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In an ever-changing market, Alumina Limited remains consistently focused on maintaining its unique position in the world alumina industry.

A clear strategy today, delivering consistent rewards tomorrow.



The Annual Review is presented in US dollars, unless otherwise specified.

ABOUT ALUMINA LIMITED

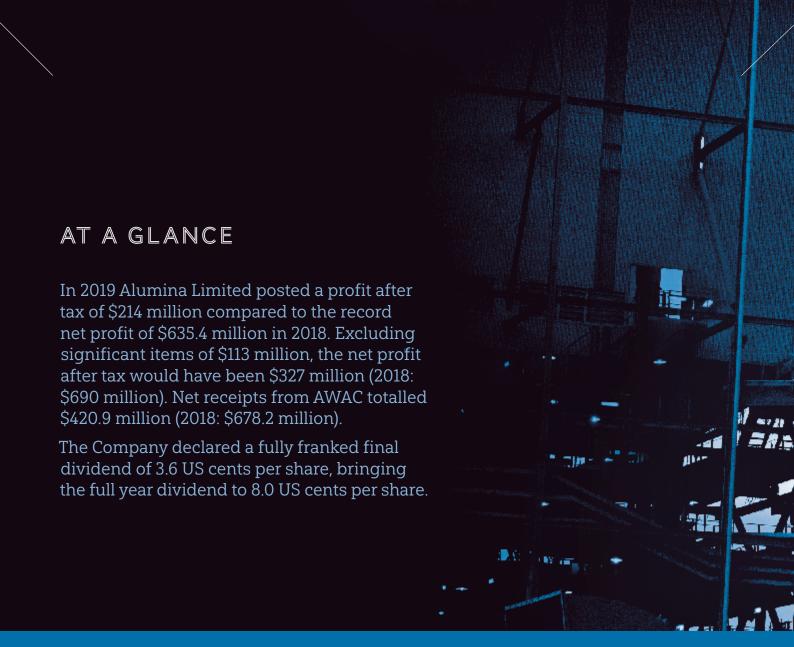
Alumina Limited is a leading Australian company listed on the Australian Securities Exchange (ASX). Alumina Limited is the 40 per cent partner in the AWAC joint venture whose assets comprise globally leading bauxite mines and alumina refineries in Australia, Brazil, Spain, Saudi Arabia and Guinea. AWAC also has a 55 per cent interest in the Portland aluminium smelter in Victoria, Australia.

AWAC's joint venture partner and operator is Alcoa Corporation. The AWAC joint venture was formed in 1994 and our relationship with Alcoa dates back to the early 1960s when Western Mining Corporation (now called Alumina Limited) began to explore bauxite deposits and other resources in the Darling Ranges of Western Australia. Alcoa Inc. was invited to join the project to provide technology, aluminium expertise and finance.

Over the following years the venture grew to include refineries and smelter interests as the partners sought to take opportunities to expand the business. By 1990, WMC Limited's interests in Alcoa of Australia had grown through acquiring the interests of other minority participants, other than Alcoa.

WMC Limited and Alcoa Inc. combined their respective bauxite, alumina and alumina-based chemicals businesses and investments and some selected smelting operations to create Alcoa World Alumina and Chemicals (AWAC) in January 1995. Alumina Limited was created on 11 December 2002 when WMC Limited's alumina assets were demerged from the nickel, copper and fertilizer businesses (WMC Resources Limited).

The demerger has enabled investors to benefit directly from the full value of the bauxite, alumina and aluminium business.



ALUMINA LIMITED RESULTS

It was a solid result in a year that experienced a softening alumina market leading to a steady decline in the Alumina Price Index (API). The average realised alumina price in 2019 declined 25 per cent to \$336 per tonne. In 2019, AWAC sold about 94 per cent of its smelter-grade alumina on an alumina index or spot pricing basis.

The API in 2019 was adversely impacted by lower than expected smelter demand, additional alumina supply following the ramp up of the Alunorte refinery in Brazil returning from its forced 50 per cent curtailment in 2018, and also additional supply from other refineries.

Despite softer prices, record production at AWAC's tier 1 low cost refineries has enabled it to deliver strong margins and returns. This enabled the Company to record a strong result, return cash to shareholders, and maintain a strong balance sheet.

Alumina Limited represents a unique opportunity for a pure investment in AWAC, one of the world's largest bauxite and alumina producers.



\$214.0m

2019 NET PROFIT AFTER TAX

\$420.9m

2019 NET CASH RECEIPTS 2018: \$678.2 MILLION

8.0 cents per share

2019 DIVIDENDS

\$54.8m

NET (CASH)/DEBT 2018: (\$95.8) MILLION

AWAC - A GLOBAL BUSINESS

In 2019, AWAC recorded a net profit after tax of \$565.1 million compared to a net profit after tax of \$1,640.2 million in 2018. The decline in profit was due to a softening market price for alumina. AWAC's EBITDA for 2019 was \$1,260.7 million (2018: \$2,630.1 million) and excluding significant items, relating mainly to the announced closure of the Point Comfort refinery, would have been \$1,586.0 million (2018: \$2,796.8 million).

In 2019 AWAC's average realised alumina price was \$336 per tonne (2018: \$447 per tonne).

AWAC benefited from record annual alumina production of 12.6 million tonnes (by the existing refinery portfolio) and a seven per cent improvement in the average cost of production to \$210 per tonne (2018: \$226 per tonne).

Alumina Limited is the 40 per cent partner in the AWAC joint venture whose assets comprise, globally leading bauxite mines and alumina refineries in Australia, Brazil and other countries. AWAC also has a 55 per cent interest in the Portland aluminium smelter in Victoria Australia.

AWAC's 60 per cent managing partner is Alcoa Corporation. The AWAC joint venture was formed in 1994 and our relationship with Alcoa dates back to 1961. Alumina Limited was created on 11 December 2002 when WMC Limited's alumina assets were demerged from the nickel, copper and fertilizer businesses.

The demerger has enabled investors to benefit directly from the full value of the bauxite, alumina and aluminium business.

AWAC RESULTS (USGAAP)

\$565.1m

AWAC NET PROFIT AFTER TAX

2018: \$1,640.2 MILLION

\$906.3m

AWAC CASH FROM OPERATIONS

2018: \$1.969.6 MILLION

\$336/tonne

2019 REALISED ALUMINA PRICE

2018: \$447 PER TONNE

\$1,586.0m

AWAC EBITDA
EXCL SIGNIFICANT ITEMS
2018: \$2,796.8 MILLION

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MAP OF OPERATIONS





Alumina Limited has a 40 per cent joint venture interest in tier one long life alumina refineries. Shareholders have continued to benefit from these assets even as the alumina markets change.

- * Non-AWAC operated

CHAIRMAN AND CEO REPORT



Alumina Limited ("Alumina") has reported a third successive year of strong returns for shareholders. Following the record results in 2018 the Company reported a profit of \$214.0 million and distributed fully franked dividends to shareholders of US 8.0 cents.





Mr W Peter Day

Mr Michael Ferraro

Alumina owns 40% of the AWAC joint venture, whose assets include the low cost, long life bauxite mines and alumina refineries built on the extensive bauxite resources of the Darling Ranges in Western Australia.

When a business such as AWAC enjoys the strong alumina price that existed in the first half of 2019, it assures a very good result. In the second half the alumina market was more subdued but nevertheless the quality of AWAC's tier one low cost alumina refineries ensured a solid outcome for the year.

Alumina's Strategy

The benefits of the Company's unique exposure to alumina in the aluminium supply chain is gaining greater appreciation and recognition. This follows several years of consistent performance and the renegotiation of the AWAC JV agreement in 2016, which saw the Company's position in the joint venture strengthened.

Alumina's business model is relatively straightforward:

We have a 40% interest in the AWAC joint venture which owns alumina refineries positioned toward the bottom end of the cost curve. This low-cost position has been maintained for a long period.

We are focused on the alumina part of the aluminium supply chain.

We offer investors a relatively undiluted exposure to the alumina market with AWAC selling predominantly at the market driven alumina price indices (API), reflecting global alumina market fundamentals.

Alumina's balance sheet and low debt provides investors a direct and transparent exposure to AWAC's strong cash flows and the alumina price. This also allows the Company to navigate changing industry conditions and cycles.

Accordingly, we continue to have confidence in the quality of the AWAC assets and the attractiveness of alumina and bauxite markets. The WA refineries are well-placed to grow with their existing infrastructure and low-cost position. AWAC's growth options will continue to be assessed in 2020.

A Year Reflecting AWAC's Quality Assets

AWAC's alumina assets again demonstrated their ability to deliver solid returns through the cycle. AWAC had 94 per cent of its smelter grade alumina sales priced at API. This meant the benefits of favourable alumina prices in the first half flowed through to AWAC.

The average API for the 2019 year was \$332 per tonne as alumina prices weakened in the second half due to increased global supply. This compared with an average price of \$473 per tonne in 2018. The lower prices in the second half of 2019 were due to both increased alumina supply and lower-than-expected demand, resulting in a modest alumina surplus.

AWAC maintained its low-cost position during the year, with its cost of alumina production falling by 7 per cent. Cash margins for AWAC were a healthy \$126 per tonne of alumina for the year.

