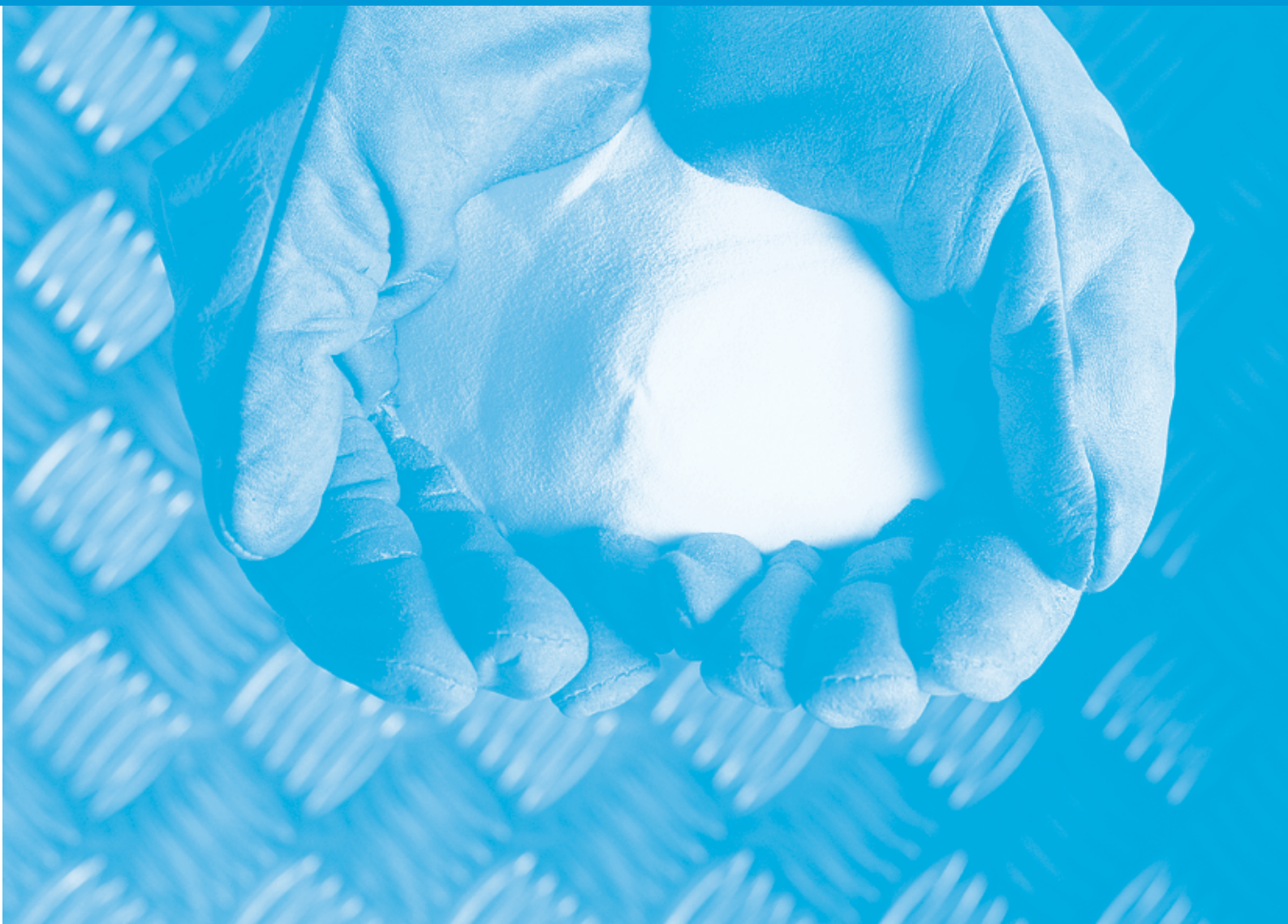


Implementation Deed, Schemes and Notices of Meetings

- 14. Implementation Deed
- 15. Schemes of arrangement
- 16. Notices of Meetings

D



Alumina

Implementation Deed, Schemes and Notices of Meetings

14. Implementation Deed

Date 25 October 2002

Parties

1. WMC Limited (ABN 85 004 820 419) of Level 16, IBM Centre, 60 City Road, Southbank, Victoria, Australia (WMC);
2. WMC Resources Ltd (ABN 76 004 184 598) of Level 16, IBM Centre, 60 City Road, Southbank, Victoria, Australia (WMC Resources);
3. WMC Fertilizers Pty Ltd (ABN 30 004 936 850) of Level 16, IBM Centre, 60 City Road, Southbank, Victoria, Australia (Fertilizers); and
4. WMC (Olympic Dam Corporation) Pty Ltd (ABN 99 007 835 761) of Level 16, IBM Centre, 60 City Road, Southbank, Victoria, Australia (ODC).

Recitals

- A The directors of each of the parties consider it desirable that certain of the operations of WMC, on the one hand, and certain other of the operations of WMC (including in particular those of WMC Resources, ODC and Fertilizers), on the other hand, be demerged (the **Demerger**).
- B Accordingly, the directors of WMC have resolved that WMC will propose two schemes of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) with the holders of its fully paid ordinary shares (the **Share Scheme**) and with the holders of options to subscribe for its fully paid ordinary shares (the **Option Scheme**), in order to implement the Demerger.
- C The parties have agreed to implement the Schemes, and the other steps required for the Demerger, upon and subject to the terms of this Deed.

It is agreed as follows.

1. Definitions and interpretation

1.1 Definitions

Words and phrases defined in the Share Scheme and in the Option Scheme, a copy of each of which is set out in Annexures A and B, respectively, have the same meanings in this Deed unless the context requires otherwise. In addition, the following definition applies unless the context requires otherwise.

Scheme means each of the Share Scheme and the Option Scheme.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) A reference to a Clause or Annexure is a reference to a clause of, or annexure to, this Deed.
- (d) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (e) A reference to a person, corporation, trust, partnership, unincorporated body, government agency or other entity includes any of them.
- (f) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns.
- (g) A reference to an agreement or document (including, without limitation, a reference to this Deed) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this Deed or that other agreement or document.
- (h) A reference to any legislation or to a provision of any legislation includes a modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (i) Words and phrases not specifically defined in this Deed have the same meanings (if any) given to them in the Corporations Act.

2. Benefit of Deed

- (a) The benefit of the obligations and undertakings of WMC Resources and, for the purposes of paragraphs (i) and (ii), Fertilizers and ODC under this Deed is given to, and will be held by, WMC:
 - (i) for WMC's own benefit; and
 - (ii) on trust for the benefit of all WMC Shareholders and all Scheme Shareholders; and
 - (iii) on trust for the benefit of all WMC Optionholders and all Scheme Optionholders.

- (b) Notwithstanding Clause 2(a), each of WMC Resources, Fertilizers and ODC agrees to execute, prior to the hearing of the applications of WMC to the Court to obtain orders to convene meetings to approve each Scheme, a deed poll in such form as may reasonably be required by WMC, so that:
- (i) in each case, all WMC Shareholders and all Scheme Shareholders; and
 - (ii) in the case of WMC Resources, all WMC Optionholders and all Scheme Optionholders,
- have the benefit of and may enforce directly against it the relevant obligations and undertakings of it under the Share Scheme and (in the case of WMC Resources) the Option Scheme.

3. General obligations in relation to the Demerger

3.1 Execution of Demerger documents

As soon as practicable after the date of this Deed and before the Demerger Date, WMC and WMC Resources agree to negotiate in good faith, and enter into (and procure that, to the extent necessary or appropriate, their respective subsidiaries enter into):

- (a) the Demerger Deed, pursuant to which WMC and WMC Resources will undertake various obligations in order to facilitate the orderly separation from WMC, transition and emergence of WMC Resources and its subsidiaries as an independently owned corporate group, as contemplated by the Demerger; and
- (b) such other agreements contemplated by the Demerger Deed or as may be appropriate to facilitate the Demerger.

3.2 Terms of Demerger documents

Without limiting Clause 3.1, WMC and WMC Resources agree that the Demerger Deed and the other agreements referred to in Clause 3.1 will deal with matters such as:

- (a) the fundamental principle of the Demerger and the consequent rights and liabilities of the parties in connection with the Demerger and the transactions required to implement it;
- (b) the transfer of such assets, including companies and contracts, as may be required to implement the Demerger;
- (c) the maintenance of, and provision of access to, records by each party, and the provision of assistance by each party in relation to past and future financial and taxation matters;
- (d) the separation of ownership of intellectual property, and the phase out of the use by WMC of certain intellectual property;
- (e) the management of current and future litigation matters;
- (f) the responsibilities of the parties in relation to employee entitlements (including superannuation);
- (g) the provision of indemnities by the parties, including in relation to taxation matters, business liabilities and

guarantee obligations, consistent with the fundamental principle of the Demerger and to ensure that the intended economic effect of the Demerger is achieved; and

- (h) the provision by WMC Resources of transitional corporate services to WMC.

4. Obligations of WMC in relation to the Schemes

WMC will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the Schemes and the transactions contemplated by them. Without limitation, WMC will:

- (a) make such applications to the Court as are necessary or desirable to give effect to the Schemes, including without limitation to obtain orders of the Court to convene meetings to approve each Scheme, and orders of the Court approving each Scheme;
- (b) take all action necessary or desirable to ensure that each of the conditions precedent in clause 3 of each Scheme is satisfied;
- (c) take all action necessary or desirable to ensure that the Dividend Resolution is passed by the board of directors of WMC in accordance with clause 4.2 of the Share Scheme, and on the basis that:
 - (i) the record date for the dividend the subject of the Dividend Resolution is the Share Scheme Record Date; and
 - (ii) the payment of the dividend the subject of the Dividend Resolution will be effected and satisfied by appropriating the relevant amount to or for the benefit of each Scheme Shareholder in accordance with clause 4.3(f) of the Share Scheme; and
- (d) comply with the Schemes in all respects so that the Schemes take effect in accordance with their respective terms.

5. General obligations of WMC Resources, Fertilizers and ODC in relation to the Schemes

5.1 General obligations

Each of WMC Resources, Fertilizers and ODC will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the Schemes and the transactions contemplated by them. Without limitation, WMC Resources and, in the case of paragraph (c), Fertilizers and ODC will take all action necessary or desirable to ensure that:

- (a) each of the conditions precedent in clauses 3.1(d), (e) and (f) of the Share Scheme, and in clauses 3.1(d) and (e) of the Option Scheme, is satisfied;
- (b) the Share Scheme Effective Date occurs on or before 30 April 2003 or such later date as WMC may agree; and
- (c) the Schemes take effect in accordance with their respective terms.

5.2 Applications to ASX

Without limiting Clause 5.1, WMC Resources will:

- (a) apply for admission to the official list of ASX;
- (b) apply for the granting by ASX of permission for official quotation of the WMC Resources Shares to be transferred pursuant to the Share Scheme on the stock market conducted by ASX; and
- (c) pay, or cause to be paid, the applicable fees to ASX.

Those applications will be made on such day, prior to the Share Scheme Effective Date, as WMC and WMC Resources may agree.

6. Specific obligations of WMC Resources in relation to the Schemes

6.1 Registration of transfers under Share Scheme

Subject to Clauses 6.3 and 7, WMC Resources will:

- (a) on the Demerger Date, enter the name and address of each Scheme Shareholder (other than Ineligible Overseas Shareholders) in the WMC Resources Share Register in respect of the WMC Resources Shares to which they are entitled under the Share Scheme; and
- (b) as soon as practicable after the later of the Listing Date and the Demerger Date, dispatch or procure the dispatch to each Scheme Shareholder (other than Ineligible Overseas Shareholders) by prepaid post or courier delivery to their Registered Address (unless the Scheme Shareholder has directed otherwise) a CHES holding statement in the name of that Scheme Shareholder in respect of the WMC Resources Shares to which they are entitled under the Share Scheme, in accordance with the SCH Business Rules and the Listing Rules. In the case of joint holders of shares a CHES holding statement will be issued in the name of, and dispatched to, the holder whose name appears first in the WMC Share Register at the Share Scheme Record Date.

6.2 Issue of options under Option Scheme

Subject to Clauses 6.3 and 7, on the Option Scheme Implementation Date, WMC Resources will:

- (a) grant to each Scheme Optionholder; and
- (b) enter the name and address of the Scheme Optionholder in the register of holders of WMC Resources Options established by WMC Resources pursuant to sections 168 and 170 of the Corporations Act in respect of,

the WMC Resources Options to which they are entitled under the Option Scheme.

6.3 Conditions

The obligations of WMC Resources under:

- (a) Clause 6.1 are subject to the Share Scheme becoming effective and binding on WMC Shareholders in accordance with sections 411(4) and (10) of the Corporations Act; and
- (b) Clause 6.2 are subject to the Option Scheme becoming effective and binding on WMC Optionholders in accordance with sections 411(4) and (10) of the Corporations Act.

