

# Vedanta Resources plc

(Incorporated and registered in England and Wales number 4740415)

Chairman's Letter

and

Notice of Annual General Meeting

To be held on Tuesday, 28 August 2012 at 3.00pm  
at The Lincoln Centre,  
18 Lincoln's Inn Fields,  
London WC2A 3ED

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# This document is important and requires your immediate attention

**If you are in any doubt about the contents of this document or as to what action you should take, you should seek advice from your stockbroker, solicitor, accountant or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000.**

If you have sold or otherwise transferred all of your shares in Vedanta Resources plc, please pass this document, together with the accompanying documents, including the enclosed Proxy Form, to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

Vedanta Resources plc  
Registered in England and Wales  
Company number 4740415

Registered Office:  
2nd Floor, Vintners Place  
68 Upper Thames Street  
London  
EC4V 3BJ

27 July 2012

Dear Shareholder

### **Notice of Annual General Meeting 2012**

On behalf of the Board of Directors (the 'Board' or 'Directors') of Vedanta Resources plc (the 'Company'), I am delighted to invite you to our 2012 Annual General Meeting (the 'AGM') which will be held at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED at 3.00pm on Tuesday 28 August 2012. The formal notice of AGM is set out on pages 3 to 5 of this document.

An explanation of the business to be conducted at the meeting is included on pages 6 to 8 and on pages 9 to 11 you will find additional important information in relation to shareholder services.

### **Voting**

If you are unable to attend the meeting in person, your vote is still important and I would ask you to complete, sign and return the enclosed proxy form (the 'Proxy Form') to register your vote. Any proxy you appoint may attend, speak and vote at the AGM on your behalf.

At the AGM it is intended that the Company will take a poll on all resolutions put to shareholders. This enables the voting preferences of all shareholders to be taken into account, not just those who can physically attend. The results of the voting will be released to the London Stock Exchange and posted on the Company's website ([www.vedantaresources.com](http://www.vedantaresources.com)) after the meeting. Shareholders attending the meeting in person or by proxy will have the opportunity to ask questions on the AGM resolutions and any other topic of relevance to our business. We hope that you will make use of the opportunity to raise questions on the topics to be discussed. You are, of course, invited to write to me at any time if you have any questions.

### **Action to be taken**

Please complete and return the Proxy Form in accordance with the instructions printed on the form to the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible and, in any event, so as to reach them no later than 3.00pm on 23 August 2012. Completion and return of a Proxy Form will not prevent you from attending and voting in person at the meeting should you wish to do so.

### **Recommendation**

Your Directors consider that the resolutions to be voted on at the AGM are in the best interests of the Company and of its shareholders as a whole and unanimously recommend shareholders to vote in favour of these resolutions at the AGM, as the Directors themselves intend to do in respect of their own beneficial shareholdings except as regards their own re-appointment to the Board.

I look forward to meeting as many of you as possible at the AGM.

Yours sincerely

**Anil Agarwal**  
Chairman

# Notice of Annual General Meeting

Notice is hereby given that the ninth Annual General Meeting (the 'AGM') of Vedanta Resources plc (the 'Company') will be held at 3.00pm on Tuesday 28 August 2012 at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED to consider the following resolutions. Resolutions 1 to 13 (inclusive) and 17 and 18 will be proposed as ordinary resolutions and resolutions 14 to 16 (inclusive) will be proposed as special resolutions.

1. That the audited financial statements of the Company for the financial year ended 31 March 2012, together with the Directors' Report and the independent Auditors' Report thereon, be received.
2. That the Directors' Remuneration Report for the financial year ended 31 March 2012 be approved.
3. That a final dividend as recommended by the Directors of 35.0 US cents per ordinary share in respect of the financial year ended 31 March 2012 be approved.
4. That Mr A Agarwal, who retires and seeks re-appointment pursuant to article 122 of the Company's articles of association, be re-appointed as a Director.
5. That Mr N Agarwal, who retires and seeks re-appointment pursuant to article 122 of the Company's articles of association, be re-appointed as a Director.
6. That Mr N Chandra, who retires and seeks re-appointment pursuant to article 122 of the Company's articles of association, be re-appointed as a Director.
7. That Mr E Macdonald, who retires and seeks re-appointment pursuant to article 122 of the Company's articles of association, be re-appointed as a Director.
8. That Mr A Mehta, who retires and seeks re-appointment pursuant to article 122 of the Company's articles of association, be re-appointed as a Director.
9. That Mr MS Mehta, who retires and seeks re-appointment pursuant to article 122 of the Company's articles of association, be re-appointed as a Director.
10. That Mr G Green, who retires and seeks re-appointment pursuant to article 121 of the Company's articles of association, be re-appointed as a Director.
11. That Deloitte LLP be re-appointed as auditors of the Company (the 'Auditors') for the financial year ending 31 March 2013.
12. That the Directors be authorised to determine the Auditors' remuneration.
13. That the Directors be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (the '2006 Act'), to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for, or to convert any security into, shares in the Company ('Rights') up to an aggregate nominal amount (within the meaning of section 551(3) and (6) of the 2006 Act) of US\$9,090,041, such authority to expire at the conclusion of the annual general meeting of the Company in 2013 or on 1 October 2013, whichever is the earlier, save that the Company may before this authority expires make any offer or agreement which would or might require shares to be allotted or Rights to be granted after the authority expires, and the Directors may allot shares or grant Rights in pursuance of any such offer or agreement as if this authority had not expired; and all unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked.
14. That, subject to the passing of resolution 13 above, the Directors be and are hereby empowered pursuant to sections 570(1) and 573 of the Companies Act 2006 (the '2006 Act') to:
  - (a) allot equity securities (as defined in section 560(3) of the 2006 Act) of the Company for cash pursuant to the authority conferred by resolution 13; and
  - (b) sell ordinary shares (as defined in section 560(1) of the 2006 Act) held by the Company as treasury shares for cash,  
  