AWAC's alumina production of 12.6 million tonnes in 2019 represented an increase of 400,000 tonnes compared to the previous year.

AWAC's bauxite mines are long life and low cost, providing consistent production and profits year on year. AWAC produced 40.7 million bone dry tonnes (BDT) of bauxite in 2019, a 3.8 per cent increase from 2018.

The Company's results and AWAC operating performance are discussed in more detail in the operating and financial review.

Alumina Markets

Alumina pricing in 2019 reflected the fundamentals of global alumina markets. In Brazil, the Alunorte refinery had curtailed 50% of its capacity in 2018 following extreme rainfall and consequent environmental issues. This continued to impact the global alumina market in the first half of 2019. However, in May 2019 it was announced that Alunorte would restart its idled capacity, triggering the beginning of a decline in alumina prices.

For the first time in a decade, in 2019, world primary and semi-fabricated aluminium consumption contracted. Global primary metal consumption and aluminium

semi-fabricated consumption fell by just under 1% respectively. Transportation, machinery and equipment sectors led the decline, particularly automotive. A stagnant construction and electrical industry, as well as a poor macroeconomic environment, all contributed.

Over the longer term, aluminium demand is forecast to continue to grow through economic expansion and increasing intensity of use. For example, in developed countries it is expected that more stringent environmental requirements, to reduce emissions and waste and to promote increased efficiencies, will lead to greater light weighting of transport and electric vehicles. In developing economies, such as India and in South-East Asia, aluminium demand growth is expected through greater urbanisation leading to more investment in infrastructure and construction.

However, if ongoing, the effects of the COVID-19 on global economic activity and markets will likely have a countervailing impact on the demand for aluminium.

Energy

The energy supply arrangements for the Portland aluminium smelter expire in mid-2021. The smelter in recent years has not been contributing to the profitability of the Company. Energy prices in Eastern Australia continue to be very high and there have been more interruptions to power supply than in the past. The future of the smelter is dependent upon identifying a long-term lower cost and reliable energy solution. Efforts continue to develop a solution to this issue.

AWAC's Western Australian refineries utilise gas from the North West Shelf for their energy source. This long term, competitive energy supply has been a critical part of AWAC's strength.

The WA gas markets have, like most commodities, operated cyclically. Over the next few years there will be increases in AWAC's energy costs as supply contracted during less favourable periods takes effect. The WA gas market cycle has recently been more favourable to purchasers and this should benefit AWAC over the medium to long term.

Sustainability

Environmental, health and safety management by AWAC is continually seeking to meet higher standards. The Company strengthened its own governance regime by establishing a Board Sustainability Committee during the year which will provide a platform for greater review of sustainability issues.

In 2019 the Company issued its Climate Change Position Statement and has been working with Alcoa on AWAC's climate change strategy.

We are working with AWAC to:

- establish GHG targets for our refineries;
- identify and assess climate change risks and opportunities and undertake scenario analysis;
- align disclosures with the recommendation of the Task Force on Climate-related Financial Disclosure; and
- evaluate technological and abatement measures to reduce environmental impacts.

In 2020 there will be an increased emphasis on sustainability oversight and management. This forms a central part of Alumina Limited's strategy going forward. Conservation of natural resources, such as water, and reducing CO_2 emissions intensity, are a critical part of our business objectives.

Governance

The Remuneration Report reviews the Company's remuneration strategy, policy and outcomes. The Company's 2019 Remuneration Report provides full details of the CEO and the Senior Executives' objectives and an assessment of performance against those objectives.

The Company has updated its governance practices to adopt the revisions to the 4th Edition of the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council. This has involved updating the Company's Board and Committee Charters, diversity objectives and risk framework. A copy of the 2019 Corporate Governance Statement is available on the Company website. Alumina's compliance with the Corporate Governance Principles and Recommendations is set out in the Appendix 4G lodged with the ASX.

In 2020 there will be an increased emphasis on sustainability oversight and management. This forms a central part of Alumina Limited's strategy going forward.





The quality of our tier one bauxite mines and alumina refineries in Western Australia was evident again in 2019. The Company's low leverage and improved joint venture position ensured their performance provided a healthy level of dividends to shareholders.



Capital Management / Shareholder Returns

Alumina received \$420.9m in net cash distributions from AWAC in 2019 (2018: \$678.2m). As a result Alumina has been able to pay most of its free cash flow to shareholders by way of dividends. This enabled payment of a final dividend of US3.6 cents per share, bringing the total declared dividends for the year to US8.0 cents per share. Although this is less than the dividends paid in 2018, it represents a yield of 5.0 per cent to shareholders for 2019. The outlook for dividends in 2020 will be affected by the lower alumina prices since mid-2019 and the impact of COVID-19.

Alumina Limited has been a consistent source of strong dividends over the last 3 years. Dividends since 2017 have delivered an average yield for shareholders of 8.6 per cent per annum, not including franking.

Alumina's debt is currently at low levels and gearing is 3.0%. The Company's low debt level enables cash received from AWAC to be readily distributed to shareholders. The Company's A\$125m Corporate Bond matured in 2019. The Bond was repaid utilising bank facilities. As at 31 December 2019 the Company had undrawn debt facilities of US\$280 million with maturities ranging from 2022 to 2024.

Board and Management

The Board was pleased to approve the appointment of Mr Grant Dempsey as Chief Financial Officer of the Company in July 2019. Ms Galina Kraeva acted as Interim Chief Financial Officer in the first half and had a substantial impact in the role.

It was with much sadness we report that two of the Company's great figures, Sir Arvi Parbo and Don Morley, passed away in 2019. They were both long serving Chairs of the Company who had an enormous influence on its progress, and success.

Conclusion

The quality of our tier one bauxite mines and alumina refineries in Western Australia was evident again in 2019. The Company's low leverage and improved joint venture position ensured their performance provided a healthy level of dividends to shareholders.

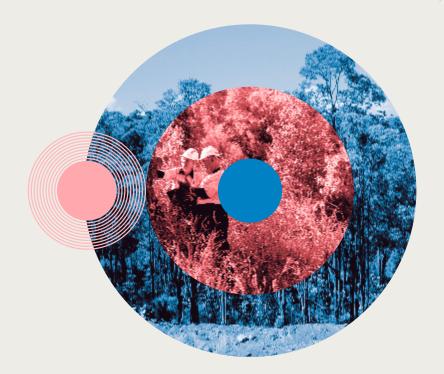
After 3 years of favourable global alumina markets we have seen a weakening in market conditions and prices. There have been serious and far reaching developments from the impact of COVID-19 for Australia and the Western World leading into late March. It appears the level of Western world economic activity will decline substantially in 2020. These developments have been rapid, and it is currently extremely difficult to assess the implications for the industry and the Company. However, if ongoing for a substantial period, the effects from COVID-19 on global economic activity and markets would likely have a material flow-on negative impact on aluminium demand. This is likely to have potential impacts on alumina and aluminium prices.

We remain focused on having our AWAC joint venture interest continue to deliver value to shareholders. The Board thanks the employees of Alumina Limited and AWAC for their work in 2019.

W Peter Day • Chairman

Mike Ferraro • Chief Executive Officer

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SUSTAINABILITY

Sustainable, responsible business, environmental and societal practices have long been a foundation and guiding principle of AWAC operations. Guidelines have been established to put the safety of employees, contractors and the community firmly ahead of production and to focus on limiting the environmental impact of the operations, especially in restoration of mined areas.

The knowledge and understanding of sustainability risks and opportunities and practices is constantly evolving. To strive to be at the forefront of responsible sustainable practices requires an organisation to reassess and rethink its processes, policies, objectives and procedures.

In 2019, a number of sustainability-based initiatives were considered and actions taken.

Governance

Due to the increasing scope and importance of sustainability matters the Board decided to establish a Sustainability Committee, effective 1 January 2020.

The Sustainability Committee has broad responsibilities with regard to sustainability, climate change and health and safety and will provide a platform for more focussed review of material sustainability issues. The Committee also provides a clear sustainability governance structure to strengthen efforts on Environment, Social and Governance (ESG) policies and commitments,

management activities, and deeper engagement with Alcoa (AWAC's operator/manager). A Charter for the Sustainability Committee has been approved and can be reviewed on the Company web site.

Continuing engagement of the Board on sustainability matters was also a priority in 2019. The Board of Directors participated in two workshop sessions on climate change prepared by external consultants, covering topics such as climate science, policies and targets, energy and carbon markets, corporate approaches and global climate change negotiations.

Alumina Limited interacted with Alcoa on a global review of AWAC storage impoundments. Two recent failures of non-AWAC impoundments in Brazil that resulted in loss of life and environmental contamination highlight the critical importance of maintaining safe and stable impoundments. Changes to the governance structure for the management of dams have been implemented within AWAC.

AWAC facilities will also become subject to the International Council of Mining and Metals (ICMM) guiding principles and assurance processes following Alcoa's initiation of membership of the ICMM and its commitment to meeting and adhering to the ICMM's Sustainable Development Framework. Alignment to the ICMM principles will progressively occur over a two-year period.