7. Termination of Deed

7.1 Termination of all obligations

If the Share Scheme Effective Date does not occur on or before 30 April 2003 or such later date as the Court, with the consent of WMC and WMC Resources, may order, all the obligations of each party under this Deed will automatically terminate.

7.2 Termination of Option Scheme obligations

If the Option Scheme does not become effective and binding on Scheme Optionholders in accordance with sections 411(4) and (10) of the Corporations Act on or before the Share Scheme Effective Date, the obligations of each party under this Deed with respect to the Option Scheme will automatically terminate.

7.3 Consequences of termination

Upon termination of obligations under this Deed in accordance with Clause 7.1 or 7.2:

- (a) each party is released from its obligations to further perform this Deed except those obligations which by their nature survive termination and, where termination occurs in accordance with Clause 7.2 but not Clause 7.1, the obligations of that party under this Deed with respect to the Share Scheme;
- (b) each party retains the rights they have against each other party in respect of any breach which occurred before that termination;
- (c) all WMC Shareholders and all Scheme Shareholders retain the rights they have in relation to each of WMC Resources, Fertilizers and ODC by virtue of Clause 2(a)(ii) in respect of any breach which occurred before that termination; and
- (d) all WMC Optionholders and all Scheme Optionholders retain the rights they have in relation to WMC Resources by virtue of Clause 2(a)(iii) in respect of any breach which occurred before that termination.

8. Notices

Any notice, demand, consent or other communication

(a **Notice**) under this Deed to a party:

- (a) must be in writing and signed by the sender or a person duly authorised by the sender;
- (b) must be delivered to the intended recipient by prepaid post or by hand or fax to the address or fax number below or any other address or fax number the intended recipient requests in writing:

Level 16
IBM Centre
60 City Road
Southbank Victoria 3006
Australia

Attention: Company Secretary
Facsimile: +61 (0)3 9685 6115

- (c) will be taken to be duly given or made:
 - (i) in the case of delivery in person, when delivered;
 - (ii) in the case of delivery by post, two Business Days after the date of posting (if posted from within Australia) or seven Business Days after the date of posting (if posted from outside Australia); and
 - (iii) in the case of fax, on receipt by the sender of a transmission control report from the dispatching machine showing the relevant number of pages and the correct destination fax machine number or name of recipient and indicating that the transmission has been made without error,
 but if the result is that a Notice would be taken to be given or made on a day that is not a business day in the place to which the Notice is sent or is later than 4.00 pm it will be taken to have been duly given or made at the commencement of business on the next business day in that place.

9. Amendment

No amendment or variation of this Deed is valid or binding on a party unless made in writing executed by all parties.

10. Assignment

The rights and obligations of:

- (a) each party under this Deed;
 - (b) each WMC Shareholder and each Scheme Shareholder by virtue of Clause 2(a)(ii); and
 - (c) each WMC Optionholder and each Scheme Optionholder by virtue of Clause 2(a)(iii),
- are personal. They cannot be assigned, encumbered or otherwise dealt with and no person may attempt, or purport, to do so without the prior written consent of the parties.

11. No waiver, remedies cumulative**11.1 No waiver**

No failure to exercise nor any delay in exercising any right, power or remedy by:

- (a) a party;
 - (b) a WMC Shareholder or a Scheme Shareholder in respect of rights they have by virtue of Clause 2(a)(ii); or
 - (c) a WMC Optionholder or a Scheme Optionholder in respect of rights they have by virtue of Clause 2(a)(iii),
- operates as a waiver. A single or partial exercise of any right, power or remedy does not preclude any other or further exercise of that or any other right, power or remedy. A waiver is not valid or binding on the person granting that waiver unless made in writing.

11.2 Remedies cumulative

The rights, powers and remedies of:

- (a) each party under this Deed;
 - (b) each WMC Shareholder and each Scheme Shareholder by virtue of Clause 2(a)(ii); and
 - (c) each WMC Optionholder and each Scheme Optionholder by virtue of Clause 2(a)(iii),
- are in addition to, and do not exclude or limit, any right, power or remedy provided by law or equity.

12. Further assurances

Each party agrees to do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Deed and the transactions contemplated by it.

13. Governing law

This Deed is governed by the laws of Victoria.

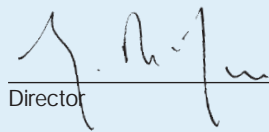
14. Counterparts

This Deed may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

Executed as a Deed in Melbourne.

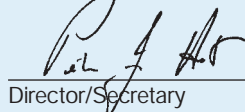
WMC

The Common Seal of WMC Limited was duly affixed in the presence of:


Director

HUGH M MORGAN

Print Name


Director/Secretary

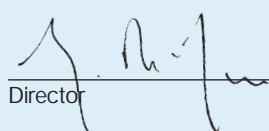
PETER J HORTON

Print Name



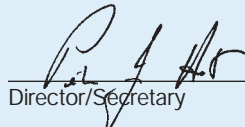
WMC Resources

The Common Seal of WMC Resources Ltd was duly affixed in the presence of:


Director

HUGH M MORGAN

Print Name


Director/Secretary

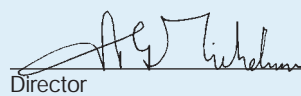
PETER J HORTON

Print Name



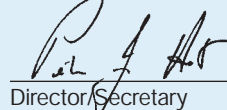
Fertilizers

The Common Seal of WMC Fertilizers Pty Ltd was duly affixed in the presence of:


Director

ANDREW G MICHELMORE

Print Name


Director/Secretary

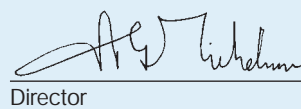
PETER J HORTON

Print Name



ODC

The Common Seal of WMC (Olympic Dam Corporation) Pty Ltd was duly affixed in the presence of:


Director

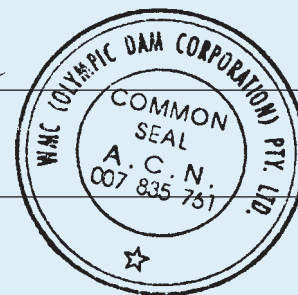
ANDREW G MICHELMORE

Print Name


Director/Secretary

PETER J HORTON

Print Name



Annexure A

Share Scheme

See Section 15.2 of this Scheme Booklet.

Annexure B

Option Scheme

See Section 15.4 of this Scheme Booklet.

14. IMPLEMENTATION DEED

15. SCHEMES OF ARRANGEMENT

15.1 SHARE SCHEME - EXPLANATORY STATEMENT

15.2 SHARE SCHEME

15. Schemes of arrangement

15.1 Share Scheme – Explanatory statement

The explanatory statement for the Share Scheme incorporates all parts of this Scheme Booklet other than each notice of Meeting in Section 16.

15.2 Share Scheme

Scheme of Arrangement

Pursuant to section 411 of the *Corporations Act 2001* (Cth).

Between

WMC Limited (ABN 85 004 820 419)

And

The holders of fully paid ordinary shares in WMC Limited

1 Definitions and interpretation

1.1 Definitions

In this document, the following definitions apply unless the context requires otherwise.

Ancillary Demerger Resolutions means:

- (a) a special resolution pursuant to section 157(1) of the Corporations Act to change the name of WMC to 'Alumina Limited'; and
- (b) an ordinary resolution to approve the entry into, and performance of, deeds by each of WMC and WMC Resources in favour of current directors of WMC, with the effect described in the explanatory notes to the notice convening the General Meeting.

ASIC means the Australian Securities and Investments Commission.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

Business Day has the meaning given in the Listing Rules.

Capital Reduction means the equal reduction of the share capital of WMC by an amount of A\$2.78 for each Scheme Share on issue at the Share Scheme Record Date.

Capital Reduction Resolution means an ordinary resolution pursuant to section 256C(1) of the Corporations Act to approve the Capital Reduction.

CHESS means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Victoria.

Demerger Date means the second Business Day after the Share Scheme Record Date.

Distribution Entitlement means, in relation to a Scheme Shareholder, the aggregate of:

- (a) the total amount allocated to that Scheme Shareholder under the terms of the Capital Reduction Resolution; and
- (b) the total amount allocated to that Scheme Shareholder under the terms of the Dividend Resolution, in respect of the Scheme Shares held by that Scheme Shareholder at the Share Scheme Record Date.

Dividend Resolution means a resolution of the board of directors of WMC to approve, in accordance with the Implementation Deed, the declaration and payment of a dividend of A\$0.73 for each Scheme Share on issue at the Share Scheme Record Date.

Fertilizers means WMC Fertilizers Pty Ltd (ABN 30 004 936 850).

General Meeting means the general meeting of WMC Shareholders to consider and, if thought fit, to approve the Capital Reduction Resolution and the Ancillary Demerger Resolutions.

Implementation Deed means the Implementation Deed dated 25 October 2002 between WMC, WMC Resources, Fertilizers and ODC and described in Clause 2.7.

Ineligible Overseas Shareholder means any Scheme Shareholder whose Registered Address at the Share Scheme Record Date is in a jurisdiction other than Australia or its external territories, New Zealand, Hong Kong, Singapore, Germany, Switzerland, the United Kingdom or the United States of America, except where WMC is reasonably satisfied that the full implementation of the Share Scheme in respect of that Scheme Shareholder and the transfer of WMC Resources Shares in accordance with Clause 4 to that Scheme Shareholder are not prohibited, not unduly onerous and not unduly impractical in that jurisdiction.

Listing Date means the second Business Day after the Share Scheme Effective Date or such later date on which trading in WMC Resources Shares (on a deferred settlement basis or otherwise) commences on the stock market conducted by ASX.

Listing Rules means the official listing rules of ASX.

ODC means WMC (Olympic Dam Corporation) Pty Ltd (ABN 99 007 835 761).

Registered Address means, in relation to a WMC Shareholder, the address shown in the WMC Share Register.

Sale Agent means WMC or such other person nominated by WMC to sell the WMC Resources Shares that are attributable to Ineligible Overseas Shareholders under the terms of the Share Scheme.

SCH Business Rules means the operating rules of ASX Settlement and Transfer Corporation Pty Limited (ABN 49 008 504 532).

Scheme Shareholder means any WMC Shareholder at the Share Scheme Record Date, after the registration of all transfers and transmission applications in accordance with Clause 5.1.

Scheme Shares means WMC Shares on issue at the Share Scheme Record Date.

Share Scheme means the scheme of arrangement between WMC and that class of its members who hold WMC Shares as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

Share Scheme Consideration means the consideration to which each Scheme Shareholder becomes entitled in accordance with the Share Scheme.

Share Scheme Effective Date means the date on which the Court order made under section 411(4)(b) of the Corporations Act in relation to the Share Scheme comes into effect pursuant to section 411(10) of the Corporations Act.

Share Scheme Record Date means 5.00 pm on the fifth Business Day after the Share Scheme Effective Date or such other date as permitted by ASX.

WMC means WMC Limited (ABN 85 004 820 419).

WMC Resources means WMC Resources Ltd (ABN 76 004 184 598).

WMC Resources Share Register means the register of WMC Resources members maintained pursuant to sections 168 and 169 of the Corporations Act.

WMC Resources Share Registry means Computershare Investor Services Pty Limited of Level 12, 565 Bourke Street, Melbourne, Victoria, Australia.

WMC Resources Shares means fully paid ordinary shares in WMC Resources.

WMC Share Register means the register of WMC members maintained pursuant to sections 168 and 169 of the Corporations Act.

WMC Share Registry means Computershare Investor Services Pty Limited of Level 12, 565 Bourke Street, Melbourne, Victoria, Australia.

WMC Shareholder means any person registered in the WMC Share Register as the holder of WMC Shares.

WMC Shares means fully paid ordinary shares in WMC.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) A reference to a Clause is a reference to a clause of this document.
- (d) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (e) A reference to a person, corporation, trust, partnership, unincorporated body, government agency or other entity includes any of them.
- (f) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns.
- (g) A reference to an agreement or document (including, without limitation, a reference to this document) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.
- (h) A reference to any legislation or to a provision of any legislation includes a modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (i) Words and phrases not specifically defined in this document have the same meanings (if any) given to them in the Corporations Act.
- (j) A reference to time is a reference to time in Melbourne, Australia.
- (k) A reference to **A\$** is to the lawful currency of Australia.

2. Preliminary

WMC

2.1 WMC is a public company incorporated in Australia and registered in Victoria and is a company limited by shares. Its registered office is at Level 16, IBM Centre, 60 City Road, Southbank, Victoria, Australia.

15. SCHEMES OF ARRANGEMENT

15.2 SHARE SCHEME



2.2 WMC has been admitted to the official list of ASX and WMC Shares have been granted official quotation on the stock market conducted by ASX.

