



**ILUKA**

ASX: ILU

24 March 2021

The Manager  
Company Announcements Office  
Australian Securities Exchange ("ASX")

**PUBLIC ANNOUNCEMENT - 2021 ILUKA ANNUAL GENERAL MEETING**

Please find attached the following documents in relation to Iluka Resources Limited's 2021 Annual General Meeting ("Meeting"), to be held at 9.30am (WST) on Thursday, 29 April 2021:

1. Notice of Annual General Meeting; and
2. Proxy Form.

This year, with COVID-19 still being an ongoing health concern, Iluka will be webcasting the Meeting online at <http://web.lumiagm.com/385467567> (Meeting ID is 385-467-567).

The 2020 Annual Report, Notice of Annual General Meeting and Proxy Form will be shortly mailed to shareholders who receive printed copies of these documents. Copies of the documents have been lodged with the ASX today and are available on the Company's website: [www.iluka.com](http://www.iluka.com).

Up to date information about the Meeting can be found at the Company's website: <https://www.iluka.com/investors-media/shareholder-information/2021-agm-information>

Yours sincerely

A handwritten signature in blue ink that reads "Sue Wilson".

**Sue Wilson**  
**Company Secretary**



**ILUKA**

**2021**

**NOTICE OF ANNUAL  
GENERAL MEETING**

**DELIVER  
SUSTAINABLE  
VALUE**

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Thursday 29 April 2021,  
commencing 9.30am (WST)

# NOTICE OF ANNUAL GENERAL MEETING



## Dear Shareholder

We are pleased to invite you to Iluka Resources Limited's 2021 Annual General Meeting. With COVID-19 being an ongoing health concern, we will again be webcasting the Annual General Meeting online at <http://web.lumiagm.com/385467567> (Meeting ID is 385-467-567). Shareholders and proxyholders will be able to participate in the proceedings online in real time. A teleconference facility will be available for Shareholders and proxyholders who would prefer to ask questions orally.

Draft legislation is before Parliament for the purposes of facilitating virtual meetings and it is anticipated to be passed prior to the Annual General Meeting. However, Shareholders are nevertheless encouraged to lodge proxy votes in advance of the meeting to ensure that their voting instructions will be received and votes cast. Shareholders should also monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary to make alternative arrangements for the holding or conduct of the meeting.

Details of the business of the Meeting are contained from page 8. The following page includes a summary of the key attributes of the 2020 year; a financial summary, including information on the balance sheet; and your Company's dividend framework. Detailed information is available in the 2020 Annual Report accessible at [www.iluka.com](http://www.iluka.com).

Your participation in the Annual General Meeting is important to Iluka and a valuable opportunity for the Board to discuss with Shareholders the performance of the Company.

2020 was a year like no other in Iluka's history.

The COVID-19 pandemic, which was only in its very early stages when we last wrote to you, evolved to become the source of several unprecedented challenges for our business, as it did for many others. These challenges spanned substantial threats to operational and supply chain continuity, market demand, timetables for the development of major projects and the planned demerger of our royalty business.

Against this backdrop, Iluka delivered a disciplined performance, prioritising the safety of our people and communities; prudent management of the Company's financial position; execution of the demerger; and adjusting production settings in line with market conditions – preserving margins and, ultimately, the value of the mineral products we mine and process. That discipline is reflected in a number of significant achievements detailed throughout this year's Annual Report.

Our financial result included:

- NPAT of \$2.4 billion, inclusive of the non-cash, non-taxable reported profit associated with the demerger;
- underlying group EBITDA of \$423 million;
- free cash flow of \$36 million; and
- a net cash position of \$50 million as at 31 December 2020.

Although the underlying result was modest by historical standards, it is nonetheless notable given the extraordinary circumstances in which it was attained. Iluka declared a full year dividend of 2 cents per share, fully franked.

## Discipline in delivering sustainable value – demerger of royalty business

A major milestone was accomplished in November via the listing of Deterra Royalties on the ASX, with the Mining Area C (MAC) royalty as its foundational asset and Iluka retaining a 20% stake in the new company. This marked the culmination of a substantial programme of work following the announcement of our demerger plans in February.

In liberating two fundamentally different businesses – each with high quality assets and promising futures – the demerger is expected to unlock long term value for Shareholders, particularly given the increase in materiality and cash flows from the MAC royalty associated with BHP's South Flank development.

The position of the royalty business within Iluka's portfolio had been subject to ongoing internal consideration for many years. Iluka is first and foremost a mineral sands business, with our objective to deliver sustainable value. We have always been disciplined in pursuing this objective; and the decision to demerge the royalty business is a further expression of that discipline. Post demerger, Iluka and Deterra have been set up for success, each with the financial flexibility to pursue opportunities and deliver on their respective strategies. The external tumult of 2020 aside, both companies can look to the future with confidence.

## Sustainability discipline

Safety is always our first focus at Iluka and we intensified our efforts in this area following a concerning rise in potentially serious incidents during 2019. A number of 'back to basics' initiatives were implemented, with several of these adapted and amplified in response to the additional health and safety challenges posed by the onset of the pandemic. The Company achieved a 20% reduction in serious potential injuries which, while pleasing, remains a target for ongoing improvement and vigilance. Iluka's total recordable injury frequency rate was steady at 2.8, compared to 2.9 the previous year. Continuity with respect to rehabilitation activities was maintained, with 576 hectares of land topsoiled and vegetated at current and former mine sites. No major environmental incidents were recorded.

## Market and operational discipline

2020 saw market conditions for Iluka's products split over sectors and quarters. For zircon, we experienced a significant drop in demand in Q1, initially as a result of COVID-19 related factory shutdowns in the Chinese ceramics industry. Key markets in Italy and Spain were also affected by the pandemic's first wave. A modest recovery ensued over the second half, with increased purchasing most evident in Q4 – a traditionally subdued sales period. This resulted in total sales of 240 thousand tonnes for the year, compared to 274 thousand tonnes in 2019.

Conditions for our high grade titanium dioxide feedstocks lagged zircon to some extent, with a solid first quarter followed by a period of deterioration in the pigment market; and recovery evident by year end. Iluka's sales of synthetic rutile were impacted substantially by a contractual dispute with a major customer. While the dispute remains the subject of litigation, sales to this customer recommenced in accordance with the contract in January 2021.

Confronted with this volatility, Iluka took a number of measures encompassing:

- adjustments to production settings at the Narngulu mineral separation plant and Jacinth Ambrosia mine, reducing global zircon supply by approximately 10%;
- implementation of a Company-wide efficiency programme to improve business processes and cost effectiveness, and changes to the Iluka Executive;
- protecting our contractual rights in relation to the supply of synthetic rutile; and
- where possible, progressing planned key investments in the Company's future.