In 2019 Alumina Limited released its Climate Change Position Statement and is working with Alcoa towards a climate change strategy and action plan in regards to the AWAC operations, including scenario analysis and risk assessment.

Performance

AWAC's portfolio of alumina refineries has the lowest CO₂ intensity among the industries' largest operators.

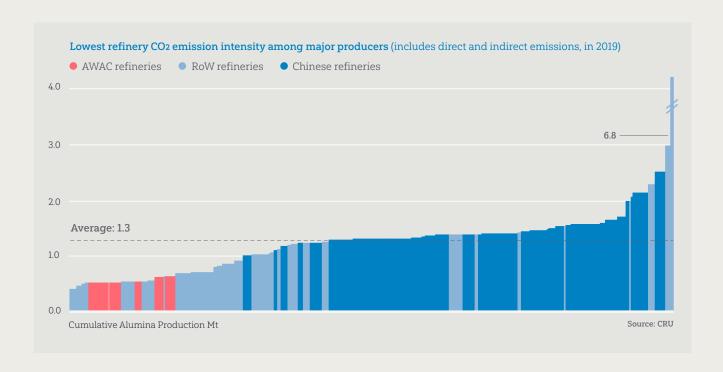
Since 2015, the combined GHG intensity (per tonne of aluminium produced) of AWAC's refineries and smelter, has reduced by 13.5 per cent. In absolute volumes on a full facility basis, 2.67 million tonnes of GHG has been eliminated in the period between 2015 and 2018. The reduction has been achieved through a mix of:

- targeted curtailment, closure or divestment of less efficient assets (eg. closure of Suriname and Point Comfort refineries);
- abatement measures including transitioning the San Ciprian refinery in Spain from dependence on fuel oil to natural gas;
- · efficiency and process improvements.

However, in the longer term, a step change in technology or energy utilisation will be required to make significant inroads into reducing GHG emissions in refining operations. The fundamental process for alumina refining has not significantly changed in 100 years. The alumina refining process is energy intensive, requiring high temperatures (up to 1,000C). Alumina refineries around the world burn some form of fuel to generate the heat, steam and pressure required. Approximately 82 per cent of AWAC's alumina refineries energy is produced by natural gas, a much more environmentally friendly fuel source than coal or oil used by some other producers. Also, the majority of AWAC's bauxite is gibbsite, which can be digested in the refining process at lower temperatures, thereby using less energy and saving emissions per tonne of alumina.

AWAC continues to explore means of improving its sustainability practices. AWAC is assisting research into the application of solar thermal energy to provide heat and reduce the consumption of natural gas. The research indicates the potential to utilise solar thermal energy; however it is yet to be determined if it is commercially viable.

A more detailed analysis of AWAC sustainability performance can be found in the Company's Sustainability Update on the Company website.



BOARD OF DIRECTORS

Board of Directors

The Company's Directors in office as at 31 December 2019 were:

MR W PETER DAY • Mr Day was appointed as a Director of the Company on 1 January 2014 and was appointed Chairman of the Board on 1 April 2018. He is a member of the Nomination, Compensation and Audit & Risk Management Committees and Chair of the Sustainability Committee (effective 1 January 2020). Mr Day is also currently a Non-Executive Director of Ansell (appointed August 2007), Non-Executive Chairman of Australian Unity Investment Real Estate (appointed September 2015), and a former Director of: Boart Longyear (February 2014 –September 2017), Federation Centres (October 2009 –February 2014), Orbital Corporation (August 2007–February 2014) and SAI Global (August 2008–December 2016).

Mr Day brings extensive experience in the resource, finance and manufacturing sectors, having held a number of senior positions with Bonlac Foods, Rio Tinto, CRA, Comalco and the Australian Securities and Investments Commission. He is a former Chief Financial Officer (CFO) of Amcor Limited. He also supports initiatives in disability services and mentoring.

MS EMMA R STEIN • Ms Stein was elected as a Director of the Company on 3 February 2011. Ms Stein is currently a Non-Executive Director of Cleanaway Waste Management Limited (formerly known as Transpacific Industries Group Ltd) (appointed August 2011), Infigen Energy Limited (appointed September 2017) and Adelaide Brighton Ltd (appointed October 2019). She is a former Non-Executive Director of Programmed Maintenance Services Ltd (appointed June 2010 and resigned October 2017), Diversified Utilities Energy Trust (appointed June 2004 and resigned May 2017) and Clough Limited (appointed July 2008 and resigned December 2013). Formerly the UK Managing Director for French utility Gaz de France's energy retailing operations, Ms Stein moved to Australia in 2003. Before joining Gaz de France, she was UK Divisional Managing Director for British Fuels.

Ms Stein is Chair of the Compensation Committee (since 1 January 2014), current member and former Chair of the Audit and Risk Management Committee (Chair from 28 November 2013 to 31 December 2013) and current member and former Chair of the Nomination Committee (from 22 June 2017 to 31 March 2018) and a member of the Sustainability Committee (effective 1 January 2020). As a senior executive, she gained considerable international experience in management and leadership, strategy development and implementation in global industrial, energy and utilities markets. She has over 15 years' experience as a listed Non-Executive Director and Board Committee Chair for capital intensive companies spanning resources, oil and gas and related sectors.

MR CHEN ZENG • Mr Zeng was appointed as a Director of the Company on 15 March 2013. He is a member of the Nomination, Compensation and Audit and Risk Management Committees (appointed 7 August 2014) and the Sustainability Committee (effective 1 January 2020). Mr Zeng is also currently a Director and Chairman (appointed July 15 2019) of of CITIC Pacific Limited, Chief Executive Officer and Chairman (appointed July 15 2019) of CITIC Pacific Mining and Chief Executive Officer of CITIC Mining International, the holding company of CITIC Pacific Mining and also DAH Chong Hong Holdings Ltd (as of January 2019, is now a wholly owned subsidiary of CITIC Pacific). He is a former Director of CITIC Limited (listed on the Hong Kong Exchange), CITIC Dameng (listed on the Hong Kong Exchange), Macarthur Coal Limited July 2007-October 2011) and Marathon Resources Limited (resigned 31 January 2014). Mr Zeng also served as a Director on the Board of CITIC Group between 2010 and 2011.

Before joining CITIC Pacific Mining, Mr Zeng was the Vice Chairman and Chief Executive Officer (CEO) of CITIC Resources, a CITIC Group controlled Hong Kong listed company focused on crude oil production, metal mining and refining, and commodity trading. Mr Zeng is also the Chairman of CITIC Australia. Mr Zeng has over 31 years of experience in project development, management, and a proven record in leading cross-cultural professionals in the resources sector. He has been working in Australia since 1994 and has extensive experience in various industries including aluminium smelting and coal mining.

MS DEBORAH O'TOOLE • Ms O'Toole was appointed as a Director on 1 December 2017. She is a member of the Nomination Committee, the Compensation Committee, the Sustainability Committee (effective 1 January 2020) and Chair of the Audit and Risk Management Committee (from 1 April 2018). Ms O'Toole is a Non-Executive Director of Sims Metal Management Limited (appointed November 2014), the Asciano Rail Group of Companies operating as Pacific National Rail (appointed October 2016), Credit Union Australia Ltd (appointed March 2014) and the Wesley Research Institute (appointed March 2013). She is a former Non-Executive Director of Boart Longyear Limited (appointed 1 October 2014 and resigned September 2017), CSIRO, Norfolk Group, various companies in the MIM and Aurizon Groups and Government and private sector advisory boards. She has acted as Chairperson of the Audit Committees of CSIRO, Norfolk Group and Pacific Aluminium.

Ms O'Toole has extensive executive experience across a number of sectors including over 20 years in the mining industry and, more recently, in transport and logistics which included managerial, operational and financial roles. She has been CFO of three ASX listed companies: MIM Holdings Limited, Queensland Cotton Holdings Limited and, most recently, Aurizon Holdings Limited.

MR JOHN A BEVAN • Mr Bevan was appointed Non-Executive Director on 1 January 2018. He has been appointed a member of the Audit and Risk Management Committee, the Compensation Committee, Sustainability Committee (effective 1 January 2020) and the Nomination Committee and Chair of the Nomination Committee from 1 April 2018. Mr Bevan is currently a Director and Chairman of BlueScope Steel Limited (appointed March 2014), a Director and Chairman of Ansell (appointed August 2012) and a former director of Nuplex Industries Limited (September 2015 – September 2016).

Mr Bevan was formerly the Chief Executive Officer and Executive Director of Alumina Limited (June 2008 – December 2013). Prior to his 2008 appointment to Alumina Limited, he spent 29 years in the BOC Group Plc where he was a member of the Board of Directors and held a variety of senior management positions in Australia, Korea, Thailand, Singapore and the United Kingdom. Mr Bevan brings to the Board extensive commercial and operational experience gained through operating joint ventures in many parts of the world, particularly Asia.

MR MICHAEL FERRARO • Prior to his appointment as CEO and Managing Director Mr Ferraro was a Non-Executive Director of Alumina Limited from 5 February 2014 to 31 May 2017 and Partner, Client Development-Asia Pacific at Herbert Smith Freehills, a global law firm. He was also formerly global head of the firm's Corporate Group and a member of its executive management team. Mr Ferraro is also currently a Non-Executive Director of Helloworld Travel Limited (appointed January 2017).

