares over the five trading days up to and including the date of grant; and
- C = the long-term incentive component of Mr Burgess' total annual remuneration, expressed as a percentage of total fixed annual remuneration.
- D = The number of months in a year in respect of which the LTIP grant is to be awarded as determined by the Board.

The Board may round the number of Rights determined under the above formula up or down as deemed appropriate.

As noted above, the maximum number of Rights that will be granted over the three-year period will not exceed 330,000. This cap has been calculated based on an assumed salary and long-term incentive component for Mr Burgess, and an estimated Company share price over this period. In the event that these assumptions result in an underestimation of the number of Rights that would have been granted under the above formula, then further shareholder approval would be required for any Rights that are to be granted in excess of the cap.

If approval is obtained, it is anticipated that the Rights will be granted to Mr Burgess once per year at or around the same time as grants made to other senior executives under the LTIP. In order to give effect to the timing of the alignment referred to on page 23 of the 2012 Annual Report, the intention is to grant only half of the performance rights in December 2013, with further full year grants in July 2014 and July 2015. No Rights will be granted pursuant to this approval more than three years after the date of the 2013 Annual General Meeting.

If the Board determines the vesting conditions are satisfied, Rights will be automatically exercised. On vesting and exercise of the Rights, new shares may be issued or existing shares acquired on-market. The shares will be allocated to a trust and held by the trustee on Mr Burgess' behalf. Mr Burgess may request that the shares be transferred to him or sold (and the net proceeds transferred to him). If Mr Burgess has not made a request within 30 days of the Rights vesting, all shares held by the trustee will be released to Mr Burgess.

#### **VESTING CONDITIONS**

The Board has determined that the Rights to be granted to Mr Burgess (if approval is received) will be subject to two vesting conditions:

- a service condition; and
- a performance condition.

To satisfy the service condition for the grant of Rights in respect of each of the three years covered by the shareholder approval, Mr Burgess must be employed by a member of the OZ Minerals Group on the date of grant and must remain employed by a member of the OZ Minerals Group on the third anniversary of the date of the grant (or such other date as the Board determines at the time of grant). If Mr Burgess leaves the Company as a 'good leaver' before the end of the service condition period, then the Company's Good Leaver Policy will apply (see below).

The performance condition is a Total Shareholder Return (TSR) hurdle which ranks the TSR performance of the Company against the TSR performance of companies in a comparator group of companies (Comparator Group). Broadly, TSR is the growth in share price, plus dividends and any capital returns to shareholders.

The TSR hurdle for each annual grant is measured over a three-year performance period (Performance Period). The Performance Period will generally run from the date of the relevant grant or such other date determined by the Board (as disclosed in the Company's Remuneration Report. For grants under the LTIP that were made in December 2012 the Performance Period was 21 December 2012 to 20 December 2015). The TSR for the Company and each company in the Comparator Group is measured over the Performance Period and then ranked. At the end of the Performance Period, the Board will consider and determine whether, and to what extent, the performance condition is satisfied, having regard to the Company's relative ranking. The Rights vest on the date the Board determines whether and to what extent the performance condition is satisfied. No Rights will vest unless the Company's TSR ranks at or above the 50th percentile.

The Comparator Group is made up of selected companies which are considered to be alternative investment vehicles for local and global investors, and are impacted by commodity prices and cyclical factors in a similar way to the Company. The Board retains the discretion to adjust the Comparator Group over time to take account of mergers, takeovers, new entrants and other changes.

**VESTING CONDITIONS** continued

The level of performance required for each level of vesting and the percentage vesting associated with each level of performance are set out in the table below.

OZL TSR Ranking versus Comparator Group TSRs	% of Maximum Award
Below the 50th percentile	0% vest
At the 50th percentile	50% vest
Between the 50th percentile and 75th percentile	Between 50% and 100% vest by using a straight line interpolation
At or above the 75th percentile	100% vest

The Rights lapse if and to the extent the performance conditions are not met. There is no re-testing.

**TREATMENT OF RIGHTS ON CESSATION OF EMPLOYMENT**

In accordance with the Company's Good Leaver Policy, if Mr Burgess ceases employment due to:

- retirement, including retirement on account of ill health that results in Mr Burgess being unable to perform the duties of a CEO;
- a fundamental change occurring, i.e. where Mr Burgess ceases to be the most senior executive of the OZ Minerals Group, there is a substantial diminution in his role and responsibilities or the Company ceases to be listed on a recognised stock exchange; or
- mutual agreement between Mr Burgess and the Company,

a pro rata number of Rights, calculated in accordance with the proportion of the service condition period actually worked, will, at the discretion of the Board, continue on foot, and will vest on the vesting date, subject to the satisfaction of the TSR hurdle, outlined above. The remaining Rights will lapse on the date of cessation of employment.

If Mr Burgess ceases employment for any other reason (including due to resignation or termination by the Company for poor performance or misconduct), his Rights will usually be forfeited; however, the Board retains the discretion to determine that unvested Rights do not lapse in exceptional circumstances.

**CHANGE OF CONTROL**

Under the OZ Minerals Performance Rights Plan rules, in the event of a change of control of the Company, the Board has the discretion to determine that the Rights:

- vest;
- are cancelled and replaced with a grant of rights or other interests in respect of the shares in the company which has or may acquire control of the Company (Acquirer); or
- may be disposed of by the participant.

In addition, in the event that the Rights have vested and the shares are held by the trustee, the Board may determine that the participant should receive shares in the Acquirer in lieu of shares in the Company.

**OTHER INFORMATION**

In relation to the LTIP:

- Mr Burgess is the only Director entitled to participate in the LTIP.
- There is no loan scheme in relation to the Rights.
- Mr Burgess is prohibited from hedging the share price exposure in respect of Rights during the Performance Period applicable to those Rights.
- Mr Burgess holds existing Rights under the LTIP granted pursuant to shareholders' approval given at the Company's 2010 AGM. Mr Burgess has been granted a total of 249,860 Rights under that approval, which were granted at no cost, are still subject to the vesting conditions and constituted 100 percent of the grants available. In accordance with the plan rules, following the 1:10 consolidation of shares that occurred in June 2011, the number of performance rights were consolidated in the same 1:10 ratio as ordinary capital. Further details are provided in the Remuneration Report for the financial year ended 31 December 2012.
- If shareholder approval is obtained, details of the Rights granted to Mr Burgess under the LTIP will be provided in the Company's Annual Report for the financial years ending 31 December 2013, 2014 and 2015.
- If any additional Director becomes entitled to participate in the scheme, the Company will seek shareholder approval prior to any grant being made to the Director under the LTIP.

**RECOMMENDATION**

The Board (in the absence of Mr Burgess) considers the grant of Rights to Mr Burgess to be appropriate in all the circumstances and unanimously recommends that shareholders vote in favour of Item 4.

*The Chairman of the meeting intends to vote all available undirected proxies in favour of Item 4.*

## **ANNUAL GENERAL MEETING**

2.00pm (Melbourne time)  
Tuesday, 28 May 2012  
Melbourne Exhibition Centre Auditorium  
Level 2, 2 Clarendon Street  
Southbank, Melbourne

## **CONTACT DETAILS**

**OZ Minerals Limited**  
ABN 40 005 482 824

**Corporate Office**  
Level 10, 31 Queen Street  
Melbourne  
Victoria 3000 Australia  
Telephone: (61 3) 9288 0333  
Facsimile: (61 3) 9288 0300  
info@ozminerals.com

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