2.3 As at 30 September 2002, 1,112,432,443 WMC Shares were on issue.

WMC Resources

2.4 WMC Resources is a public company incorporated in Australia and registered in Victoria and is a company limited by shares. Its registered office is at Level 16, IBM Centre, 60 City Road, Southbank, Victoria, Australia.

2.5 As at 30 September 2002, the share capital of WMC Resources was A\$400 million, comprising 800 million fully paid ordinary shares.

Miscellaneous

2.6 WMC holds all of the WMC Resources Shares.

2.7 WMC, WMC Resources, Fertilizers and ODC have entered into the Implementation Deed to facilitate, among other things, the implementation of the Share Scheme. In particular, pursuant to the Implementation Deed:

- (a) WMC Resources has agreed to apply for admission to the official list of ASX and for the WMC Resources Shares to be transferred pursuant to the Share Scheme to be granted official quotation on the stock market conducted by ASX; and
- (b) each of WMC Resources, Fertilizers and ODC has agreed to carry out the obligations contemplated of it under the Share Scheme.

3. Conditions precedent

3.1 The Share Scheme is conditional on:

- (a) the approval of the Capital Reduction Resolution by the requisite majority of WMC Shareholders at the General Meeting;
- (b) the approval of the Share Scheme by the requisite majority of WMC Shareholders at the meeting convened by order of the Court pursuant to section 411(1) of the Corporations Act;
- (c) the approval of the Ancillary Demerger Resolutions by the requisite majorities of WMC Shareholders at the General Meeting;
- (d) the approval of the Share Scheme, with or without modification, by the Court pursuant to section 411(4)(b) of the Corporations Act;
- (e) the approval by ASX of the admission of WMC Resources to the official list of ASX, and the granting by ASX of permission for official quotation of the WMC Resources Shares to be transferred pursuant to the Share Scheme on the stock market conducted

by ASX (subject only to the condition that WMC Resources provides to ASX the information contained in Appendix 2A to the Listing Rules, or to other customary pre-quotation conditions, or to such other conditions that are acceptable to WMC Resources, as relevant);

- (f) the lodgement with ASIC of an office copy of the Court order approving the Share Scheme pursuant to section 411(4)(b) of the Corporations Act; and
- (g) the fulfilment of such other conditions approved by the Court under section 411(6) of the Corporations Act as are acceptable to WMC.

3.2 The fulfilment of each condition in Clause 3.1 is a condition precedent to the binding effect of the Share Scheme.

3.3 The Share Scheme will lapse and be of no further force or effect if the Share Scheme Effective Date has not occurred on or before 30 April 2003 or such later date as the Court, with the consent of WMC and WMC Resources, may order.

4. Implementation of the Share Scheme Steps

- 4.1 The Share Scheme will come into effect on the Share Scheme Effective Date.
- 4.2 On or before the Share Scheme Record Date, the board of directors of WMC will pass the Dividend Resolution.
- 4.3 Subject to Clauses 4.8 and 4.9, on the Demerger Date:
 - (a) all of the issued shares in Fertilizers held by WMC (being 266,400,000 fully paid ordinary shares), together with all rights and entitlements attaching to those shares as at the Demerger Date, will be transferred to WMC Resources by WMC delivering to WMC Resources duly completed and executed share transfer forms to transfer all of those shares to WMC Resources;
 - (b) in consideration for the transfer by WMC of all of the issued shares in Fertilizers held by it, WMC Resources will issue to WMC 1,894,527 WMC Resources Shares;
 - (c) all of the issued shares in ODC, together with all rights and entitlements attaching to those shares as at the Demerger Date, will be transferred to WMC Resources by WMC delivering to WMC Resources duly completed and executed share transfer forms to transfer all of those shares to WMC Resources;
 - (d) in consideration for the transfer of all of the issued shares in ODC by WMC, WMC Resources will issue to WMC 1,375,124,378 WMC Resources Shares;
 - (e) WMC will reduce its share capital in accordance with the Capital Reduction Resolution; and

- (f) each Scheme Shareholder will be obliged to apply, and WMC will apply, the Distribution Entitlement of that Scheme Shareholder as consideration in full for the sale and transfer by WMC to that Scheme Shareholder of the number of WMC Resources Shares equal to the number of their Scheme Shares.

Transfers and registrations

- 4.4 WMC Resources will execute the share transfer forms referred to in Clause 4.3(a), will attend to the stamping of those share transfer forms and will deliver the duly stamped share transfer forms to Fertilizers for registration.
- 4.5 Fertilizers will, following receipt of the duly stamped transfer forms in respect of all of the issued shares in Fertilizers held by WMC, enter the name and address of WMC Resources in the register of members of Fertilizers in respect of all of those shares.
- 4.6 WMC Resources will execute the share transfer forms referred to in Clause 4.3(c), will attend to the stamping of those share transfer forms and will deliver the duly stamped share transfer forms to ODC for registration.
- 4.7 ODC will, following receipt of the duly stamped transfer forms in respect of all of the issued shares in ODC, enter the name and address of WMC Resources in the register of members of ODC in respect of all of those shares.

Ineligible Overseas Shareholders

- 4.8 WMC will be under no obligation under this Clause 4 to transfer, and will not transfer, any WMC Resources Shares to an Ineligible Overseas Shareholder. Instead WMC will retain, or transfer to the Sale Agent, the relevant WMC Resources Shares, and will procure that it or the Sale Agent:
- (a) as soon as reasonably practicable (and in any event not more than 20 Business Days after the later of the Listing Date and the Demerger Date), sells on the stock market conducted by ASX for the benefit of the Ineligible Overseas Shareholder all the WMC Resources Shares retained by it or transferred to the Sale Agent under this Clause 4.8 in lieu of the transfer of those WMC Resources Shares to the Ineligible Overseas Shareholder;
- (b) accounts to the Ineligible Overseas Shareholder for the proceeds of sale (after deduction of any applicable brokerage and other selling costs, taxes and charges, and on an averaged basis so that all Ineligible Overseas Shareholders receive the same price per WMC Resources Share, subject to rounding to the nearest whole cent) and any income

- attributable to those WMC Resources Shares, at the Ineligible Overseas Shareholder's risk; and
- (c) promptly remits the net proceeds of sale in respect of the Ineligible Overseas Shareholder under this Clause 4.8 and any income attributable to the relevant WMC Resources Shares, such proceeds and income to be dispatched by mail to the Ineligible Overseas Shareholder's Registered Address by cheque either in:
- (i) Australian currency drawn on an Australian bank; or
- (ii) if WMC so decides, the currency of the jurisdiction in which the Ineligible Overseas Shareholder's Registered Address is situated, being converted at the exchange rate between that currency and the Australian currency at a date not more than 15 Business Days after the sale of the last of all Ineligible Overseas Shareholders' entitlements in respect of WMC Resources Shares.

- 4.9 WMC, in complying, and procuring the compliance, with Clause 4.8 in respect of an Ineligible Overseas Shareholder, will be taken to have satisfied and discharged its obligations to the Ineligible Overseas Shareholder under the terms of the Capital Reduction Resolution, the Dividend Resolution and the Share Scheme. The Ineligible Overseas Shareholder will have no claim against WMC, WMC Resources or the Sale Agent for any entitlement to or in respect of the Share Scheme Consideration they would have had but for the operation of Clause 4.8.

5. Dealings in WMC Shares

- 5.1 For the purpose of establishing the persons who are Scheme Shareholders, dealings in WMC Shares will only be recognised if:
- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the WMC Share Register as the holder of the relevant WMC Shares by the Share Scheme Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received at the WMC Share Registry by the Share Scheme Record Date.
- 5.2 WMC will register registrable transfers or transmission applications of the kind referred to in Clause 5.1(b) by, or as soon as practicable after, the Share Scheme Record Date.
- 5.3 At or before 10.00 pm on the Demerger Date, WMC will give to WMC Resources details of the names and addresses shown in the WMC Share Register of all

Scheme Shareholders and of the number of Scheme Shares held by each of them at the Share Scheme Record Date.

6. WMC Resources Shares

6.1 Until the Demerger Date, all WMC Resources Shares will remain beneficially owned by WMC.

6.2 Subject to Clause 4.8, WMC Resources will:

- (a) on the Demerger Date, enter the name and address of each Scheme Shareholder (other than Ineligible Overseas Shareholders) in the WMC Resources Share Register in respect of the WMC Resources Shares to which they are entitled under the Share Scheme; and
- (b) as soon as practicable after the later of the Listing Date and the Demerger Date, dispatch or procure the dispatch to each Scheme Shareholder (other than Ineligible Overseas Shareholders) by prepaid post or courier delivery to their Registered Address (unless the Scheme Shareholder has directed otherwise) a CHESS holding statement in the name of that Scheme Shareholder in respect of the WMC Resources Shares to which they are entitled under the Share Scheme, in accordance with the SCH Business Rules and the Listing Rules. In the case of joint holders of shares a CHESS holding statement will be issued in the name of, and dispatched to, the holder whose name appears first in the WMC Share Register at the Share Scheme Record Date.

6.3 Each Scheme Shareholder to whom WMC Resources Shares are to be transferred under the Share Scheme agrees to become a member of WMC Resources for the purposes of section 231 of the Corporations Act, to have their name and address entered in the WMC Resources Share Register and to be bound by the constitution of WMC Resources as in force from time to time in respect of the WMC Resources Shares.

6.4 Except for a Scheme Shareholder's tax file number, any binding instruction or notification between a Scheme Shareholder and WMC relating to Scheme Shares at the Share Scheme Record Date (including, without limitation, any instructions relating to payment of dividends or to communications from WMC) will from the Share Scheme Record Date be deemed to be a similarly binding instruction or notification to, and accepted by, WMC Resources in respect of the WMC Resources Shares transferred to the Scheme Shareholder until that instruction or notification is revoked or amended in writing and addressed to WMC Resources at the WMC Resources Share Registry.

6.5 WMC, in transferring WMC Resources Shares to a Scheme Shareholder pursuant to Clause 4.3(f) or to the Sale Agent pursuant to Clause 4.8, is deemed to have warranted to the relevant transferee that each such WMC Resources Share is, at the date of transfer, fully paid and free from all mortgages, charges, liens, encumbrances and interests of WMC or any person claiming through, under or in trust for WMC.

7. Share Scheme alterations and conditions

If the Court proposes to approve the Share Scheme subject to any alterations or conditions, WMC may, by its counsel or solicitors but subject to the prior approval of WMC Resources, consent on behalf of all persons concerned (including WMC Shareholders) to those alterations or conditions.

8. Covenants by Scheme Shareholders

Each Scheme Shareholder:

- (a) without the need for any further act, irrevocably appoints WMC and each of its directors and officers, jointly and severally, as that Scheme Shareholder's attorney and agent for the purpose of executing any document or doing any other act necessary to give full effect to the Share Scheme and the transactions contemplated by it, including, without limitation, the provision of a proper instrument of transfer of WMC Resources Shares for the purposes of section 1071B of the Corporations Act (which may be a master transfer of all or part of the WMC Resources Shares to be transferred to Scheme Shareholders in accordance with the Share Scheme) and the communication of the Scheme Shareholder's agreement under Clause 6.3 and instructions and notifications under Clause 6.4; and
- (b) consents to WMC doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the Share Scheme and the transactions contemplated by it.

9. Effect of Share Scheme

The Share Scheme binds WMC and all WMC Shareholders from time to time and, to the extent of any inconsistency, overrides the constitution of WMC.

10. Notices

Where a notice, transfer, transmission application, direction or other communication referred to in the Share Scheme is sent by post to WMC, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at WMC's registered office or at the WMC Share Registry.

11. Further assurances

WMC will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the Share Scheme and the transactions contemplated by it.

12. Costs

12.1 Subject to Clauses 4.8 and 12.2 and except as otherwise agreed with WMC Resources, WMC will pay the costs of the Share Scheme.

12.2 WMC Resources will pay any stamp duty payable on the transfer by WMC of all of the issued shares in Fertilizers held by WMC, and of all of the issued shares in ODC, to WMC Resources, and on the transfer by WMC of WMC Resources Shares to Scheme Shareholders or to the Sale Agent in accordance with Clause 4.

13. Proper law

The proper law of the Share Scheme is the law of Victoria.

15.3 Option Scheme – Explanatory statement

The explanatory statement for the Option Scheme incorporates all parts of this Scheme Booklet other than each notice of Meeting in Section 16.

15.4 Option Scheme

Scheme of Arrangement

Pursuant to section 411 of the *Corporations Act 2001* (Cth)

Between

WMC Limited (ABN 85 004 820 419)

And

The holders of options to subscribe for fully paid ordinary shares in WMC Limited

1. Definitions and interpretation

1.1 Definitions

In this document, the following definitions apply unless the context requires otherwise.

ASX means Australian Stock Exchange Limited (ABN 98 008 624 691).

Business Day has the meaning given in the official listing rules of ASX.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Victoria.