Between 2008 and 2010 Mr Ferraro was Chief Legal Counsel at BHP Billiton Ltd. Mr Ferraro has considerable experience in the resources sector and has over 35 years of experience in joint ventures, mergers and acquisitions, fund raising and regulatory issues across a wide range of sectors and countries. He also has considerable experience in the commercial and financing aspects of large transactions gained from a number of years in investment banking as a corporate adviser.



MR W PETER DAY

LLB (HONS), MBA, FCA,
FCPA, FAICD

Independent
Non-Executive Director

Victoria based



MS EMMA R STEIN
BSC (PHYSICS) HONS,MBA,
FAICD, HON FELLOW WSU
Independent
Non-Executive Director
New South Wales based



MR CHEN ZENG
MIF
Non-Executive Director
Western Australia based



MS DEBORAH O'TOOLE
LLB, MAICD
Independent
Non-Executive Director
Queensland based



MR JOHN A BEVAN
BCom
Non-Executive Director
New South Wales based



MR MICHAEL FERRARO LLB (HONS) Managing Director and Chief Executive Officer Victoria based

EXECUTIVE MANAGEMENT



Alumina Limited's management team comprises:

• MIKE FERRARO LLB (HONS)

Chief Executive Officer and Managing Director

Prior to his appointment on 1 June 2017 as CEO and Managing Director, Mr Ferraro was a Non-Executive Director of Alumina Limited from 5 February 2014 to 31 May 2017 and Partner, Client Development Asia Pacific at Herbert Smith Freehills, a global law firm. He was also formerly head of the firm's Corporate Group and a member of its executive management team. Mr Ferraro is also currently a Non-Executive Director of Helloworld Travel Limited (appointed January 2017).

Between 2008 and 2010 Mr Ferraro was Chief Legal Counsel at BHP Billiton Ltd. Mr Ferraro has considerable experience in the resources sector and has over 35 years



MIKE FERRARO
Chief Executive Officer and Managing Director

of experience in joint ventures, mergers and acquisitions, fund raising and regulatory issues across a wide range of sectors and countries. He also has considerable experience in the commercial and financing aspects of large transactions gained from a number of years in investment banking as a corporate adviser.

GALINA KRAEVA

BEcon Novosibirsk State University of Economics and Management (Russia), CA, FCCA

General Manager – Finance Interim Chief Financial Officer (effective 1 January 2019–30 June 2019)

Ms Kraeva joined Alumina Limited as Financial Controller in October 2012 and currently acting as an interim Chief Financial Officer. Prior to joining Alumina Limited, Ms Kraeva spent 14 years with PricewaterhouseCoopers in Australia and Russia, most recently as a partner in Melbourne office.



BCom LLB (Hons) GDipAppFin (Sec Inst) GradDip CSP, ACIS

General Counsel and Company Secretary

Stephen Foster is responsible for legal, company secretarial, shareholder services, insurance and human resources. He has a wide range of legal and commercial experience gained over 30 years, at Village Roadshow and WMC Limited, after working with the legal firm of Arthur Robinson & Hedderwicks (now Allens).

ANDREW WOOD

BA LLB GDipAppCorpGov (GIA) FGIA, FCIS Group Executive Strategy & Development

Andrew Wood is responsible for strategy and business development, including market analysis, pursuing strategic investments and developing industry relationships. He has over 20 years' resources experience in commercial and legal roles, mainly at WMC Resources Ltd and Sibelco.

GRANT DEMPSEY

BComm

Chief Financial Officer (appointed 1 July 2019)

Mr Dempsey is responsible for accounting, treasury, investor relations and taxation and is based in Melbourne. Prior to joining Alumina Limited in July 2019, Mr Dempsey was Senior Adviser, Finance at ANZ Banking Group. Prior to that he served as Managing Director and Head of Investment Banking, Australia and New Zealand at JP Morgan.

Mr. Dempsey has been a Non-Executive Director of IFM Investors Pty Ltd since July 1, 2018 and was an Independent Non-Executive Director of Mission Australia from 2010 until 2019. Mr. Dempsey has more than 30 years' experience as a senior executive, adviser and investment banker.



GALINA KRAEVA

General Manager – Finance Interim Chief Financial Officer (effective 1 January 2019 – 30 June 2019)



STEPHEN FOSTER

General Counsel and Company Secretary



ANDREW WOOD

Group Executive Strategy & Development



GRANT DEMPSEY

Chief Financial Officer (appointed 1 July 2019)

LETTER BY CHAIR OF COMPENSATION COMMITTEE

Dear Shareholders,

I am pleased to present Alumina Limited's 2019 remuneration report.

Company Performance in 2019

In 2019, Alumina Limited reported a third successive year of strong returns for shareholders. Following the record results in 2018, the Company reported a profit of \$214 million and distributed fully franked dividends to shareholders of US 8 cents. Although this is less than the dividends paid in 2018, it represents a yield of 5.0% to shareholders for 2019. These outcomes for shareholders are pleasing given the average alumina price for 2019 was \$332 per tonne, as alumina prices weakened due to increased supply. (This compared with an average alumina price of \$473 per tonne in 2018).

Remuneration Strategy and Structure

Alumina Limited's remuneration structures and levels of remuneration have been designed to reflect the unique nature of the company, the role of the executives, and their focus on longer term value creation for shareholders. In any one financial year, the Company's financial result is heavily determined by global commodity prices.

For these reasons, the Company's remuneration is designed:

- To pay fixed remuneration at a competitive level that will attract and retain high calibre executives (typically with strong leadership, relationship and influencing skills, proven track record in commercial and M&A transactions, ability to grasp the detail of complex matters yet think strategically and tactically).
- To offer meaningful incentives but to avoid large windfall gains as a result of factors outside of management's control (i.e. world alumina price rises or exchange rates); and
- To provide a meaningful part of the total remuneration package in equity that is earned and released over the medium to longer term to provide alignment with shareholders (hence the use of Conditional Rights (CR) (with 3 year lock) for the CEO and CFO, and for participating execs within STI's a requirement for 50% to be reinvested in equity, and LTI's delivered wholly in equity).
- With reference to the non-operating nature of the Company, as benchmarks are considered when setting remuneration levels for for participating executives.

In 2019, the Compensation Committee reviewed a number of topics including LTI performance vis-à-vis testing periods and the commodity cycle and NED equity policies. No changes to these policies resulted from the review, but the work enabled the company to have a more detailed understanding of the impacts of different scenarios and to be comfortable with the continued relevance of its remuneration policies and their alignment with Alumina's business context.

Remuneration Decisions and Outcomes

CEO Remuneration Outcomes

The CEO received no incentive payments in 2019. This is because he does not participate in an STI, and was not employed at the time of the FY17 LTI grant (which fell due for testing in 2019).

The CEO was awarded an increase of 6.0% to his total reward opportunity effective in 2020 reflecting his maturity, and strong performance in the role since his appointment in 2017. The majority of this increase is delivered in equity, either in the form of restricted conditional rights or performance tested LTI. Even with this increase, his total reward opportunity would remain in the lowest quartile, in accordance with Board discipline.

New CFO Remuneration Structure

In 2019, Alumina Limited was pleased to appoint Mr Grant Dempsey to the role of CFO. Grant was chosen following a structured recruitment process which allowed for market testing of remuneration structure and quantum. The structure of his remuneration mirrors that of the CEO, which is comprised of fixed pay, an annual grant of conditional rights (that are restricted for 3 years) and a modest LTI. Notably, the CEO and CFO do not participate in an STI which has been a specific design decision due to the unique nature of Alumina Limited's business.

Performance Under the LTI

The FY17 LTI was tested in 2019 (testing period December 2016 to December 2019) with 100% of the total award vesting. This outcome reflected shareholder experience over the period with the Company growing in market capitalization from a \$3.3 billion to a \$6.4 billion company, and record high profits being posted during the period (in 2018).

Senior Executives - Performance under STI

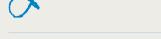
After transitioning the new CFO to the same structure as the CEO, the STI applies to only two KMP. As a result of the scorecard assessment, reviewed by the Compensation Committee, \$443,000 was awarded in 2019 (in 2018 those same KMP received \$392,000). Achievements on projects regarding Tailings Dams Integrity and JV value optimisation underpinned the 2019 STI decisions.

Now that the STI scheme at Alumina has less applicability, in this year's report we have chosen to structure our narrative to give more prominence to base remuneration and our LTI scheme ahead of STI.

2020 NED Committee Fees

Following 8 years of unchanged director base remuneration, to ensure Committee fees are market competitive to continue to attract high calibre NEDs to the Alumina Board, the Compensation Committee decided to make modest increases to some Committee fees.

I am grateful for the dialogue we have had with stakeholders in 2019, and as always we're pleased to receive thoughts from shareholders and the wider community. I look forward to continuing to work with you.