as if section 561 of the 2006 Act did not apply to any such allotment or sale, provided that this power shall be limited to the allotment of equity securities for cash and the sale of treasury shares:
    - (i) in connection with or pursuant to a rights issue, open offer or any other pre-emptive offer in favour of (a) holders of ordinary shares in proportion (as nearly as practicable) to the respective number of ordinary shares held by them on

the record date for such allotment or sale and (b) holders of any other class of equity securities entitled to participate therein or if the Directors consider it necessary, as permitted by the rights of those securities, but in either case subject to such exclusions or other arrangements as the Directors may consider necessary or appropriate to deal with fractional entitlements, treasury shares, record dates or legal, regulatory or practical difficulties which may arise under the laws of, or the requirements of any regulatory body or stock exchange in any territory or on any matter whatsoever; and

(ii) otherwise than pursuant to sub-paragraph (i) of this resolution 14, up to an aggregate nominal amount of US\$1,363,506,

and shall expire at the conclusion of the annual general meeting of the Company in 2013 or on 1 October 2013, whichever is the earlier, save that the Company may before such expiry make any offer or enter into any agreement which would or might require equity securities to be allotted, or treasury shares to be sold, after such expiry and the Directors may allot equity securities, or sell treasury shares in pursuance of any such offer or agreement as if the power conferred hereby had not expired.

15. That the Company is hereby generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the '2006 Act') to make market purchases (within the meaning of section 693(4) of the 2006 Act) of any of its ordinary shares of US\$0.10 each in the capital of the Company on such terms and in such manner as the Directors may from time to time determine and where such shares are held as treasury shares, the Company may use them for the purpose of its employee share scheme(s), provided that:
- (a) the maximum aggregate number of ordinary shares which may be purchased under this authority is 27,270,123;
  - (b) the minimum price which may be paid for each ordinary share is US\$0.10 which amount shall be exclusive of expenses, if any;
  - (c) the maximum price exclusive of expenses which may be paid for each ordinary share is an amount equal to the higher of:
    - (i) 105 per cent of the average of the middle market quotations for the ordinary shares of the Company as derived from the Daily Official List of the London Stock Exchange plc for the five business days immediately preceding the day on which such share is contracted to be purchased; and
    - (ii) the value of an ordinary share calculated on the basis of the higher of the price quoted for: (a) the last independent trade of or; (b) the highest current independent bid for, any number of ordinary shares on the trading venue where the purchase is carried out;
  - (d) unless previously renewed, revoked or varied, this authority shall expire at the conclusion of the annual general meeting of the Company in 2013 or on 1 October 2013, whichever is earlier; and
  - (e) under this authority, the Company may make a contract to purchase ordinary shares which would or might be executed wholly or partly after the expiry of this authority, and may make purchases of ordinary shares pursuant to it as if this authority had not expired.
16. That a general meeting of the Company, other than an annual general meeting, may be called on not less than 14 clear days' notice.
17. That the Employee Share Ownership Plan (the "**ESOP**") , the principal terms of which are summarised in the Appendix to the chairman's letter to shareholders dated 27 July 2012, and a copy of the draft rules of which is produced to the meeting and for the purpose of identification initialled by the chairman, be and is hereby approved and the directors or remuneration committee of the Company be authorised to do all acts and things which they may consider necessary or desirable to carry the ESOP into effect, with such modifications as the directors may consider necessary or desirable.

18. That each of the subsidiaries of the Company other than Cairn India Limited (each a "**Subsidiary**") be and is hereby authorised to adopt and establish an ESOP with the principal terms in the form summarised in the Appendix to the chairman's letter to shareholders dated 27 July 2012 with such modification as the directors or remuneration committee of such Subsidiary may consider necessary or desirable including to take account of the laws and regulations of its country of incorporation and the requirements of the listing authority of any stock exchange on which its shares are admitted to trading.

