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ASX Market Announcements
ASX Limited
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12 September 2014

BY ELECTRONIC LODGEMENT

Aurizon – Notice of Annual General Meeting, Proxy Form & Annual Report

Please find **attached** a copy of the Notice of Annual General Meeting, accompanying Chairman's letter and Proxy Form (**Notice**) for the Aurizon Holdings Limited (**AZJ**) Annual General Meeting to be held on Wednesday 12 November 2014, in the River Room 4 at the Perth Convention and Exhibition Centre, 21 Mounts Bay Road, Perth.

Also **attached** is the published Annual Report. Copies of the Notice and Annual Report are in the process of being sent to all AZJ shareholders who have elected to receive a copy.

A copy of the Annual Report is also available on the Company's website aurizon.com.au.

Yours faithfully



Dominic D Smith
VP & Company Secretary





Dear Shareholders

On behalf of the Board of Aurizon Holdings Limited (**Aurizon**), I am pleased to invite you to attend the Aurizon Annual General Meeting (**AGM**) on Wednesday 12 November 2014, in the River View Room 4 at the Perth Convention and Exhibition Centre, 21 Mounts Bay Rd, Perth WA Australia 6000.

The meeting is scheduled to start at 10:00am (Perth time).

The 2014 AGM is being held in Perth, Western Australia to avoid G20 meetings being held in Brisbane. Western Australia is also a key State for the Company and the activities it undertakes.

Enclosed is the Notice of Meeting setting out the business of the AGM. For further details on the resolutions proposed at the AGM please refer to the Explanatory Notes. I urge all shareholders to read this material carefully before voting on the proposed resolutions.

In 2013, Aurizon received 72% of votes cast in favour of the Remuneration Report. This constituted a 'first strike' under the Corporations Act. At this year's AGM, shareholders will be asked to cast a non-binding vote in relation to the adoption of the Remuneration Report for the financial year ended 30 June 2014.

Since last year's AGM, your Board has consulted broadly to seek to understand the concerns that led to the 'first strike'. In recognition of the concerns expressed, your Board conducted a comprehensive review of the Company's Executive Reward Strategy. Full details of all the changes are set out in the Remuneration Report and I encourage you to review the detailed account of the Group's Executive Reward Strategy.

If the votes against the Remuneration Report again exceed 25% of the votes cast, Aurizon will receive a 'second strike'. If a 'second strike' occurs, then a Board Spill Meeting Resolution will be put to the AGM. The Board unanimously recommends that shareholders vote against it on the basis that it would be extremely disruptive to the ongoing operations of the Company.

If you are not able to attend the AGM I encourage you to appoint a proxy to attend and vote on your behalf. You may appoint a proxy by:

- using the share registry's website at investorvote.com.au; or
- completing the enclosed proxy form

In order to be valid, online proxies and proxy forms must be received no later than **10:00am Perth time (12:00pm AEST) Monday 10 November 2014**.

If you plan to attend the AGM, please bring the enclosed proxy form to assist us in registering your attendance.

Shareholders are invited to join the Board for light refreshments at the conclusion of the AGM.

On behalf of all the Directors of Aurizon, we look forward to seeing you at the AGM.

Yours Sincerely

John B Prescott AC
Chairman & Independent Non-Executive Director
Aurizon Holdings Limited



Aurizon Holdings Limited

Notice of 2014 Annual General Meeting

Notice is given that Aurizon Holdings Limited (the **Company**) will hold its Annual General Meeting (**AGM**) at 10:00am (Perth time) on Wednesday 12 November 2014, in the River View Room 4 at the Perth Convention and Exhibition Centre, 21 Mounts Bay Rd, Perth WA Australia 6000, for the purpose of transacting the business set out in this Notice of Meeting (**Notice**).

If you are unable to attend the AGM you are encouraged to complete and return the proxy form accompanying this Notice.

You can lodge your completed proxy form with the Company's Share Registry, Computershare by:

- mailing it to Computershare using the reply paid envelope;
- posting it to GPO Box 242, Melbourne VIC 3001 Australia;
- lodging it online at Computershare's website investorvote.com.au and logging in using the control number found on the front of the accompanying proxy form, or scanning the QR code on the front of the accompanying Proxy Form with your mobile device and inserting your postcode;
- faxing it to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting:
intermediaryonline.com.

The completed proxy form must be received by Computershare no later than 10:00am Perth time (12:00pm AEST) on Monday, 10 November 2014.

If you appoint a proxy the Company encourages you to direct your proxy how to vote on each item, by marking the appropriate box on the proxy form.



AURIZON[®]

Aurizon Holdings Limited

ABN 14 146 335 622

Notice of 2014 Annual General Meeting

Business

1. Financial Statements and Reports

To receive and consider the Financial Statements, Directors' Report and independent Auditor's Report of the Company and its controlled entities for the financial year ended 30 June 2014.

Note: *There is no vote on this item.*

2. Election of Directors

To consider and, if thought fit, pass the following as separate ordinary resolutions:

- "That, Mr John B Prescott AC, who retires by rotation and being eligible, be re-elected as a Director of the Company."
- "That, Mr John Atkin, who retires by rotation and being eligible, be re-elected as a Director of the Company."
- "That, Mr Pasquale Zito, who was appointed as an addition to existing Directors of the Company and being eligible, be elected as a Director of the Company."

