

MINERALS ROYALTY DEED – 2020 DEED POLL

THIS INSTRUMENT is made by way of deed poll on 20 January 2020;

BY:

(1) Hancock British Holdings Ltd (company number 10427356) whose registered address is at c/o Legalinx Limited, Tallis House, 2 Tallis Street, Temple, London, United Kingdom EC4Y 0AB (the **Royalty Holder**);

IN FAVOUR OF:

(2) Sirius Minerals Plc (company number 04948435) whose registered address is at 3rd Floor, Greener House, 66 – 68 Haymarket, London SW1Y 4RF (**Sirius**);

(3) York Potash Ltd (company number 07251600) whose registered address is at 3rd Floor, Greener House, 66 – 68 Haymarket London SW1Y 4RF (the **Payer**); and

(4) York Potash Processing & Ports Limited (company number 08270855) whose registered address is at 3rd Floor, Greener House, 66 – 68 Haymarket London SW1Y 4RF (**YPPPL**),

together, the **Parties**.

THIS INSTRUMENT WITNESSES as follows:

1. Interpretation

1.1 Reference is made to the minerals royalty deed dated 25 October 2016 between the Parties (the **2016 Minerals Royalty Deed**), as amended by the side letter to the 2016 Minerals Royalty Deed dated 13 September 2018 between the Parties (the **2018 Side Letter** and, together with the 2016 Minerals Royalty Deed, the **Minerals Royalty Deed**).

1.2 Unless otherwise defined in this instrument, capitalised terms used in this instrument shall have the same meanings given to them in the Minerals Royalty Deed. The interpretation provisions in the 2016 Minerals Royalty Deed (including clause 1 of that agreement) shall be incorporated by reference into this instrument and shall apply to this instrument, unless otherwise specified in it, as if set out in it in full, with the necessary changes having been made. Unless the context otherwise requires, in this instrument:

Anglo shall mean Anglo American plc (or a subsidiary thereof).

Firm Offer shall mean the announcement by Anglo of its firm intention to make an Offer under Rule 2.7 of the City Code on Takeovers and Mergers.

Offer shall mean an offer for the entire issued and to be issued share capital of Sirius, whether by way of scheme of arrangement or contractual offer, on the terms set out in the Firm Offer or such terms as may be agreed between Anglo and Sirius after the date of the Firm Offer or such terms as may be revised, varied, extended or renewed after the date of the Firm Offer.

2. Background to and effective date of this instrument

2.1 Following the announcement on 8 January 2020 of a possible offer for Sirius by Anglo, the Royalty Holder has, subject to the terms of this instrument, agreed to waive certain rights in respect of the Minerals Royalty Deed.

- 2.2 The Royalty Holder acknowledges that if Anglo proceeds with a Firm Offer for Sirius and the Offer is successful, it is expected that Sirius would no longer be a listed company and would no longer have its shares admitted to trading on any stock exchange.
- 2.3 Clause 3 shall take effect on and from the date of the Firm Offer but each of the waivers, discharges of obligations and undertakings given by the Royalty Holder thereunder shall be conditional upon the satisfaction or waiver of each of the conditions set out in paragraphs (a), (b) and (c) below (the **Conditions**):
- (a) Sirius has delivered to the Royalty Holder a letter signed by each of the parties to the Minerals Royalty Deed (other than the Royalty Holder) and addressed to the Royalty Holder substantially in the form set out in Exhibit A hereto; and, with effect from the Takeover Effective Date (as defined below) and subject to satisfaction or waiver of the other Conditions, in respect of paragraph 2.2 of Exhibit A, the Royalty Holder hereby agrees to the amendments to the 2018 Side Letter that are set out in that paragraph.
 - (b) Anglo American plc has delivered to the Royalty Holder a letter signed by it and addressed to the Royalty Holder substantially in the form set out in Exhibit B hereto.
 - (c) Sirius has delivered (in accordance with the notice provisions in the Minerals Royalty Deed) to the Royalty Holder a copy of the announcement that has been issued by Sirius or Anglo confirming that:
 - (i) the scheme of arrangement to implement the Firm Offer has become effective; or
 - (ii) the contractual offer to implement the Firm Offer has become or been declared unconditional in all respects (including without limitation as to acceptances),(the **Takeover Effective Date**).
- 2.4 The Conditions are for the benefit of the Royalty Holder and may be waived only by the Royalty Holder (in its sole discretion).
- 2.5 The Conditions shall be deemed satisfied upon delivery of all of the letters and announcement described in clause 2.3 in accordance with the notice provisions of the Minerals Royalty Deed.
- 2.6 If:
- (a) the Condition in clause 2.3(a) has not been satisfied or waived by the date that falls five (5) Business Days following the Takeover Effective Date; or
 - (b) any Condition has not been satisfied or waived by the Long Stop Date as defined in the announcement of the Firm Offer (including, for the avoidance of doubt, such extended Long Stop Date as may be agreed between Sirius and Anglo and, where required, by the Takeover Panel),
- the Royalty Holder may at any time thereafter (acting in its sole discretion) elect to terminate this instrument by giving notice thereof to Sirius, immediately upon the giving of which notice this instrument shall be terminated, all provisions hereof shall cease to have effect and the Royalty Holder shall be released from its obligations hereunder (except for this clause 2.6 and clauses 1, 5 and 6, the provisions of which, and rights and obligations of each party under which, shall survive any termination of this instrument).
- 2.7 All clauses of this instrument other than clause 3 shall take effect from the date of this instrument and are unconditional.

