

Policy

Directors' and Executives' Shareholding Policy

Our commitment

Fortescue Metals Group Limited (Fortescue) is committed to:

- Strengthening the alignment between the interests of Directors and Executives of the Company and the interests of its shareholders; and
- Encourage a focus on building long term shareholder value.

Our strategy

Fortescue will achieve this by requiring Fortescue's Non-Executive Directors (NEDs) and Executives (including the Chief Executive Officer (CEO), and Other Executives as approved by the Board from time to time (Other Executives) to build a minimum shareholding in the Company and maintain it during their tenure.

Minimum Shareholding

Fortescue's NEDs and Executives are required to acquire and hold a minimum shareholding in Fortescue Metals Group (Fortescue) approximately equivalent to:

- NEDs – 100% of annual base fees;
- CEO – 200% of Total Fixed Remuneration (TFR);
- CEO direct reports – 100% of TFR; and
- Other Executives - 50% of TFR.

NED annual base fees exclude Committee fees and company superannuation contributions.

The minimum shareholding includes Fortescue shares and vested rights. Unvested performance rights are not included in the minimum shareholding calculation.

The shares may be held personally, within a self-managed super fund, family trust, or by an entity that is controlled by the Non-Executive Director or Executive.

Timeframe

NEDs:

NEDs are encouraged to commence acquiring shares as soon as practicable and are expected reach the minimum shareholding within 5 years from the date of their appointment (or the effective date of this policy, whichever is the latter).



Executives:

Executives are expected to meet their minimum shareholding requirement over a 5 year period from the date of their appointment (or the effective date of this policy, whichever is the latter) by holding shares that vest under Fortescue's Long-Term Incentive Plan and/or Fortescue's Executive and Senior Staff Incentive Plan.

Where an Executive is identified as having not met the minimum shareholding requirement in the timeframe prescribed by this Policy, they are required to rectify the shortfall in their shareholding within 12 months. Any failure or refusal by the Executive to rectify the shortfall in their shareholding within 12 months will be considered when determining the executive's annual performance outcome. Shares must not be acquired if to do so would risk breaching insider trading laws or Fortescue's Securities Trading Policy, in which case longer timeframes will apply.

It is not the intention of this Policy to financially disadvantage Executives and shares may be traded to meet income tax and other financial obligations.

Calculation

The Company recognises that the value of Fortescue shares will vary from time to time and the minimum shareholding values stipulated above are general in nature. For the purposes of calculating whether the minimum shareholding has been met, the calculation is based on the Volume Weighted Average Price (VWAP) over the first five days of trading in the current financial year. The Board will review the shareholdings of NEDs and Executives annually.

Individual Responsibilities

When acquiring Company shares, participants must adhere to insider trading laws and the Company's Securities Trading Policy. In particular, shares must not be traded while in possession of price sensitive information, or during Blackout Periods.

In accordance with ASX Listing Rules, all changes to Directors' Interests in Company securities must be notified to the ASX within 5 business days after the change occurs. Accordingly, NEDs and Executive Directors must promptly notify the Company Secretary of any changes.

Policy Review

Unless the Board determines otherwise, this policy will be reviewed every two years after its adoption by the Board or its delegated Committee.

Further Information

If you have any questions or need further information on how to comply with this Policy, please contact the Company Secretary.