By order of the Board

**Deepak Kumar**  
**Company Secretary**  
27 July 2012

Vedanta Resources plc  
Registered in England and Wales  
Company number 4740415

Registered Office:  
2nd Floor, Vintners Place  
68 Upper Thames Street  
London  
EC4V 3BJ

# Explanatory Notes to the Resolutions

Resolutions 1 to 13 (inclusive) and 17 and 18 will be proposed as ordinary resolutions and will be passed if more than 50% of shareholders' votes cast are in favour of the resolution. Resolutions 14 to 16 (inclusive) will be proposed as special resolutions. For these resolutions to be passed, at least 75% of shareholders' votes cast must be in favour.

## **Resolution 1 – To receive the annual report and accounts**

The Directors are required to present their Annual Report and Accounts of the Company for the financial year ended 31 March 2012 to shareholders for formal adoption at the annual general meeting.

## **Resolution 2 – To approve the Remuneration Report**

The Directors are required to seek the approval of shareholders for the Remuneration Report. The report may be found on pages 83 to 91 of the Company's Annual Report and Accounts. The vote is an advisory vote, as permitted by law, and no entitlement to remuneration is made conditional on the resolution being passed.

## **Resolution 3 – Final dividend**

The Directors recommend a final dividend of 35.0 US cents per ordinary share. The final dividend cannot exceed the amount recommended by the Directors. If approved the final dividend will be paid on 5 September 2012 to shareholders on the register of members on 17 August 2012.

## **Resolutions 4 to 10 (inclusive) – Re-appointment of Directors**

In accordance with the UK Corporate Governance Code, all of the Directors are standing for re-election at this year's AGM. The biographical details of all the Directors, aside from Mr Geoffrey Green, may be found on pages 58 and 59 of the Annual Report and Accounts.

Pursuant to Article 121 of the Company's Articles of Association, any Director appointed to office by the Board may only hold office until the next Annual General Meeting, when shareholders have an opportunity to vote on their appointment. Accordingly, Mr Geoffrey Green who was appointed by the Board with effect from 1 August 2012, is seeking election. The Board believes that Mr Geoffrey Green's experience and expertise in advising international major corporates will prove to be invaluable to Vedanta as it continues to grow its businesses. Brief biographical details of Mr Geoffrey Green are provided below.

*Geoffrey Green (aged 62) has been a partner of Ashurst LLP, a leading international law firm, since 1983 and formerly served as Ashurst's senior partner and chairman of its management board for 10 years until 2008, when he was appointed as head of the firm's expanding Asian practice. As a long serving legal adviser to major listed companies in the UK, Mr Green has a wealth of knowledge and expertise in relation to the strategic issues of UK listed companies, and the UK corporate governance framework.*

The Board considers annually the individual performance of all the Directors. Following this review, the Board believes the performance of all the Directors continues to be effective and that each of the Directors demonstrates commitment to their roles. Accordingly, the Board unanimously recommends the re-election of each of the Directors.

## **Resolutions 11 and 12 - Re-appointment of Deloitte LLP and approval to agree their remuneration**

The Company is required at each general meeting at which accounts are laid before the shareholders to appoint auditors for each financial year of the Company. Deloitte LLP are the current auditors and have indicated their willingness to continue in office. Approval is also sought (by separate resolution) for the Directors to be authorised to agree the auditors' remuneration.

## **Resolution 13 – Directors' authority to allot shares**

The Directors may allot shares and grant rights to subscribe for or to convert any security into shares of the Company ('Rights') only if authorised to do so by shareholders. The authority granted at the last annual general meeting expires at the conclusion of this year's AGM. Accordingly, resolution 13 seeks to renew this authority for a further period until the date of the next annual general meeting or 1 October 2013, whichever is earlier.

If passed, this resolution will give the Directors authority to allot ordinary shares, or grant Rights, up to an aggregate nominal value of US\$9,090,041 representing approximately one-third of the Company's existing issued share capital (excluding treasury shares) as at 26 July 2012, being the latest practicable date before publication of this Notice.

The Directors have no present intention of using this authority.

As at 26 July 2012 (the latest practicable date before publication of this Notice) the Company held 22,502,483 shares in treasury (which included 1,704,333 shares that were purchased under the share buyback programme by Gorey Investment Limited who have agreed not to vote on those shares). These shares represented approximately 8.9% of the Company's issued ordinary share capital (excluding treasury shares) as at that date.

