



Fortescue
The New Force in Iron Ore

2016 Notice of

Annual General Meeting

Please read the Notice and Explanatory Statement carefully

If you are not able to attend the Annual General Meeting of Shareholders, please complete and return the Proxy Form in accordance with the specified directions.

2016 Fortescue Annual Report

Our Annual Report is available electronically at www.fmgil.com.au. Printed copies of the Annual Report have been mailed to Shareholders who selected this option.

ABN: 57 002 594 872



Your invitation to attend our
Annual General Meeting of Shareholders and to vote on key issues

Message From the Chairman

Dear Valued Shareholder(s),

It is my pleasure to invite you to the Company's 2016 Annual General Meeting to be held on Wednesday, 9 November 2016 at 10:00 am (Perth time) in the Grand Ballroom, Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia (**Meeting**).

Since the last Annual General Meeting (AGM) Mr Peter Meurs resigned as an Executive Director in April 2016.

Peter joined Fortescue in 2010 as Director, Development and was appointed to the Board as an Executive Director in 2013. During this time, he was an integral part of building our world leading infrastructure and developing our mine capability. As an Executive, he was also responsible for exploration and business development. The strong culture Peter has embedded, along with the tremendous energy and expertise he brought to the business will be part of his enduring legacy. We wish Peter and his wife Maxine the very best as they embark on an exciting journey of dedicated service to their Church and community.

At this year's AGM we will be seeking Shareholder approval for the reappointment of Ms Sharon Warburton and Ms Elizabeth Gaines to the Board, who both bring extensive knowledge and experience in governance, international business and financial leadership.

The following pages contain details on the items of business to be conducted at the meeting. Your Directors believe that each of the resolutions is in the best interests of the Company and its Shareholders.

The meeting is an ideal opportunity for you to meet your Board and senior management team and I encourage you to attend. Voting on the resolutions at the meeting is important, and if you are not able to attend I recommend that you exercise your voting rights either by completing and returning the enclosed proxy form or by lodging it online at www.linkmarketservices.com.au and following the directions in the Notice of Meeting and on the proxy form.

Your Directors and management team look forward to seeing you at the meeting.

Yours sincerely



Andrew Forrest
Chairman, Fortescue Metals Group Ltd



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Fortescue Metals Group Ltd (ABN 57 002 594 872) (**Fortescue** or the **Company**) will be held in the Grand Ballroom at the Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia on Wednesday, 9 November 2016 at 10.00 am (Perth time) (**Meeting**).

If you are unable to attend the Meeting you are encouraged to complete and return the proxy form attached to this Notice of Meeting. The completed proxy form must be received at the office of the Company's share registrar, Link Market Services Limited, by no later than 10.00 am (Perth time) on Monday, 7 November 2016.

Date for determining voting entitlements

The Directors have determined that for the purposes of the Corporations Act 2001 (Cth) (**Corporations Act**), the persons eligible to vote at the Meeting will be those persons who are registered Shareholders at 4.00 pm (Perth time) on Monday, 7 November 2016. Accordingly, transfers of shares registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Appointment of Proxies

Each Shareholder who is entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy does not need to be a Shareholder.

A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion of votes each proxy is to exercise. If no proportion is specified, each proxy may exercise half the Shareholder's votes.

Wednesday, 9 November 2016
10.00am (Perth time)

Hyatt Regency Perth
(Grand Ballroom)
99 Adelaide Terrace
East Perth, Western Australia



Voting by proxy

A Shareholder can direct its proxy to vote for, against or abstain from voting on each resolution by marking the appropriate box in the Voting Directions section of the proxy form. If a proxy holder votes, they must cast all votes as directed. Any directed proxies that are not voted will automatically default to the Chairman, who must vote the proxies as directed.

If the Chairman is to act as your proxy in relation to Resolution 1 (whether by appointment or by default) and you have not given directions on how to vote by marking the appropriate box in the Voting Directions section of the proxy form, the proxy form expressly directs and authorises the Chairman to cast your vote "for" Resolution 1. This express authorisation is included because without it the Chairman would be precluded from casting your votes, as this resolution is connected with the remuneration of key management personnel.

Subject to the above requirements being met, the Chairman will vote all valid undirected proxies in respect of Resolutions 1 to 3 in favour of the relevant Resolution.

If you are in any doubt as to how to vote, you should consult your professional adviser.

The proxy form that accompanies this Notice of Meeting must be completed and received at the office of Link Market Services Limited, as detailed below, by 10.00 am (Perth time) on Monday, 7 November 2016.

Mail: Fortescue Share Registry
C/- Link Market Services Limited
Locked Bag A14, SYDNEY SOUTH NSW 1235

Delivery: Fortescue Share Registry
C/- Link Market Services Limited
1A Homebush Bay Drive, RHODES NSW 2138

Facsimile: (02) 9287 0309 (from Australia)
+61 2 9287 0309 (from overseas)

Online: www.linkmarketservices.com.au

Select 'Investor & Employee Login' and enter Fortescue Metals Group Ltd or the ASX code (FMG) in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'.