Demerger Date has the meaning given in the Share Scheme.

Exercise Deadline means 3.00 pm on the first Business Day after the Option Scheme Effective Date.

General Meeting has the meaning given in the Share Scheme.

Implementation Deed means the Implementation Deed dated 25 October 2002 between WMC, WMC Resources, WMC (Olympic Dam Corporation) Pty Ltd (ABN 99 007 835 761) and WMC Fertilizers Pty Ltd (ABN 30 004 936 850) and described in Clause 2.7.

Option Scheme means the scheme of arrangement between WMC and that class of its creditors who hold WMC Options as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

Option Scheme Effective Date means the date on which the Court order made under section 411(4)(b) of the Corporations Act in relation to the Option Scheme comes into effect pursuant to section 411(10) of the Corporations Act.

15. SCHEMES OF ARRANGEMENT

15.2 SHARE SCHEME

15.3 OPTION SCHEME - EXPLANATORY STATEMENT

15.4 OPTION SCHEME

Option Scheme Implementation Date means the first Business Day after the Demerger Date.

Option Scheme Record Date means 5.00 pm on the third Business Day after the Option Scheme Effective Date.

Registered Address means, in relation to a WMC Optionholder, the address shown in the WMC Option Register.

Scheme Optionholder means any WMC Optionholder at the Option Scheme Record Date.

Scheme Options means WMC Options held by Scheme Optionholders at the Option Scheme Record Date.

Share Scheme means the scheme of arrangement between WMC and that class of its members who hold WMC Shares, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act.

Share Scheme Record Date has the meaning given in the Share Scheme.

WMC means WMC Limited (ABN 85 004 820 419).

WMC Employee Share Scheme means the employee share scheme approved by a resolution of the members of WMC passed at the annual general meeting held on 12 November 1987, as varied in accordance with the resolution of the members of WMC passed at the annual general meeting held on 19 April 2000.

WMC Option means an option to subscribe for a WMC Share, granted under the terms and conditions of a WMC Option Plan.

WMC Optionholder means any person who is registered in the WMC Option Register as the holder of a WMC Option.

WMC Option Plan means an option plan promulgated by WMC and under which WMC Options have been allotted. It includes, without limitation, each of:

- (a) the 1997 WMC Option Plan;
- (b) the 1998 WMC Option Plan;
- (c) the 1999 WMC Option Plan;
- (d) the 2000 WMC Option Plan;
- (e) the 2001 WMC Option Plan; and
- (f) the May 2002 WMC Option Plan,

all of which were promulgated under the WMC Employee Share Scheme.

WMC Option Plan Resolution means a special resolution in accordance with each Option Plan to approve the amendment of the terms and conditions of that WMC Option Plan in the manner set out in Schedule 2.

WMC Option Register means the register of holders of WMC Options maintained pursuant to sections 168 and 170 of the Corporations Act.

WMC Resources means WMC Resources Ltd (ABN 76 004 184 598).

WMC Resources Option means an option to subscribe for a WMC Resources Share and which is granted subject to the WMC Resources Option Terms and Conditions.

WMC Resources Option Terms and Conditions means the terms and conditions set out in Schedule 3.

WMC Resources Share means a fully paid ordinary share in WMC Resources.

WMC Shareholder has the meaning given in the Share Scheme.

WMC Shares means fully paid ordinary shares in WMC.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural and conversely.
- (b) A gender includes all genders.
- (c) A reference to a Clause or Schedule is a reference to a clause of, or schedule to, this document.
- (d) Where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (e) A reference to a person, corporation, trust, partnership, unincorporated body, government agency or other entity includes any of them.
- (f) A reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and assigns.
- (g) A reference to an agreement or document (including, without limitation, a reference to this document) is to the agreement or document as amended, varied, supplemented, novated or replaced, except to the extent prohibited by this document or that other agreement or document.
- (h) A reference to any legislation or to a provision of any legislation includes a modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it.
- (i) Words and phrases not specifically defined in this document have the same meanings (if any) given to them in the Corporations Act.
- (j) A reference to time is a reference to time in Melbourne, Australia.
- (k) A reference to **A\$** is to the lawful currency of Australia.

2. Preliminary

WMC

- 2.1 WMC is a public company incorporated in Australia and registered in Victoria and is a company limited by shares. Its registered office is at Level 16, IBM Centre, 60 City Road, Southbank, Victoria, Australia.
- 2.2 WMC has been admitted to the official list of ASX and WMC Shares have been granted official quotation on the stock market conducted by ASX
- 2.3 As at 30 September 2002, the WMC Options set out in Schedule 1 were on issue. Each WMC Option has been, or will be, granted with respect to one WMC Share.

WMC Resources

- 2.4 WMC Resources is a public company incorporated in Australia and registered in Victoria and is a company limited by shares. Its registered office is at Level 16, IBM Centre, 60 City Road, Southbank, Victoria, Australia.
- 2.5 As at 30 September 2002, the share capital of WMC Resources was A\$400 million, comprising 800 million fully paid ordinary shares.
- 2.6 As at 30 September 2002, WMC Resources had not granted any options to subscribe for WMC Resources Shares.

Miscellaneous

- 2.7 WMC and WMC Resources, among others, have entered into the Implementation Deed to facilitate, amongst other things, the implementation of the Option Scheme. In particular, pursuant to the Implementation Deed, WMC Resources has agreed to carry out the obligations contemplated of it under the Option Scheme.

3. Conditions precedent

- 3.1 The Option Scheme is conditional on:
 - (a) the fulfilment of all the conditions set out in clause 3.1 of the Share Scheme;
 - (b) the approval of the Option Scheme by the requisite majority of WMC Optionholders at the meeting convened by the Court pursuant to section 411(1) of the Corporations Act;
 - (c) the approval of the WMC Option Plan Resolution by the requisite majority of WMC Shareholders at the General Meeting;
 - (d) the approval of the Option Scheme, with or without modification, by order of the Court pursuant to section 411(4)(b) of the Corporations Act;
 - (e) the lodgement with the Australian Securities and Investments Commission of an office copy of the Court order approving the Option Scheme pursuant to section 411(4)(b) of the Corporations Act; and

- (f) the fulfilment of such other conditions approved by the Court under section 411(6) of the Corporations Act as are acceptable to WMC.

- 3.2 The fulfilment of each condition in Clause 3.1 is a condition precedent to the binding effect of the Option Scheme.

- 3.3 The Option Scheme will lapse and be of no further force or effect if the Option Scheme Effective Date has not occurred on or before 30 April 2003 or such later date as the Court, with the consent of WMC, may order.

4. Implementation of the Option Scheme

- 4.1 The Option Scheme will come into effect on the Option Scheme Effective Date.
- 4.2 At or before 5.00 pm on the day immediately before the Demerger Date, WMC will give a copy of the WMC Option Register as at the Option Scheme Record Date to WMC Resources.
- 4.3 At 9.00 am on the Option Scheme Implementation Date:
 - (a) the terms and conditions of each WMC Option Plan will be amended in the manner set out in Schedule 2; and
 - (b) WMC Resources will grant to each Scheme Optionholder one WMC Resources Option for each Scheme Option they held at the Option Scheme Record Date.

5. Exercise restrictions of WMC Options

- 5.1 WMC will not accept as valid, nor recognise for any purpose, any notice of exercise of a WMC Option received:
 - (a) by the Exercise Deadline otherwise than in accordance with the terms and conditions of the WMC Option Plan pursuant to which that WMC Option was granted; or
 - (b) between the Exercise Deadline and 9.15 am on the Option Scheme Implementation Date.
- 5.2 WMC will issue, and register the relevant WMC Optionholder as the holder of, a WMC Share in respect of the exercise of a WMC Option in accordance with Clause 5.1 by the Share Scheme Record Date, in accordance with the WMC Option Plan pursuant to which that WMC Option was granted.
- 5.3 For the purpose of determining participation in the Option Scheme, WMC will maintain or procure the maintenance of the WMC Option Register in accordance with this Clause 5 and the WMC Option Register in this form will solely determine entitlements to participate in the Option Scheme.

6. Option Scheme alterations and conditions

If the Court proposes to approve the Option Scheme subject to any alterations or conditions, WMC may, by its counsel or solicitors, consent on behalf of all persons concerned (including WMC Optionholders) to those alterations or conditions.

7. Covenants by Scheme Optionholders

Each Scheme Optionholder:

- (a) consents to the amendment of the terms and conditions of their Scheme Options in accordance with the Option Scheme;
- (b) agrees to the grant of WMC Resources Options to them in accordance with the Option Scheme; and
- (c) consents to WMC doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the Option Scheme and the transactions contemplated by it.

8. Effect of Option Scheme

The Option Scheme binds WMC and all WMC Optionholders and, to the extent of any inconsistency, overrides the constitution of WMC and the terms and conditions of the WMC Employee Share Scheme and each WMC Option Plan.

9. Notices

Where a notice, application, direction or other communication referred to in the Option Scheme is sent by post to WMC, it will not be deemed to be received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at WMC's registered office (marked to the attention of the WMC Option Plan secretary).

10. Further assurances

WMC will do all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the Option Scheme and the transactions contemplated by it.

11. Costs

WMC will pay the costs of the Option Scheme.

12. Proper law

The proper law of the Option Scheme is the law of Victoria.

Schedule 1**WMC Options**

WMC Option Plan	Expiry Date	Number of WMC Options	Exercise price (A\$)
1997 WMC Option Plan	22 December 2002	585,900	4.91
1997 WMC Option Plan*	22 December 2002	375,000	5.40
1998 WMC Option Plan	21 December 2003	1,090,470	4.88
1998 WMC Option Plan*	21 December 2003	375,000	5.37
1999 WMC Option Plan	20 December 2004	3,951,700	8.42
2000 WMC Option Plan	18 December 2005	6,302,750	7.52
2001 WMC Option Plan	30 November 2006	10,329,100	9.35
May 2002 WMC Option Plan	30 November 2006	600,000	9.35

* WMC Options granted to executive directors of WMC.

Schedule 2

Amendments to the terms and conditions of WMC Options

The terms and conditions of each WMC Option Plan are amended as follows:

- (a) Clause 1.1 of each WMC Option Plan is amended by:
- (i) deleting the definition of 'Exercise Price' and replacing it with the following definition: **'Exercise Price'** means the amount calculated in accordance with the following formula:

$$EP = OEP \times \left(\frac{A}{A + W} \right)$$

where:

EP is the Exercise Price;

OEP is the Exercise Price of the Option on the Allotment Date;

A is the volume weighted average price of Shares sold on the stock market conducted by ASX on the first five days on which WMC Resources Shares are traded on the stock market conducted by ASX; and

W is the volume weighted average price of WMC Resources Shares sold on the stock market conducted by ASX on the first five days on which WMC Resources Shares are traded on the stock market conducted by ASX.;

- (ii) in the definition of 'Retirement', inserting the words 'or the WMC Resources Group' after the words 'the Group'; and
 - (iii) inserting the following definitions:
 - 'WMC Resources' means WMC Resources Ltd (ACN 004 184 598).
 - 'WMC Resources Group' means and includes WMC Resources and its subsidiaries from time to time as defined by the Corporations Act.
 - 'WMC Resources Shares' means fully paid ordinary shares in WMC Resources.'
- (b) Clause 5.5(a) of each WMC Option Plan is amended by:
- (i) inserting the words '**or the WMC Resources Group**' after the words 'the Group' each time they appear in that Clause; and
 - (ii) inserting the following words immediately before the closing bracket in that Clause:
 - ', and where that Employee does not commence employment with the WMC Resources Group or the Group, respectively, within 14 days thereafter'
- (c) Clause 5.6(b) of each WMC Option Plan is amended by:
- (i) inserting the words '**or the WMC Resources Group**' after the words 'the Group' each time they appear in that Clause; and

- (ii) inserting the following words at the end of that Clause:
 - 'where that Employee does not commence employment with the WMC Resources Group or the Group, respectively, within 14 days thereafter';
 - and
- (d) Clause 14 of each WMC Option Plan is amended by inserting the words '**or the WMC Resources Group**' after the words 'the Group'.

Schedule 3

WMC Resources Option Terms and Conditions

1. Definitions

- 1.1 Where used in these Terms and Conditions, the following definitions apply unless the context otherwise requires:

'Allotment Date' means the date on which WMC Resources Options were granted pursuant to the WMC Option Scheme.

'ASX' means Australian Stock Exchange Limited (ABN 98 008 624 691).

'Board' means the board of directors of WMC Resources.

'Bonus Issue' means an issue of Bonus WMC Resources Shares by WMC Resources.

'Bonus WMC Resources Shares' means WMC Resources Shares or any other Security of WMC Resources or any other corporation issued in connection with a Bonus Issue.

'Business Day' means a day on which the Melbourne offices of WMC Resources are open for business.