The subsequent pricing support we achieved as a result of these actions – maintaining prices across our core product suite – was an excellent outcome given COVID-19's wide-ranging impacts on market sentiment.

Furthermore, that Iluka was able to maintain operational continuity in the face of the pandemic, particularly in Sierra Leone, was in no small part attributable to the dedication and sacrifices made by many of our people. Yet again, our Australian operations demonstrated their flexibility and adaptiveness, with the aforementioned production adjustments executed seamlessly, accompanied by a record production performance at Synthetic Rutile Kiln 2. Iluka's Indigenous employment at Jacinth-Ambrosia approached 30%, a reflection of our strong working relationship with the Far West Coast people of South Australia.

The impact of the pandemic was considerably more severe in Sierra Leone than Australia and this too was reflected at the operational level. Sierra Rutile was hampered by a number of downtime events and reduced throughput, with lockdowns, quarantine and travel restrictions impeding Iluka's ability to sustain specialised skillsets typically provided by expatriate resources. The significance of maintaining operational continuity should not be underestimated, particularly given Sierra Rutile's importance to the national economy and to the local communities in the vicinity of our operations. Iluka invested around \$3 million on measures to avoid having to suspend operations, including substantial health contributions to our local communities.

### Development and diversification discipline

2020 also saw progress on important aspects of Iluka's major project pipeline. A period of evolution in the mineral sands industry has been discernible for some time, with increasing depletion of the traditional deposits that have underpinned global production for many years. The strategic choice that follows is for companies to seek out new deposits in new jurisdictions; and/or pursue innovation at technically challenging deposits in mature jurisdictions. While Iluka's portfolio has both types of projects, more progress was made in Australia than in Sierra Leone over the past year given the various travel and other restrictions in effect.

Of particular note are our key technology projects at Balranald (mining); Wimmera (processing); and Eneabba (diversification). Each of these developments is potentially transformative for Iluka and the industry and, while we still have some ground to cover, we are pleased by what has been achieved to date.

Over the course of Q3, Iluka completed the third trial of the Company's novel underground mining technology at Balranald, which is aimed initially at commercialising two predominantly rutile deposits distinguished by both their quality and depth. At Wimmera, the focus of our feasibility work is on validating a processing solution that, although challenging, could unlock a multi decade source of zircon and rare earths if realised.

April marked Iluka's entry into the rare earths market, with first production from Eneabba, which is now the world's highest grade rare earths operation. First sales followed in June. Formerly a prodigious and historic mineral sands province, Eneabba's quality from a rare earths perspective is less the result of geology than sound foresight on the part of Iluka's antecedents. Monazite (a mineral containing rare earths) is produced as a by-product of our processing activities at Narngulu. Since the 1990s, this material has been stockpiled directly in a former mine void at Eneabba in anticipation that it would one day be regarded as valuable – that time is now upon us.

As is appropriate for a logical and significant diversification, Iluka is pursuing an incremental approach to Eneabba's development. Phase 1, now in operation, is producing a mixed monazite-zircon concentrate, with the monazite fraction at approximately 20%. Phase 2, currently under construction, will see an upgrade to produce a dedicated monazite concentrate at approximately 90%, suitable as a direct feed to a downstream rare earths refinery. First production from Phase 2 is expected in the first half of 2022. Additionally, Iluka is actively exploring the potential for the downstream processing of rare earths in Australia.

Of their many high value applications, some rare earths are essential for the production of permanent magnets, which are in turn used to produce the motors that power electric vehicles, generate power in wind turbines and in other sustainable development technologies. Demand across this supply chain is expected to grow substantially over coming years. As the world pursues widespread electrification, Iluka's assets at Eneabba and potentially Wimmera provide the Company a world class foundation from which to participate. Our emerging position brings with it several options for further development and Shareholders can be assured these too will be pursued in a disciplined manner.

If 2020 has taught us anything, it is that nothing can be taken for granted. The external environment remains uncertain on any number of fronts; and 2021 will doubtless bring further challenges for the global economy and for business generally. Regardless, over the past year your Company undertook all appropriate steps to guide and shape its future.

Hutch Ranck will retire from the Iluka Board at the 2021 Annual General Meeting. Since his commencement in 2013, Hutch has provided invaluable experience, knowledge and support to our deliberations, including as Chair of the People and Performance Committee. On behalf of all at Iluka, we thank Hutch for his service to our Company.

On behalf of the Board and Executive, we would like to pay tribute in particular to Iluka's people for their steadfast efforts and commitment throughout a most unexpected 12 months. We also gratefully acknowledge the continuing interest and support of our Shareholders, for whom we remain focused on our objective of delivering sustainable value.

**Greg Martin**  
Chairman

**Tom O'Leary**  
Managing Director and CEO



# NOTICE OF ANNUAL GENERAL MEETING

## Strategy and business model

### The Iluka Plan

The Iluka Plan outlines Iluka's values, purpose, core and direction. It is the strategic reference point that guides the Company's priorities and decision-making.

### Our purpose

Iluka's purpose is to deliver sustainable value.

The Company aims to achieve this by:

- protecting the safety, health and wellbeing of our employees;
- optimising Shareholder returns through prudent capital management and allocation;
- developing a robust business that can maintain and grow returns over time;
- providing a competitive offering to our customers;
- managing our impact on the environment;
- supporting the communities in which we operate; and
- building and maintaining an engaged, diverse and capable workforce.

### Deliver to grow our future

The COVID-19 pandemic was the source of several unprecedented challenges for Iluka's business in 2020. These challenges spanned substantial threats to operational and supply chain continuity, market demand, timetables for the development of major projects and the planned demerger of the Company's royalty business.

In response, Iluka prioritised the safety of its people and communities; prudent management of the Company's financial position; adjusting production settings in line with market conditions; and execution of the MAC royalty demerger. Iluka delivered a disciplined performance against these priorities, as reflected in the Company's financial result.

### Safety of people and communities

Protecting the safety, health and wellbeing of Iluka's employees is the Company's enduring and highest priority. The implementation of protective measures in response to COVID-19 enabled Iluka to maintain operational continuity in both Australia and Sierra Leone. Measures included site-specific, risk-based Infectious Disease Management Plans; and extensive mental health programmes and support.

Iluka invested around \$3 million to avoid a suspension of operations in Sierra Leone, which included significant health contributions to local communities. This encompassed funding to disseminate COVID-19 safety educational messages; and donations of medical supplies and personal protective equipment. The operation also received approval for on-site COVID-19 quarantine and isolation facilities, in addition to the progression of faster in-house polymerase chain reaction (PCR) testing capabilities.

### Prudent financial management

Iluka's ongoing focus on maintaining a strong balance sheet saw the Company end 2020 in a net cash position of \$50 million. Free cash flow was \$36 million, incorporating investment of \$71 million in capital expenditure and payment of \$166 million in tax. Iluka declared a full year dividend of 2 cents per share, fully franked.

