

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PART TWO OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT AND DETAILS OF A PROPOSED ACQUISITION WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING ON THE OFFICIAL LIST OF AND OF ADMISSION TO TRADING OF SIRIUS SHARES ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES.**

**If you are in any doubt about the Acquisition or the contents of this document or what action you should take, you are recommended to seek your own financial, tax and legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the UK, or from another appropriately authorised independent financial adviser, if you are taking advice in a territory outside the UK.**

If you sell or otherwise transfer or have sold or otherwise transferred all of your Sirius Shares, please send this document (but not any personalised accompanying documents) and any reply-paid envelope at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted (in whole or in part) in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred part only of your holding of Sirius Shares, please retain these documents and consult the stockbroker, bank or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise been transferred Sirius Shares in certificated form, notwithstanding receipt of this document and any accompanying documents from the transferor, you should contact Link Asset Services on the telephone numbers set out below to obtain personalised Forms of Proxy.

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in, into or from jurisdictions other than the UK and US may be restricted by the laws or regulations of those jurisdictions and therefore persons into whose possession this document and/or any accompanying document come should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. To the fullest extent permitted by law, Sirius, Anglo American and Bidco disclaim any responsibility or liability for the violation of such restrictions by such persons.

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**Recommended cash acquisition of**  
**Sirius Minerals Plc**  
**by**  
**Anglo American Projects UK Limited**  
**a wholly owned subsidiary of**  
**Anglo American plc**  
**to be effected by means of a scheme of arrangement of**  
**Sirius Minerals Plc under Part 26 of the Companies Act 2006**

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This document (including any documents incorporated into it by reference), together with the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Chairman of Sirius Minerals Plc (**Sirius**) in Part One (*Letter from the Chairman of Sirius*) of this document, which contains the unanimous recommendation of the Sirius Directors that you vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting. A letter from J.P. Morgan Securities plc (**J.P. Morgan Cazenove**) and Lazard & Co., Limited (**Lazard**) explaining the Scheme appears in Part Two (*Explanatory Statement*) of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

Notices of the Court Meeting and the General Meeting of Sirius, each of which will be held at the Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ, on 3 March 2020, are set out on pages 86 to 94 of this document. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting at 11.15 a.m. or as soon thereafter as the Court Meeting is concluded or adjourned.

**Action to be taken by Sirius Shareholders is set out on pages 5 to 7 of this document. It is very important that Sirius Shareholders use their votes so that the Court can be satisfied that there is a fair representation of their views.**

### *Forms of Proxy*

Sirius Shareholders are asked to complete and return the enclosed **BLUE Form of Proxy** (for use in respect of the Court Meeting) and the enclosed **WHITE Form of Proxy** (for use in respect of the General Meeting) in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Sirius' registrar, Link Asset Services, no later than 48 hours before the relevant meeting (or adjourned meeting, where applicable), excluding any part of a day that is not a Business Day. A pre-paid return address is provided on the back of the Forms of Proxy for this purpose for use in the UK only.

Sirius Shareholders who hold Sirius Shares in CREST may also appoint a proxy through the CREST electronic proxy appointment service by following the instructions set out on pages 5 to 7 of this document. If the **BLUE Form of Proxy** for the Court Meeting is not lodged by the relevant time, it may be handed to Sirius' registrar, Link Asset Services, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting. However, in the case of the General Meeting, if the **WHITE Form of Proxy** is not lodged by the relevant time, and in accordance with the instructions on the **WHITE Form of Proxy**, it will be invalid.

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to the following website: [www.siriusminerals-shares.com](http://www.siriusminerals-shares.com) and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 11.00 a.m. on 28 February 2020 for the Court Meeting and 11.15 a.m. on 28 February 2020 for the General Meeting or, if in either case the Meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned Meeting.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the **BLUE Form of Proxy** and hand it to a representative of Link Asset Services, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting.

If you have any questions about this document, the Court Meeting or the General Meeting, or how to complete the Forms of Proxy, please call the shareholder helpline at Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Certain terms used in this document are defined in Part Seven (*Definitions*) of this document.

### *Further Information*

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (**J.P. Morgan Cazenove**), is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the FCA. J.P. Morgan Cazenove is acting as financial adviser exclusively for Sirius and no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters in this document and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of J.P. Morgan Cazenove, or for providing advice in relation to any matter referred to herein.

Lazard & Co., Limited (**Lazard**), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Sirius and for no one else and will not be responsible to anyone other than Sirius for providing the protections afforded to its clients or for providing advice in connection with the matters set out in this document. Neither Lazard nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Lazard in connection with this document, any statement contained herein, the transaction described herein or otherwise.