#### **Resolution 14 - Disapplication of pre-emption rights**

The Directors also require additional authority from shareholders to allot equity securities or sell treasury shares where they propose to do so for cash and otherwise than to existing shareholders pro rata to their holdings. The authority granted at last year's annual general meeting is due to expire at this year's AGM. Accordingly, resolution 14 will be proposed as a special resolution to grant such authority. Apart from rights issues, open offers or any other pre-emptive offer as mentioned, the authority will be limited to the allotment of equity securities and sales of treasury shares for cash up to an aggregate nominal value of US\$1,363,506 (being approximately 5% of the Company's issued ordinary share capital (excluding treasury shares) as at 26 July 2012, the latest practicable date before publication of this Notice). If given, this authority will expire at the conclusion of the annual general meeting of the Company in 2013 or on 1 October 2013, whichever is the earlier. The Directors intend to adhere to the provisions of the Pre-emption Group's Statement of Principles not to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company within a rolling three year period without prior consultation with shareholders.

#### **Resolution 15 - Purchase by the Company of its own shares**

The Company may buy its own shares with the authority of shareholders. Resolution 15 seeks to renew the current authority given at last year's annual general meeting of the Company, which is due to expire at this year's AGM. The authority being requested will last until the conclusion of the annual general meeting in 2013 or on 1 October 2013, whichever is the earlier. The resolution specifies the maximum number of shares that may be purchased (being approximately 10% of the Company's issued share capital, excluding treasury shares, as at 26 July 2012) and the highest and lowest prices at which they may be bought. Any shares purchased under this authority will either be treated as cancelled or held as treasury shares. Listed companies, with authorisation from shareholders, may buy and hold their own shares in treasury instead of cancelling them immediately. Shares held as treasury shares can in the future be cancelled, re-sold or used to provide shares for employee share schemes.

In December 2008, the Company announced a US\$250m share buyback programme to purchase up to 10% of the Company's ordinary shares using the relevant authority granted to the Directors by the shareholders of the Company at the most recent annual general meeting of the Company. The Company has since announced increases in this programme, announcing on 1 April 2010 that it would increase to US\$825m. The Directors will continue to assess the opportunities of buying back shares in the Company and will use the above authority if and when, taking into account market conditions prevailing at the time, other investment opportunities, appropriate gearing levels and the overall financial position of the Group, they believe that the effect of such purchases will be in the best interests of shareholders generally and that they will result in an increase in earnings per share. During the year the Company did not purchase any of its shares under this programme.

The Company also announced in April 2010 a change to the structure of purchases made under the buy-back programme. Accordingly, purchases may be made either by the Company or by an independent company to be funded by a wholly-owned subsidiary, Vedanta Jersey Investment Limited ('VJIL'). The independent company is Gorey Investments Limited ('Gorey'). VJIL will make purchases of Vedanta's shares on behalf of Gorey within the limits of the buy-back programme. Gorey has agreed that it will not exercise voting rights in respect of Vedanta shares held by it under this arrangement. The shares purchased by Gorey will be treated in the consolidated accounts of the Company as treasury shares, available for purchase by the Company itself (subject to shareholder approval and availability of distributable reserves) as consideration for future acquisitions or sale to third parties to raise additional capital if and when desirable.

As at 26 July 2012 (the latest practicable date before publication of this Notice), there were share options outstanding to Group employees over 4,609,263 ordinary shares, which if exercised would represent approximately 1.69% of the Company's ordinary issued share capital at that date (excluding treasury shares). The Company has no warrants in issue in relation to its shares. If the buyback authority was to be exercised in full, these options would represent approximately 1.88% of the Company's ordinary issued share capital as at 26 July 2012 (excluding treasury shares).

#### **Resolution 16 – Notice period for general meetings**

Changes made to the Companies Act 2006 by the Companies (Shareholders' Rights) Regulations 2009 (the 'Regulations') increase the notice period required for general meetings of the Company to at least 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. Annual general meetings will continue to be held on at least 21 clear days' notice. Until the introduction of these Regulations, the Company was able to call general meetings, other than annual general meetings, on at least 14 clear days' notice without obtaining such shareholder approval. In order to preserve this ability, Resolution 16 seeks the necessary shareholder approval. The approval will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Regulations in order to be able to call a general meeting on 14 clear days' notice. The flexibility offered by this resolution will be used where, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting in question.

#### **Resolutions 17 and 18 – Approval of Employee Share Ownership Plans ("ESOPs", each an "ESOP")**

Vedanta's existing Long Term Incentive Plan ("LTIP") expires in 2013. The Remuneration Committee has taken this opportunity to review the LTIP and to put forward proposals for a new ESOP for Vedanta. At the same time, some of Vedanta's subsidiaries also wish to establish their own ESOP. The fundamental objective is to engage critical employees,

to provide opportunities for wealth creation and to build a strong emotional connection through criteria linked closely to the performance of their respective businesses.