3. Waivers

- 3.1 Subject to clause 2.3 above, the Royalty Holder irrevocably agrees to waive the following rights of the Royalty Holder and discharge Sirius's obligations in respect of such rights:
- (a) all equity subscription rights (other than subscription rights for Security Shares which shall remain unaffected by this instrument) pursuant to clauses 2.1(b), 3.2 and 7.3(c) of the 2016 Minerals Royalty Deed, with the result that the Royalty Holder shall have no entitlement or obligation to subscribe for Shares pursuant to the Minerals Royalty Deed;
 - (b) all Observer and Director appointment and nomination rights pursuant to clause 6 of the 2018 Side Letter; and
 - (c) all ancillary rights relating to the nomination and appointment or reappointment of Observers and Directors pursuant to clause 6 of the 2018 Side Letter, including, without limitation, information rights.
- 3.2 Subject to clause 2.3 above, the Royalty Holder shall procure the prompt resignation of its Observers and its Nominee Director (if any).
- 3.3 The Royalty Holder agrees that the Payer shall no longer have any obligation under any provision of the Minerals Royalty Deed to issue an Equity Drawdown Request.

4. Warranties

- 4.1 The Royalty Holder warrants to each of Sirius, the Payer and YPPPL, as at the date of this instrument, that:
- (a) it is validly organised and subsisting in accordance with the laws of its place of registration;
 - (b) it has full power and capacity to enter into and perform its obligations under this instrument;
 - (c) all necessary authorisations for the execution, delivery and performance by it of this instrument in accordance with its terms have been obtained;
 - (d) its execution, delivery and performance of this instrument complies with its constituent documents and does not constitute a breach of any law or obligation, or cause a default under any agreement by which it is bound; and
 - (e) it is not subject to any Insolvency Event.

5. Reservation of rights

- 5.1 The amendments, waivers, discharges of obligations and undertakings contained in this instrument are given strictly on the basis of the terms of this instrument and without prejudice to the other rights of the Royalty Holder. Nothing in this instrument shall be deemed to constitute a further waiver of any condition or default or any further consent under the Minerals Royalty Deed.
- 5.2 Except as expressly provided by the terms of this instrument, the Minerals Royalty Deed will continue in full force and effect and any reference in this instrument or in the Minerals Royalty Deed to the Minerals Royalty Deed or to any provision of the Minerals Royalty Deed will be construed as a reference to the Minerals Royalty Deed, or that provision, as modified by this instrument.

6. Confidentiality, governing law and jurisdiction

- 6.1 This instrument and any non-contractual obligations arising out of or in connection with it are governed by English law.
- 6.2 Clauses 12 and 14 of the 2016 Minerals Royalty Deed shall be incorporated by reference into this instrument and shall apply to this instrument, unless otherwise specified in it, as if set out in it in full, with the necessary changes having been made.

IN WITNESS of the above this instrument has been executed as a deed poll by the Royalty Holder and is intended to be and is delivered on the date which appears first on page 1 above.

SIGNATORY

EXECUTED as a deed poll by **HANCOCK BRITISH**)
HOLDINGS LTD)
acting by ... [REDACTED], a director [REDACTED])

in the presence of:

Witness's signature

Name:

Address:

[REDACTED]

EXHIBIT A

Form of Clause 2.3(a) Letter

To: (1) Hancock British Holdings Ltd (company number 10427356) whose registered address is at c/o Legalinx Limited, Tallis House, 2 Tallis Street, Temple, London, United Kingdom EC4Y 0AB (the **Royalty Holder**)

From: (2) Sirius Minerals Plc (company number 04948435) whose registered address is at 3rd Floor, Greener House, 66 – 68 Haymarket, London SW1Y 4RF (**Sirius**);

(3) York Potash Ltd (company number 07251600) whose registered address is at 3rd Floor, Greener House, 66 – 68 Haymarket London SW1Y 4RF (the **Payer**); and

(4) York Potash Processing & Ports Limited (company number 08270855) whose registered address is at 3rd Floor, Greener House, 66 – 68 Haymarket London SW1Y 4RF (**YPPPL** and, together with Sirius and the Payer, the **Sirius Parties**).