Merrill Lynch International (**BofA Securities**), which is authorised by the UK Prudential Regulation Authority and regulated by the FCA and the UK Prudential Regulation Authority, is acting as financial adviser exclusively for Anglo American and for no one else and will not be responsible to anyone other than Anglo American for providing the protections afforded to its clients or for providing advice in relation to the matters referred to in this document. Neither BofA Securities, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of BofA Securities in connection with this document, any statement contained herein or otherwise.

Centerview Partners UK LLP (**Centerview Partners**) is authorised and regulated by the FCA. Centerview Partners is acting exclusively for Anglo American and no one else in connection with the matters referred to in this document. Centerview Partners is not and will not be responsible to anyone other than Anglo American for providing the protections afforded to its clients or for providing advice in connection with the contents of this document or any other matter referred to in this document. Neither Centerview Partners, nor any of its affiliates, owes or accepts any duty, liability or responsibility whatsoever to any person who is not a client of Centerview Partners in connection with this document, any statement contained herein or otherwise.

Liberum Capital Limited (**Liberum Capital**), which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker exclusively for Sirius and for no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters in this document and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of Liberum Capital, or for providing advice in relation to any matter referred to herein.

Shore Capital Stockbrokers Limited (**Shore Capital**), which is authorised and regulated in the United Kingdom by the FCA, is acting as joint broker exclusively for Sirius and no one else in connection with the matters set out in this document and will not regard any other person as its client in relation to the matters in this document and will not be responsible to anyone other than Sirius for providing the protections afforded to clients of Shore Capital, or for providing advice in relation to any matter referred to herein.

This document is dated 7 February 2020.

## TABLE OF CONTENTS

	<b>Page</b>
ACTION TO BE TAKEN .....	5
EXPECTED TIMETABLE OF PRINCIPAL EVENTS .....	8
PART ONE – LETTER FROM THE CHAIRMAN OF SIRIUS .....	9
PART TWO – EXPLANATORY STATEMENT .....	18
PART THREE – CONDITIONS TO AND FURTHER TERMS OF THE SCHEME AND THE ACQUISITION.....	41
PART FOUR – THE SCHEME OF ARRANGEMENT .....	49
PART FIVE – FINANCIAL INFORMATION .....	55
PART SIX – ADDITIONAL INFORMATION .....	56
PART SEVEN – DEFINITIONS.....	78
PART EIGHT – NOTICE OF COURT MEETING .....	86
PART NINE – NOTICE OF GENERAL MEETING.....	89

## ACTION TO BE TAKEN

**For the reasons set out in this document, the Sirius Board unanimously recommends that Sirius Shareholders vote in favour of the Scheme at the Court Meeting, and that the Sirius Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as all of the Sirius Directors have irrevocably undertaken to do in respect of their own legal and/or beneficial holdings of Sirius Shares, and that you take the action described below.**

### 1. The documents

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 3 March 2020;
- a WHITE Form of Proxy for use in respect of the General Meeting on 3 March 2020; and
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you are a Sirius Shareholder and you have not received all of these documents, please contact the shareholder helpline on the number indicated below.

If you hold Sirius Shares indirectly you must rely on the procedures of the bank, broker, financial institution or share plan administrator through which you hold Sirius Shares. You should contact such intermediary for instructions on how you can instruct that intermediary to vote on your behalf at the Meetings and the date by which you must provide such instructions to the intermediary.

### 2. Voting at the Court Meeting and the General Meeting

The Scheme will require approval at a meeting of Sirius Shareholders convened with the permission of the Court to be held at the Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ at 11.00 a.m. on 3 March 2020. Implementation of the Scheme will also require approval of the Scheme Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting, at 11.15 a.m. (or as soon thereafter as the Court Meeting shall have concluded or been adjourned). Notices of the Court Meeting and the General Meeting are set out in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document, respectively.

Sirius Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Court Meeting and/or General Meeting (as applicable). A proxy need not be a Sirius Shareholder.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair representation of the opinion of Sirius Shareholders. Whether or not you intend to attend the Court Meeting and/or the General Meeting, please sign and return your Forms of Proxy, or deliver your voting instructions by one of the other methods mentioned below, as soon as possible.**

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at either the Court Meeting or the General Meeting, or any adjournment of either Meeting, if you wish and are entitled to do so.