Specifically, this will involve the grant of rights ("Awards") to acquire shares in Vedanta itself, and/or in any of its subsidiaries other than Cairn India Limited (which will continue to operate its existing employee share plan) (the "**Subsidiaries**", each a "**Subsidiary**"). Awards under Subsidiary ESOPs will, as and when the all share merger of Sesa Goa Limited and Sterlite Industries (India) Limited and Vedanta group consolidation, as approved at a general meeting of shareholders on 15 June 2012, is implemented, be converted into rights in respect of shares in Sesa Sterlite.

Accordingly, shareholder approval is sought for the introduction, under Resolution 17, of the Vedanta ESOP and, under Resolution 18, of ESOPs by each of the Subsidiaries. Each Subsidiary will have to gain approval for its own ESOP in accordance with its own constitution and regulatory requirements.

Awards granted under the ESOPs will be subject to performance conditions(s). A summary of the principal terms of the ESOPs is set out in the Appendix to this notice.

# Important Information for Shareholders

## Proxies

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY (helpline number +44(0)870 707 1388). To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
2. Shareholders who are CREST members may use the electronic proxy voting service provided by Euroclear UK and Ireland Limited ('Euroclear') as described below.
3. To be valid, any proxy form or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, or at the electronic address provided at paragraph 4 below, in each case no later than 3.00pm on 23 August 2012.
4. Alternatively, proxy votes can be submitted online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). Shareholders will need to enter the Shareholder Reference Number (SRN), Control Number and Personal Identification Number (PIN) as printed on the proxy form, and to agree to certain terms and conditions.
5. The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in paragraph 12 below) will not prevent a shareholder attending the AGM and voting in person if he / she wishes to do so.

## Nominated persons

6. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between him / her and the shareholder by whom he / she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he / she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 to 5 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.

## Voting at the AGM

8. It is intended that voting on all resolutions at the AGM will be conducted on a poll, rather than a show of hands. The Directors believe that this produces more democratic results, as all shares represented at the AGM and those lodged before the AGM are included in the results of the voting on a one share one vote basis.

## Right to attend and vote

9. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001 (the 'Regulations'), the Company specifies that in order to have the right to attend and vote at the meeting (and also for the purpose of determining how many votes a person entitled to attend and vote may cast), a person must be entered on the register of members of the Company at 3.00pm on 26 August 2012 or, in the event of any adjournment, at 3.00pm on the date which is two days before the day of the adjourned meeting. Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.

## Total number of shares and voting rights

10. As at 26 July 2012 (the latest practicable date before publication of this Notice), the Company's issued share capital comprised 296,908,045 ordinary shares of US\$0.10 each, of which 265,796,234 carry voting rights in relation to all circumstances at general meetings of the Company. Of the remaining 31,111,811 ordinary shares of US\$0.10, 22,502,483 were held as treasury shares (which included 1,704,333 shares that were purchased under the share buyback programme by Gorey Investments Limited who have agreed not to vote on these shares) and 6,904,995 were issued on the conversion of certain convertible bonds issued by one of the Company's subsidiaries. These 6,904,995 ordinary shares are held through a global depositary receipt and, as a result, carry no voting rights. Therefore, the total voting rights in the Company as at 26 July 2012 were 265,796,234.

### **Instructions for electronic proxy appointment through CREST**

11. CREST members who wish to appoint a proxy or proxies through the Euroclear electronic proxy appointment service may do so for the annual general meeting, and any adjournment(s) thereof, by using the procedures and to the address described in the CREST manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)) subject to the provisions of the Company's articles of association. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC ("Computershare") (ID number 3RA50) no later than 3.00pm on 23 August 2012. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Regulations.

### **Website publication of audit concerns**

15. Under section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting for the financial year beginning on 1 April 2012; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning on 1 April 2012 ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006 (in each case) that the members propose to raise at the AGM. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

### **Corporate Shareholders**

16. A shareholder of the Company which is a corporation may authorise a person or persons to act as its representative(s) at the AGM. In accordance with the provisions of the Companies Act 2006, each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual shareholder of the Company, provided that they do not do so in relation to the same shares. It is no longer necessary to nominate a designated corporate representative.

### **Right to ask questions**

17. Any member attending the AGM has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

### **Communication**

18. You may not use any electronic address (within the meaning of sections 333(4) of the Companies Act 2006) provided in this notice (or in any related documents, including the Chairman's letter and Proxy Form) to communicate with the Company for any purpose other than those expressly stated.

### **Inspection of documents**

19. The following documents will be available for inspection during normal business hours at the Company's registered office, 2<sup>nd</sup> Floor, Vintners Place, 68 Upper Thames Street, London, EC4V 3BJ from the date of this notice until the close of the AGM (Saturdays, Sundays and public holidays excepted) and at the AGM location from 15 minutes before the AGM until it ends:

1. Copies of the executive Directors' service contracts.
2. Copies of letters of appointment of the non-executive Directors.
3. A copy of the draft rules of the ESOP.

A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at [www.vedantaresources.com](http://www.vedantaresources.com).