Emma Stein · Chair





REMUNERATION SUMMARY

This Remuneration Summary is an abridged version of the 2019 Remuneration Report. This summary provides some understanding of the Director and executive remuneration arrangements and outcomes of Alumina Limited. For a more comprehensive disclosure of the Company's remuneration arrangements and outcomes, please review the 2019 (Remuneration Report) Annual Report on the

Company website at www.aluminalimited.com/annual_report_2019. All contracts for key management personnel (KMP) are denominated in Australian dollars and accordingly all figures in this Summary and the Remuneration Report are in Australian dollars unless otherwise indicated. References to Senior Executives excludes the Chief Executive Officer (CEO).

Remuneration Framework

Persons Covered by this Report

In this report, KMP are those individuals having the authority and responsibility for planning, directing and controlling the activities of the group, either directly or indirectly. They comprise:

- Non-Executive Directors (NED)
- Executive Director CEO
- Other Senior Executives considered KMP.

Name	Role						
Non-Executive Directors							
Peter Day	Non-Executive Chairman	Appointed Chairman 1 April 2018 Director since 1 January 2014					
John Pizzey	Non-Executive Chairman (retired)	Chairman from 1 December 2011 to 31 March 2018 Director from 8 June 2007 to 31 March 2018					
Emma Stein	Non-Executive Director	Appointed 3 February 2011					
Chen Zeng	Non-Executive Director	Appointed 15 March 2013					
Deborah O'Toole	Non-Executive Director	Appointed 1 December 2017					
John Bevan	Non-Executive Director	Appointed 1 January 2018					
Executive Directors							
Mike Ferraro	Chief Executive Officer (CEO)	Appointed CEO from 1 June 2017					
Other KMP							
Grant Dempsey	Chief Financial Officer (CFO)	Appointed 1 July 2019					
Stephen Foster	General Counsel/Company Secretary	Appointed 4 December 2002					
Andrew Wood	Group Executive Strategy & Development	Employed 1 September 2008					
Galina Kraeva	Interim Chief Financial Officer (ICFO)	19 November 2018 to 30 June 2019					

Remuneration in Business Context

Alumina Limited's remuneration strategy and policy has been developed in recognition of the unique nature of the Company, the complexities of managing a significant but non-controlling interest in a global joint venture and the significance of external factors' influence on the sector and the Company's performance.

Alumina Limited owns a 40 per cent interest in the multibillion-dollar global enterprise, AWAC, one of the world's largest bauxite and alumina producers. AWAC is

a large capital-intensive business operating in a number of jurisdictions with some in remote locations. Alumina Limited's executives are responsible for protecting and advancing the interests of its approximately 56,000 shareholders in the management of AWAC. Consistent with the governing joint venture agreements, Alumina executives are responsible for providing strategic input and advice into the joint venture.

This, in turn, draws on their abilities to persuade and influence our joint venture partner to a common or at times, different conclusion. To do so, they are required to have a deep understanding of the complex trends and drivers of the global bauxite, aluminium and volatile alumina industry.

At the Board's direction, the CEO and Senior Executives are required to maintain Alumina Limited's financial metrics consistent with an investment grade rating, maximize cash flow from AWAC and support the joint venture in its efforts to improve its relative cost position and strategic options.

The latter responsibilities rest with a small team of four key executive officers. Alumina Limited requires and must retain, high calibre people with strong skills sets and commercial experience to ensure the Company and its investment are managed well. Hence, Alumina Limited's remuneration needs to be competitive, valued and relevant.

Remuneration Strategy, Components and Mix

Remuneration Strategy

Alumina Limited's remuneration strategy is based on the following principles, which determine remuneration components, their mix and way of delivery.

ALIGNMENT

Our remuneration is designed to aid alignment of Company, Executive, Board and Stakeholders interests.

RELEVANCE

Appropriate mix of fixed and at-risk components, short and long incentives reflecting a balance of financial and non-financial objectives relevant to the non-operating nature of the Company and specific executive roles.

REMUNERATION PRINCIPLES

SUSTAINABILITY

Remuneration that is market competitive, that attracts and retains executives with capabilities and expertise to deliver our strategy.

TRANSPARENCY

Remuneration outcomes that are based on a set of clear objectives and expectations linked to Company strategy.

Alignment of the CEO's and CFO's Remuneration Structure

In 2019, Alumina appointed a new CFO, Grant Dempsey, who brings an extensive range of relevant skills and commercial experience to help deliver Alumina's strategic objectives.

The CFO succession presented the Board with opportunity to align the CFO's remuneration structure with that of the CEO.

The CEO's and CFO's remuneration packages have been specifically designed to exclude an STI, which has been replaced with the restricted equity grant.

This design reflects the unique nature of the Company, the requirements of these critical leadership roles to

create long term shareholder value, their responsibility for the relationship with our joint venture partner and influence the strategic direction of joint venture development and growth.

The decision to remove the STI component from CEO and CFO remuneration structure continues to align with Alumina Limited's remuneration strategy, in particular ensuring that swings in the commodity cycle do not excessively impact remuneration outcomes and rewarding longer term value creation through increased exposure to equity-based remuneration.

Alignment of the CEO's and CFO's Remuneration Structure (continued)

The Board continues to set specific annual objectives for the CEO. Progress is reviewed quarterly and at the end of the year. These steps ensure there is a formal and transparent process from which to assess, discuss and hold accountable CEO performance.

The Board has further refined its approach to the CEO's performance assessment framework, so that reward and recognition decisions for the CEO are underpinned by the performance assessment process.

The same principle will be adopted for the CFO performance assessment. The alignment of the CFO remuneration structure and performance assessment

framework with that of the CEO, is intended to promote a stronger leadership structure focusing on the value creation activities and eliminate potential prioritisation of the short-term goals over longer term strategic objectives.

The Board considered and maintained its discipline of setting overall level of remuneration at modest levels (lowest quartile). Having aligned the CEO and CFO remuneration structures in 2019, the remuneration structures for Alumina's General Counsel and GM Strategy & Development who make up the other KMP remain unchanged.

KMP Remuneration Components and Pay Mix

The table below sets out the different components of remuneration for the Alumina Limited's KMP, the performance measures used to determine the amount of remuneration executives will receive and how they are aligned with Alumina Limited's remuneration strategy.

Executive Remuneration Components	Fixed Remuneration ("FAR")	Long-Term Incentive (LTI)	CEO & CFO Equity Based Award	Short-Term Incentive for Senior Executives ¹
Strategic Intent	Attract and retain executives with the capability and experience to deliver our strategy.	Align performance focus with the long-term business strategy and shareholders experience.	Align performance focus with the long-term business strategy and shareholder experience.	Performance incentive directed to achieving Board approved targets, reflective of market circumstances.
Performance Measure	FAR is set based on market relativities, reflecting responsibilities, qualifications, experience and effectiveness.	LTI vesting is subject to service and performance tested three years from the grant date. The testing criteria is three-year Company TSR equal to or outperforming the median of the two (one local, one international) comparator groups (half of the LTI is attributable to each comparator group).	Transfer of shares is conditional on a minimum of 12 months service period. There is a 3-year trading restriction on the shares from grant date. The value of the equity remains subject to performance of the Company's share price.	STI performance criteria are set by reference to: • A minimum performance threshold requirement (the "Corporate Gate") • Financial metrics • Strategic objectives • Individual performance and effort relevant to the specific objective.
Delivery	Cash Payment	Performance Rights	Conditional Rights	Mix of cash and equity GE Strategy & Development: 100% cash Company Secretary: 50% cash, 50% equity with three years trade restriction period

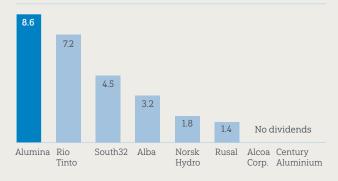
Company Performance and Executive Remuneration Outcomes

Company Performance

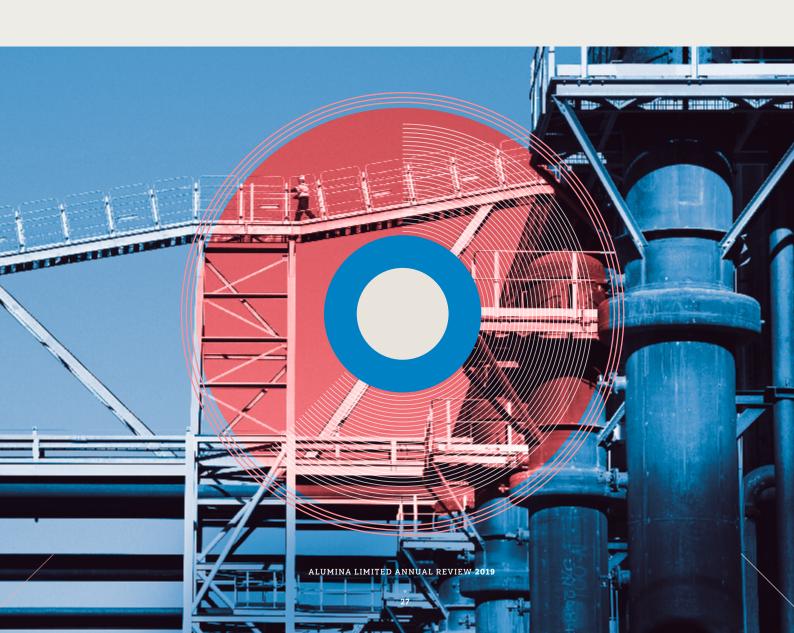
Some Company objectives are weighted differently for each of the KMP depending on the expected level of input and responsibilities assigned. In terms of financial performance, Alumina Limited has continued its recent history of strong results. Despite a softer alumina market, Alumina Limited recorded a profit of US\$214.0 million. The profit decreased 66% compared to the record 2018 profit of US\$635.4 million due to lower alumina prices and charges associated with the closure of the Point Comfort refinery in Texas.