The Company received \$13.6 million in JobKeeper subsidies from the Australian Government following a significant decline in zircon demand and associated revenue in Q1.



Given Iluka's subsequent financial performance, the Company has decided to return this voluntarily, which will occur in 2021.

Iluka is also implementing an efficiency programme to ensure business improvement and cost effectiveness; and has made changes to the Iluka Executive.

### Demerger of business – listing of Deterra Royalties

The demerger of Iluka's royalty business was completed in November and resulted in the creation of Australia's largest ASX-listed royalty company, Deterra Royalties. Deterra has the Mining Area C (MAC) royalty as its foundational asset, with Iluka retaining a 20% stake in the new company. The demerger is expected to unlock significant value and enables the Board and management of each company to focus on their distinct growth strategies.

### Adjustments to production settings

Iluka's operational flexibility enabled the Company to preserve margins across its core product suite throughout a period of uncertainty and market instability. Production adjustments at both the Narngulu mineral separation plant in Western Australia and Jacinth-Ambrosia mine in South Australia, reduced global zircon supply by approximately 10%. Mine planning adjustments at Jacinth-Ambrosia also resulted in improved cash flow, lower operating costs, and deferred capital spend. Narngulu has the ability to return to normal production settings quickly, as and when required.

### Grow where we can add value

Iluka also made important progress on key aspects of its major project pipeline in Australia. The Company entered the rare earths market with first sales from the world's highest grade rare earths operation at Eneabba in Western Australia. The third trial (T3) of Iluka's innovative underground mining technology was completed successfully at Balranald in New South Wales. At the Wimmera deposit in Victoria, work focussed on validating a zircon processing solution that could unlock a multi-decade source of zircon and rare earths.

Progress was more challenging in Sierra Leone as a result of travel and other restrictions associated with the pandemic. Centred on one of the largest and highest quality known rutile deposits in the world, all field work at the Sembahun project was suspended. A field trial of an alternative hydraulic mining method is planned for commencement in H1 2021.

# 2020 Year in Review

## Disciplined financial result

- Mineral sands revenue of \$947 million, down 21%, as a result of the impact of the COVID-19 pandemic on key markets.
- Underlying mineral sands EBITDA was \$342 million, reflecting Iluka's financial, operational and market discipline.
- Mining Area C royalty contributed \$81 million.
- Reported net profit after tax was \$2,410 million, inclusive of \$2,247 million gain from the demerger of Iluka's royalty business. Underlying net profit after tax was \$151 million.
- Free cash flow was \$36 million, incorporating \$71 million in capital expenditure in 2020 and \$166 million in tax payments, including a 2019 final tax payment of \$98 million made in the second half of 2020.
- Reported net cash as at 31 December 2020 was \$50 million.
- Iluka declared a full year dividend of 2 cents per share, fully franked, for 2020.

## Deterra Royalties demerger delivered

- Demerger of royalty business completed in November to create Australia's largest ASX-listed royalty company, Deterra Royalties.
- Iluka's existing Shareholders received a 1:1 share distribution in Deterra; and Iluka retained a 20% stake in the new company to provide further financial strength.
- Deterra's cornerstone asset is a revenue based royalty over the BHP operated Mining Area C in Western Australia. Deterra plans to grow and diversify its portfolio.

## Market conditions impacted by COVID-19

- The COVID-19 pandemic significantly affected global mineral sands end markets.
- Ceramic plants in China and Europe shut down early in the year in response to the pandemic, with operating rates down and a decline in end market demand. This market recovered modestly over the remainder of 2020. Other zircon market segments had mixed results, reflecting exposure to consumables, automotive parts manufacturing and other component industries.
- Weighted average zircon price (premium and standard) was US\$1,319 per tonne, down 8% from Q4 2019, although stable throughout H2 and indicative of Iluka's efforts to maintain pricing support through disciplined market participation.
- In titanium dioxide markets, pigment utilisation rates dropped in Q2 and planned pigment plant maintenance was brought forward. Demand for high grade feedstocks subsequently rebounded, with the paint market experiencing strong demand from DIY and professional paint segments. End markets for welding and titanium metal were impacted due to exposure to aeronautics and ship building.
- Synthetic rutile contracted sales were affected by a dispute with a major customer, resulting in significantly lower synthetic rutile sales volumes.
- Weighted average rutile<sup>1</sup> price increased 7% to US\$1,220 per tonne.

## Operational settings adjusted

- Operational configuration set to balance zircon production in line with market conditions.
- Production settings at the Narngulu mineral separation plant were adjusted, reducing global zircon supply by around 10%.
- In August, mining returned from Ambrosia to the Jacinth deposit, improving cash flow from lower operating costs and delaying future capital spend.
- Record production performance from Synthetic Rutile Kiln 2 (SR2) at Capel. Production from SR2 will be suspended for a period of three to six months from February 2021, to optimise inventory levels and minimise costs.
- Sierra Rutile production hampered by downtime events and disruptions associated with COVID-19. Travel restrictions limited Iluka's ability to maintain specialised skill sets typically provided by expatriate workers.

## Entry to rare earths market

- First production of a 20% monazite-zircon concentrate at Eneabba, now the highest grade rare earths operation globally. Phase 1 involves a simple reclamation and screening of material stored in a former mining void.
- Revenue from other mineral sands increased 65% to \$106 million largely as a result of first sales of monazite from Eneabba. Iluka shipped 44 thousand tonnes of mixed monazite-zircon concentrate for the year.
- Phase 2, currently under construction, to produce a dedicated monazite concentrate at 90%, suitable as direct feed to a rare earths refinery.
- Iluka is actively exploring the potential for the downstream processing of rare earths in Australia.

## Growth projects progressed to deliver future value

- Pleasing progress on key technology projects in Australia – Balranald (mining); Wimmera (processing); and Eneabba (diversification).
- Hydraulic mining method field trial at Sembehun in Sierra Leone delayed due to pandemic. The trial is now planned for completion in 2021.

## Sustainability performance

- Total recordable injury frequency rate decreased from 2.9 to 2.8 with three less injuries than 2019.
- Serious incidents or near hits classified as having the potential for a serious complex permanent disabling injury or fatality decreased from 76 to 61. This remains a key area of focus for continual safety improvement.
- Implementation of COVID-19 site controls and the support of local initiatives maintained operational continuity across all Iluka sites. The Company reported zero cases of infection at its Australian operations; and Sierra Rutile received approval for on-site COVID-19 quarantine and isolation facilities for staff as part of extensive safety measures.
- No major environmental incidents.
- 576 hectares of land topsoiled and vegetated; and significant rehabilitation earthworks at various sites completed, contributing to future rehabilitation and mitigating Iluka's closure liability.
- Ongoing activity to demolish redundant assets and clear former sites.
- Inclusion in 2020 Australian Dow Jones Sustainability Index and FTSE4Good Index for leading sustainability performance.