3. Grant of Performance Rights to the Managing Director & CEO pursuant to the Company's Long Term Incentive Award

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

"That approval be given for all purposes under the *Corporations Act 2001* (Cth) (**Corporations Act**) and the ASX Listing Rules, including ASX Listing Rule 10.14, to issue to the Managing Director & CEO, Mr Lance Hockridge, up to 401,235 Performance Rights on the terms summarised in the Explanatory Notes to this Notice."

4. Approval of Potential Termination Benefits to Key Management Personnel

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

That, in accordance with the terms of section 200B and 200E of the Corporations Act, approval is given for the provision of benefits under the Company's Long Term Incentive Plan where all of the following conditions are met:

- the person receiving the benefit is currently or, in future, an employee of the Company or a related body corporate;
- the person holds a managerial or executive office;
- the benefit is paid on the person ceasing to hold a managerial or executive office; and
- the benefit is paid on the terms set out in the Explanatory Notes.

5. Remuneration Report

To consider and, if thought fit, to pass the following as a non-binding ordinary resolution:

"That the Remuneration Report for the financial year ended 30 June 2014, be adopted."

Note: *This resolution is advisory only and does not bind the Directors or the Company.*

Contingent Business

6. Board Spill Meeting

If required, to consider and if thought fit, to pass the following resolution as an ordinary resolution of the Company:


- That, subject to and conditional on at least 25% of the votes cast on resolution 5 being cast against the adoption of the Remuneration Report:
 - an extraordinary general meeting of the Company (the **Spill Meeting**) be held within 90 days of the passing of this resolution;
 - all of the Non-Executive Directors in office when the Board resolution to make the Directors' Report for the financial year ended 30 June 2014 was passed (being John B Prescott AC, Russell Caplan, John Atkin, Gene Tilbrook, Andrea Staines, Graeme John AO, Karen Field, John Cooper and Pasquale Zito) and who remain in office at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting; and
 - resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting be put to the vote of shareholders at the Spill Meeting.

Additional Information

The Explanatory Notes set out on pages 3 to 7 provide more information on each of the items of business.

Items 3, 4, 5 and 6 set out above are subject to voting exclusions, details of which are set out in Voting Notes on pages 7 to 9 which forms part of this Notice.

By order of the Board



Dominic D Smith
Company Secretary
Brisbane, 12 September 2014

Explanatory Notes

The following Explanatory Notes (**notes**) have been prepared for the information of shareholders in relation to the business to be conducted at the Company's 2014 AGM.

The purpose of these notes is to provide shareholders with information they reasonably require to decide how to vote upon the resolutions. The Board recommends that shareholders read these notes before determining whether or not to support a resolution.

Item 1: Financial Statements and Reports

The Financial Statements, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2014 will be tabled at the AGM.

There is no requirement for shareholders to approve these reports. The Chairman of the AGM will, however, allow a reasonable opportunity for shareholders to ask questions on the reports and management of the Company at the AGM.

Shareholders will also be given a reasonable opportunity to ask a representative of the Company's auditor PricewaterhouseCoopers (**PwC**), questions relevant to the conduct of the audit and the preparation and content of the Auditor's Report.

The Financial Statements, Directors' Report and Auditor's Report are also contained in the 2014 Annual Report (**Annual Report**) available on the Company's website aurizon.com.au.

Item 2: Election and re-election of Directors

The Company's Constitution requires that an election of Directors must take place each year.

Mr John B Prescott AC and Mr John Atkin have been Directors of the Company since 14 September 2010 and being eligible, offer themselves for re-election.

The Company's Constitution and ASX Listing Rules also require that all new Directors appointed to the Board are subject to election at the next AGM of the Company.

Mr Pasquale Zito was appointed as an additional member to the Board on 1 December 2013 and being eligible, offers himself for election.

The Board considers that individually and collectively the Company's Directors need to bring a level of skill, capability and experience that enables the Board to discharge its responsibilities effectively.

The Board's policy on board composition is to ensure that at all times and through succession planning there will be an appropriate mix of skills and experience so as to provide on an ongoing basis, the necessary breadth and depth of knowledge which is required to meet the Company's responsibilities and objectives.

The Board is satisfied that each Director who is standing for election is independent.

A formal review of the performance of all Directors who held office during the year ended 30 June 2014, including those Directors standing for election, was undertaken. The review processes are described in the Corporate Governance Statement on pages 54 to 59 of the Annual Report. Based on the review the Board recommends to shareholders that Directors standing be elected.

Biographical details, skills and experience of Mr Prescott AC, Mr Atkin and Mr Zito are set out below and on pages 4 to 6 of the Annual Report.

2(a): Mr John B Prescott AC

Independent Chairman BCom (Indus Rel), HonDsc, HonLLD, FAICD, FAIM, FTSE

Mr Prescott has substantial experience in the mining, manufacturing, transport and government sectors. He was a long term executive of The Broken Hill Proprietary Company Limited (now BHP Billiton Limited), serving 10 years as an Executive Director and seven years as Managing Director and Chief Executive Officer (1991–1998). He was also Chairman of ASC (formerly Australian Submarine Corporation Pty Ltd) from 2000–2009 and a Director of Newmont Mining Corporation from 2002–2013. Mr Prescott has been a Global Counsellor of The Conference Board since 2001, a member of the Global Advisory Council since 2013 and a member of the Commonwealth Remuneration Tribunal since 2010. Other Directorships and consulting/advisory positions have included Conference Board USA, World Economic Forum, Booz Allen and Hamilton, J.P. Morgan Chase & Co, Proudfoot Consulting, and Asia Pacific Advisory Committee of New York Stock Exchange.