A low cost, tier one portfolio of assets, supports AWAC's ability to remain profitable despite lower alumina prices and has facilitated cash distributions of US\$471.9 million to Alumina Limited during 2019. Whilst dividend distributions in 2019 were down compared to the record distributions of 2018, the chart shows that Alumina Limited's three-year dividend yield of 8.6% continues to compare favourably to peers. Additionally, Alumina Limited's TSR compared to relevant ASX indices, demonstrates a track record of solid returns to investors since 2016 following AWAC's asset portfolio transformation.

Alumina Limited vs Peers Avg Dividend Yield¹ Past three calendar years, excl franking credits



1. Dividend yield calculated as the average dividend declared from 26-Feb-17 to 26-Feb-20 divided by the average share price during that period.







Alumina Limited undertook a number of actions to strengthen its balance sheet during 2019. The syndicated bank facility was renegotiated, and as a result Alumina Limited now has facilities totalling US\$350 million, with the earliest tranche not maturing until October 2022.

Alumina Limited also redeemed the A\$125 million note and early terminated the associated CCIRS. These actions give Alumina Limited greater flexibility and enhanced access to liquidity. As at 31 December 2019, Alumina Limited's net debt was US\$54.8 million, equating to 3.0% gearing.

Alumina Limited's Board and Management continue to remain abreast of industry trends and developments in order to refine the future strategy of the business. We continue to engage with Alcoa to assess the potential growth and synergies within the alumina and bauxite segments, whilst maintaining good working relationships with our joint venture partner and contributed to discussion and analysis of various potential projects within AWAC.

Our investment in AWAC's portfolio of low cost assets, together with a very strong balance sheet, allows Alumina Limited to deliver consistent returns through the cycle while also investing for the long term. Changes to the AWAC distribution policies negotiated in 2016 provided greater certainty and control over cash flows to Alumina Limited and ultimately to its shareholders.

Alumina Limited 2019 TSR Compared to ASX Indices



Remuneration Decisions and Outcomes for 2019

Fixed Remuneration

2019 Outcomes

Fixed remuneration for the CEO and Senior Executives increased in 2019 by 2.5%, which was generally in line with the increases applied to the broader staff in the Company, except for two staff members who received a higher increase in base remuneration due to changes in their respective responsibilities.

The CFO's fixed remuneration was reviewed on appointment and details are set out in section 1.3 in the Remuneration Report contained within the 2019 Annual Report.

Ms Kraeva was appointed interim CFO for the period 19 November 2018 to 30 June 2019. Ms Kraeva's FAR was set at \$600,000 per annum whilst she remained in the role.

Short Term Incentive

2019 Outcomes

In 2019, STI payments were assessed against a range of corporate objectives, including financial strategic and non-financial objectives.

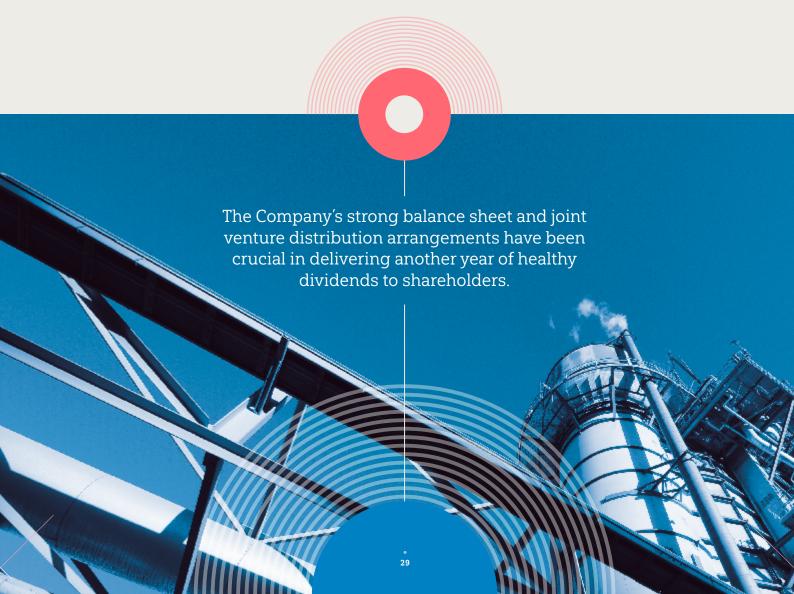
"Corporate Gate" requirements were satisfied therefore STI was assessed based on 100% of the potential award. Senior Executives, achieved on average 75% of the maximum STI.

Long Term Incentive

2019 Outcomes

The FY17 LTI was tested in 2019 (testing period December 2016 to December 2019) with 100% of the total award vesting.

Alumina Limited's performance against the ASX Comparator group exceeded the 75th percentile and therefore 100 per cent of the potential entitlement vested. In relation to the International Comparator Group, Alumina Limited's performance was above top ranked peer company.



CEO and Senior Executives Statutory Remuneration

The following table shows details of the remuneration expense recognised for the Group's KMP for the current and previous financial year measured in accordance with the requirements of the accounting standards. Amounts shown under share-based payments reflect the accounting expense recorded during the year with respect to awards that have or are yet to vest.

КМР	Year				Short-	Term Benefits (A\$)	
		FAR ¹	STI	Non Monetary ²	Other ³	Total	
Mike Ferraro	2019	1,318,833	-	34,689	7,702	1,361,224	
	2018	1,286,610	_	33,047	13,261	1,332,918	
Grant Dempsey ⁷	2019	428,249	-	14,758	-	443,007	
Chris Thiris	2018	701,400	335,420	27,607	_	1,064,427	
Galina Kraeva ⁸	2019	289,734	70,000	9,088	-	368,822	
	2018	70,239	16,000	1,482	_	87,721	
Stephen Foster	2019	531,300	302,000	477	-	833,777	
	2018	517,700	270,000	(8,156)	_	779,544	
Andrew Wood	2019	394,333	141,000	12,950	-	548,283	
	2018	384,710	122,000	17,402	-	524,112	
Total Executive	2019	2,962,449	513,000	71,962	7,702	3,555,113	
Remuneration	2018	2,960,659	743,420	71,382	13,261	3,788,722	



Post Employment Benefits (A\$)			Share Based Payments (A\$)	Total Remuneration (A\$)
Superannuation and termination ⁴	Conditional Rights ⁵	Performance Rights ⁶	Total	
20,767	420,250	276,118	696,368	2,078,359
20,290	507,222	181,536	688,758	2,041,966
10,501	59,063	-	59,063	512,571
452,402	-	10,256	10,256	1,527,085
10,266	-	19,868	19,868	398,956
2,488	-	4,923	4,923	95,132
25,000	-	131,932	131,932	990,709
25,000	-	135,253	135,253	939,797
20,767	-	72,583	72,583	641,633
20,290	-	72,998	72,998	617,400
87,301	479,313	500,501	979,814	4,622,228
520,470	507,222	404,966	912,188	5,221,380

- 1. FAR is the total cash cost of salary, exclusive of superannuation.
- 2. Non-monetary benefits represent the movement in accrued long service leave and value of the car park.
- 3. Other short-term benefits include personal financial advice allowance and travel allowance.
- 4. Superannuation and termination reflect the SGC contributions for all KMP and termination payment (payment in lieu) for Mr Chris Thiris in 2018.
- 5. The CEO's and CFO's remuneration packages includes a conditional rights component. In accordance with AASB 2, the value attributed to the conditional rights represents the amortisation for the reporting period of the value at grant date of all previously granted conditional rights that have neither vested nor lapsed.
- 6. In accordance with AASB 2, the value attributed to Performance Rights represents the amortisation for the reporting period of the value at grant date of all previously granted Performance Rights that have neither vested nor lapsed. The value at grant date is amortised over a three-year period.
- 7. Mr Dempsey appointed CFO from 1 July 2019.
- 8. Ms Kraeva appointed Interim CFO from 19 November 2018 to 30 June 2019.