<sup>1</sup> Excluding HYTI

# NOTICE OF ANNUAL GENERAL MEETING

## Financial summary

	2020	2019	2018	2017	2016
1. Mineral sands revenue	947.0	1,193.1	1,244.1	1,017.5	726.3
2. Underlying mineral sands EBITDA <sup>1</sup>	342.0	530.9	544.5	300.9	103.0
3. Mining area C EBITDA	81.0	85.1	55.6	59.6	47.5
4. Underlying group EBITDA <sup>1</sup>	423.1	616	600.1	360.5	150.5
5. Net profit (loss) after tax	2,410.0	(299.7)	303.9	(171.6)	(224.0)
6. Operating cash flow	183.8	408.1	594.2	391.7	137.3
Free cash flow	36.3	139.7	304.4	321.9	47.3
7. Net (debt) cash	50.2	43.3	1.8	(182.5)	(506.3)
Gearing %	n/a	n/a	n/a	17.1	31.5
8. Return on equity	283.7	(26.6%)	31.8	(20.1)	(17.1)
Return on capital	311.3	4.6%	54.0	(11.6)	(18.3)

<sup>1</sup> Underlying Group EBITDA excludes adjustments, including write-downs, impairments and changes to rehabilitation for closed sites.

### 1. Mineral sands revenue

Mineral sands revenue was \$947 million in 2020, down 21% from 2019. Z/R/SR sales volumes were down 24% and average revenue per tonne declined 2%.

Zircon sales volumes declined 13% to 240 thousand tonnes with markets, particularly ceramics, impacted by COVID-19 shutdowns in the first half. Despite a subsequent, gradual recovery, demand remained down on the previous year. Iluka's weighted average zircon price was down only 8% from Q4 2019 as a result of efforts to ensure pricing stability in uncertain market conditions.

High grade titanium feedstock markets experienced a decrease in demand in the second quarter of 2020 though rebounded strongly. Synthetic rutile sales were lower largely due to a contractual dispute with major customer, Chemours. The decline in rutile sales reflects production constraints. Iluka's weighted average rutile price increased 7% from 2019 due to ongoing market tightness.

Ilmenite and other revenue increased 65% to \$106 million, including the commencement of sales of monazite-zircon concentrate from Eneabba, with 44 thousand tonnes shipped in 2020.

### 2. Underlying mineral sands EBITDA

Underlying mineral sands EBITDA was \$342 million.

Iluka adjusted zircon operational settings in response to the uncertain market conditions, including changes to settings at the Narrngulu mineral separation plant and a return to mining at the Jacinth deposit from Ambrosia.

Despite the challenging market conditions, minerals sands continued to generate strong EBITDA margins at 36% (2019: 45%).

### 3. Mining Area C EBITDA

The Mining Area C royalty contributed \$81 million EBITDA in 2020, representing 100% of royalty receipts to the September quarter, prior to the demerger of Deterra Royalties and subsequent earnings from Iluka's 20% stake in Deterra Royalties during the December quarter.

### 4. Underlying group EBITDA

Underlying group EBITDA was \$423 million, demonstrating Iluka's discipline in the face of unprecedented challenges posed by COVID-19.

### 5. Net profit after tax

Reported net profit after tax was \$2,410 million. This result includes the \$2,247 million gain on sale from the demerger of Iluka's royalty business, completed in November.

Underlying net profit after tax was \$151 million (2019: \$279 million).

### 6. Operating and free cash flow

Free cash flow was \$36 million. Operating cash flow was \$184 million reflecting the impact of COVID-19 on mineral sands markets. Iluka also continued to progress the innovative Balranald field trial at a cost of \$34 million in 2020.

Cash flow contribution from the Mining Area C royalty was \$92 million.

Capital expenditure was \$71 million, down from \$198 million in 2019. The lower spend reflects both completion of major projects in 2019 and COVID-19 related travel restrictions hampering Iluka's ability to progress some site-based aspects of projects, particularly in Sierra Leone.

Total tax payments of \$166 million include a \$98 million 2019 final tax payment paid in the second half of 2020.

### 7. Net cash

As at 31 December 2020, Iluka reported a net cash position of \$50 million, up from \$43 million net cash as at 31 December 2019.

Iluka prioritised maintenance of a strong balance sheet, with a focus on managing operational settings in line with market conditions, minimising costs and reducing discretionary spending, while also maintaining operational continuity and progressing growth projects.

### 8. ROE and ROC

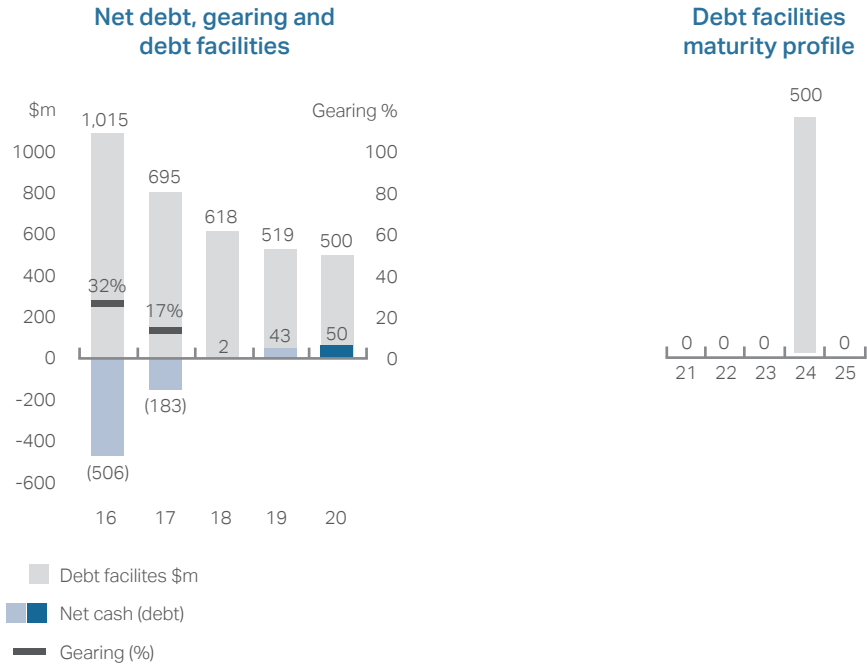
Reported return on equity of 284% and return on capital of 311%, both encompassing the gain from the demerger of Deterra Royalties.

Underlying return on equity of 19.2% and return on capital of 36.0% are excluding the demerger of Deterra Royalties (but including Sri Lanka impairment and IFC Put Option).