Board Recommendation:

The Board (with Mr Prescott abstaining), recommends that shareholders vote in favour of the re-election of Mr John B Prescott AC as a Director of the Company.

The Chairman of the AGM intends to vote all available proxies in favour of the re-election of Mr John B Prescott AC.

2(b): Mr John Atkin

Independent Non-Executive Director BA (Hons), LLB (Hons), FAICD

Mr Atkin has more than 30 years experience in financial services and the legal profession in Australia and internationally. Mr Atkin is a Director of the Australian Outward Bound Foundation and a member of the Board of the State Library of NSW Foundation. Previously, Mr Atkin was Chief Executive Officer of The Trust Company Limited (2009–2013), was Managing Partner of Blake Dawson (2002–2008) and a Corporate and Mergers & Acquisitions partner at Mallesons Stephen Jaques (1987–2002).

Board Recommendation:

The Board (with Mr Atkin abstaining), recommends that shareholders vote in favour of the re-election of Mr John Atkin as a Director of the Company.

The Chairman of the AGM intends to vote all available proxies in favour of the re-election of Mr John Atkin.

2(c): Mr Pasquale Zito

Independent Non-Executive Director Dip. Business Studies, Accounting & Computing

Mr Zito has extensive finance and operational experience both domestically and internationally, including as Finance Director for Australia and Europe and President of European and Global Operations with the Pilkington Group. He joined the Board of Pilkington Plc in 2002. He became President and Executive Director and President Global Automotive for Nippon Sheet Glass Co following its acquisition of Pilkington in 2007; and from 2007–2013 was a Non-Executive Director of global technology company, Invensys plc.

Board Recommendation:

The Board (with Mr Zito abstaining), recommends that shareholders vote in favour of the election of Mr Pasquale Zito as a Director of the Company.

The Chairman of the AGM intends to vote all available proxies in favour of the election of Mr Pasquale Zito.

Item 3: Grant of Performance Rights to the Managing Director & CEO pursuant to the Company's Long Term Incentive Award

In accordance with ASX Listing Rule 10.14, shareholder approval is being sought for the proposed grant of up to 401,235 Performance Rights (pursuant to the Company's Long Term Incentive Award, to be tested over a three year period commencing in financial year 2015) to the Company's Managing Director & CEO (**MD & CEO**), Mr Lance Hockridge.

This equates in value with 100% of Mr Hockridge's fixed annual remuneration. This is the same value of Performance Rights, as a percentage of fixed annual remuneration that was issued to Mr Hockridge at the time of the Company's listing. The award of Performance Rights to Mr Hockridge under the Company's Long Term Incentive Plan (**Plan**) is on the terms set-out below.

Approval is being sought to allow the Company flexibility to either issue new shares or to purchase shares on-market for allocation to Mr Hockridge upon vesting of the Performance Rights.

Long Term Incentive Plan – terms and conditions

Information on the general operation of the Plan is set out in the Remuneration Report on pages 27 to 48 of the Annual Report (**Remuneration Report**).

Performance Rights will be granted at no cost to Mr Hockridge and no amount is payable upon vesting of the Performance Rights. Performance Rights will be granted under and subject to the rules of the Plan. Performance Rights do not carry any dividend or voting rights prior to vesting.

Each Performance Right entitles Mr Hockridge to one fully paid ordinary share in the capital of the Company, subject to the satisfaction of performance conditions described below. Shares allocated on vesting of Performance Rights will rank equally with current shares on issue in the same class.

If the Board determines that the performance conditions are satisfied the Performance Rights will be automatically exercised. On vesting and exercise of the Performance Rights new shares may be issued or existing shares may be acquired on-market and allocated to Mr Hockridge.

If shareholder approval is obtained it is intended that the Performance Rights will be granted shortly after the AGM and in any event, no later than 12 months after the AGM or any adjournment of the AGM.

Performance conditions

The Performance Rights to be granted to Mr Hockridge will be subject to three performance hurdles. Performance Rights will only vest on the satisfaction of the relevant performance hurdles measured over the three year period following the award (**performance period**) or a re-testing which will occur one year thereafter.

TSR Performance

33% of the grant will be assessed with reference to total shareholder return (**TSR**) over the performance period relative to a peer group of companies (i.e. specified companies currently in the ASX 100). Broadly, TSR is the growth in share price plus dividends notionally reinvested in shares.

The level of performance required for each level of vesting and the percentage vesting associated with each level of performance in relation to the 'TSR' performance hurdle of the award are set out in the table below:

Relative TSR growth hurdle	
Performance outcome (at 30/06/2017)	% of TSR Performance Rights to vest
Below the 50 th percentile	No vesting of TSR Performance Rights will occur
At the 50 th percentile	30% of the TSR Performance Rights will vest
At the 62.5 th percentile	75% of the TSR Performance Rights will vest
Between the 50 th , 62.5 th and 75 th percentile	Vests pro-rata on a straight-line basis
At or above the 75 th percentile of the peer group	100% of the TSR Performance Rights will vest

Return on invested capital (ROIC) Performance

Another 33% of the grant will require the achievement of:

ROIC growth hurdle	
Performance outcome (at 30/06/2017)	% of ROIC Performance Rights to vest
Below 10.5%	No vesting of ROIC Performance Rights will occur
10.5%	50% of the ROIC Performance Rights will vest
Between 10.5% and 11.5%	Vests pro-rata on a straight-line basis
11.5%	100% of the ROIC Performance Rights will vest

Operating Ratio Performance

34% of the grant will require a reduction in the operating ratio (**OR**) of the Company to 71.5% by the end of the performance period (measured for the financial year 2017). The level of performance required for each level of vesting and the percentage vesting associated with each level of performance in relation to the OR performance hurdle of the award are set out in the table below:

OR improvement hurdle	
Performance outcome (at 30/06/2017)	% of OR Performance Rights to vest
OR more than 73%	No vesting of OR Performance Rights will occur
OR 73%	50% of the OR performance Rights will vest
OR between 71.5% and 73%	Vests pro-rata on a straight-line basis
OR 71.5% or less	100% of the OR performance Rights will vest

Generally, Mr Hockridge must be employed with the Company as at the date of vesting to achieve the proposed award.