Select the 'Voting' tab and then follow the prompts.

You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Corporate Representatives

Any corporate Shareholder wishing to appoint a person to act as its representative at the Meeting may do so by providing that person with:

- a letter or certificate executed in accordance with the Corporations Act authorising that person to act as the corporate Shareholder's representative at the Meeting; or
- a copy of the resolution appointing that person as the corporate Shareholder's representative at the Meeting, certified by a secretary or director of the corporate Shareholder.

Alternatively, Shareholders can download and fill out the 'Appointment of Corporate Representation' form from Link Market Services Limited's website – www.linkmarketservices.com.au. Select the Investor Services tab and click on 'Forms'.

Key Dates

Deadline for lodgement of proxy forms

10.00 am (Perth time) on Monday, 7 November 2016

Determination of voting eligibility

4.00 pm (Perth time) on Monday, 7 November 2016

Annual General Meeting

10.00 am (Perth time) on Wednesday, 9 November 2016

Queries

If you have any queries regarding the matters contained in the Meeting documents, please call Company Secretary Ian Wells, on +61 8 6218 8888.

Agenda

The Explanatory Statement which accompanies and forms part of this Notice of Meeting describes the matters to be considered at the Meeting.

CEO and Chairman's address

Financial Reports

To receive and consider the financial report, the reports of the Directors and the auditors of the Company and its controlled entities for the year ended 30 June 2016.

Note: There is no requirement for Shareholders to approve these reports.

Ordinary Business

Resolution 1 - Adoption of Remuneration Report

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

"That the Remuneration Report for the Company and its controlled entities for the year ended 30 June 2016 be approved and adopted."

Voting Prohibition

A vote must not be cast on Resolution 1 (in any capacity) by or on behalf of:

- any of the Company's key management personnel (KMP) (including the Directors), details of whose remuneration are included in the Remuneration Report; or
- a closely related party of any KMP (including spouses, dependents and controlled companies).

However, a vote may be cast on Resolution 1 by a KMP as a proxy, or a closely related party of a KMP as a proxy, if the vote is not cast on behalf of a KMP or a closely related party of a KMP, and:

- the proxy appointment is in writing and specifies the way the proxy is to vote on Resolution 1; or
- the proxy is the Chairman, and:
 - the proxy appointment does not specify the way the proxy is to vote on Resolution 1; and
 - the proxy appointment expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected, directly or indirectly, with the remuneration of a KMP.

The Chairman will vote all undirected proxies in favour of Resolution 1.

Resolution 2 – Re-election of Ms Elizabeth Gaines

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

"That Ms Elizabeth Gaines be re-elected as a Director of the Company."

Resolution 3 – Re-election of Ms Sharon Warburton

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

"That Ms Sharon Warburton be re-elected as a Director of the Company."



Dated this 5 October 2016

By Order of the Board

Ian Wells
Company Secretary, Fortescue Metals Group Ltd



Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders of Fortescue Metals Group Ltd (**Fortescue** or the **Company**) in connection with the business to be conducted at the Annual General Meeting of Shareholders to be held in the Grand Ballroom, at the Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia on Wednesday, 9 November 2016 at 10.00 am (Perth time) (**Meeting**).

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting.

This Explanatory Statement and all its attachments are important documents and should be read carefully and in their entirety. If you have any questions regarding the matters set out in this Explanatory Statement or the Notice of Meeting, please contact the Company or your financial adviser, stockbroker or solicitor.

Financial Reports

The first item of the Meeting deals with the presentation of the consolidated financial report of the Company for the year ended 30 June 2016, together with the Directors' declaration and report in relation to that financial year, and the auditor's report on those financial statements (**Financial Reports**).

Shareholders are asked to consider the Financial Reports and raise any matters of interest with the Directors when this item is being considered. Shareholders will be provided with a reasonable opportunity at the Meeting to ask questions about, or make comments on, the Financial Reports. No resolution is required to be moved in respect of this item.

Resolution 1 – Adoption of Remuneration Report

In accordance with the Corporations Act, Shareholders are asked to consider and vote on the adoption of the Remuneration Report as presented in the Annual Report for the year ended 30 June 2016.

A voting prohibition statement for Resolution 1 is contained in the Notice of Meeting.

Resolution 1 – Adoption of Remuneration Report

The Annual Report of the Company for the year ended 30 June 2016 contains a Remuneration Report, which sets out:

- the remuneration policy for the Company; and
- the remuneration arrangements in place for the Directors and specified Executives of the Company.

A copy of the Remuneration Report, as contained in the 2016 Annual Report, is available on the Company's website at www.fmgl.com.au under the "Investors & Media" tab.

The vote on Resolution 1 is advisory only and will not require the Company to alter the arrangements set out in the Remuneration Report should Resolution 1 not be passed. Notwithstanding the effect of this legislative requirement, the Board will take the outcome of the vote into consideration when applying the Company's remuneration policy.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 1.

Resolution 2 – Re-election of Ms Elizabeth Gaines

Ms Elizabeth Gaines retires by rotation at the Meeting and, being eligible, offers herself for re-election as a Director.

