



ILUKA

Australian Securities Exchange Notice

29 June 2016

ILUKA ANNOUNCES APPOINTMENT OF CEO AND MANAGING DIRECTOR

Greg Martin, the Chairman of Iluka Resources Limited (Iluka), today announced the appointment of Tom O'Leary as the new Chief Executive Officer and Managing Director of Iluka, with a planned commencement date of 5 September 2016.

Tom will succeed David Robb, who has been Managing Director since October 2006.

Greg Martin stated:

"I am very pleased to announce Tom O'Leary's appointment. Tom is a seasoned business executive, who has run complex businesses, most recently as Managing Director of Wesfarmers Chemicals, Energy & Fertilisers Division. He has a depth of business development and capital deployment experience, including major transactional experience. Tom provides an important continuity in terms of the capital disciplines and capital allocation abilities that I know our shareholders regard highly as distinguishing features of Iluka. I am sure he will provide a new perspective and a continued dynamism to our company."

Tom O'Leary, Iluka's CEO and Managing Director - elect, said:

"I'm excited and delighted to be given the opportunity to lead Iluka. I've been at Wesfarmers for over 15 years, where the primary objective has been to deliver satisfactory returns to shareholders. I understand that a similar objective, to be delivered through the application of sound financial disciplines, is also a core expectation of Iluka's shareholders. I believe that is best achieved through the performance of highly engaged teams. I'm proud of the team I will leave in place in Wesfarmers Chemicals, Energy & Fertilisers and I look forward to working closely with the Iluka team."

As foreshadowed in its ASX Release of 22 March 2016, the Board of Directors, as part of its succession planning, was targeting a transition during the second half of 2016. David will ensure a smooth transition to Tom's commencement.

Attachments

Biographical information

Summary of material terms of executive employment agreement between Iluka Resources Limited and Thomas O'Leary

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Biographical Information – Tom O’Leary

Employment Experience

- 2010 – Present **Managing Director, Wesfarmers Chemicals, Energy & Fertilisers**
Perth, Western Australia
- led merger of Wesfarmers Energy Division with Chemicals & Fertilisers Division
 - led the rationalisation of portfolio through the divestment of enGen; 40% interest in Air Liquide WA; east coast operations of Kleenheat.
- 2009 – 2010 **Managing Director, Wesfarmers Energy**, Perth, Western Australia
- 2000 – 2009 **Executive General Manager Wesfarmers Limited, Business Development**
- acquisition of ASX listed Howard Smith (and project management of integration of Bunnings Warehouse and Hardwarehouse)
 - sale of Landmark to ASX listed AWB
 - purchase of Lumley Insurance
 - expansion infrastructure for Curragh North coking coal mine
 - sale of ARG to Babcock & Brown and Queensland Rail (now Aurizon)
 - acquisition of ASX listed Coles Group
- 1998 – 2000 **Director, Nikko Principal Investments Limited**, London, United Kingdom
- 1997 – 1998 **Director Nomura International plc**, London, United Kingdom
- 1990 – 1997 **Solicitor, Allen & Overy** - London, United Kingdom
- 1988 – 1990 **Robinson Cox** (now Clayton Utz) – Perth, Western Australia

Directorships / Committees

Clontarf Foundation (Director since 2006)
International Fertilizer Association (Director since 2013)
Edith Cowan University Council (Council Member since 2016)

Education/Qualifications

Bachelor of Laws (LLB), University of Western Australia, 1987
Bachelor of Jurisprudence (BJuris), University of Western Australia, 1986
Harvard Advanced Management Program, Harvard Business School, 2008

Summary of material terms of executive employment agreement between Iluka Resources Limited and Thomas O'Leary

Position	CEO and Managing Director.
Commencement date	5 September 2016.
Term	No fixed term. Ongoing until terminated by either party in accordance with the Employment Agreement (see 'termination of employment' below).
Total Fixed Remuneration (TFR)	\$1,400,000 (including superannuation), reviewed annually.
Short Term Incentive (STI) for FY16	No FY16 short term incentive (STI) award entitlement. Mr O'Leary's participation in, and the operation of, future year STI awards is subject to Board discretion.
Long Term Incentive (LTI) for FY16	Mr O'Leary will be entitled to participate in the Company's current long term incentive (LTI) award scheme for FY16. Mr O'Leary will be granted rights to shares in the Company with a face value of \$1,680,000 (being, 120% of TFR). Vesting of the LTI award will be subject to satisfaction of the Company's standard 2016 LTI performance hurdles for executives except that it will be tested over a performance period of four-years and three months commencing on 1 October 2016. Mr O'Leary's participation in, and the operation of, future year LTI awards is subject to Board discretion.
Compensation for foregone incentive	In consideration of the fact that Mr O'Leary will forego existing incentive rights that he may otherwise have become entitled to with his previous employer, Mr O'Leary will be granted rights to shares in the Company in three tranches (all of which will be performance tested): <ul style="list-style-type: none">• Tranche 1 of the rights will have a face value of \$952,000 and will be tested based on performance over a period from 1 October 2016 to 31 December 2017.• Tranche 2 of the rights will have a face value of \$1,250,000 and will be tested based on performance over a period from 1 October 2016 to 31 December 2018.• Tranche 3 of the rights will have a face value of \$1,050,000 and will be tested based on performance over a period from 1 October 2016 to 31 December 2019.

Half of the rights in each tranche will be subject to a return on equity performance hurdle and the other half will be subject to a relative total shareholder return performance hurdle.

Termination of employment

Either party may terminate the Employment Agreement by giving 6 months' notice. The Company may require Mr O'Leary to serve out the notice or may elect to pay Mr O'Leary in lieu of working out the notice period.

The Company may summarily terminate Mr O'Leary's employment without notice in certain circumstances (including serious misconduct).

Mr O'Leary may terminate the Employment Agreement without notice if a fundamental change occurs in his role or responsibilities. In this case Mr O'Leary is entitled to a payment equivalent to 6 months' TFR and any incentives will be treated in accordance with the terms of the relevant incentive arrangements on a basis consistent with termination by the Company.

Mr O'Leary and the Company may also agree to terminate Mr O'Leary's employment by mutual agreement, in which case Mr O'Leary is entitled to a payment equivalent to 6 months' TFR.

Post-employment restraint

A 6 month restraint provision applies.

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