Cessation of employment

Where Mr Hockridge ceases employment with the Company (other than for cause), the Performance Rights may, at the Board's discretion, either be retained by Mr Hockridge as unvested equity under the Plan until they either vest or lapse in accordance with their terms, or they may be received by him as a pro rata vesting on the basis of the Company's performance during the period from the grant to the termination date.

The Board may also, in its discretion, decide to accelerate the vesting of some or all of the Performance Rights held by Mr Hockridge in specified circumstances including death, total and permanent disablement or cessation of employment for other reasons (as determined by the Board).

Other information

In relation to the Plan:

- Mr Hockridge is the only Director entitled to participate in the Plan and is therefore the only Director who has received securities under the Plan since the last approval on 13 November 2013.
- There is no loan scheme operating in relation to the Performance Rights.
- Mr Hockridge is prohibited from hedging the share price exposure in respect of the Performance Rights during the performance period applicable to those rights.
- Mr Hockridge holds 1,261,556 Performance Rights issued under the Plan. These Performance Rights were granted at no cost to Mr Hockridge and no amount is payable upon vesting of those Performance Rights.
- During the financial year ended 30 June 2014 247,093 Performance Rights vested, 247,093 Performance Rights will now be subject to re-testing conditions and 26,667 Performance Rights have lapsed.
- Further detail on the operation of the Plan can be found in the Remuneration Report.

The resolution seeks shareholder approval of a share-linked incentive payment to Mr Hockridge.

Voting exclusion statement

A voting exclusion applies to this resolution. Please refer to the Voting Notes section for further detail.

Board Recommendation:

The Board (with Mr Hockridge abstaining), considers the grant of Performance Rights to the Managing Director & CEO appropriate in all the circumstances and recommends that shareholders vote in favour of the grant.

The Chairman of the AGM intends to vote all available proxies in favour of Item 3.

Item 4: Approval of Potential Termination Benefits to Key Management Personnel

Shareholders are being asked to approve the ability for the Board to be able to exercise certain discretions under the Plan in relation to the treatment of unvested performance rights or options that may have been granted under that Plan.

As discussed below, the exercise of these discretions will constitute a "benefit" for the purposes of the Corporations Act's termination benefits provisions and the Board may be prevented from exercising its discretions under the Plan Rules in relation to those persons "who hold a managerial or executive office" (as defined in the Corporations Act), unless shareholder approval is obtained.

Background

In 2011, shareholders approved the granting of potential termination benefits to Key Management Personnel (KMP) under certain circumstances and in accordance with the terms of section 200B and 200E of the Corporation's Act. The approval was granted for a three year period with expiry being the 2014 AGM.

Shareholders are now requested to refresh the approval for a further three years.

Information relating to the general operation of the Plan is outlined in the Remuneration Report.

Under the Plan Rules, the Board has a discretion to determine where a participant ceases employment with the Company (other than for cause), that performance rights or options held by the participant may either be retained by the participant as unvested equity under the Plan until they either vest or lapse in accordance with their terms, or may be vested on a pro rata basis on the basis of the Company's performance during the period from the grant to the termination date. The Board does not intend to exercise its discretion to vest any performance rights or options in a case that an individual ceases employment as a result of resignation, absent any extenuating circumstances.

The Board does not have the discretion to vest any unvested performance rights and/or options a participant holds if the participant has been dismissed for fraudulent or dishonest behaviour. In those circumstances, the participant's unvested performance rights will lapse.

Why is shareholder approval needed?

The Corporations Act restricts the benefits which can be given to those persons "who hold a managerial or executive office" (as defined in the Corporations Act) on cessation of their employment with the Company and its related bodies corporate.

Under section 200B of the Corporations Act, a company may only give a person a "benefit" in connection with their ceasing to hold a managerial or executive office in the Company or a related body corporate, if it is approved by shareholders or an exemption applies.

What is the Company seeking approval for?

The Company is seeking shareholder approval for all purposes (including for the purposes of sections 200B and 200E of the Corporations Act), to any "termination benefits" that may be provided to a participant under the Plan Rules, in addition to any other termination benefits that may be provided to that person without the need for shareholder approval under the Corporations Act.

Approval is being sought in respect of any current or future participant who holds:

- a managerial or executive office in the Company or a related body corporate at the time of their leaving or at any time in the three years prior to their leaving; and
- performance rights and/or options under the Plan at the time of their leaving,

but only if those performance rights/options are granted, or if the Board exercises its certain discretions under the Plan Rules, during the period commencing on the day of the 2014 AGM and ending at the close of business on the date of the 2017 AGM (whether or not any restrictions or conditions on those rights/options have ceased to apply during that timeframe).