'Corporations Act' means the *Corporations Act 2001* (Cth).

'Exercise Price', in relation to a WMC Resources Option, means the amount calculated in accordance with the following formula:

$$EP = OEP \times \left(\frac{W}{A + W} \right)$$

where:

EP is the Exercise Price;

OEP is the exercise price of the Underlying WMC Option on the date it was granted by WMC;

A is the volume weighted average price of WMC Limited Shares sold on the stock market conducted by ASX on the first five days on which WMC Resources Shares are traded on the stock market conducted by ASX; and

15. SCHEMES OF ARRANGEMENT

15.4 OPTION SCHEME



<p>W is the volume weighted average price of WMC Resources Shares sold on the stock market conducted by ASX on the first five days on which WMC Resources Shares are traded on the stock market conducted by ASX.</p> <p>‘Expiry Date’, in relation to a WMC Resources Option, means the date on which the Underlying WMC Option would lapse if it lapsed in accordance with clause 5.6(a) of the applicable WMC Option Plan (as that clause applies immediately after the Allotment Date).</p> <p>‘Listing Rules’ means the Listing Rules of ASX.</p> <p>‘Other Plan Shares’ means all other WMC Resources Shares and Securities in the capital of WMC Resources (whether partly or fully paid) issued pursuant to an employee share or option scheme, but not Plan Shares.</p> <p>‘Plan’ means the WMC Resources Option Plan established by these Terms and Conditions or any amendment thereof.</p> <p>‘Plan Secretary’ means the person appointed by WMC Resources to administer the Plan and any duly authorised delegate.</p> <p>‘Plan Shares’ means WMC Resources Shares which would be issued if all WMC Resources Options were exercised.</p> <p>‘Prescribed Percentage’ means 5% or such other percentage as is authorised by shareholders of WMC Resources by way of special resolution from time to time.</p> <p>‘Recipient’ means a person who holds WMC Options at the record date for determining entitlements under the WMC Option Scheme.</p> <p>‘Rights Issue’ means an offer by WMC Resources made to holders of WMC Resources Shares on a pro rata basis to subscribe for or to receive Securities of WMC Resources or of any other corporation (whether by way of renounceable or non-renounceable rights or otherwise).</p> <p>‘Securities’ includes shares, debentures, notes, convertible notes and any options to subscribe for the same.</p> <p>‘subsidiary’ has the meaning given to that expression in section 9 of the Corporations Act.</p> <p>‘Terms and Conditions’ means these terms and conditions of the Plan.</p>	<p>‘Underlying WMC Option’, in respect of a WMC Resources Option, means the WMC Option in respect of which WMC Resources granted that WMC Resources Option pursuant to the WMC Option Scheme.</p> <p>‘WMC Limited Group’ means and includes WMC Limited and its subsidiaries from time to time.</p> <p>‘WMC Limited’ means Alumina Limited (ABN 85 004 820 419), formerly known as WMC Limited.</p> <p>‘WMC Limited Shares’ means fully paid ordinary shares in WMC Limited.</p> <p>‘WMC Option’ means an option to subscribe for a WMC Share.</p> <p>‘WMC Option Plan’, in relation to an Underlying WMC Option, means the option plan pursuant to which the Underlying WMC Option was granted by WMC Limited.</p> <p>‘WMC Option Scheme’ means the scheme of arrangement between WMC Limited and that class of its creditors who hold WMC Options, approved by that class of creditors at a meeting convened by Order of the Supreme Court of Victoria made on 28 October 2002.</p> <p>‘WMC Resources’ means WMC Resources Ltd (ABN 76 004 184 598).</p> <p>‘WMC Resources Group’ means and includes WMC Resources and its subsidiaries from time to time.</p> <p>‘WMC Resources Option’ means an option to subscribe for a WMC Resources Share granted to a Recipient under the Plan.</p> <p>‘WMC Resources Shares’ means fully paid ordinary shares in WMC Resources.</p>
	<p>1.2 Words implying the singular include the plural and vice versa.</p> <p>1.3 Words implying gender will be taken to include all genders.</p> <p>1.4 The headings in these Terms and Conditions are included for convenience only and will not affect its construction.</p> <p>1.5 Any reference to the Corporations Act or the Listing Rules will be read as though the words ‘or any modification thereof or any provision substituted therefor’ were added to the reference and will be</p>

deemed to be a reference to the Corporations Act and the Listing Rules as are then in force in relation to WMC Resources after taking into account any waiver, modification or exemption which is in force either generally or in relation to WMC Resources.

2. Entitlement

- 2.1 Subject to adjustment under Clauses 3.2 and 6.1, each WMC Resources Option entitles the holder to subscribe for and be allotted, credited as fully paid, one WMC Resources Share at the Exercise Price applicable to that WMC Resources Option.
- 2.2 Subject to the Terms and Conditions, WMC Resources must, on exercise of a WMC Resources Option, allot a WMC Resources Share in accordance with the Listing Rules.
- 2.3 WMC Resources Shares issued on the exercise of WMC Resources Options will rank equally in all respects with all existing WMC Resources Shares from the date of issue, provided the WMC Resources Shares are not subject to a loan made pursuant to Clause 9(d).

3. Exercise of WMC Resources Options

- 3.1 If the holder of a WMC Resources Option is an employee of a member of the WMC Resources Group, the exercise of WMC Resources Options is subject to WMC Resources' Human Resources Policy concerning trading in WMC Resources Securities which provides that employees will not buy, sell, or redeem WMC Resources Securities while they possess privileged market-sensitive information.
- 3.2 The issue price in respect of a WMC Resources Share the subject of a WMC Resources Option, on the basis that no adjustment has been made to the number of WMC Resources Shares subject to the WMC Resources Option pursuant to Clause 6.1(b), will be the Exercise Price applicable to that WMC Resources Option. Where an adjustment has been made pursuant to Clause 6.1(b), the issue price will be amended by dividing the Exercise Price applicable to that WMC Resources Option by the adjusted number of WMC Resources Shares which have become the subject of the WMC Resources Option.
- 3.3 A WMC Resources Option is exercisable by the holder of the WMC Resources Option or their legal personal representative (as the case requires) lodging with the Plan Secretary the notice of exercise of WMC Resources Option and application for WMC Resources Shares, together with the Exercise Price applicable to that WMC Resources Option (in Australian Dollars), for each WMC Resources Option to be exercised.

3.4 WMC Resources Options with a particular Exercise Price may only be exercised in multiples of 100, unless the holder exercises all WMC Resources Options with that Exercise Price able to be exercised at that time. The exercise of some WMC Resources Options only does not affect the holder's right to exercise other WMC Resources Options at a later time.

3.5 Subject to Clause 3.6, a WMC Resources Option is exercisable at any time after the Allotment Date and on or before the Expiry Date applicable to that WMC Resources Option.

3.6 Subject to Clause 3.7, a WMC Resources Option not exercised will lapse on the same date on which the Underlying WMC Limited Option lapses in accordance with the terms and conditions of the applicable WMC Option Plan (as those terms and conditions apply immediately after the Allotment Date).

3.7 If no notice under Clause 3.3 has been received by the Plan Secretary in respect of a WMC Resources Option as at 5.00 pm (Melbourne time) on the last Business Day prior to the date that the unexercised WMC Resources Option is due to lapse under Clause 3.6, the WMC Resources Option holder will be deemed to have appointed the Plan Secretary as his agent to, on the date that the unexercised WMC Resources Option is due to lapse under Clause 3.6, exercise his WMC Resources Option and promptly sell on the stock market conducted by ASX the WMC Resources Shares the subject of the WMC Resources Option, provided that the Plan Secretary can realise a sale price for the WMC Resources Shares in excess of both the Exercise Price applicable to the WMC Resources Option and associated transaction costs. If the Plan Secretary, despite reasonable endeavours, is unable to realise a sale price for the WMC Resources Shares in excess of both the Exercise Price applicable to the WMC Resources Option and associated transaction costs, that WMC Resources Option will lapse.

4. Transfer

WMC Resources Options will not be quoted on the stock market conducted by ASX.

5. Quotation of WMC Resources Shares

WMC Resources will make application to ASX for official quotation of WMC Resources Shares issued on the exercise of WMC Resources Options, if other WMC Resources Shares are quoted on the stock market conducted by ASX at that time.

6. Capital Reconstructions and Issues

Whilst a WMC Resources Option remains in force and unexercised as to all or part of the WMC Resources Shares the subject of that WMC Resources Option, the following provisions will apply:

6.1 If at any time, while WMC Resources Options are in existence, WMC Resources makes a Rights Issue or Bonus Issue, the Board may offer holders of WMC Resources Options the following:

- (a) in the case of a Rights Issue, the Exercise Price of each WMC Resources Option may be reduced according to the following formula:

$$O' = O \frac{E [P - (S + D)]}{N + 1}$$

O' = the new Exercise Price of the WMC Resources Option.

O = the old Exercise Price of the WMC Resources Option.

E = the number of underlying WMC Resources Shares into which one WMC Resources Option is exercisable.

P = the average market price per WMC Resources Share (weighted by reference to volume) of the underlying WMC Resources Shares during the five trading days ending on the day before the ex-rights date or ex-entitlements date.

S = the subscription price for a Security under the Rights Issue.

D = the dividend due but not yet paid on the existing underlying Securities (except those to be issued under the Rights Issue).

N = the number of Securities with rights or entitlements that must be held to receive the right to one new Security; or

- (b) in the case of a Bonus Issue, the Board may increase the number of WMC Resources Shares the subject of a WMC Resources Option by the number of Bonus WMC Resources Shares that would have been issued if the WMC Resources Option had been exercised prior to the books closing date for the Bonus Issue.

WMC Resources Option holders will not be permitted to participate in new issues of Securities except by exercising the WMC Resources Options as provided above.

6.2 In the event of a reorganisation of the capital of WMC Resources, the number of WMC Resources Options or

the Exercise Price of the WMC Resources Options or both to which each holder is entitled will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

6.3 WMC Resources will notify each holder of WMC Resources Options and ASX, within one month after the books closing date of a Bonus Issue or Rights Issue, of the adjustment to the number of WMC Resources Shares over which each WMC Resources Option exists and of any adjustment to the Exercise Price applicable to each WMC Resources Option.

7. Limit on Number of Plan Shares

At any time, the aggregate of:

- (a) the number of Plan Shares; and
(b) the number of Other Plan Shares, will not exceed the Prescribed Percentage of the total number of issued ordinary shares in the capital of WMC Resources immediately prior to the relevant allotment.

8. Rights of Holders

- 8.1 Holders of WMC Resources Options will be entitled to receive all information forwarded to shareholders generally, but will not have any right to attend any general meeting of WMC Resources or vote at a general meeting.
- 8.2 WMC Resources Options will be registered in the name of the relevant Recipient.
- 8.3 Holders of WMC Resources Options may not transfer, mortgage, pledge or otherwise encumber WMC Resources Options, except with the permission of the Board.
- 8.4 The Plan Secretary will provide annually to holders of WMC Resources Options written confirmation of the number of WMC Resources Options held by that holder.

9. Powers of the Board

The Plan will be administered by the Board which will have the power to:

- (a) determine appropriate procedures for administration of the Plan consistent with the Terms and Conditions;
- (b) resolve conclusively all questions of fact or interpretation in connection with the Plan;
- (c) delegate to any one or more persons, for such period and upon such conditions as the Board may determine, the exercise of any of their powers or discretions arising under the Plan;
- (d) provide loans or other financial assistance to holders of WMC Resources Options for the purpose of assisting the holders to exercise WMC Resources Options; and
- (e) terminate the Plan.

10. Modification

The Terms and Conditions may be modified, extended or suspended by the Board at any time provided that:

- (a) no alteration will be made which prejudices any accrued right attaching to WMC Resources Options unless it is either made in accordance with the Corporations Act or with the written consent of the holders of WMC Resources Options;
- (b) any alteration of the following matters will require the approval of the shareholders of WMC Resources by special resolution:
 - (i) an increase in the Prescribed Percentage;
 - (ii) any change to the basis of calculating the Exercise Price applicable to any WMC Resources Options which makes it more favourable to holders of WMC Resources Options; and
- (c) after a WMC Resources Option has been granted, the Board may not alter any of the terms relating to the WMC Resources Option without the approval of the shareholders of WMC Resources by special resolution.

11. Right to Provide Information

WMC Resources has the right to provide such information on any Recipient's participation in the Plan to government taxation offices as such offices require.

12. No Inclusion in Contract of Employment

The Terms and Conditions do not form part of any contract of employment of any Recipient or of any employee of a company comprised in the WMC Resources Group of the WMC Limited Group and will not confer on any person any legal, equitable or other right whatsoever to call for or require any invitation to apply for WMC Resources Options.