Actual "Take Home" 2019 Remuneration Awarded to CEO and Senior Executives

The actual remuneration awarded during the year comprises the following elements:

- Cash salary including superannuation benefits and any salary sacrifice arrangements, but excluding termination payments;
- Other short-term benefits comprised of the personal financial advice allowance and travel allowance;
- STI cash payment;

КМР	Year					
		FAR including superannuation	STI	Other	Total	
Mike Ferraro	2019	1,339,600	-	7,702	1,347,302	
	2018	1,306,900	_	13,261	1,320,161	
Grant Dempsey ¹	2019	438,750	-	-	438,750	
Chris Thiris ²	2018	726,400	335,420	_	1,061,820	
Galina Kraeva³	2019	300,000	70,000	-	370,000	
	2018	72,727	16,000	_	88,727	
Stephen Foster	2019	556,300	302,000	-	858,300	
	2018	542,700	270,000	-	812,700	
Andrew Wood	2019	415,100	141,000	-	556,100	
	2018	405,000	122,000	-	527,000	
Total Executive	2019	3,049,750	513,000	7,702	3,570,452	
Remuneration	2018	3,053,727	743,420	13,261	3,810,408	

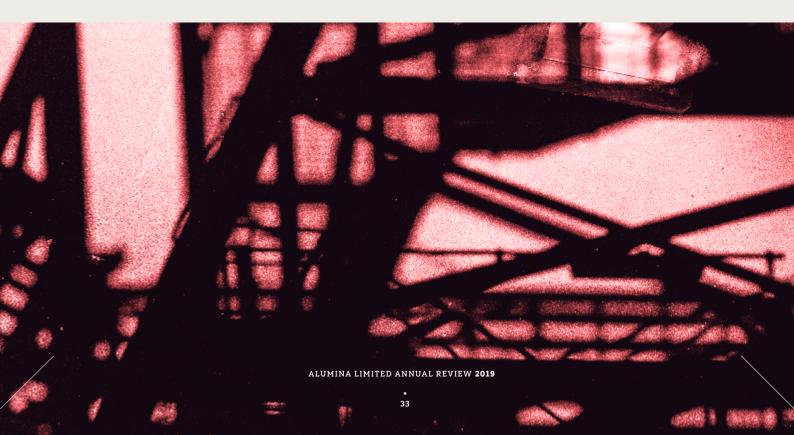
- 1. Mr Dempsey appointed CFO on 1 July 2019.
- 2. Termination payment for Mr Thiris is included in the table on page 30.
- 3. Ms Kraeva appointed Interim CFO from 19 November 2018 to 30 June 2019.



- Conditional Rights vested (being the number of conditional rights that vested multiplied by the market price at the vesting date);
- LTI vested and exercised (being the number of performance rights that vested and were exercised multiplied by the market price at the exercise date).

These values differ from the executive statutory remuneration table and have not been prepared in accordance with statutory requirements and Australian Accounting Standards.

Total Remuneration (A\$)	Total "Take Home" Remuneration, Excluding Termination (A\$)	Based Payments (A\$)		
		Total	Performance Rights	Conditional Rights
2,078,359	1,726,462	379,160	-	379,160
2,041,966	1,653,669	333,508	-	333,508
512,571	438,750	-	-	-
1,099,683	1,564,151	502,331	502,331	-
398,956	572,578	202,578	202,578	-
95,132	88,727	-	-	-
990,709	1,326,300	468,000	468,000	-
939,797	812,700	-	-	-
641,633	713,040	156,940	156,940	-
617,400	725,526	198,526	198,526	_
4,622,228	4,777,130	1,206,678	827,518	379,160
4,793,978	4,844,773	1,034,365	700,857	333,508



Non-Executive Directors Remuneration

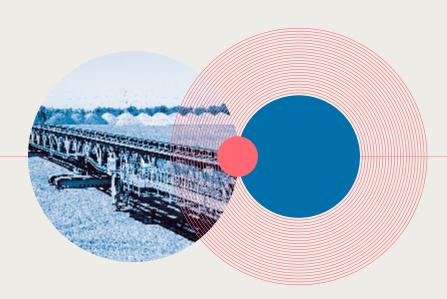
Remuneration Outcomes in 2019

The maximum remuneration for Non-Executive Directors is determined by resolution of shareholders. At the 2016 AGM, shareholders approved a maximum aggregate remuneration of \$1,500,000 per annum for Non-Executive Directors. A total of \$1,176,500 was paid in Non-Executive Director fees in 2019. Other than the Chairman, who receives a single base fee of \$410,000 (inclusive superannuation), Non-Executive Directors receive a base fee plus additional fees for membership of Board Committees and superannuation contribution. Non-Executive Directors do not participate in incentive plans or receive any retirement benefits other than statutory superannuation contributions.

As a result of a Director fee review, the Board resolved to increase Board Committees membership fees for 2020, whilst keeping the Director base fee and Chairman fee unchanged. These increases were made so that the composition of NED fees at Alumina are appropriate relative to market (whilst still having regard to the non-operating nature of Alumina's business), and so that fees remain competitive to attract and retain high calibre directors. This is the first increase in fees since 2011 and does not require an increase to the Director fee pool.

	2019 A\$	2020 A\$
Base fee	150,000	150,000
Compensation Committee – Chair	30,000	35,000
Compensation Committee – Member	5,000	10,000
Audit and Risk Management Committee - Chair	30,000	35,000
Audit and Risk Management Committee – Member	5,000	10,000
Sustainability Committee – Chair	-	_
Sustainability Committee – Member	-	10,000
Nomination Committee – Chair	10,000	10,000
Nomination Committee – Member	-	-

All Non-Executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.



The table below provides a summary of the actual remuneration received by each Non-Executive Director and is prepared in accordance with statutory requirements and relevant accounting standards.

Non-Executive Director	Year	Sh	ort-Term Benefits (A	\$)	Post Employment Benefits (A\$)	Total Remuneration
		Fees	Non-Monetary	Total	Superannuation ¹	(A\$)
Peter Day ^{2,3}	2019	389,233	-	389,233	20,767	410,000
	2018	338,472	-	338,472	19,672	358,144
Emma Stein ⁴	2019	185,000	-	185,000	17,575	202,575
	2018	187,500	-	187,500	17,813	205,313
Deborah O'Toole ³	2019	185,000	-	185,000	17,575	202,575
	2018	178,750	-	178,750	16,981	195,731
Chen Zeng	2019	160,000	_	160,000	15,200	175,200
	2018	160,000	-	160,000	15,200	175,200
John Bevan ⁴	2019	170,000	-	170,000	16,150	186,150
	2018	167,500	_	167,500	15,912	183,412
John Pizzey ²	2018	97,488	-	97,488	5,012	102,500
Total Non-Executive Director Remuneration	2019	1,089,233	-	1,089,233	87,267	1,176,500
Director Remarkeration	2018	1,129,710	_	1,129,710	90,590	1,220,300

- 1. The applicable superannuation contribution rate for 2019 and 2018 was $9.5~{\rm per}$ cent.
- 2. Mr Pizzey retired as a Non-Executive Director and Chairman on 31 March 2018. Mr Day was appointed as Chairman on 1 April 2018.
- 3. Mr Day resigned as Chair of the Audit and Risk Management Committee ("ARMC") on 31 March 2018. Ms O'Toole was appointed as Chair of ARMC on 1 April 2018.
- 4. Ms Stein resigned as Chair of the Nomination Committee on 31 March 2018. Mr Bevan was appointed as Chair of the Nomination Committee on 1 April 2018. Mr Bevan was appointed a Non-Executive Director on 1 January 2018.



Non-Executive Directors Shareholdings

Each Non-Executive Director is required to hold shares in the Company having a value at least equal to 50 per cent of the Director's base fee within five years from their appointment as a Director.

Non-Executive Director	Year	Number of Shares as at 1 January ¹	Number of Shares Acquired During the Year	Number Of Shares as at 31 December ¹	Policy Compliance Date ²
Peter Day	2019	75,720	-	75,270	03/11/2014
	2018	75,720	_	75,720	
Emma Stein	2019	84,794	-	84,794	24/02/2014
	2018	84,794	_	84,794	
Deborah O'Toole	2019	8,000	-	8,000	01/12/2024
	2018	-	8,000	8,000	
Chen Zeng ²	2019	4,804	-	4,804	_3
	2018	4,804		4,804	
John Bevan	2019	300,154	-	300,154	01/01/2018
	2018	300,154	-	300,154	

- 1. Number of shares held at 1 January and 31 December of the respective years include directly held shares, nominally held shares, and shares held by personally related entities.
- 2. Date on which compliance with Director shareholding policy is required or has been satisfied.
- 3. Mr Zeng is a nominee of CITIC and CITIC holds 548,959,208 ordinary fully paid shares in Alumina Limited.

Reconciliation of Ordinary Shares Held by KMP

КМР	Year ¹	Number of Ordinary Shares					
		Total as at 1 January²	Acquired During the Year Under LTI ²	Acquired During the Year CEO Conditional Rights	Other Shares Acquired During the Year	Sold During the Year	Total as at 31 December
Mike Ferraro	2019	190,164	-	169,268	-	-	359,432
	2018	68,000	_	122,164	-	-	190,164
Grant Dempsey	2019	-	-	-	-	-	-
Chris Thiris	2018	900,000	230,381	_	-	-	1,130,381
Galina Kraeva	2019	25,770	86,687	-	-	-	112,457
	2018	25,770	_	_	-	-	25,770
Stephen Foster	2019	798,234	172,059	-	-	-	970,293
	2018	765,748	-	-	32,486	-	798,234
Andrew Wood	2019	289,033	66,500	-	-	-	355,533
	2018	197,966	91,067	_	-	-	289,033

^{1.} Number of shares held at 1 January and 31 December of the respective years include directly held, and nominally held shares, and shares held by personally related entities.