#### **Company's registrars**

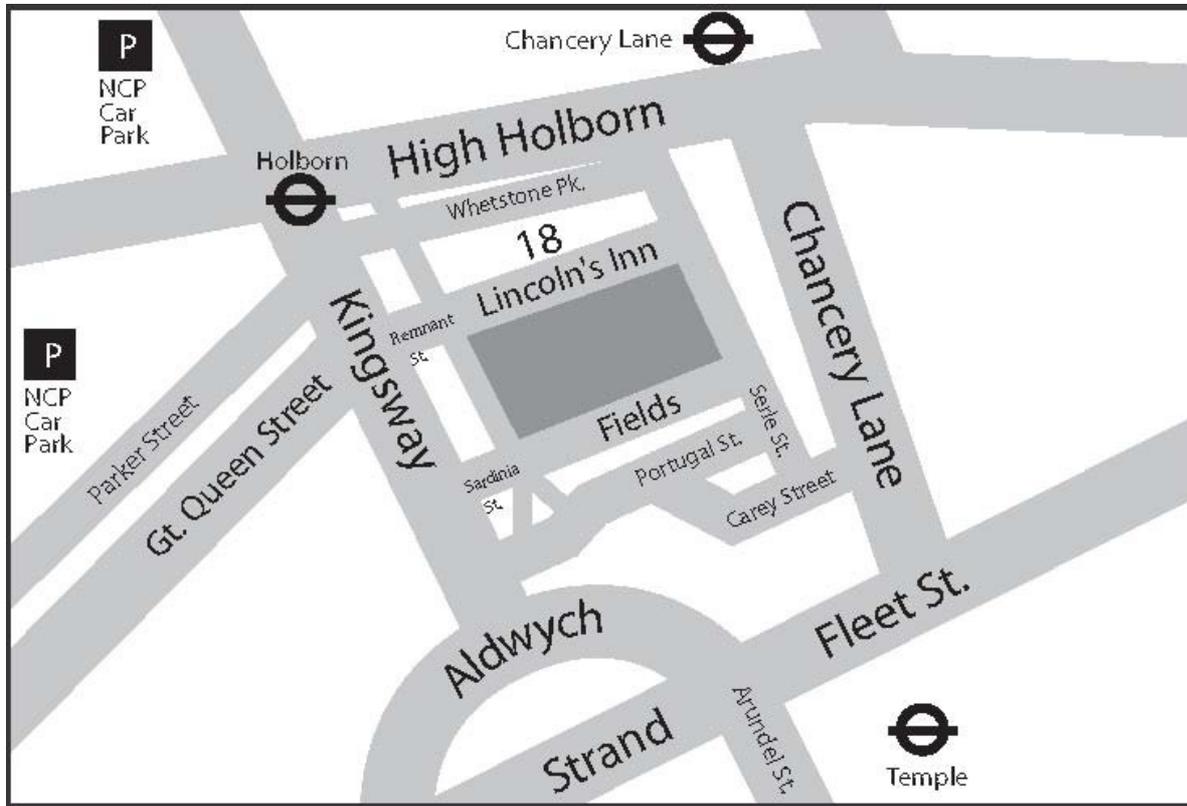
20. The Company's register of members is maintained by Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE. The shareholder helpline number is +44(0)870 707 1388.

#### **Investor Calendar**

<b>Event</b>	<b>Financial year end to which event relates</b>	<b>Date</b>
Annual General Meeting	Financial year ended 31 March 2012	28 August 2012
Payment of final dividend	Financial year ended 31 March 2012	5 September 2012
Half year results announcement	Financial year ending 31 March 2013	8 November 2012
Payment of half year dividend	Financial year ending 31 March 2013	19 December 2012

# Information about attending the Annual General Meeting

The Annual General Meeting of the Company will be held at 3.00pm on Tuesday, 28 August 2012 at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED.



The Lincoln Centre is just a few minutes walk away from Holborn, Chancery Lane and Covent Garden London Underground stations and a short journey from Euston, Kings Cross, St Pancras and Waterloo mainline railway stations.

## Security

Please note that, for security reasons, all hand luggage may be subject to examination prior to entry to the AGM. Certain items will not be permitted in the meeting room. These include cameras, recording equipment, items of any nature with potential to cause disorder and such other items as the Chairman of the meeting may specify.

Persons who are not shareholders of the Company will not be admitted to the AGM unless prior arrangements have been made with the Company. Investors holding shares through nominees are welcome to attend provided that they bring proof of their holding with them to the AGM.

We ask all those present at the AGM to facilitate the orderly conduct of the meeting and reserve the right, if orderly conduct is threatened by a person's behaviour, to require that person to leave.

Shareholders should note that registration will start at 2.00pm and the doors to the AGM will open at 2.45pm.