Resolution 2 – Re-election of Ms Elizabeth Gaines

Ms Gaines was appointed as a Director of the Company in February 2013.

Ms Gaines adds to the Board's extensive international experience in all aspects of financial and commercial management. Her exceptional leadership record in business, treasury and finance across a range of industries has been invaluable as we ramped up production and through the transition to steady, consistent production.



Ms Gaines is the former Chief Executive Officer of Helloworld Limited. Prior to this, Ms Gaines was Chief Operating Officer and Chief Financial Officer of Helloworld Limited, Chief Financial Officer of the Stella Group, Chief Finance and Operations Director of UK-based Entertainment Rights Plc and Chief Executive Officer of Heytesbury Pty Limited.

Ms Gaines is regarded as a financial and governance expert, is a member of Chartered Accountants Australia and New Zealand, the Australian Institute of Company Directors and Chief Executive Women. Ms Gaines holds a Bachelor of Commerce degree and Master of Applied Finance degree. She is a Commissioner of Tourism WA and in August 2016 was appointed to the Board of 7-Eleven Stores Pty Ltd.

Ms Gaines also serves on the boards of ASX-listed NEXTDC Limited, Nine Entertainment Co. Holdings Limited and ImpediMed Limited.

Ms Gaines is a member of Fortescue's Audit and Risk Management Committee and the Finance Committee.

Directors' Recommendation

Ms Elizabeth Gaines has an interest in Resolution 2 and refrains from making any recommendation as to how Shareholders should vote on the Resolution.

The Company's remaining Directors recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Re-election of Ms Sharon Warburton

Ms Sharon Warburton retires by rotation at the Meeting and, being eligible, offers herself for re-election as a Director.

Resolution 3 – Re-election of Ms Sharon Warburton

Ms Warburton was appointed as a Non-Executive Director in November 2013.

Ms Warburton has deep experience in the construction, infrastructure, resources and mining industries, bringing a wealth of experience with exposure to a number of industries across Australia, the United Kingdom and the Middle East. Ms Warburton's experience has been recognised through the Western Australian Telstra Business Woman of the Year awards (2014) and as a finalist in The Financial Review's Westpac 100 Women of Influence.

Ms Warburton previously held the role of Executive Director of Strategy and Finance with Brookfield Multiplex, Chief Planning and Strategy Officer of United Arab Emirates based company, ALDAR Properties PJSC, and has held a variety of senior executive roles with Brookfield Multiplex, Citigroup and Rio Tinto.

Ms Warburton also serves on the board of ASX listed Gold Road Resources Limited, WA State Government owned Western Power, Curtin University Business School - Asia Business Centre Advisory Board and Not for Profit Perth Children's Hospital Foundation. She is Chairman of the Northern Australia Infrastructure Facility, and part-time member of the Takeovers Panel.

Ms Warburton is regarded as a financial, governance and remuneration expert, is a Fellow of the Institute of Chartered Accountants Australia and New Zealand, a Graduate of the Australian Institute of Company Directors, a member of Chief Executive Women and a fellow of the Australian Institute of Building.

Ms Warburton is the Chair of Fortescue's Remuneration and Nomination Committee and a member of Fortescue's Audit and Risk Management Committee.

Directors' Recommendation

Ms Sharon Warburton has an interest in Resolution 3 and refrains from making any recommendation as to how Shareholders should vote on the Resolution.

The Company's remaining Directors recommend that Shareholders vote in favour of Resolution 3.

THE YEAR AT A GLANCE



SAFETY
15%



Operating cost
43%



169.4
million tonnes shipped

Revenue



US\$7.1
billion

8TH

anniversary
of first
ore on ship



US\$2.9
billion debt
retired

Reduction of

8%

in greenhouse
gas emissions

"Fortescue's Trade Up"
launched

a pathway to an apprenticeship



Underlying EBITDA

\$3.2
billion

*Focus on productivity and
efficiency lowers costs*



A\$1.8 billion

Contracts to Aboriginal companies and Joint Ventures

Net debt

\$5.2
billion
at 30 June 2016

*Net gearing lowered
to 38%*



Net profit after tax

\$985 million

212 per cent increase from prior year



11.6

billion tonnes
Mineral Resources


LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Fortescue Metals Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
+61 2 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

 **ALL ENQUIRIES TO**
Telephone: +61 1300 733 136

PROXY FORM

I/We being a member(s) of Fortescue Metals Group Ltd and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Wednesday, 9 November 2016 at Hyatt Regency Perth (Grand Ballroom), 99 Adelaide Terrace, East Perth WA (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).


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

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Ms Elizabeth Gaines	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Ms Sharon Warburton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

Securityholder 1 (Individual)

Joint Securityholder 2 (Individual)

Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).



HOW TO COMPLETE THIS SECURITYHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's security register. If this information is incorrect, please make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your securities using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a securityholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's security registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

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

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, 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 indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's security registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Monday, 7 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your securityholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Fortescue Metals Group Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**