# Balance sheet

As at 31 December 2020, Iluka had total debt facilities of \$500 million and net cash of \$50 million. The Company has a Multi Optional Facility Agreement (MOFA), which comprises a series of committed five-year unsecured bilateral revolving credit facilities with several domestic and foreign institutions. The facilities are denominated in both AUD and USD, and mature in 2024.

Drawings under the MOFA at 31 December 2020 were \$38 million (2019: \$56 million). Of the above interest-bearing liabilities, \$38 million is subject to an effective weighted average floating interest rate of 1.5% (2019: 3.1%). Note 21 of Iluka's Financial Report provides details of the maturity profile and interest rate exposure.



## Dividend framework

Iluka's dividend framework is to pay a minimum of 40% of free cash flow not required for investing or balance sheet activity. The Company also seeks to distribute the maximum franking credits available. This framework is unchanged following the demerger of Deterra.

Iluka declared a full year dividend of 2 cents per share, fully franked, for 2020. This is consistent with the Company's dividend framework, after adjusting for the voluntary refund of the JobKeeper subsidy which will occur in 2021.



# NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 66th Annual General Meeting of Shareholders of Iluka Resources Limited ABN 34 008 675 018 (Iluka or Company) will be held on Thursday, 29 April 2021 commencing at 9.30am (WST).

This year, with COVID-19 still being an ongoing health concern, Iluka will be webcasting the Meeting online at <http://web.lumiagm.com/385467567> (Meeting ID is 385-467-567). Shareholders and proxyholders will be able to participate in the proceedings online in real time. The online Meeting will also have an audio facility available for Shareholders and proxyholders who would prefer to ask questions orally.

Draft legislation is before Parliament for the purposes of facilitating virtual meetings and it is anticipated to be passed prior to the Meeting. However, it is recommended that Shareholders lodge proxy votes in advance of the Meeting to ensure that their voting instructions will be received and votes cast. Shareholders should also monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary to make alternative arrangements for the holding or conduct of the Meeting.

An Explanatory Memorandum accompanies and forms part of this Notice of Meeting. This Notice of Meeting should be read in conjunction with the Explanatory Memorandum which provides further information on each of the proposed items of business.

## Agenda

### Financial reports

To receive and consider the annual financial report, Directors' report and auditor's report for the Company and its controlled entities for the year ended 31 December 2020.

### Ordinary resolutions

#### 1. Election of Director – Andrea Sutton

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

*That Andrea Sutton, having been appointed by the Board as an additional Director of the Company effective 11 March 2021, and who retires in accordance with Article 16.4(b)(ii) of the Company's Constitution, be elected as a Director.*

#### 2. Re-election of Director – Robert Cole

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

*That Robert Cole who retires in accordance with Article 17.1 of the Company's Constitution, be re-elected as a Director.*

#### 3. Adoption of Remuneration Report

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

*That the Remuneration Report for the year ended 31 December 2020 be adopted by the Company.*

In accordance with the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting exclusion:** the Company will disregard any votes cast on Resolution 3:

- by or on behalf of either a member of the Key Management Personnel whose remuneration details are included in the 2020 Remuneration Report or their closely related parties (in any capacity); or
- as a proxy by a person who is a member of the Key Management Personnel at the date of the Meeting or their closely related parties,

unless the vote is cast as a proxy for a person who is entitled to vote on Resolution 3 in accordance with their directions on the Proxy Form or by the Chairman of the Meeting pursuant to an express authorisation in the Proxy Form to exercise the proxy even though the Resolution is connected with the remuneration of the Company's Key Management Personnel.

#### 4. Grant of securities to Managing Director

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

*That approval be given, for the purposes of ASX Listing Rule 10.14 and for all other purposes, for the grant of Share Rights and Performance Rights to the Managing Director, Tom O'Leary, under the Company's Executive Incentive Plan, on the terms summarised in the Explanatory Memorandum.*

**Voting exclusion:** the Company will disregard any votes on Resolution 4 that are cast:

- in favour of the Resolution by or on behalf of Tom O'Leary or his associates (in any capacity); or
- as proxy by a person who is a member of the Key Management Personnel at the date of the Meeting or their closely related parties,

unless the vote is cast:

- as a proxy or attorney for a person who is entitled to vote on the Resolution in accordance with directions given to the proxy or attorney to vote on the Resolution in that way;
- by the Chairman of the Meeting as a proxy for a person entitled to vote on the Resolution and pursuant to an express authorisation to exercise the proxy as the Chairman decides (even though the Resolution is connected with the remuneration of the Company's Key Management Personnel); or
- by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

# NOTICE OF ANNUAL GENERAL MEETING

## Proxy and voting entitlement instructions

### Participating in the Annual General Meeting via the online platform

Shareholders and proxyholders will be able to participate in real-time using the online platform. To use the online platform you will require a computer, tablet or mobile device with an internet connection.

It is recommended that Shareholders login to the online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- Shareholders can register to participate in the Meeting via the online platform by using a web browser or mobile device: <http://web.lumiagm.com/385467567> (Meeting ID is 385-467-567).
- Registration will open from 8.30am (WST).
- Your password is your postcode registered on your holding if you are an Australian Shareholder. Overseas Shareholders should refer to the Annual General Meeting Online Guide, which is available at Iluka's website at: [www.iluka.com/investors-media/shareholder-information/2021-agm-information](http://www.iluka.com/investors-media/shareholder-information/2021-agm-information).
- Participating in the Meeting online enables Shareholders to view the Annual General Meeting live, comment and ask questions, and vote in real time at the appropriate times during the Meeting.

More information about online participation is available in the Annual General Meeting Online Guide at: [www.iluka.com/investors-media/shareholder-information/2021-agm-information](http://www.iluka.com/investors-media/shareholder-information/2021-agm-information).

### Lodgement of proxy voting instructions recommended

While it is anticipated that online live voting will be possible at the Meeting, Shareholders are nevertheless encouraged to lodge proxy votes in advance of the Meeting to ensure that their voting instructions will be received and votes cast. Shareholders should also monitor the Company's website and ASX announcements where updates will be provided if it becomes necessary to make alternative arrangements for the holding or conduct of the meeting. It is also possible that technical difficulties may arise during the course of the Meeting, in which case the Chairman has discretion as to whether and how the Meeting should proceed.

### Proxy instructions

A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint an individual to act as proxy to attend and vote on that Shareholder's behalf. A Shareholder entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of the Shareholder's votes each proxy is entitled to exercise. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.

The Proxy Form (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and a certified copy of the power of attorney or other authority) must be delivered to or sent by facsimile transmission to the Company's share registry, **Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria, 3001, Australia, facsimile number 1800 783 447 and outside Australia +61 (3) 9473 2555** or to the Company's registered office at Level 17, 240 St Georges Terrace, Perth, Western Australia, 6000, Australia, facsimile number +61 (8) 9360 4777, by no later than **9.30am (WST), Tuesday, 27 April 2021** (i.e. at least 48 hours prior to the Meeting).