Subject: The deed poll entered into by the Royalty Holder on [●] January 2020 in favour of the Sirius Parties and in respect of the Minerals Royalty Deed (the **2020 Deed Poll**)

1. Interpretation

- 1.1 Unless otherwise defined in this letter, capitalised terms used in this letter shall have the same meanings as are given to them in, or incorporated by reference into, the 2020 Deed Poll.
- 1.2 The interpretation provisions in the 2016 Minerals Royalty Deed (including clause 1 of that agreement) shall be incorporated by reference into this letter and shall apply to this letter, unless otherwise specified in it, as if set out in it in full, with the necessary changes having been made.

2. Acknowledgements in respect of the Royalty Holder's equity funding obligations

- 2.1 With effect from the Takeover Effective Date and subject to the other Conditions being satisfied or waived in accordance with the terms of the 2020 Deed Poll, each of the Sirius Parties acknowledges and agrees in favour of the Royalty Holder that, notwithstanding any provision in the Minerals Royalty Deed to the contrary:
- (a) no Equity Drawdown Request shall at any time be deliverable to the Royalty Holder by the Payer or any other person;
 - (b) the Royalty Holder shall at no time be under any obligation to pay the Equity Purchase Amount to Sirius or any other person; and
 - (c) no Party or any other person shall have any right to issue a notice to comply pursuant to clause 3.5 of the 2016 Minerals Royalty Deed or exercise any remedy (including, without limitation, to terminate the Minerals Royalty Deed) pursuant to clause 3.6(a) of the 2016 Minerals Royalty Deed.
- 2.2 With effect from the Takeover Effective Date and subject to the other Conditions being satisfied or waived, each of the Sirius Parties agrees that paragraph 5(a)(i) of the 2018 Side Letter shall be deleted in its entirety and replaced with the following new paragraph:

“(i) the Drawdown CPs End Date; and”.

3. Warranties

- 3.1 Each of Sirius Parties warrants to the Royalty Holder, as at the date of this letter, that:
- (a) it is validly organised and subsisting in accordance with the laws of its place of registration;
 - (b) it has full power and capacity to enter into and perform its obligations under this letter;
 - (c) all necessary authorisations for the execution, delivery and performance by it of this letter in accordance with its terms have been obtained;
 - (d) its execution, delivery and performance of this letter complies with its constituent documents and does not constitute a breach of any law or obligation, or cause a default under any agreement by which it is bound; and
 - (e) it is not subject to any Insolvency Event.

4. Third party enforcement rights

- 4.1 The Sirius Parties agree that the Royalty Holder shall be entitled to enforce the terms of this letter, even though not a party to it.

5. Miscellaneous

- 5.1 Clauses 5 and 6 of the 2020 Deed Poll are incorporated by reference into this letter and shall apply to this letter, unless otherwise specified in it, as if set out in it in full, with the necessary changes having been made.

This letter has been executed as a deed by each of the Sirius Parties and is intended to be and is delivered on the date that first appears on page 1 of this letter:

[Signatories]

EXHIBIT B

Form of Clause 2.3(b) Letter

To: (1) Hancock British Holdings Ltd (company number 10427356) whose registered address is at c/o Legalinx Limited, Tallis House, 2 Tallis Street, Temple, London, United Kingdom EC4Y 0AB (the **Royalty Holder**)

From: (2) Anglo American plc (company number [●]) whose registered address is [●] (**Anglo**)

Subject: The deed poll entered into by the Royalty Holder on [●] January 2020 in respect of the Minerals Royalty Deed (the **2020 Deed Poll**)

1. Interpretation

- 1.1 Unless otherwise defined in this letter, capitalised terms used in this letter shall have the same meanings as are given to them in, or incorporated by reference into, the 2020 Deed Poll.
- 1.2 The interpretation provisions in the 2016 Minerals Royalty Deed (including clause 1 of that agreement) shall be incorporated by reference into this letter and shall apply to this letter, unless otherwise specified in it, as if set out in it in full, with the necessary changes having been made.

2. Acknowledgements in respect of the Minerals Royalty Deed

- 2.1 With effect from the Takeover Effective Date, Anglo acknowledges and consents (without itself assuming any obligation with respect to or under the Minerals Royalty Deed, the Royalty or the Royalty Holder Security, whether as principal obligor, guarantor or otherwise) to the Minerals Royalty Deed, the Royalty, the Royalty Holder Security and the rights and obligations of the Parties with respect to them and under them, including the Quarterly reporting and other terms of clause 10 of the 2016 Minerals Royalty Deed.

3. Third party enforcement rights

- 3.1 Anglo agrees that the Royalty Holder shall be entitled to enforce the terms of this letter, even though not a party to it.

4. Miscellaneous

- 4.1 Clauses 5 and 6 of the 2020 Deed Poll are incorporated by reference into this letter and shall apply to this letter, unless otherwise specified in it, as if set out in it in full, with the necessary changes having been made.

This letter has been executed as a deed by Anglo and is intended to be and is delivered on the date that first appears on page 1 of this letter:

[Signatory]