13. Governing Law

These Terms and Conditions and the subject matter thereof will be governed by and construed in accordance with the laws in force in the State of Victoria from time to time and WMC Resources and the Recipients hereby submit to the non-exclusive jurisdiction of the courts of that State and all courts of appeal therefrom.

16. NOTICES OF MEETING

16.1 SHARE SCHEME MEETING



WMC LIMITED

ABN 85 004 820 419

REGISTERED OFFICE:
LEVEL 16, 60 CITY ROAD
SOUTHBANK VICTORIA
AUSTRALIA 3006

Notice of court ordered meeting of holders of fully paid ordinary shares in WMC Limited

Notice is hereby given that, by an Order of the Supreme Court of Victoria (the **Court**) made on 28 October 2002 pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Court has directed that a meeting of the holders of fully paid ordinary shares in WMC Limited (the **Company**) be held at the Carlton Crest Hotel, 65 Queens Road, Melbourne, Australia on 29 November 2002 at 10.30 am (Melbourne time).

The Court has also directed that Mr Ian G R Burgess or, failing him, Mr Tommie C-E Bergman act as chairman of the meeting.

Purpose of meeting

The purpose of the meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement proposed to be made between the Company and the holders of its fully paid ordinary shares (the **Share Scheme**).

A copy of the Share Scheme and a copy of the Explanatory Statement required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Share Scheme are contained in the Scheme Booklet of which this Notice forms part.

Resolution

The meeting will be asked to consider and, if thought fit, to pass the following resolution:

That, pursuant to section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed to be entered into between the Company and the holders of its fully paid ordinary shares, as more particularly described in the Scheme of Arrangement which is contained in the booklet of which the Notice convening this meeting forms part, is agreed to (with or without modification as approved by the Supreme Court of Victoria).

Required voting majority

The resolution to approve the Share Scheme must be approved by a majority in number of the holders of fully paid ordinary shares in the Company present and voting (whether in person or by corporate representative, proxy or attorney), being a majority whose fully paid ordinary shares in aggregate are at least 75 per cent of the total of all fully paid ordinary shares voted at the meeting.

Court approval

In accordance with section 411(4)(b) of the *Corporations Act 2001* (Cth), the Share Scheme (with or without modification) is subject to the approval of the Court. If the resolution to be proposed at the meeting the subject of this Notice is passed by the requisite majority, and the Capital Reduction Resolution and the Ancillary Demerger Resolutions (as each term is defined in the Share Scheme) are approved by the requisite majorities at the general meeting of members of the Company to be held on the same day as the meeting the subject of this Notice, the Company intends to apply to the Court for the necessary orders to give effect to the Share Scheme.

PETER J HORTON
Company Secretary
Melbourne, Australia
Dated 28 October 2002

Voting notes

Entitlement to vote

In accordance with regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Court has ordered, and the Company has determined, that for the purposes of the meeting, all fully paid ordinary shares in the Company will be taken to be held by the persons who held them as registered members at 7.00 pm (Melbourne time) on 27 November 2002 (the **Entitlement Time**).

All holders of fully paid ordinary shares in the Company at the Entitlement Time are entitled to vote at the meeting.

Voting

Members entitled to vote at the meeting can vote in any of the following ways:

- by attending the meeting and voting in person or, in the case of corporate shareholders, by corporate representative; or
- by appointing an attorney to attend and vote on their behalf; or
- by appointing a proxy to attend and vote on their behalf, using the blue proxy form accompanying the Scheme Booklet of which this Notice forms part.

Voting in person or by corporate representative

Members entitled to vote who plan to attend the meeting are asked to arrive at the venue 30 minutes prior to the time designated for the meeting, if possible, so that the Company may check their shareholding against the Company's share register and note attendances.

In order to vote in person at the meeting, a corporation which is a member may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the *Corporations Act 2001* (Cth), meaning that the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the *Corporations Act 2001* (Cth). The Certificate must be lodged with the Company before the meeting or at the registration desk on the day of the meeting. The Certificate will be retained by the Company.

If a Certificate is completed by an individual or a corporation under Power of Attorney, the Power of Attorney under which the Certificate is signed, or a certified copy of that Power of Attorney, must accompany the completed Certificate unless the Power of Attorney has previously been noted by the Company.

Voting by attorney

A member entitled to attend and vote at the meeting is entitled to appoint an attorney to attend the meeting on the

member's behalf. Each attorney will have the right to vote on a poll and also to speak at the meeting.

An attorney need not be a member of the Company.

The Power of Attorney appointing the attorney must be duly executed and specify the name of each of the member, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be effective, the Power of Attorney must also be received by the Company or the Share Registry in the same manner, and by the same time, as outlined below for proxy forms.

Voting by proxy

A member entitled to attend and vote at the meeting is entitled to appoint one or two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a member of the Company.

A member wishing to appoint a proxy should use the blue form provided. If a member wishes to appoint two proxies, a request should be made to the Company's Share Registry for an additional blue proxy form. Replacement blue proxy forms can also be requested from the Share Registry.

Where two proxies are appointed, neither proxy may vote on a show of hands and each proxy should be appointed to represent a specified proportion of the member's voting rights. If the proxy appointments do not specify the proportion of the member's voting rights that each proxy may exercise, each proxy may exercise half of the member's votes.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as that person thinks fit.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the member's behalf on a show of hands or on a poll, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

Members who return their proxy forms but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with the directions on the proxy form. Proxy appointments in favour of the chairman of the meeting or any director or the secretary of the Company which do not contain a direction will be used to vote in favour of the resolution to be proposed at the meeting.

16. NOTICES OF MEETING

16.1 SHARE SCHEME MEETING



Completed proxy forms can be returned using the return addressed envelope provided with the Scheme Booklet of which this Notice forms part.

To be effective, proxy forms must be received, by post or by facsimile, at either the registered office of the Company, or at the Company's Share Registry at:

WMC Share Registry
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001
Australia

Facsimile: +61 (0)3 9473 2555

by 11.30 am (Melbourne time) on 27 November 2002. Proxy forms received after this time will be invalid.

The instrument appointing a proxy is required to be in writing under the hand of the appointor or of that person's attorney and, if the appointor is a corporation, in accordance with the *Corporations Act 2001* (Cth) or under the hand of an authorised officer or attorney. Where two or more persons are registered as a member, each person must sign the proxy form.

If a proxy form is completed by an individual or a corporation under Power of Attorney, the Power of Attorney under which the form is signed, or a certified copy of that Power of Attorney, must accompany the completed proxy form unless the Power of Attorney has previously been noted by the Company.



WMC LIMITED

ABN 85 004 820 419

REGISTERED OFFICE:
LEVEL 16, 60 CITY ROAD
SOUTHBANK VICTORIA
AUSTRALIA 3006

Notice of general meeting

Notice is hereby given that a general meeting of the members of WMC Limited (the **Company**) will be held at the Carlton Crest Hotel, 65 Queens Road, Melbourne, Australia on 29 November 2002 at 11.00 am (Melbourne time), or as soon after that time as the meeting of holders of fully paid ordinary shares in the Company convened by Order of the Supreme Court of Victoria on that day has concluded or been adjourned.

Business of the meeting

1. Reduction of capital

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

That, pursuant to section 256C(1) of the *Corporations Act 2001* (Cth), subject to and conditional on:

- (a) the scheme of arrangement proposed to be entered into between the Company and the holders of its fully paid ordinary shares, and to be considered at a meeting of holders of its fully paid ordinary shares this day (the **Share Scheme**), being approved by the Supreme Court of Victoria (with or without modification); and
- (b) an office copy of the Order of the Supreme Court of Victoria approving the Share Scheme being lodged with the Australian Securities and Investments Commission,

the following reduction of the share capital of the Company is approved, namely, the reduction on the Demerger Date (as defined in the Share Scheme) by an amount of AS\$2.78 for each Scheme Share (as defined in the Share Scheme) on issue at the Share Scheme Record Date (as defined in the Share Scheme), with the reduction being effected and satisfied by appropriating such amount to or for the benefit of the Scheme Shareholder (as defined in the Share Scheme) who is the registered holder of that Scheme Share at the Share Scheme Record Date, and otherwise in accordance with the Share Scheme.

2. Election of director – Mr Andrew G Michelmores

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

That, having retired in accordance with Rule 78 of the Constitution of the Company and, being eligible, having offered himself for election, Mr Andrew G Michelmores is elected as a director of the Company.

3. Amendment of Constitution – Number of directors

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, pursuant to section 136(2) of the *Corporations Act 2001* (Cth), subject to and conditional on:

- (a) the Share Scheme (as defined in Resolution 1 in this Notice) being approved by the Supreme Court of Victoria (with or without modification); and
- (b) an office copy of the Order of the Supreme Court of Victoria approving the Share Scheme being lodged with the Australian Securities and Investments Commission,

the Constitution of the Company is amended by deleting the first sentence of Rule 76 and substituting the following: Subject to the next succeeding Rule, the number of Directors (not including Alternate Directors) is required to be the number, not being less than three nor more than twelve, which the Directors may from time to time determine provided that the Directors may not reduce the number below the number of Directors in office at the time of the reduction.

16. NOTICES OF MEETING

16.2 GENERAL MEETING



WMC LIMITED

ABN 85 004 820 419

REGISTERED OFFICE:
LEVEL 16, 60 CITY ROAD
SOUTHBANK VICTORIA
AUSTRALIA 3006

4. Election of directors – New Alumina Limited Directors

To consider and, if thought fit, to pass each of the following resolutions as ordinary resolutions:

In each case subject to and conditional on:

- (a) the Share Scheme (as defined in Resolution 1 in this Notice) being approved by the Supreme Court of Victoria (with or without modification);
- (b) an office copy of the Order of the Supreme Court of Victoria approving the Share Scheme being lodged with the Australian Securities and Investments Commission; and
- (c) in the case of four or more of resolutions (i) to (v) below being approved, the approval of Resolution 3 in this Notice,

that the following persons are elected as directors of the Company, with effect on and from 12.00 pm on the Demerger Date (as defined in the Share Scheme):

- (i) Mr Donald M Morley
- (ii) Mr John Marlay
- (iii) Mr Peter A F Hay
- (iv) Mr Ronald J McNeilly
- (v) Mr Mark R Rayner.

5. Change of name

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, pursuant to section 157(1) of the *Corporations Act 2001* (Cth), subject to and conditional on:

- (a) the Share Scheme (as defined in Resolution 1 in this Notice) being approved by the Supreme Court of Victoria (with or without modification); and
 - (b) an office copy of the Order of the Supreme Court of Victoria approving the Share Scheme being lodged with the Australian Securities and Investments Commission,
- the change of name of the Company to 'Alumina Limited' is approved.

6. Amendment of Constitution – Proportional takeover approval rule

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, pursuant to sections 136(2) and 648G of the *Corporations Act 2001* (Cth), the Constitution of the Company is amended by inserting a new Rule 139 in the form set out in the explanatory notes to this Notice.

7. Director's Deeds

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

That the entry into (by execution under seal), and performance of, deeds by each of the Company and WMC Resources Ltd in favour of each current director of the Company, with the effect described in the explanatory notes to this Notice, is approved.

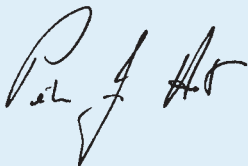
8. Amendment of WMC Option Plans

To consider and, if thought fit, to pass the following resolution as a special resolution:

That, in accordance with Rule 12(c) of the terms and conditions of each of the 1997, 1998, 1999, 2000, 2001 and May 2002 Option Plans (each an **Option Plan**) promulgated pursuant to the WMC Employee Share Scheme adopted at the Annual General Meeting of the Company held on 12 November 1987 and amended at the Annual General Meeting of the Company held on 19 April 2000, and subject to and conditional on:

- (a) the Share Scheme (as defined in Resolution 1 in this Notice) being approved by the Supreme Court of Victoria (with or without modification);
- (b) the scheme of arrangement proposed to be entered into between the Company and the holders of options to subscribe for fully paid ordinary shares in the Company, and to be considered at a meeting of holders of options to subscribe for fully paid ordinary shares in the Company this day (the **Option Scheme**), being approved by the Supreme Court of Victoria (with or without modification); and
- (c) an office copy of the Orders of the Supreme Court of Victoria approving the Share Scheme and the Option Scheme, respectively, being lodged with the Australian Securities and Investments Commission, the amendment of each Option Plan (and thereby the terms and conditions of each outstanding option under that Option Plan) in the manner set out in Schedule 2 to the Option Scheme, and otherwise as contemplated by the Option Scheme, is approved.

By Order of the Board



PETER J HORTON

Company Secretary

Melbourne, Australia

Dated 28 October 2002

Voting notes

Entitlement to vote

In accordance with regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth), the Company has determined that, for the purposes of the meeting, all shares in the Company will be taken to be held by the persons who held them as registered members at 7.00 pm (Melbourne time) on 27 November 2002 (the **Entitlement Time**).