Because of some investor concerns about providing open-ended approvals, the approval being sought is restricted to this period of time. Provided the Board is of the view that the termination benefits as described are still appropriate, the Board may seek a new approval at the Company's 2017 AGM.

That is, Item 4 is limited so that it only applies in respect of performance rights/options granted in that period to, or if the board exercises certain discretions under the Plan in that period in favour of, participants who from time to time hold a managerial or executive office (as defined in the Corporations Act).

If shareholder approval is obtained and then if the Board exercises its discretion to vest a pro rata portion of an affected participant's unvested performance rights/options (or to provide that the participant's performance rights/options do not lapse but will continue and be tested in the ordinary course), the value of the benefit will be disregarded when calculating the relevant participant's cap for the purposes of subsection 200F(2)(b) or subsection 200G(1)(c) of the Corporations Act.

Non-Executive Directors are not entitled to participate in the Plan and so this approval will not apply to them. The MD & CEO Mr Lance Hockridge, is eligible to participate in the Plan and so this approval will apply to him.

In determining whether to exercise its discretion in a particular case, the Board will take into account all relevant circumstances. Particular factors which the Board may consider relevant include the participant's (and Company's) performance against applicable performance hurdles, as well as the participant's individual performance and the overall contribution that they have made during their time with the Company. In determining the portion of a grant which will vest, the Board may have regard to such factors as it considers relevant, which for example, may include the period from the date of grant to the date of cessation and/or the performance against any applicable performance conditions.

The Board will remain accountable to shareholders for the exercise of this discretion because any termination benefits paid to executive Directors and other KMP will be disclosed in the Company's Remuneration Report.

It can be reasonably anticipated that aspects of the Plan may be amended from time to time in line with market practice and changing governance standards. Where relevant these changes will be reported in the Company's Remuneration Report. However, it is intended that this approval will remain valid for Board discretions exercised under the Plan and for grants made between now and the 2017 AGM, provided that at the time the discretion is exercised the Plan Rules contain discretions for the Board to vest all or a pro rata portion of a participant's unvested performance rights and/or options or to allow them to continue on foot on their leaving employment with the Company (other than for cause) and in change of control situations.

Value of the benefits

The value of the termination benefits that the Board may give under the Plan cannot be determined in advance. This is because various matters will or are likely to affect that value.

Specifically, the value of a particular benefit under the Plan will depend on a number of factors which may include:

- The Company's share price at the time of cessation.
- The circumstances in which termination occurs, including the length of service of the participant and the portion of any relevant performance periods that have expired at the time they leave employment.

- The participant's total fixed remuneration at the time grants are made under the Plan at the time they leave employment.
- The number of unvested performance rights and/or options that the participant holds at the time they leave employment.

Voting exclusion statement:

A voting exclusion applies to this resolution. Please refer to the Voting Notes section for further detail.

Board Recommendation:

The Board (with Mr Hockridge abstaining) considers that the approval of potential termination benefits to KMP as set out above, is appropriate and in the interests of shareholders and accordingly, recommends that shareholders vote in favour.

The Chairman of the AGM intends to vote all available proxies in favour of Item 4.

Item 5: Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2014 is set out on pages 27 to 48 of the Annual Report. The Remuneration Report explains the Board's practices in relation to the objectives and structure of remuneration and provides specified details of the remuneration arrangements in place for Executives and Non-Executive Directors, including performance conditions.

The Chairman of the AGM will allow a reasonable opportunity for discussion on the Remuneration Report at the AGM.

As a result of receiving only 72% support for our Remuneration Report at last year's AGM, the Board engaged with a number of key shareholders and stakeholder advisory groups and sought independent external advice in relation to the Company's remuneration practices and the disclosure of incentive arrangements. As a result of this engagement and a detailed review of our remuneration framework, the following key changes have been approved by the Board for the remuneration structure of Executives from financial year 2015:

- For a second consecutive year, there will generally be no increase in fixed remuneration.
- 20% of the short term incentive awards in relation to financial year 2014 will be deferred (and moving to 40% thereafter).
- EPS growth will no longer be used as a long term incentive performance measure and will be replaced by ROIC (previously part of the Company's short term incentive program).
- The balance of the long term incentive performance measures will be changed to OR (34%), relative TSR (33%) and ROIC (33%).
- 30% of the relative TSR component of the long term incentive award will vest at median TSR ranking (down from 50% previously).

Full details of all of the changes are set out on in the Remuneration Report.

The Directors take shareholder concerns about executive remuneration seriously and believe that the changes address the concerns that led to the "first strike" at last year's AGM.

Shareholders will be asked to vote on the Remuneration Report. In accordance with the Corporations Act this vote is of an advisory nature only and does not bind the Company or its Directors. However, if the votes against the Remuneration Report again exceed 25% of the votes cast, the Company will receive a "second strike" and Resolution 6 will be put to the AGM.

Voting exclusion statement

A voting exclusion applies to this resolution. Please refer to the Voting Notes section for further detail.

Board Recommendation:

The Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.

The Chairman of the AGM intends to vote all available proxies in favour of Item 5.

Item 6: Board Spill Meeting

This resolution will only be put to the AGM if at least 25% of the votes cast on the resolution to adopt the Remuneration Report are cast against. If less than 25% of the votes cast are against adopting the Remuneration Report, then there will be no second strike and Item 6 will not be put to the AGM.

If put, the spill resolution will be considered as an ordinary resolution.