If you hold Sirius Shares as a beneficial holder through a nominee, in order to ensure that you can attend and vote (in person or by proxy) at the Court Meeting and the General Meeting you should contact your nominee and ask to be entered on the Sirius register of members before, in the case of the Court Meeting, the Voting Record Time and, in the case of the General Meeting, the Specified Time. If you intend to vote by proxy, please see the proxy voting deadline for the Court Meeting and the General Meeting in part 2.1 below and other information relating to proxy voting mechanisms in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document.

If you require additional proxy forms, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## **2.1** *Sending Forms of Proxy by post or by hand*

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them, either (i) by post or (ii) during normal UK business hours only, by hand, to Link Asset Services PXS, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received as soon as possible and in any event no later than the relevant time set out below:

BLUE Forms of Proxy for the Court Meeting 11.00 a.m. on 28 February 2020

WHITE Forms of Proxy for the General Meeting 11.15 a.m. on 28 February 2020

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received no later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned Meeting.

If the BLUE Form of Proxy for the Court Meeting is not returned by such time, it may be handed to a representative of Link Asset Services, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting and will still be valid. However, in the case of the General Meeting, the WHITE Form of Proxy must be received by Link Asset Services by the time mentioned above, or it will be invalid.

Sirius Shareholders are entitled to appoint a proxy in respect of some or all of their Sirius Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Sirius Shareholders who wish to appoint more than one proxy in respect of their holding of Sirius Shares should contact Link Asset Services for further Forms of Proxy.

## **2.2** *Online appointment of proxies*

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to the following website: [www.siriusminerals-shares.com](http://www.siriusminerals-shares.com) and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 11.00 a.m. on 28 February 2020 for the Court Meeting and 11.15 a.m. on 28 February 2020 for the General Meeting or, if in either case the Meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned Meeting.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the BLUE Form of Proxy and hand it to a representative of Link Asset Services, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting.

## **2.3** *Electronic appointment of proxies through CREST*

If you hold Sirius Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Meetings (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any 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.

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 the specifications of Euroclear 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 an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Link Asset Services by 11.00 a.m. on 28 February 2020 in respect of the Court Meeting and 11.15 a.m. on 28 February 2020 in respect of the General Meeting or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not less than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the Court Meeting or the General Meeting, as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services 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.

CREST members and, where applicable, their CREST sponsors or voting service providers 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 any voting service provider(s), to procure that his or 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. CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Sirius may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### **3. Shareholder helplines**

**If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy online or electronically through the CREST electronic proxy appointment service, please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**If you have any questions in relation to the Acquisition please contact Georgeson, a trading name of Computershare Investor Services PLC, on 00 800 3742 6163 between the hours of 9.00 a.m. and 5.00 p.m. Monday to Friday excluding public holidays in England and Wales. Please note, that for legal reasons, Georgeson will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Acquisition or to provide legal, financial or taxation advice on the contents of this document or the Acquisition.**

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

*All references in this document to times are to London time unless otherwise stated.*

Event	Expected time/date
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE Form of Proxy)	11.00 a.m. on 28 February 2020 <sup>(1)</sup>
General Meeting (WHITE Form of Proxy)	11.15 a.m. on 28 February 2020 <sup>(2)</sup>
Voting Record Time for the Court Meeting and the General Meeting	6.30 p.m. on 28 February 2020 <sup>(3)</sup>
<b>Court Meeting</b>	<b>11.00 a.m. on 3 March 2020</b>
<b>General Meeting</b>	<b>11.15 a.m.<sup>(4)</sup> on 3 March 2020</b>
<b><i>The following dates are indicative only and subject to change:<sup>(5)</sup></i></b>	
Court Hearing	A date expected to be no later than 14 days after the satisfaction or waiver of Conditions 2.1, 2.2 and 3(a) (inclusive), and which is expected to be before 20 March 2020 (D) <sup>(6)</sup>
Last day of dealings in, and for registration of transfers of, and disablement of CREST for, Sirius Shares	D
Scheme Record Time	6.30 p.m. on D
Effective Date of the Scheme <sup>(7)</sup>	D + 1 Business Days
De-listing of Sirius Shares	By 8.00 a.m. on D + 1 Business Days
Dispatch of cheques and crediting of CREST for Consideration due under the Scheme	By no later than 14 days after the Effective Date
Long Stop Date	30 April 2020 or, if CADE do not consider that the application form is eligible for a fast-track review procedure, 18 June 2020 or such later date as may be agreed in writing by Bidco and Sirius (with the Panel's consent and as the Court may approve (if such approval(s) are required))