All holders of ordinary shares in the Company at the Entitlement Time are entitled to vote at the meeting.

Voting

Members entitled to vote at the meeting can vote in any of the following ways:

- by attending the meeting and voting in person or, in the case of corporate shareholders, by corporate representative; or
- by appointing an attorney to attend and vote on their behalf; or
- by appointing a proxy to attend and vote on their behalf, using the blue proxy form accompanying the Scheme Booklet of which this Notice forms part.

Voting in person or by corporate representative

Members entitled to vote who plan to attend the meeting are asked to arrive at the venue 30 minutes prior to the time designated for the meeting, if possible, so that the Company may check their shareholding against the Company's share register and note attendances.

In order to vote in person at the meeting, a corporation which is a member may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the *Corporations Act 2001* (Cth), meaning that the Company will require a Certificate of Appointment of Corporate Representative executed in accordance with the *Corporations Act 2001* (Cth). The Certificate must be lodged with the Company before the meeting or at the registration desk on the day of the meeting. The Certificate will be retained by the Company.

If a Certificate is completed by an individual or a corporation under Power of Attorney, the Power of Attorney under which the Certificate is signed, or a certified copy of that Power of Attorney, must accompany the completed Certificate unless the Power of Attorney has previously been noted by the Company.

Voting by attorney

A member entitled to attend and vote at the meeting is entitled to appoint an attorney to attend the meeting on the member's behalf. Each attorney will have the right to vote on a poll and also to speak at the meeting.

An attorney need not be a member of the Company.

The Power of Attorney appointing the attorney must be duly executed and specify the name of each of the member, the Company and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

To be effective, the Power of Attorney must also be received by the Company or the Share Registry in the same manner, and by the same time, as outlined below for proxy forms.

Voting by proxy

A member entitled to attend and vote at the meeting is entitled to appoint one or two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a member of the Company.

A member wishing to appoint a proxy should use the blue form provided. If a member wishes to appoint two proxies, a request should be made to the Company's Share Registry for an additional blue proxy form. Replacement blue proxy forms can also be requested from the Share Registry.

Where two proxies are appointed, neither proxy may vote on a show of hands and each proxy should be appointed to represent a specified proportion of the member's voting rights. If the proxy appointments do not specify the proportion of the member's voting rights that each proxy may exercise, each proxy may exercise half of the member's votes.

If a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as that person thinks fit.

If a proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the member's behalf on a show of hands or on a poll, and the shares the subject of the proxy appointment will not be counted in computing the required majority.

Members who return their proxy forms but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with the directions on the proxy form. Proxy appointments in favour of the chairman of the meeting or any director or the secretary of the Company which do not contain a direction will be used to vote in favour of the resolutions to be proposed at the meeting.

Completed proxy forms can be returned using the return addressed envelope provided with the Scheme Booklet of which this Notice forms part.

To be effective, proxy forms must be received, by post or by facsimile, at either the registered office of the Company, or at the Company's Share Registry at:

WMC Share Registry
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001
Australia

Facsimile +61 (0)3 9473 2555

by 11.30 am (Melbourne time) on 27 November 2002. Proxy forms received after this time will be invalid.

The instrument appointing a proxy is required to be in writing under the hand of the appointor or of that person's attorney and, if the appointor is a corporation, in accordance with the *Corporations Act 2001* (Cth) or under the hand of an authorised officer or attorney. Where two or more persons are registered as a member, each person must sign the proxy form.

If a proxy form is completed by an individual or a corporation under Power of Attorney, the Power of Attorney under which the form is signed, or a certified copy of that Power of Attorney, must accompany the completed proxy form unless the Power of Attorney has previously been noted by the Company.

Explanatory notes for the meeting

Terms used in these explanatory notes have the same meanings as set out in the Glossary of terms in the Scheme Booklet of which this Notice forms part.

Conditional nature of certain resolutions

Some of the resolutions being put to WMC Shareholders for approval at the General Meeting are being proposed in connection with the Share Scheme and are, as a result, conditional on the approval of other resolutions, or on the Share Scheme becoming effective. Similarly, the Share Scheme depends on certain of the resolutions being approved by the requisite majorities of WMC Shareholders present and voting at the General Meeting (in person or by proxy).

For the Share Scheme to become effective, certain conditions need to be satisfied, including the approval of Resolution 1 (the Capital Reduction Resolution) and Resolutions 5 and 7 (the Ancillary Demerger Resolutions) by the requisite majorities of WMC Shareholders present and

voting at the General Meeting (whether in person or by corporate representative, proxy or attorney).

Resolutions 1, 3, 4(i) to (v), 5 and 8 (the WMC Option Plan Resolution) will not come into effect unless and until the Share Scheme becomes effective. Resolution 8 also depends on the Option Scheme becoming effective. The Option Scheme depends on the approval of Resolution 8 and also depends on the Share Scheme becoming effective.

If four or more of Resolutions 4(i) to (v) are approved, they will not come into effect unless Resolution 3 is also approved.

Resolutions 2, 6 and 7 are not conditional on the approval of any of the other resolutions to be considered by WMC Shareholders at the General Meeting or on the Share Scheme becoming effective.

1. Reduction of capital

An ordinary resolution is being put to WMC Shareholders to obtain approval under section 256C of the Corporations Act to an equal reduction in WMC's share capital, under section 256B of the Corporations Act, by an amount of A\$2.78 for each Scheme Share on issue at the Share Scheme Record Date.

The impact, financial and otherwise, on WMC and WMC Shareholders if the Capital Reduction Resolution is passed, together with all other factors which are material to the making of a decision by WMC Shareholders whether to approve the Capital Reduction Resolution, are as described in the Scheme Booklet.

If the Capital Reduction Resolution is approved by the requisite majority of WMC Shareholders present and voting at the General Meeting (whether in person or by corporate representative, proxy or attorney), it will take effect on the Demerger Date (provided that the Share Scheme is approved by the requisite majority of WMC Shareholders and by the Court and all other conditions relating to the Share Scheme are satisfied).

The WMC Directors consider that the Capital Reduction, to be effected as part of the Demerger, is fair and reasonable to WMC Shareholders as a whole and does not materially prejudice WMC's ability to pay its creditors. Each WMC Director intends to vote all WMC Shares controlled by the WMC Director in favour of the Capital Reduction Resolution.

2. Election of director – Mr Andrew G Michelmores

An ordinary resolution is being put to WMC Shareholders to elect Mr Andrew G Michelmores as a director of WMC. Mr Michelmores was appointed to the WMC Board on 13 August 2002 and it is intended that he will assume the role of Chief Executive Officer and Managing Director of

WMC (or WMC Resources, if the Demerger is first implemented) upon the retirement of Mr Hugh M Morgan in January 2003.

Having been first appointed by the WMC Directors Mr Micheltmore, in accordance with Rule 78 of the Constitution of WMC, retires and, being eligible, offers himself for election. The personal particulars of Mr Micheltmore are set out in the Scheme Booklet.

Each current WMC Director (other than Mr Micheltmore who, being interested in the outcome of the proposed resolution, has chosen not to make a recommendation to WMC Shareholders) recommends that WMC Shareholders vote in favour of the proposed resolution, and intends to vote all WMC Shares controlled by the WMC Director in favour of the proposed resolution.

3. Amendment of Constitution – Number of directors

A special resolution is being put to WMC Shareholders to obtain approval under section 136(2) of the Corporations Act to an amendment of the Constitution of WMC. The effect of the amendment will be to lower the minimum number of members of the WMC Board from six to three.

The proposal for lowering the stipulation in the Constitution regarding the minimum number of WMC Directors is a consequence of the fact that, upon implementation of the Demerger, it is intended that the WMC Board will consist of only five persons. As a result, the current minimum of six will be too high. In determining a suitable replacement minimum number, the WMC Directors considered it appropriate that some flexibility be built into the Constitution to allow the size of the WMC Board to be reduced further in the future (down to the statutory minimum of three for public companies) should that be considered appropriate, or become necessary for an interim period (for example, as a result of the death or resignation of a WMC Director).

Each WMC Director recommends that WMC Shareholders vote in favour of the proposed resolution, and intends to vote all WMC Shares controlled by the WMC Director in favour of the proposed resolution.

4. Election of directors – New Alumina Limited Directors

Five ordinary resolutions are being put to WMC Shareholders to elect new directors to the WMC Board. These five new directors are intended to constitute the WMC Board following implementation of the Demerger. The personal particulars of Mr Donald M Morley, Mr John Marlay, Mr Peter A F Hay, Mr Ronald J McNeilly and Mr Mark R Rayner are set out in the Scheme Booklet.

Each current WMC Director recommends that WMC Shareholders vote in favour of the proposed resolutions,

and intends to vote all WMC Shares controlled by the WMC Director in favour of the proposed resolutions.

5. Change of name

A special resolution is being put to WMC Shareholders to obtain approval under section 157(1) of the Corporations Act to the change of name of WMC to 'Alumina Limited'. This change of name will reflect the change in focus of WMC's activities as a result of, and will allow WMC Resources to continue to utilise the 'WMC' name following, the implementation of the Demerger.

Each WMC Director recommends that WMC Shareholders vote in favour of the proposed resolution, and intends to vote all WMC Shares controlled by the WMC Director in favour of the proposed resolution.

6. Amendment of Constitution – Proportional takeover approval rule

A special resolution is being put to WMC Shareholders to obtain approval under section 136(2) of the Corporations Act to an amendment of the Constitution. The effect of the amendment will be to insert a new Rule 139 into the Constitution, in the following terms:

Approval of partial takeover bids

139. Partial takeover bids

- (a) Where offers have been made under a proportional takeover bid for securities of the Company the registration of a transfer giving effect to a takeover contract relating to the takeover bid is prohibited unless and until a resolution (in this Rule referred to as an 'Approving Resolution') to approve the takeover bid is passed in accordance with the provisions of this Rule 139.
- (b) Where offers have been made under a proportional takeover bid for securities of the Company:
 - (i) a person (other than the bidder or an associate of the bidder) who, as at the end of the day on which the first offer under the takeover bid was made, held bid class securities, is entitled to vote on the Approving Resolution; and
 - (ii) the bidder or an associate of the bidder is not entitled to vote on an Approving Resolution.

- (c) An Approving Resolution shall be voted on at a meeting, convened and conducted by the Company, of the persons entitled to vote on the Approving Resolution.
- (d) The provisions of this Constitution that apply in relation to a general meeting of the Company shall, with such modifications as the circumstances require, apply in relation to a meeting that is convened to vote on an Approving Resolution and shall so apply as if such a meeting were a general meeting of the Company.
- (e) An Approving Resolution that has been voted on in accordance with this Rule 139 shall be taken to have been passed if the proportion that the number of votes in favour of the resolution bears to the total number of votes on the resolution is greater than one-half, and otherwise shall be taken to have been rejected.
- (f) This Rule 139 ceases to have effect on the third anniversary of the date of the adoption or last renewal of this Rule 139.

Until recently, the Constitution of WMC included a provision in substantially similar terms to the proposed new Rule 139. However, that provision was, by force of the Corporations Act, omitted from the Constitution on 16 April 2002, having not been renewed by WMC Shareholders within three years after its initial approval. In those circumstances, the WMC Board considers it appropriate to provide to WMC Shareholders the opportunity of effectively reinstating that provision.

If approved, the new Rule 139 would operate for three years from the date of the meeting (subject to being renewed).

The effect of the new Rule 139 will be that where a proportional takeover bid is made for securities in WMC (ie a bid for a specified proportion, but not all, of each holder's bid class securities), the WMC Directors must convene a meeting of WMC Shareholders to vote on a resolution to approve the proportional takeover bid. The meeting must be held, and the resolution voted on, at least 15 days before

the close of the bid. The resolution must be approved by a majority of votes at the meeting, excluding votes by the bidder and its associates.

The Corporations Act stipulates that if the meeting is not held within the time required the resolution approving the proportional takeover bid is deemed to have been passed. If the resolution is passed or deemed to be passed, the relevant transfer of shares can be registered in accordance with the Corporations Act.

If the resolution is rejected, the registration of any transfer of shares resulting from the proportional takeover bid will be prohibited and the bid deemed to be withdrawn.

The new Rule 139 will not apply to full takeover bids.

The WMC Directors consider that WMC Shareholders should have the opportunity to vote on a proposed proportional takeover bid. A proportional takeover bid for WMC may enable control of WMC to be acquired by a party holding less than a majority interest. As a result, WMC Shareholders may not have the opportunity to dispose of all their securities, and risk being part of a minority interest in WMC or suffering loss if the takeover bid causes a decrease in the market price of the securities or makes the securities less attractive and, accordingly, more difficult to sell.