If this resolution is passed and becomes effective, a special meeting of shareholders known as a **Spill Meeting** must be held within 90 days. The following Non-Executive Directors will cease to hold office at the end of the Spill Meeting unless they are re-elected at the Spill Meeting:

- John B Prescott AC
- Russell Caplan
- John Atkin
- Gene Tilbrook
- Andrea Staines
- Graeme John AO
- Karen Field
- John Cooper
- Pasquale Zito

Even if they are elected at the AGM, John B Prescott AC, John Atkin and Pasquale Zito will need to be re-elected at the Spill Meeting in order to remain in office.

Voting exclusion statement

A voting exclusion applies to this resolution. Please refer to the Voting Notes section for further detail.

Board Recommendation:

The Board unanimously recommends that shareholders vote against this resolution.

The Chairman of the AGM intends to vote all available proxies against Item 6 for which the Chairman will vote against.

Voting Notes

Voting Entitlement

The Board has determined in accordance with the Company's Constitution, regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) and ASX Settlement Operating Rule 5.6.1 that a person's entitlement to vote at the AGM will be taken to be the entitlement for that person as set out in the Register of Members at 7:00pm (AEST) on Monday, 10 November 2014. Transactions registered after that time will, accordingly, be disregarded in determining which shareholders are entitled to attend and vote at the AGM.

Methods of Voting

Shareholders can vote in the following ways:

- By attending the AGM and voting either in person, by attorney or, in the case of corporate shareholders, by corporate representative.
- By appointing a proxy to vote on their behalf using the proxy form enclosed with this Notice or online at Computershare's website: investorvote.com.au or by scanning the QR code on the front of the accompanying Proxy Form with your mobile device and inserting your postcode.

Attending the AGM

If you attend the AGM please bring your personalised proxy form with you. The bar code at the top of the form will help you to register. If you do not bring your form you will still be able to attend the AGM but representatives from Computershare will need to verify your identity. You will be able to register from 9:00am (Perth time) on the day of the AGM.

Corporate Shareholders

Corporate shareholders who wish to appoint a representative to attend the AGM on their behalf must provide that person with a properly executed letter or other document confirming that they are authorised to act as the company's representative.

The authorisation may be effective either for AGM only or for all meetings of the Company. Shareholders can download and fill out the 'Appointment of Corporate Representative' form from the Computershare website: investorcentre.com/azj.

The form is available by clicking on the 'Printable Forms' tab on the information menu.

Voting by Proxy

If you are entitled to attend and vote at the AGM, you can appoint a proxy to attend and vote on your behalf.

A proxy need not be a shareholder of the Company and may be an individual or a body corporate.

A personalised proxy form is included with this Notice.

If you are entitled to cast two or more votes you may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you do not specify a proportion or number each proxy may exercise half of the votes. If you require a second proxy form please contact Computershare Investor Services Pty Limited on 1800 776 476 (within Australia) or +61 3 9938 4376 (outside Australia). If you are an employee call 1800 113 712 (within Australia) or +61 3 9938 4351 (outside Australia).

If you appoint a proxy the Company encourages you to direct your proxy on how to vote by marking the appropriate boxes on the proxy form.

Lodging Your Proxy Form

You can lodge your completed proxy form by:

- Mailing it to Computershare using the reply paid envelope.
- Posting it to GPO Box 242, Melbourne VIC 3001 Australia.
- Lodging it online at Computershare's website investorvote.com.au and logging in using the control number found on the front of your accompanying proxy form, or scanning the QR code on the front of the accompanying Proxy Form with your mobile device and inserting your postcode:

Note: *You will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the website.*

- Faxing it to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
- Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting intermediaryonline.com.

Your completed proxy form (and any necessary supporting documentation) must be lodged online or received by Computershare no later than 10:00am Perth time (12:00pm AEST) on Monday 10 November 2014, being 48 hours before the commencement of the AGM.

If the proxy form is signed by an attorney the original power of attorney under which the proxy form was signed (or a certified copy) must also be received by Computershare by 10:00am Perth time (12:00pm AEST) on Monday 10 November 2014 unless it has been previously provided to Computershare.

If you appoint a proxy you may still attend the AGM. However, your proxy's rights to speak and vote are suspended while you are present. Accordingly, you will be asked to revoke your proxy if you register at the AGM.

Voting Exclusion

For all resolutions that are directly or indirectly related to the remuneration of a member of KMP (as listed in the Remuneration Report and including the Directors) of the Company (being the resolutions in respect of Items 3, 4, 5 & 6), the Corporations Act restricts KMP and their closely related parties from voting in certain circumstances. A closely related party is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of KMP.

In addition, a voting restriction applies in respect of Item 3 under the ASX Listing Rules.

Item 3 (Grant of Performance Rights to the Managing Director & CEO pursuant to the Company's Long Term Incentive Award)

With respect to Item 3 the Company will disregard any votes cast by:

- A Director of the Company (except one who is ineligible to participate in any employee incentive scheme in relation to the Company).
- An associate of those persons.

However, the Company need not disregard a vote if:

- It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form.
- It is cast by the person chairing the AGM as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company is required under the Corporations Act to disregard any votes cast in their capacity as a proxy on the proposed resolution in Item 3 by a member of KMP or a closely related party of that person, where the appointment as proxy does not specify the way the proxy is to vote on the proposed resolution.

However, this restriction will not apply to the Chairman of the AGM where the appointment expressly authorises the Chairman to exercise the proxy on the proposed resolution in Item 3, even though the resolutions are connected directly or indirectly with the remuneration of a member of KMP. The Chairman of the AGM intends to vote undirected proxies in favour of Item 3.