^{2.} For 2019, includes 2017 vested Performance Rights that were tested in December 2019 and Rights vested in prior years, which were exercised during 2019. For 2018, includes vested 2016 vested Performance Rights that were tested in December 2018 and exercised in 2018.

CEO and Senior Executives Service Agreements

Remuneration and other terms of employment for executives are formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below.

Termination benefits are within the limits set by the Corporations Act 2001 (Cth).

Term of Agreement and Notice Period Termination Payments¹ Mike Ferraro · No fixed term. Alumina Limited may, at its discretion, make a payment in lieu of some or all of the notice period. • 12-month written notice from either party. • Any payment to be made to Mr Ferraro in lieu of notice shall • Mr Ferraro's employment may be terminated be calculated based on his Fixed Annual Reward. He would immediately for any conduct that would also receive any statutory entitlements. justify summary dismissal. • Number of shares equal to the granted conditional rights that would have vested during notice period. • In addition to the above, Mr Ferraro may terminate his employment by giving notice to Alumina Limited (effective immediately or up to six months later) in the event of a Significant Change. In that case Mr Ferraro will be entitled to receive a payment equal to 12 months' Fixed Annual Reward less the amount received during any period of notice served. He will also be entitled to payment

Grant Dempsey, Stephen Foster, Andrew Wood and Galina Kraeva

- · No fixed term.
- Six month notice from the Company, three month notice from Mr Dempsey and Mr Foster.
- Four month notice from the Company, two month notice from Mr Wood.
- Three month notice from the Company, three month notice from Ms Kraeva.
- An additional payment which is the greater of:
 - A payment equivalent to six months Base Remuneration; or

in lieu of accrued annual and long service leave entitlements.

- A payment comprising:
 - Notice payment (the greater of 12 weeks or notice provided within employment contract),
 - severance payment of 2.5 weeks per complete year of service, pro-rated for completed months of service; and
 - nine weeks ex gratia payment.
- 1. Payable upon termination with notice and without cause (e.g. for reasons other than unsatisfactory performance) and suitable alternative employment is not offered or if they do not accept other employment, or in the event of a significant change (which is defined to be if Alumina Limited ceases to be listed on the ASX or if there is a significant change to the executive's status and/or responsibilities that is detrimental to the executive). Calculated according to the "Base Remuneration", which is defined as FAR for Mr Ferraro and Mr Dempsey; and FAR + STI at target for Mr Foster, Mr Wood and Ms Kraeva.

The above termination entitlements are subject to any restrictions imposed by the Corporations Act.

Cessation of Employment

On cessation of employment, prior to Performance Rights vesting, except to the extent that the Board otherwise determines in its absolute discretion within 20 business days after employment ceasing, a pro rata number of unvested Performance Rights will lapse. The number of unvested Performance Rights that lapse will be proportional to the amount of the testing period that has not yet elapsed at the time of employment ceasing. In these circumstances, the Board also has discretion under the LTI plan rules to determine, within two months of employment ceasing, that any of the remaining unvested Performance Rights are forfeited.

In relation to any remaining unvested Performance Rights that do not lapse and are not forfeited, they will continue on foot under the LTI plan rules and be tested for vesting in the normal way unless the exercise period is shortened or the Board in its discretion determines that any or all performance conditions in respect of all or some of the Performance Rights will be tested at a date determined by the Board or waived, and/or cash settlement amounts will be paid in respect of Performance Rights that vest and are exercised.

Change of Control

In the event of a change in control, the Board may bring forward the testing date for the LTI performance conditions, or waive those conditions, and/or shorten the exercise period for Performance Rights that have already vested or that vest subsequently. The Board may also, in its discretion, determine that cash settlement amounts will be paid in respect of any vested Performance Rights.

Clawback Policy

Alumina Limited has a Clawback Policy that provides scope for the Board to recoup incentive remuneration paid to the CEO and senior executives where:

- material misrepresentation or material restatement of Alumina Limited's financial statements occurred as a result of fraud or misconduct by the CEO or any senior executives; and
- the CEO or senior executives received incentive remuneration in excess of that which should have been received if the Alumina Limited financial statements had been correctly reported.

The Board also may seek to recover gains from the sale or disposition of vested shares and determine to cancel unvested equity awards.

Share Trading and Hedge Prohibition

Performance Rights and Conditional Rights granted under Alumina Limited's LTI plan must remain at risk until fully vested. This is consistent with Alumina Limited's Share Trading Policy that prohibits Directors and employees from engaging in:

- short-term trading of any Alumina Limited securities
- buying or selling Alumina Limited securities if they possess unpublished, price-sensitive information; or
- trading in derivative products over the Company's securities, or entering into transactions in products that limit the economic risk of their security holdings in the Company.

This report is made in accordance with a resolution of the Directors.

W Peter Day • Chairman

24 March 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	US\$ Millio	n
	2019	2018
Current Assets		
Cash and cash equivalents	15.2	183.8
Other assets	1.8	1.1
Total current assets	17.0	184.9
Non-Current Assets		
Investment in associates	1,836.8	2,060.2
Total non-current assets	1,836.8	2,060.2
Total Assets	1,853.8	2,245.1
Current Liabilities		
Payables	0.9	1.2
Borrowings	-	88.0
Derivative financial instruments	-	19.0
Provisions	0.3	0.2
Other liabilities	-	0.4
Total current liabilities	1.2	108.8
Non-Current Liabilities		
Borrowings	70.0	-
Provisions	0.5	0.5
Total non-current liabilities	70.5	0.5
Total Liabilities	71.7	109.3
Net Assets	1,782.1	2,135.8
Equity		
Contributed equity	2,682.9	2,682.9
Treasury shares	(0.8)	(1.2)
Reserves	(1,283.9)	(1,252.0)
Retained earnings	383.9	706.1
Total Equity	1,782.1	2,135.8

FINANCIAL HISTORY

Alumina Limited and Controlled Entities as at 31 December

	US\$ millions					
	2019	2018	2017	2016	2015	
Revenue from continuing operations	2.5	1.6	0.6	0.6	0.1	
Share of net profit/(loss) of associates accounted for using the equity method	232.0	653.5	360.4	18.1	109.9	
Other income	-	-	-	-	-	
General and administrative expenses	(12.1)	(11.6)	(13.6)	(25.7)	(11.9)	
Change in fair value of derivatives/ foreign exchange losses	(1.0)	(1.4)	0.7	(14.1)	(3.2)	
Finance costs	(7.3)	(6.7)	(8.3)	(9.1)	(6.6)	
Income tax (expense)/benefit from continuing operations	(0.1)	-	-	-	-	
Net profit/(loss) attributable to owners of Alumina Limited	214.0	635.4	339.8	(30.2)	88.3	
Total assets	1,853.8	2,245.1	2,342.9	2,117.8	2,110.7	
Total liabilities	71.7	109.3	109.9	110.9	127.8	
Net assets	1,782.1	2,135.8	2,234.0	2,006.9	1,982.9	
Shareholders' funds	1,782.1	2,135.8	2,234.0	2,006.9	1,982.9	
Dividends paid	532.8 ²	515.5	210.2	135.3	171.2	
Dividends received from AWAC	381.7	657.2	278.1	150.2	61.4	
Statistics						
Dividends declared per ordinary share	US8.0c	US22.7c	US13.5c	US6.0c	US6.3c	
Dividend payout ratio	249%	81%	62%	_	202%	
Return on equity ¹	11.0%	30.3%	15.8%	(1.5)%	3.9%	
Gearing (net debt to equity)	3.0%	(4.3)%	2.5%	4.0%	4.8%	
Net tangible assets backing per share	\$0.53	\$0.66	\$0.69	\$0.61	\$0.60	
Basic EPS (US cents)	7.4	22.1	11.8	(1.0)	3.1	
End of year share price (AUD)	2.30	2.30	2.43	1.83	1.16	
Franking of dividends	100%	100%	100%	100%	100%	
Total shareholder return	15.5%	7.7%	41.8%	69.2%	(30.2)%	

^{1.} Based on net profit/(loss) attributable to owners of Alumina Limited.

^{2.} Final dividend for the financial year ended 31 December 2018, declared and paid in 2019 and interim dividend for the year ended 31 December 2019, declared and paid in 2019.

Alumina Limited

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Any forward-looking statements contained in this document are not guarantees of future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Alumina Limited and its directors, officers, employees and agents that may cause actual results to differ materially from those expressed or implied in such statements. Those risks, uncertainties and other factors include (without limitation): (a) material adverse changes in global economic conditions, alumina or aluminium industry conditions or the markets served by AWAC; (b) changes in production or development costs, production levels or sales agreements; (c) changes in laws, regulations or policies; (d) changes in alumina or aluminium prices or currency exchange rates; (e) Alumina Limited does not hold a majority interest in AWAC and decisions made by majority vote may not be in the best interests of Alumina Limited; and (f) the other risk factors summarised in Alumina Limited's Annual Report 2019. Readers should not place undue reliance on forward-looking statements. Except as required by law, Alumina Limited disclaims any responsibility to update or revise any forwardlooking statements to reflect any new information or any change in the events, conditions or circumstances on which a statement is based or to which it relates

Alumina Limited's shares trade on the Australian Securities Exchange and also trades as American Depositary Receipts in the US on the OTCQX market.