### Notes:

- (1) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged no later than 48 hours (excluding any part of a day that is not a Business Day) before the time appointed for the Court Meeting or, in the case of an adjourned meeting, 48 hours (excluding any part of a day that is not a Business Day) before the time appointed for the adjourned Court Meeting. BLUE Forms of Proxy not so lodged may be handed to Link Asset Services on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting.
- (2) WHITE Forms of Proxy for the General Meeting must be lodged no later than 48 hours (excluding any part of a day that is not a Business Day) before the time appointed for the General Meeting or, in the case of an adjourned meeting, 48 hours (excluding any part of a day that is not a Business Day) before the time appointed for the adjourned General Meeting.
- (3) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned meeting will be 6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the date of the adjourned meeting.
- (4) Or as soon after 11.15 a.m. as the Court Meeting shall have concluded or been adjourned.
- (5) These dates are indicative only and will depend, among other things, on the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) the Court Order is delivered to the Registrar of Companies. They are based on Sirius' and Bidco's current expectations and may be subject to change (including as a result of changes to the regulatory timetable), Sirius will give adequate notice of these dates and times, when known, by issuing an announcement through a Regulatory Information Service, with such announcement being made available on Sirius's website at <https://siriusminerals.com/investors/firm-offer-from-anglo-american-plc>.
- (6) The Court Hearing is expected to be held no later than 14 days after the satisfaction, or, where applicable, waiver of Conditions 2.1, 2.2 and 3(a) (inclusive), as set out in Part Three (*Conditions to and further terms of the Scheme and the Acquisition*) of this document. The Scheme will become effective pursuant to its terms upon the Court Order being delivered to the Registrar of Companies.
- (7) This is the latest date by which the Scheme may become effective unless Anglo American and Sirius agree (and the Panel and, if required, the Court permit) a later date.



**PART ONE**  
**LETTER FROM THE CHAIRMAN OF SIRIUS**

*Directors:*

Russell Scrimshaw (Non-Executive Chairman)  
Chris Fraser (Managing Director and Chief Executive Officer)  
Thomas Staley (Finance Director and Chief Financial Officer)  
Elizabeth Noel Harwerth (Senior Independent Director)  
Jane Lodge (Non-Executive Director)  
Lord Hutton of Furness (Non-Executive Director)  
Keith Clarke CBE (Non-Executive Director)  
Louise Hardy (Non-Executive Director)

*Registered office:*

3rd Floor  
Greener House  
68 Haymarket  
London  
United Kingdom  
SW1Y 4RF

Incorporated in England and Wales  
with registered number 04948435

7 February 2020

*To Sirius Shareholders and, for information only, to be made available to Convertible Bondholders, persons with information rights and participants in the Sirius Share Plans*

Dear Sir/Madam,

**RECOMMENDED CASH ACQUISITION OF SIRIUS MINERALS PLC  
BY BIDCO**

**1. Introduction**

On 20 January 2020, the Sirius Board, the Anglo American Board and the Bidco Board announced that they had agreed the terms of a recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued ordinary share capital of Sirius.

I am writing to you to set out the background to the Acquisition and the reasons why the Sirius Directors consider the terms of the Acquisition to be fair and reasonable and are unanimously recommending that you vote in favour of the Acquisition. **It is important that you read this document and consider the adverse consequences for Sirius and its stakeholders in the event the Acquisition does not complete, as described in paragraph 4 and paragraph 8 of this letter.**

In order to approve the terms of the Acquisition, Sirius Shareholders will need to vote in favour of the Scheme at the Court Meeting, and the Sirius Shareholders will need to vote in favour of the Scheme Resolution at the General Meeting, to be held on 3 March 2020 at 11.00 a.m.. Details of the actions you are asked to take are set out on pages 5 to 7 and in paragraph 23 of Part Two (*Explanatory Statement*) of this document. The recommendation of the Sirius Directors is set out in paragraph 15 of this letter.

Finally, I draw your attention to the letter from J.P. Morgan Cazenove and Lazard set out in Part Two (*Explanatory Statement*) of this document which gives details about the Acquisition and to the additional information set out in Part Six (*Additional Information*) of this document.

**2. Summary of the terms of the Acquisition**

The Acquisition will be implemented by way of a court-sanctioned scheme of arrangement between Sirius and the Sirius Shareholders under Part 26 of the Companies Act.