# Appendix

## *Summary of the Principal Terms of the Vedanta Group and Subsidiary Employee Share Ownership Plans (each an "ESOP")*

### 1. GENERAL

In this summary, unless the context requires otherwise, in relation to an ESOP, references to "**Vedanta**" means Vedanta Resources plc, to the "**Company**" means Vedanta or such Subsidiary as may establish the ESOP, to "**Subsidiaries**" or any "**Subsidiary**", means any subsidiary of Vedanta other than Cairn India Limited or any of them, to the "**Remuneration Committee**" means the remuneration committee of the board of the relevant Company and to "**Shares**" means ordinary shares in the capital of such Company as may establish the ESOP.

Subject to the passing of Resolutions 17 and 18 respectively, each of Vedanta and any Subsidiary may establish an ESOP, the principal terms of which would be as described in this Appendix.

The operation of the ESOP will be supervised by the Remuneration Committee, who may grant an award in the form of either an option or a conditional right to or allocation of Shares (an "**Award**") in the form of either an option or a conditional right to or allocation of Shares.

### 2. ELIGIBILITY

The Remuneration Committee may, in its absolute discretion, grant rights to acquire Shares to any employee (including a director) of the Company and/or any participating member of the Company's group as the Remuneration Committee may select.

### 3. TIMING OF AND CONSIDERATION FOR AWARDS

Awards may normally only be granted within 42 days after the approval of the ESOP by the Company at a general meeting of shareholders or within 42 days after the announcement of the Company's results for any period. Awards may also be granted at any other time at which the Remuneration Committee determines that there are exceptional circumstances which justify the grant of an Award. No Award may be granted after 28 August 2022 under this ESOP.

No payment is required for the grant of an Award.

### 4. PERFORMANCE CONDITIONS

The Remuneration Committee may grant an Award subject to such performance condition(s) as it in its discretion sees fit.

A performance condition attached to an Award shall not be capable of variation or waiver unless events happen which cause the Remuneration Committee to consider that such a condition shall have ceased to be appropriate whereupon the Remuneration Committee may vary or waive such condition provided that any new condition imposed or any variation is in its opinion fair and reasonable and no less difficult to satisfy than the previous condition.

The first Awards will be made in the current financial year after receiving the requisite approvals, the first performance period will be the Company's financial year 2012 – 2013.

Performance conditions shall be chosen to drive a high performance culture and facilitate the long term sustainability of the Group. The key performance indicators will be determined by the Remuneration Committee and shall include key performance parameters such as safety, health, environment, production volume, cost, and delivery of specific projects, EBITDA and free cash flow.

The Remuneration Committee will regularly monitor the continuing suitability of the performance condition(s) and may impose different conditions on Awards granted in subsequent years having regard to prevailing market conditions; such performance condition(s) would not be materially easier to satisfy than the performance conditions(s) which apply to the first cycle of Awards granted under the ESOP. It is currently anticipated that the performance condition(s) applying to future Awards would be materially similar in concept to those which apply to the initial Awards.

## 5. LIMITS

5.1 On any day, no Award may be granted if, as a result, the aggregate number of Shares issued or transferred from treasury or committed to be issued or transferred from treasury pursuant to grants made under the ESOP and, during the previous ten years:

- (a) under all other employee share schemes established by the same Company would exceed ten per cent. of the issued ordinary share capital of the Company on that day; or
- (b) under all other discretionary employee share schemes established by the same Company would exceed five per cent. of the issued ordinary share capital of the Company on that day.

5.2 Shares which have been the subject of Awards or rights granted under any other share plan which have lapsed, and rights granted under the Vedanta Resources Share Reward Plan at the time of flotation in 2003 shall not be taken into account for the purposes of the limits described in paragraph 5.

5.3 No Award may be granted to any participant if, as a result, the total market value of the Shares that may be acquired by that participant under the Award and all other Awards made to the same person in the same financial year would exceed 100 per cent. of his gross remuneration from all offices and employments within the Company's group at the date of grant.

## 6. ACQUISITION PRICE

The acquisition price per Share to be paid on the vesting or exercise of an Award shall be determined by the Remuneration Committee. In any case involving the issue of Shares, it shall not be less than the nominal value of a Share.

## 7. VESTING, EXERCISE AND LAPSE OF AWARDS

Awards will vest, subject to performance conditions, not less than one nor more than three years after the date of grant under the Vedanta ESOP, as determined by the Remuneration Committee at the time of grant. Under the Vedanta ESOP, it is currently envisaged that an Award would vest over three years from grant, as to 50 per cent. after one year, 30 per cent. after two years and the balance after three years. Vesting will be subject to continued service.

In the case of Awards held by participants other than executive directors of Vedanta, the number of Shares in respect of which they may vest may be up to 120 per cent. of the number of Shares in respect of which the Award was first granted, depending on the level of performance achieved.