The new Rule 139 will allow the WMC Directors to formally ascertain the views of WMC Shareholders in respect of a proportional takeover bid. WMC Shareholders will have an opportunity to study any proportional takeover bid and to decide whether to accept a bid that may effect a change of control in WMC at a meeting called specifically to vote on the proposal. Accordingly, a majority of WMC Shareholders will be able to control the terms of any successful bid and the rejection of bids will encourage future proportional takeover bids to be in terms acceptable to the majority of WMC Shareholders.

On the other hand, proportional takeover bids may be discouraged by the further procedural steps that the new Rule 139 will entail and, accordingly, this may reduce any takeover speculation element in the price of WMC's securities. WMC Shareholders may be denied an opportunity to sell a portion of their securities at an attractive price where the majority rejects an offer from persons seeking control of WMC.

There are no advantages or disadvantages specific to the WMC Directors in relation to the proposed new Rule 139.

As at the date of preparation of these explanatory notes, the WMC Directors are not aware of any proposal by a person to acquire, or to increase the extent of, a substantial interest in WMC.

16. NOTICES OF MEETINGS

16.2 GENERAL MEETING



If the proposed resolution is passed, the new Rule 139 will continue to apply to WMC (as Alumina Limited) after the Demerger, in accordance with its terms.

Each WMC Director recommends that WMC Shareholders vote in favour of the proposed resolution and intends to vote all WMC Shares controlled by the WMC Director in favour of the proposed resolution.

7. Director's Deeds

An ordinary resolution is being put to WMC Shareholders to obtain approval for the entry into, and performance of, deeds by:

- (a) WMC in favour of each current WMC Director, providing for certain terms of office of those WMC Directors; and
- (b) WMC Resources in favour of each current WMC Director, providing for certain terms of office of those WMC Directors as directors of WMC Resources.

Each deed to be executed by WMC (a **WMC Director's Deed**) will impose on WMC an obligation to indemnify the relevant WMC Director (**Recipient**) in respect of any liability incurred by the Recipient in or arising out of the conduct of the business of WMC or any subsidiary of WMC, or any act or omission of the Recipient as a director of WMC or as a director or officer of any subsidiary of WMC. Liability relating to the Recipient's involvement in, or conduct in connection with, the Demerger will be specifically included.

The indemnity obligation will not, however, cover any liability in respect of which an indemnity is prohibited under the Corporations Act or any other law (such as in the case of bad faith conduct or conduct involving a breach of duties to WMC), or to the extent that the Recipient is otherwise indemnified (for example, under an insurance policy or by another company other than WMC Resources).

Each WMC Director's Deed will also require:

- (a) WMC to provide cash advances to the Recipient to cover any costs associated with the defence of any proceeding that may result in a claim under the indemnity, such advances to be repaid once the actual amount liable to be indemnified is ascertained;
- (b) the Recipient to promptly notify WMC of any circumstances that may lead to a claim under the indemnity, and to take such action as WMC reasonably requests, at WMC's expense, to mitigate any consequent liability; and
- (c) the Recipient to provide all reasonable assistance and co-operation, at WMC's expense, to WMC and its insurers in connection with any proceeding that may lead to a claim under the indemnity, and to subrogate WMC and its insurers to the Recipient's rights in relation to the proceeding (subject to WMC not being in material

breach of the WMC Director's Deed and to such subrogation not prejudicing any rights the Recipient may have in relation to defamation by a third party).

The indemnity will continue after the relevant Recipient ceases to hold office with WMC.

Each WMC Director's Deed will also oblige WMC to maintain normal director's and officer's insurance policies for the benefit of the Recipient in relation to liability of the type referred to above. That obligation will apply both during the term of office of the Recipient, and for at least 15 years after the Recipient ceases to be a director (for Demerger-related liability, the insurance must be maintained for at least 15 years after the Demerger Date). For the period after the Recipient leaves office, WMC will be required to use best endeavours to ensure that the terms of the insurance policy are, taken as a whole, not less favourable than the terms applicable at the time the Recipient left office.

The WMC Director's Deed will also grant to the Recipient, during the term of office of the Recipient and for at least 15 years after the Recipient ceases to be a director (or, in the case of Demerger-related documents, 15 years after the Demerger Date), access to company documents (including WMC Board papers) relating to their period as a director of WMC. The purpose of such access being available is limited to defending or appearing before any proceeding or a governmental inquiry in relation to any act or omission of the Recipient as a director of WMC or as a director or officer of any subsidiary of WMC, or in relation to the Recipient's involvement in the Demerger. The intent of this limited access right is to relieve directors from the burden of retaining copies of all relevant company documents (in particular WMC Board papers) provided to them during their term in office.

Each deed to be executed by WMC Resources (a **WMC Resources Director's Deed**) will be in substantially similar terms to the WMC Director's Deed, except that it will apply only in relation to liability incurred by the Recipient in or arising out of the conduct of the business of WMC Resources or any subsidiary of WMC Resources, or any act or omission of the Recipient as a director of WMC Resources or as a director or officer of any subsidiary of WMC Resources. Again, liability relating to the Recipient's involvement in, or conduct in connection with, the Demerger will be specifically included (provided that such liability arises out of the Recipient's acting in their capacity as a director of WMC Resources or as a director or officer of a subsidiary of WMC Resources).

Similar exclusions will apply as under the WMC Director's Deeds. In particular, liability will not be covered by the WMC Resources Director's Deed to the extent that the Recipient is

otherwise indemnified. The intent is that, to the extent that a Recipient incurs liability as a director of WMC Resources or as a director or officer of any of its subsidiaries prior to the Demerger, or arising out of the Demerger itself, their primary recourse should be against WMC under its indemnity. The WMC Resources Director's Deeds are primarily intended to provide coverage to the Recipients in their capacity as directors of WMC Resources or as directors or officers of any of its subsidiaries after the Demerger is implemented, and in the course of the conduct of the relevant businesses after that time.

Each of the WMC Director's Deed and the WMC Resources Director's Deed is of a type that is now common for listed companies. Accordingly, it is the WMC Board's view that it is appropriate in the circumstances of WMC and WMC Resources. A copy of the proposed form of each of the WMC Director's Deed and the WMC Resources Director's Deed can be inspected in accordance with the procedure set out in the Scheme Booklet.

8. Amendment of WMC Option Plans

A special resolution is being put to WMC Shareholders to obtain approval for the amendment of certain terms of the WMC Option Plans. The purpose of the amendments is to facilitate the implementation of the Option Scheme.

Under the terms of each WMC Option Plan, after a WMC Option has been granted, the WMC Board may not alter the terms relating to the WMC Option without the approval of WMC Shareholders by special resolution. As described in more detail in the Scheme Booklet, under the Option Scheme it is proposed that the terms of each WMC Option Plan be amended to reflect the impact on WMC of the Demerger, by reducing the exercise price of the WMC Options and preventing their lapse as a consequence of the Demerger.

Each WMC Director recommends that WMC Shareholders vote in favour of the WMC Option Plan Resolution, and intends to vote all WMC Shares controlled by the WMC Director in favour of the WMC Option Plan Resolution.

16. NOTICES OF MEETINGS

16.2 GENERAL MEETING

16.3 OPTION SCHEME MEETING



WMC LIMITED

ABN 85 004 820 419

REGISTERED OFFICE:
LEVEL 16, 60 CITY ROAD
SOUTHBANK VICTORIA
AUSTRALIA 3006

Notice of court ordered meeting of holders of options to subscribe for fully paid ordinary shares in WMC Limited

Notice is hereby given that, by an Order of the Supreme Court of Victoria (the **Court**) made on 28 October 2002 pursuant to section 411(1) of the *Corporations Act 2001* (Cth), the Court has directed that a meeting of the holders of options to subscribe for fully paid ordinary shares in WMC Limited (the **Company**) be held at the Carlton Crest Hotel, 65 Queens Road, Melbourne, Australia on 29 November 2002 at 11.30 am (Melbourne time), or as soon after that time as the general meeting of members of the Company on that day has concluded or been adjourned.

The Court has also directed that Mr Ian G R Burgess or, failing him, Mr Tommie C-E Bergman act as chairman of the meeting.

Purpose of meeting

The purpose of the meeting is to consider and, if thought fit, to agree (with or without modification) to a scheme of arrangement proposed to be made between the Company and the holders of options (**Options**) to subscribe for fully paid ordinary shares in the Company (the **Option Scheme**).

A copy of the Option Scheme and a copy of the Explanatory Statement required by section 412 of the *Corporations Act 2001* (Cth) in relation to the Option Scheme are contained in the Scheme Booklet of which this Notice forms part.

Resolution

The meeting will be asked to consider and, if thought fit, to pass the following resolution:

That, pursuant to section 411 of the *Corporations Act 2001* (Cth), the scheme of arrangement proposed to be entered into between the Company and the holders of options to subscribe for fully paid ordinary shares in the Company, as more particularly described in the Scheme of Arrangement which is contained in the booklet of which the Notice convening this meeting forms part, is agreed to (with or without modification as approved by the Supreme Court of Victoria).

Required voting majority

The resolution to approve the Option Scheme must be approved by a majority in number of the holders of Options present and voting (whether in person or by proxy), being a majority whose Options in aggregate are at least 75 per cent of the debts and claims of all holders of Options present and voting (whether in person or by proxy).

Court approval

In accordance with section 411(4)(b) of the *Corporations Act 2001* (Cth), the Option Scheme (with or without modification) is subject to the approval of the Court. If the resolution to be proposed at the meeting the subject of this Notice is passed by the requisite majority, the Share Scheme (as defined in the Option Scheme) is approved by the requisite majority at a meeting of holders of fully paid ordinary shares in the Company to be held on the same day as the meeting the subject of this Notice, and the Capital Reduction Resolution and the Ancillary Demerger Resolutions (as each term is defined in the Share Scheme) and the WMC Option Plan Resolution (as defined in the Option Scheme) are approved by the requisite majorities at the general meeting of members of the Company to be held on the same day as the meeting the subject of this Notice, the Company intends to apply to the Court for the necessary orders to give effect to the Option Scheme.

PETER J HORTON

Company Secretary

Melbourne, Australia

Dated 28 October 2002

Voting notes

Entitlement to vote

The Court has ordered, and the Company has determined, that for the purposes of the meeting all Options will be taken to be held by the persons who held them as registered holders at 7.00 pm (Melbourne time) on 27 November 2002 (the **Entitlement Time**).

All holders of Options at the Entitlement Time are entitled to vote at the meeting.

Voting

Holders of Options entitled to vote at the meeting can vote in either of two ways:

- by attending the meeting and voting in person; or
- by appointing a proxy to attend and vote on their behalf, using the gold proxy form accompanying the Scheme Booklet of which this Notice forms part.

Voting in person

Holders of Options entitled to vote who plan to attend the meeting are asked to arrive at the venue 30 minutes prior to the time designated for the meeting, if possible, so that the Company may check their holding against the Company's register of options and note attendances.

Voting by proxy

A holder of Options entitled to attend and vote at the meeting is entitled to appoint one proxy. The proxy will have the right to vote on a poll and also to speak at the meeting.

The proxy need not be a member of the Company or a holder of Options.

A holder of Options wishing to appoint a proxy should use the gold form provided. If a holder wishes to appoint two proxies, a request should be made to the Company's Share Registry for an additional gold proxy form. Replacement gold proxy forms can be requested from the Company's Share Registry.

Where two proxies are appointed, neither proxy may vote on a show of hands and each proxy should be appointed to represent a specified proportion of the holder's voting rights. If the proxy appointments do not specify the proportion of the holder's voting rights that each proxy may exercise, each proxy may exercise half of the holder's votes.

If the proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting, as that person thinks fit.

If the proxy is instructed to abstain from voting on an item of business, that person is directed not to vote on the holder's behalf on a show of hands or on a poll, and the Options the subject of the proxy appointment will not be counted in computing the required majority.

Holders of Options who return their proxy forms but do not nominate the identity of their proxy will be taken to have appointed the chairman of the meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the meeting, the chairman of the meeting will act in place of the nominated proxy and vote in accordance with the directions on the proxy form. Proxy appointments in favour of the chairman of the meeting or any director or the secretary of the Company which do not contain a direction will be used to vote in favour of the resolution to be proposed at the meeting.

Completed proxy forms can be returned using the return addressed envelope provided with the Scheme Booklet of which this Notice forms part.

To be effective, proxy forms must be received, by post or by facsimile, at either the registered office of the Company, or at the Company's Share Registry at:

WMC Share Registry
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001
Australia

Facsimile: +61 (0)3 9473 2555

by 11.30 am (Melbourne time) on 27 November 2002. Proxy forms received after this time will be invalid.

The instrument appointing the proxy is required to be in writing under the hand of the appointor or of that person's attorney.

If a proxy form is completed by an individual under Power of Attorney, the Power of Attorney under which the form is signed, or a certified copy of that Power of Attorney, must accompany the completed proxy form unless the Power of Attorney has previously been noted by the Company.