Alternatively, you may register your proxy instructions electronically at the share registry website [www.investorvote.com.au](http://www.investorvote.com.au) or on your mobile device by scanning the QR code on the Proxy Form by 9.30am (WST), Tuesday, 27 April 2021. For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.

The Proxy Form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act. The proxy may, but need not, be a Shareholder.

In the case of Shares jointly held by 2 or more persons, any one holder may sign the Proxy Form.

### Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite the Resolutions in the Proxy Form. All your Shareholding will be voted in accordance with such a direction unless you indicate only a proportion of voting rights are to be voted on the Resolutions by inserting the proportion or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes with respect to a Resolution, your proxy may vote as he or she chooses with respect to that Resolution, subject to any voting exclusions that apply to your appointed proxy. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

### Voting restrictions that may affect your proxy appointment

Due to the voting exclusions that may apply to Resolutions 3 and 4, the Key Management Personnel and their closely related parties, and with respect to Resolution 4 only, associates of the Managing Director, will generally not be able to vote your proxy on Resolutions 3 and 4 unless you have directed them how to vote or, in the case of the Chairman, if you expressly authorise him to exercise the proxy even though the Resolutions are connected with the remuneration of the Company's Key Management Personnel.

## Chairman's voting intentions

The Chairman intends to vote all available proxies in favour of the proposed Resolutions set out in this Notice of Meeting.

## Corporate representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company and/or the Company's share registry, Computershare Investor Services before the Meeting. Certificates of appointment of corporate representative are available at [www.investorcentre.com/au](http://www.investorcentre.com/au) or on request by contacting Computershare Investor Services on telephone number 1300 733 043 or +61 3 9415 4801 (outside Australia).

## Voting entitlement (snapshot date)

For the purposes of determining voting and attendance entitlements at the Meeting, Shares will be taken to be held by the persons who are registered as holding the Shares at 5pm (WST) on Tuesday, 27 April 2021. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## Questions from Shareholders at Meeting

All Shareholders will have a reasonable opportunity to ask questions and make comments on the management of the Company during the Meeting through the online platform. The online platform will have the ability for Shareholders to ask their questions and make comments either in writing or orally. In order for Shareholders to ask their questions or make comments orally, a working microphone connected to the online platform is required.

Ms Helen Bathurst of PricewaterhouseCoopers, as the auditor responsible for preparing the auditor's report for the year ended 31 December 2020 (or her representative), will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

## Written questions to the auditor

Shareholders may submit a written question to the auditor regarding:

- (a) the content of the auditor's report; or
- (b) the conduct of the audit of the annual financial report.

Please submit any questions you may have in writing no later than **9.30am (WST), Thursday, 22 April 2021**:

**In person:** 17th Floor, 240 St Georges Terrace, Perth WA 6000

**By mail:** Company Secretary, Iluka Resources Limited

GPO Box U1988, Perth WA 6845

**By fax:** (08) 9360 4777 (within Australia)

+61 8 9360 4777 (outside Australia)

## BY ORDER OF THE BOARD



**Sue Wilson**

**Company Secretary**

Dated: 24 March 2021

# EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to provide Shareholders with information in relation to the business to be conducted at the Company's Annual General Meeting. This Explanatory Memorandum should be read in conjunction with, and forms part of, the Notice of Meeting.

Unless the context otherwise requires, capitalised terms used in this Explanatory Memorandum or the Notice of Meeting have the same meaning given to them in the Glossary to this Explanatory Memorandum.

## Financial reports

The Corporations Act requires the annual financial report of the Company for the year ended 31 December 2020 (comprising the financial statements, notes to the financial statements and Directors' declaration), as well as the Directors' report and auditor's report to be tabled at the Annual General Meeting. Iluka's 2020 Annual Report (which includes the annual financial report, Directors' report and auditor's report) has been sent to those Shareholders who requested it. The 2020 Annual Report can also be found on the Company's website [www.iluka.com/investors-media/results-and-presentations](http://www.iluka.com/investors-media/results-and-presentations).

Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or financial statements.

During this item, there will be an opportunity for Shareholders to ask questions about, or comment on, the reports and the management and performance of the Company.

## Ordinary resolutions

### 1. Resolution 1 – Election of Director – Andrea Sutton

**Andrea Sutton** BEng Chemical (Hons), GradDipEcon, GAICD

Andrea Sutton was appointed to the Board on 11 March 2021. Pursuant to Article 16.4(b)(ii) of the Constitution, a Director appointed as an addition to the Board must not hold office without re-election past the next Annual General Meeting. In accordance with that Article, Ms Sutton retires and, being eligible, offers herself for election as a Director.

Directors are appointed after an exhaustive selection process. Pre appointment checks as to experience, education, criminal record and bankruptcy history are conducted through a reputable probity search firm. Multiple reference checks are also completed.

Ms Sutton contributes to the Iluka Board over 25 years expertise across a range of operational and corporate functions, having held a number of executive roles in: health, safety, and environment; human resources; and infrastructure management, within the resources sector.

Ms Sutton's 25 year career with Rio Tinto included: CEO and Managing Director of Energy Resources of Australia (**ERA**) from 2013 to 2017; Head of Health, Safety, Environment and Security; Managing Director Support Strategy Review - Human Resources; General Manager of Operations at the Bengalla Mine; and General Manager of Infrastructure, Iron Ore.

Ms Sutton was previously a non-executive director of ERA and is currently a board member of Infrastructure WA and Australian Nuclear Science and Technology Organisation (**ANSTO**) and is a non-executive director of Red 5 Limited and DDH1 Limited.

Ms Sutton holds a Bachelor of Chemical Engineering from the University of Melbourne; a Graduate Diploma in Economics from the University of New England in Australia and is a Graduate Member of the Australian Institute of Company Directors.

The Board considers Ms Sutton's significant operational and commercial skills and experience in the resources sector will enhance the Board's ability to perform its role and will be valuable to Iluka's long-term sustainable success.

The Board considers Ms Sutton as an independent non-executive Director. Ms Sutton is a member of the Nominations and Governance Committee and the People and Performance Committee.

The Board (with Ms Sutton abstaining) recommends that Shareholders vote in favour of the Resolution.





## 2. Resolution 2 – Re-election of Director – Robert Cole

**Robert Cole** LLB (Hons), BSc

Robert Cole was appointed to the Board on 1 March 2018 and retires under the director rotation provisions of Article 17.1 of the Company's Constitution and, being eligible, has offered himself for re-election as a Director.