Proxy voting by the Chairman of the AGM on Item 3

If the Chairman of the AGM is your proxy or is appointed your proxy by default and you do not direct your proxy to vote "for", "against" or "abstain" on Item 3 of the proxy form, you are directing the Chairman of the AGM to vote in favour of Item 3 even if that item is connected directly or indirectly with the remuneration of a member of KMP.

Item 4 (Approval of Potential Termination Benefits to Key Management Personnel)

The Company is required under the Corporations Act to disregard any votes cast (in any capacity) on the proposed resolution in Item 4 by or on behalf of:

- A member of KMP (details of whose remuneration are included in the Remuneration Report); and
- a closely related party of those persons (such as close family members or a company the person controls),

whether as shareholder or proxyholder. However, this restriction will not prevent such a person casting a vote on the proposed resolution in Item 4 by a member of KMP or a closely related party of a member of KMP, if the person does so as a proxy where the appointment specifies how the proxy is to vote on the proposed resolution (and the vote is being cast on behalf of a person who would not themselves be precluded from voting on the resolution).

The Chairman of the AGM intends to vote undirected proxies in favour of Item 4.

Proxy voting by the Chairman of the AGM on Item 4

If the Chairman of the AGM is your proxy or is appointed your proxy by default and you do not direct your proxy to vote "for", "against" or "abstain" on Item 4 of the proxy form, you are directing the Chairman of the AGM to vote in favour of Item 4 even if that item is connected directly or indirectly with the remuneration of a member of KMP.

Item 5 (Remuneration Report)

The Company is required under the Corporations Act to disregard any votes cast (in any capacity) on the proposed resolution in Item 5 by or on behalf of:

- A member of KMP (details of whose remuneration are included in the Remuneration Report); and
- a closely related party of those persons (such as close family members or a company the person controls),

whether as shareholder or proxyholder. However, this restriction will not prevent such a person casting a vote on the proposed resolution in Item 5 by a member of KMP or a closely related party of a member of KMP, if the person does so as a proxy where the appointment specifies how the proxy is to vote on the proposed resolution (and the vote is being cast on behalf of a person who would not themselves be precluded from voting on the resolution).

The Chairman of the AGM intends to vote undirected proxies in favour of Item 5.

Proxy voting by the Chairman of the AGM on Item 5

If the Chairman of the AGM is your proxy or is appointed your proxy by default and you do not direct your proxy to vote “for”, “against” or “abstain” on Item 5 of the proxy form, you are directing the Chairman of the AGM to vote in favour of Item 5, even if that item is connected directly or indirectly with the remuneration of a member of KMP.

Item 6 (Spill Meeting)

The Company is required under the Corporations Act to disregard any votes cast (in any capacity) on the proposed resolution in Item 6 by or on behalf of:

- A member of KMP (details of whose remuneration are included in the Remuneration Report); and
- a closely related party of those persons (such as close family members or a company the person controls),

whether as shareholder or proxyholder.

However, this restriction will not prevent such a person casting a vote on the proposed resolution in Item 6 by a member of KMP or a closely related party of a member of KMP, if the person does so as a proxy where the appointment specifies how the proxy is to vote on the proposed resolution (and the vote is being cast on behalf of a person who would not themselves be precluded from voting on the resolution).

The Chairman of the AGM intends to vote undirected proxies against Item 6.

Proxy voting by the Chairman of the AGM on Item 6

If the Chairman of the AGM is your proxy or is appointed your proxy by default and you do not direct your proxy to vote “for”, “against” or “abstain” on Item 6 of the proxy form, you are directing the Chairman of the AGM to vote against Item 6 even if that item is connected directly or indirectly with the remuneration of a member of KMP.

Undirected and Directed Proxies

If you appoint the Chairman of the AGM or the Directors or Executives identified as KMP (see below) as your proxy, you should direct your proxy how to vote in respect of Item 3 (Grant of Performance Rights to the Managing Director & CEO pursuant to the Company’s Long Term Incentive Award), Item 4 (Approval of Potential Termination Benefits to Key Management Personnel), Item 5 (Remuneration Report) and Item 6 (Spill Meeting), if you want your shares to be voted on these Items.

If you leave your proxy form undirected on Items 3, 4, 5 and 6, no Director (other than the Chairman of the AGM) or other member of KMP (or their closely related parties) will be able to vote your shares on these items. In the case of the Chairman of the AGM, he will be able to vote your proxy on these items if you mark the appropriate box on the proxy form authorising him to do so.

Where he is permitted to do so the Chairman of the AGM will vote all available proxies on and in favour of, all of the motions other than item 6 (for which the Chairman of the AGM will vote against).

If you appoint a proxy the Company encourages you to clearly instruct your proxy how to vote on each Item by marking the appropriate boxes on the proxy form.

Poll

Voting on all items will be determined by a poll at the AGM rather than a show of hands.

Shareholders and proxy holders attending the AGM will be provided with poll voting cards. Shareholders not attending the AGM may use the enclosed proxy form.

Questions from Shareholders

Discussion may take place on all the items of business set out in this Notice, prior to shareholders being asked to vote.

Shareholders will have the opportunity to ask questions (including an opportunity to ask questions of the auditor). In addition, Board members and senior executives will be available in the foyer area after the AGM.

Webcast

A webcast of the AGM will be available during the AGM on the Company’s website aurizon.com.au. If you attend the AGM in person you may be included in photographs or the webcast recording.