An Award granted in the form of an option may be exercised, to the extent that it has vested, within six months (or such longer period as the Remuneration Committee may determine) of the Award holder being informed that any performance condition(s) to which it is subject have been fulfilled or waived. Such an Award will lapse if unexercised on the expiry of the exercise period.

If a participant ceases to be employed within the Company's group before the vesting of any part of an Award by reason of:

- death;
- injury, ill-health or disability;
- retirement;
- the company employing the participant ceasing to be, or the business to which the participant's office or employment relates being transferred to a person who is not, a member of the Company's group; or

- any other reason (apart from dishonesty, fraud, misconduct or any other circumstances justifying summary dismissal) and the Remuneration Committee in its discretion permits exercise;

the Award will become exercisable and remain exercisable for a period of six months (or 12 months in the case of death). The number of Shares in respect of which Awards vest will, in these circumstances, be determined by reference to the extent to which the performance condition(s) have been fulfilled over the performance period and will then be pro-rated according to the length of the reduced performance period when compared to the original performance period (unless the Remuneration Committee decides, in its discretion, that an Award should vest in respect of a higher number of Shares).

If a participant ceases to be employed within the Company's group for one of the reasons set out above on or after vesting, a subsisting Award may be exercised for a period of six months (or 12 months in the case of death) to the extent vested and that the performance condition(s) have been fulfilled.

Awards may be satisfied by the issue of new Shares or by the transfer of existing Shares, either from treasury or otherwise.

## 8. ALTERATIONS OF SHARE CAPITAL

In the event of any variation in the share capital of the Company, adjustments to the number of Shares subject to Awards and the exercise price may be made by the Remuneration Committee in such manner and with effect from such date as the Remuneration Committee may determine to be appropriate.

## 9. TAKEOVERS AND LIQUIDATIONS

In the event of a person acquiring control, or the voluntary winding-up, of the Company, an Award will vest (to the extent that it has not already done so) and be exercisable for a period of up to six months or until the expiry of any compulsory acquisition period, if earlier. The number of Shares in respect of which Awards vest will, in these circumstances, be determined by reference to the extent to which the performance condition(s) have been fulfilled over the reduced performance period and will then be pro-rated according to the length of the reduced performance period when compared to the original performance period (unless the Remuneration Committee decides, in its discretion, that an Award should vest in respect of a higher number of Shares).

If such an event occurs, an Award may also be released in exchange for an equivalent new award to be granted by any acquiring company, if the participant so wishes and the acquiring company agrees.

Where any such event occurs as part of an internal reorganisation of the Company, involving no substantive change of ownership, subsisting Awards will be exchanged for new Awards of equivalent value granted by the acquiring company unless such an offer is not forthcoming from the acquiring company in which case exercise as set out above will be permitted. This mechanism will apply when the Sesa Sterlite Merger and Group Consolidation is implemented, when Awards in respect of Subsidiaries' Shares will be exchanged for awards of equivalent value over shares in Sesa Sterlite, in accordance with the share exchange ratio approved for the purposes of the Sesa Sterlite Merger and Group Consolidation.

## 10. VOTING, DIVIDEND AND OTHER RIGHTS

Until Awards vest or are exercised, Award holders have no voting or other rights in respect of the Shares subject to their Awards.

Shares issued or transferred pursuant to an ESOP shall rank *pari passu* in all respects with the ordinary shares already in issue except that they will not rank for any dividend or other distribution paid or made by reference to a record date falling prior to the date of vesting or, if later, exercise of the Award.

Benefits obtained under an ESOP shall not be pensionable.

Awards are not assignable or transferable.

## 11. ADMINISTRATION AND AMENDMENT

The Remuneration Committee may amend an ESOP in the case of minor amendments to benefit the administration of the ESOP and amendments to take account of changes in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or for any member of a Company's group. However, in other cases: prior approval of Vedanta in general meeting will be required for any amendment to the advantage of participants in any ESOP to those provisions of the ESOP relating to eligibility,

the limitations on the number of Shares subject to the ESOP, a participant's maximum entitlement or the basis for determining a participant's entitlement under the ESOP and the adjustment thereof in the event of a variation in capital. In all cases, no amendment may be made which would alter to the disadvantage of a participant any rights already acquired by him under an ESOP without the prior approval of the majority of the affected participants.

12. **OVERSEAS PLANS**

Each Company may at any time and without further formality establish further plans in other territories, any such plan to be similar to the Company's ESOP but modified to take account of local tax, exchange control or securities laws, regulation or practice. Newly issued Shares or Shares transferred from treasury under any such ESOP would count against the overall dilution limit of the Company's pre-existing ESOP.

13. **TERMINATION**

An ESOP may be terminated at any time by resolution of the Company's board of directors or of its shareholders in general meeting and shall in any event terminate on 28 August 2022. Termination will not affect the outstanding rights of participants.