Mr Cole contributes to Iluka more than 30 years' of commercial, business strategy and planning experience in the energy and resources sectors. Rob was previously Managing Director of oil and gas production and exploration company, Beach Energy. Rob also spent over eight years at Woodside Petroleum Limited across a number of senior positions in commercial, corporate and legal areas, including Executive Director, Executive Vice President (Corporate and Commercial) and General Counsel. Prior to his time at Woodside, Rob was a Partner at the law firm King & Wood Mallesons.

Mr Cole currently serves on the board of Perenti Global Limited, Synergy, Landgate, St Bartholomew's House Inc. and is an external advisor (gas industry) and external member of the Regulation and Market Operations subcommittee of Power and Water Corporation of Northern Territory.

The Board annually reviews the performance of each Director seeking re-election at each AGM, with assistance from the Nomination and Governance Committee. The review is designed to assess the effectiveness of each person. The Director seeking re-election at this AGM contributed to the review of every other Director during that year. The Nomination and Governance Committee also reviews the skills, backgrounds, knowledge, experience, diversity and gender represented on the Board.

Having reviewed Mr Cole's performance, the Board considers that he continues to make a valuable contribution to the Board. Mr Cole brings to the Board extensive experience in commerce and business strategy and planning, across a range of industries including the energy and resources industries, which are particularly valued by the Board.

The Board considers Mr Cole as an independent non-executive Director. Mr Cole is a member of the Nominations and Governance Committee and the People and Performance Committee.

The Board (with Mr Cole abstaining) recommends that Shareholders vote in favour of the Resolution.

## 3. Resolution 3 – Adoption of Remuneration Report

The Remuneration Report is set out in the Directors' report in the Company's Annual Report.

The Remuneration Report:

- describes the policies behind, and the structure of, the remuneration arrangements of the Company and the link between the remuneration of Key Management Personnel and the Company's performance; and
- sets out the remuneration arrangements in place for each Director and for the Managing Director and other Key Management Personnel.

The Corporations Act requires the Company to put a resolution to Shareholders that the Remuneration Report be adopted. In accordance with section 250R(3) of the Corporations Act, the vote on Resolution 3 is advisory only and does not bind the Directors or the Company.

If you intend to appoint a proxy to vote on your behalf on the resolution for adoption of the Remuneration Report, please read the information above, under the heading 'Chairman's voting intentions'.

A voting exclusion applies to Resolution 3 as set out in the Notice of Meeting.

The Board recommends that Shareholders vote in favour of the Resolution.

## 4. Resolution 4 – Grant of securities to the Managing Director

The Company's Executive Incentive Plan (the **EIP**) was adopted in 2018 and combines the Company's previous short-term and long-term incentive arrangements into a simplified annual incentive award that drives performance against strategic, financial, production and sustainability metrics supporting the delivery of long-term sustainable value. Further information regarding the EIP can be found in Iluka's Remuneration Report on pages 69 to 70 of our 2020 Annual Report.

Under Listing Rule 10.14, Shareholder approval is required for the issue of securities to a director under an employee incentive scheme. Shareholder approval is being sought for the grant of Share Rights and Performance Rights to the Managing Director, Tom O'Leary, as his incentive award under the EIP for the performance year commencing 1 January 2020 (**2020 EIP award**). The Company's usual practice is to acquire Shares on-market to satisfy EIP awards. However, approval is being sought under ASX Listing 10.14 for the purposes of maintaining flexibility and in the interests of good governance.

# EXPLANATORY MEMORANDUM

## (a) 2020 EIP outcome

For the 2020 performance year, the Managing Director had the opportunity to earn an award of Share Rights and Performance Rights, with a target value of 140% of his total fixed remuneration (**TFR**), being \$1,960,000, and a maximum value of 210% of his TFR, being \$2,940,000.

The actual value of the 2020 EIP award was determined at the end of a 12 month performance period (1 January 2020 – 31 December 2020) based on the following performance scorecard measures:

- **Financial measures 50%:** return on capital, group net profit after tax and all in unit cash costs of production;
- **Strategic measures 25%:** individual strategic objectives, linked to major business opportunities, priorities and risks for the year from the corporate plan and directed at positioning Iluka to deliver sustainable value over the longer term;
- **Sustainability measures 15%:** targets related to safety, environmental and rehabilitation objectives based on a combination of industry best practice and continual improvement; and
- **Production measures 10%:** production targets relating to Sierra Rutile Ltd.

Following the end of the performance period, the Board assessed achievement against these performance measures as being 30% of the Managing Director's maximum opportunity, resulting in a 2020 EIP award of \$882,000 of rights in respect of Iluka shares (see paragraph (b) below) to be granted to Mr O'Leary.

Information regarding achievement against the relevant performance scorecard measures is set out Iluka's Remuneration Report on pages 72 to 74 of our Annual Report.

## (b) Delivery of award

The 2020 EIP award will be delivered to the Managing Director as a mix of:

- Share Rights (60%), subject to vesting in 4 equal tranches over a 4 year period; and
- Performance Rights (40%), subject to a further relative total Shareholder return (**TSR**) test measured over a 5 year period ending 31 December 2024.

The number of rights comprising each component of the 2020 EIP award was determined by dividing the 2020 EIP outcome award by \$7.47, being the volume weighted average price of shares traded on the ASX over the 5 trading days following the release of the Company's 2020 results announcement. On this basis, the proposed grant to the Managing Director will comprise 70,827 Share Rights and 47,218 Performance Rights.

If approved at the Meeting, any grant of Share Rights and Performance Rights will be made under the Iluka Equity Incentive Plan Rules following the Meeting (and in any event, no later than 3 years after the date of the Meeting).

## (c) Vesting of securities

### *Share Rights*

Each Share Right is a right to acquire one fully paid ordinary Share in the Company on vesting. Under the 2020 EIP offer, the Share Rights granted to the Managing Director will vest in equal tranches annually over 4 years. That is, one quarter of the Share Rights will vest following the completion of each of the financial years ending:

- 31 December 2021;
- 31 December 2022;
- 31 December 2023; and
- 31 December 2024.

### *Performance Rights*

Each Performance Right is a right to acquire one fully paid ordinary Share in the Company on satisfaction of a performance condition. Under the 2020 EIP offer, the Performance Rights granted to the Managing Director will vest subject to a relative TSR test, tested at the end of a 5 year period (1 January 2020 – 31 December 2024).

Vesting of the Performance Rights is subject to Iluka achieving a TSR that ranks at the 50th percentile or greater, relative to the total Shareholder returns of companies that form the comparator group over the performance period.

Vesting will be on a sliding scale between, with 50% of the Performance Rights to vest for median performance, increasing to 100% of the Performance Rights to vest where the Company is at or above the 75th percentile relative to the selected comparator group.

Iluka's comparator group for this Offer is defined as the ASX 200 Resources Index (excluding companies primarily engaged in the oil and gas sector and non-mining activities) as at 1 January 2020 (**Comparator Group**), being companies that operate within the resources industry and compete with Iluka for investment. The Board has discretion to make changes to the Comparator Group (for example, if there is a corporate action at a comparator organisation).