Results of the AGM

Voting results will be announced on the Australian Securities Exchange (**ASX**) as soon as practicable after the AGM and will also be made available on the Company’s website aurizon.com.au.

How to get to the Annual General Meeting

The AGM is to be held in the River View Room 4 at the Perth Convention and Exhibition Centre (PCEC), 21 Mounts Bay Rd, Perth WA Australia 6000. The PCEC is located in the heart of Perth city, adjacent to the Swan River. Walking access into the Centre on level 1 is via Mill Street or Mounts Bay Road. Level 2 can be accessed via the Esplanade Busport overpass.

Car

The City of Perth PCEC car park is located directly under the Centre. It holds over 1,500 parking bays and operates 24 hours, 7 days a week. The car park is accessible via Mill Street, Mounts Bay Road and the Riverside Drive off ramp of the Mitchell Freeway. For further information regarding the City of Perth PCEC Car Park visit: cityofperthparking.com.au or contact 1300 889 613.

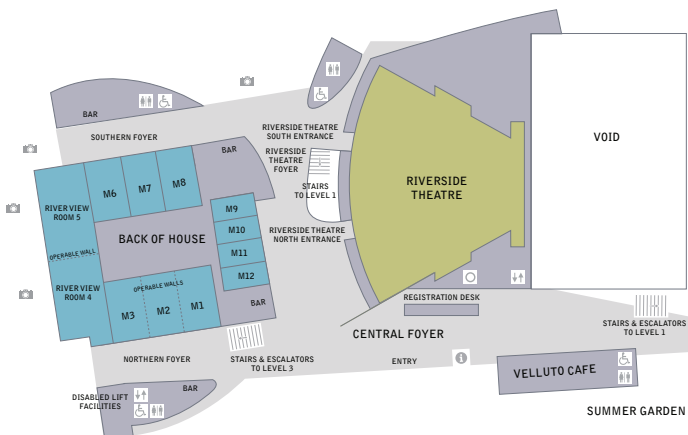
Train

The Esplanade train station is located at the doorstep of the PCEC and services the Mandurah and Joondalup Railway Line. Other train stations within close proximity of the PCEC include Perth Underground station (Mandurah and Joondalup Railway Line) located on the corner of William Street and Murray Street Mall and Perth Central station (Armadale-Thornlie Railway Line, Fremantle Railway Line and Midland Railway Line) located along Wellington Street (across from Forrest Place). An underground walkway connects the Perth Central station to the Perth Underground station.

Bus

Esplanade Busport is located adjacent to Perth Convention and Exhibition Centre. Many bus services depart and arrive at the Esplanade Busport including the free CBD 'Blue CAT' service. Perth's other major Busport is the Wellington Street Bus Station, located along Wellington Street next to the Perth Central train station.

Room Access



Ferries

A ferry service operates across the Swan River between Barrack Street Jetty (Perth) and Mends Street Jetty (South Perth). Barrack Street Jetty is only a short walk to the Centre. Services operate daily from 7:50am to 7:20pm (extended times operate on weekdays and during the Summer months).

For all train, bus and ferry information contact Transperth on 13 62 13 or visit transperth.wa.gov.au.

Taxi

Perth Convention and Exhibition Centre is a designated Cab Spot location. A taxi phone is located at the Plaza Entry doors on Level 1. The Cab Spot number is 1088. Alternatively, to book a taxi, please contact: Swan Taxis 13 13 30 or Black and White Taxis 13 10 08

Accessibility

The PCEC is fully wheelchair accessible with compliant ramps and access ways from the Esplanade Busport and Train Station, Medina Hotel and Mill Street. One internal and two external passenger lifts provide access between the City of Perth PCEC Car Park and levels 1 and 2. A fourth passenger lift provides internal access to level 3 from level 2 and is located in the level 2 northern foyer, opposite Meeting Rooms 1 – 4.

Unisex disabled toilets are situated throughout the Centre and in each exhibition pavilion. All accessible toilets have emergency call buttons connected to our security department.





Aurizon Holdings Limited
ABN 14 146 335 622



Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555
For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1800 776 476
(outside Australia) +61 3 9938 4376

Employees call:
(within Australia) 1800 113 712
(outside Australia) +61 3 9938 4351



┌ 000001 000 AZJ
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 10.00am (Perth time), Monday 10 November 2014

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com/azj under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** ➔

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf XX

I/We being a member/s of Aurizon Holdings Limited hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Aurizon Holdings Limited to be held in the River View Room 5 at the Perth Convention & Exhibition Centre, 21 Mounts Bay Road, Perth WA Australia 6000 on Wednesday, 12 November 2014 at 10.00am (Perth time) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3, 4, 5 & 6 (except where I/we have indicated a different voting intention below) even though Items 3, 4, 5 & 6 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business with the exception of Item 6 where the Chairman of the Meeting will be voting against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3, 4, 5 & 6 by marking the appropriate box in step 2 below.

STEP 2 Items of Business **PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Ordinary Business

	For	Against	Abstain
2(a) Re-election of Mr John B Prescott AC as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(b) Re-election of Mr John Atkin as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(c) Election of Mr Pasquale Zito as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Grant of Performance Rights to the Managing Director & CEO pursuant to the Company's Long Term Incentive Award	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Potential Termination Benefits to Key Management Personnel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Contingent Business

6 Board Spill Meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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The Chairman of the Meeting intends to vote all available proxies in favour of each item of business with the exception of Item 6 where the Chairman of the Meeting will be voting against. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____ / ____ / ____