**(d) Additional terms**

Additional terms of the 2020 EIP award are set out below:

<b>Dividend rights</b>	No dividends will be paid on Share Rights or Performance Rights. For Share Rights or Performance Rights that vest, a cash payment equivalent to dividends paid by Iluka from the time of award through to the time of vesting, but only to the extent the Share Rights or Performance Rights vest.
<b>Cessation of employment</b>	In the event the Managing Director ceases employment for reasons of resignation or termination for cause, all of his Share Rights and Performance Rights will lapse, unless the Board decides otherwise. Where the Managing Director ceases employment for any other reason, unless the Board decides otherwise, the Share Rights and Performance Rights will remain on foot and subject to the original terms of the award.
<b>Clawback</b>	The Board has power under the Iluka Equity Incentive Plan Rules to clawback incentives that have vested and that have been paid or awarded to the Managing Director in certain circumstances. For example, Share Rights and Performance Rights may be lapsed or forfeited (as applicable) if the Managing Director acts fraudulently or dishonestly or if there is a material misstatement or omission in the accounts of a Group Company.
<b>Change of control</b>	In the event of a takeover or other transaction that in the Board's opinion should be treated as a change of control event, the Board has a discretion to determine the vesting of some or all of the Share Rights and Performance Rights.

**(e) Information required under the Listing Rules**

In relation to the 2020 EIP offer:

- the Managing Director is the only Director (or associate of a Director) entitled to participate in the 2020 EIP offer;
- the Managing Director's current total remuneration is:
  - total fixed remuneration (including superannuation): \$1,400,000; and
  - at risk – equity: 140% of fixed remuneration, being \$1,960,000 (at target).
- the Managing Director has previously received 119,991 Restricted Shares, 123,047 Share Rights and 216,770 Performance Rights for nil consideration for past years' incentive awards under the EIP;
- there is no loan scheme in relation to the 2020 EIP offer;
- details of any securities granted to the Managing Director under the 2020 EIP offer will be provided in the Company's Annual Report for the year in which they were issued, along with a statement that approval for the issue of the securities was obtained under ASX Listing Rule 10.14;
- any additional Director (or associate of a Director) who becomes entitled to participate in the 2020 EIP offer after this Resolution is approved and who was not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14; and
- Listing Rule 10.14 provides that a listed Company must not issue securities to a Director under an employee incentive scheme unless it obtains the approval of its Shareholders. If Shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr O'Leary.

No amount is payable by the Managing Director on the grant or vesting of Share Rights or Performance Rights, as they form part of the Managing Director's remuneration package. A voting exclusion applies to Resolution 4 as set out in the Notice of Meeting.

The Board (with Mr O'Leary abstaining) recommends that Shareholders vote in favour of the Resolution.

# EXPLANATORY MEMORANDUM

## Glossary

In the Notice of Meeting and this Explanatory Memorandum, the following terms have the following meaning unless the context otherwise requires:

<b>Annual General Meeting or Meeting</b>	The Annual General Meeting of Shareholders or any meeting adjourned thereof, convened by the Notice.
<b>Annual Report</b>	The Company's annual report including the reports of the Directors and the auditor and the annual financial report of the Company for the year ended 31 December 2020, which can be downloaded from the Company's website at <a href="http://www.iluka.com/investors-media/results-and-presentations">www.iluka.com/investors-media/results-and-presentations</a> .
<b>Board</b>	The Board of Directors of the Company.
<b>Chairman</b>	The Chairman of the Board, Mr Greg Martin, or such other Director who chairs the Meeting from time to time.
<b>Company or Iluka</b>	Iluka Resources Limited ACN 008 675 018.
<b>Company Secretary</b>	Either or both of the Company Secretaries of the Company at the time of the Annual General Meeting, being Ms Sue Wilson and Mr Nigel Tinley.
<b>Constitution</b>	The Company's constitution.
<b>Corporations Act</b>	<i>The Corporations Act 2001</i> (Cth).
<b>Director</b>	A director of the Company.
<b>Explanatory Memorandum</b>	This explanatory memorandum which accompanies and forms part of the Notice of Meeting.
<b>Key Management Personnel</b>	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
<b>Managing Director</b>	The Managing Director of the Company, Mr Tom O'Leary.
<b>Notice and Notice of Meeting</b>	The notice of Annual General Meeting which accompanies this Explanatory Memorandum.
<b>Proxy Form</b>	The proxy form accompanying this Notice.
<b>Remuneration Report</b>	The Remuneration Report appearing in the Annual Report.
<b>Resolution</b>	A resolution referred to in the Notice of Meeting.
<b>Share</b>	A share in the Company.
<b>Shareholder</b>	A registered holder of a Share.
<b>WST</b>	Western Standard Time, being the time in Perth, Western Australia.

### Registered office

Level 17, 240 St Georges Terrace  
Perth, Western Australia, 6000

Telephone: +61 8 9360 4700  
Facsimile: +61 8 9360 4777

[www.iluka.com](http://www.iluka.com)  
ABN 34 008 675 018





# ILUKA

## Iluka Resources Limited

ABN 34 008 675 018



ILU

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

### Need assistance?



**Phone:**

1300 733 043 (within Australia)  
+61 3 9415 4801 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



### YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30 AM (WST)** on **Tuesday, 27 April 2021**.

## Proxy Form

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**Voting restrictions for members of the key management personnel (KMP):** Please note that if you appoint a member of the KMP or one of their closely related parties as your proxy, they will not be able to vote your proxy on Resolutions 3 and 4, unless you direct them how to vote or you appoint the Chairman of the Meeting as your proxy. If the Chairman of the Meeting is or becomes your proxy, but you do not mark a voting box for Resolutions 3 and 4, then by completing and returning this form, you will be expressly authorising the Chairman of the Meeting to exercise your proxy on Resolutions 3 and 4 as he thinks fit, even though the resolution is connected with the remuneration of the Company's KMP.

**A proxy need not be a securityholder of the Company.**

#### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, one securityholder may sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

#### PARTICIPATING IN THE MEETING

##### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

### Lodge your Proxy Form:

**XX**

#### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**

**SRN/HIN: I999999999**

**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

#### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

#### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/we being a member/s of Iluka Resources Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Iluka Resources Limited to be held at <http://web.lumiagm.com/385467567> (Meeting ID: 385-467-567) on Thursday, 29 April 2021 at 9:30 AM (WST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default) by completing and returning this form, I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy on Items 3 and 4 (except where I/we have indicated a different voting intention in step 2) even though Items 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each Resolution.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3 and 4 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Election of Director - Andrea Sutton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director - Robert Cole	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of securities to the Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address  By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