Under the terms of the Acquisition, which will be subject to the terms and conditions set out in Part Three (*Conditions to and further terms of the Scheme and the Acquisition*) of this document, Scheme Shareholders at the Scheme Record Time will receive:

**for each Sirius Share**

**5.50 pence in cash**

The Acquisition values the entire issued and to be issued ordinary share capital of Sirius at approximately £404.9 million and the price represents a premium of approximately:

- 34.1 per cent. to the closing price of 4.10 pence per Sirius Share on 7 January 2020 (being the last Business Day before the commencement of the Offer Period);
- 46.5 per cent. to the volume-weighted average share price of 3.75 pence per Sirius Share since Sirius's 17 September 2019 strategic review announcement to 7 January 2020 (being the last Business Day before the commencement of the Offer Period);
- 53.4 per cent. to the one-month volume-weighted average share price of 3.59 pence per Sirius Share to 7 January 2020 (being the last Business Day before the commencement of the Offer Period); and
- 61.7 per cent. to the three-month volume-weighted average price of 3.40 pence per Sirius Share to 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period).

If, on or after the date of this document and on or prior to the Effective Date, any dividend, distribution or other return of value is declared, made or paid by Sirius on the Sirius Shares, the Consideration shall be reduced correspondingly. In such circumstances, Sirius Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

The Acquisition is subject to the Conditions and certain further terms set out, respectively, in Part A and Part B of Part Three (*Conditions to and further terms of the Scheme and the Acquisition*) of this document, including the receipt of the antitrust clearance from CADE in Brazil. Subject to this clearance being obtained, the expected transaction timetable is set out on page 8 of this document. Bidco and Sirius are working with all relevant stakeholders to satisfy the competition condition as soon as practicable.

Further information about the Acquisition is provided in Part Two (*Explanatory Statement*) of this document.

### **3. Background to and reasons for the Acquisition**

In September 2019, Sirius announced that it was undertaking a strategic review in order to assess the development plan for its North Yorkshire polyhalite project (the **Project**) and an appropriate financing structure to provide relevant funding. Sirius also announced that the strategic review would include a broader process to seek a major strategic partner in the Project. In November 2019, Sirius provided an update on the progress of this strategic review, including a revised two-stage development plan.

The Project, once developed, is expected to produce a premium fertiliser product that has the potential to generate demand both on a standalone basis and when blended with existing products at a competitive cost that would support attractive margins.

Anglo American is a leading global mining company with a world-class portfolio of mining and mineral processing operations and undeveloped resources, combined with a worldwide marketing network through which it sells its products to customers. Anglo American has a clear, asset-led strategy and the quality, long life and growth potential of those mineral assets are the foundation of the long-term competitiveness and sustainability of its business.

Anglo American identified the Project as being of potential interest some time ago, given the quality of the underlying asset in terms of scale, resource life, operating cost profile and the nature and quality of its product. The Project has the potential to fit well with Anglo American's established strategy of focusing on world-class assets, particularly in the context of Anglo American's portfolio trajectory towards later cycle products that support a fast-growing global population and a cleaner, greener, more sustainable world.

Anglo American believes that the offer provides greater certainty to Sirius Shareholders, employees and wider stakeholders, whilst Anglo American brings financial, technical and marketing resources and capabilities to progress the Project over time, with the potential for associated employment and economic benefits for the local area. Anglo American remains committed to its disciplined capital allocation framework. In the first two years after successful completion of the Acquisition, development work on the Project is expected to be broadly in line with Sirius' revised development plan although Anglo American intends to update the development timeline, optimise mine design and ensure appropriate integration with its own operating standards and practices. As part of that process, Anglo American will review the residual capital for the Project under its ownership. Sirius currently expects incremental capital of approximately US\$3.3 billion in order to reach a production level of 10 mtpa and including a relatively high level (P90) of contingency. During these first two years and subject to the update, development work of approximately US\$300 million per annum is expected. In line with its capital allocation framework Anglo American will also keep potential syndication of the Project under review.

Within Anglo American's portfolio, the Project is expected to benefit from Anglo American's technical expertise in both the development and operational phases, as well as from Anglo American's recognised Operating Model to drive safety and productivity to world-leading standards. Integration into Anglo American's marketing network provides further potential through full mine-to-market capabilities and institutional experience in the world's major fertiliser markets.

Anglo American notes the following key attributes of the Project from its initial assessment:

#### *Asset quality*

Anglo American believes that the Project has the potential to become a world-class, low-cost and long-life asset. Sirius has progressed the development of the Project to an advanced stage, with construction now under way for over two years. Sirius has indicated that this is currently the world's largest known high-grade polyhalite deposit with a JORC Reserve of 290 million tonnes, with a polyhalite grade of 88.8% and a Resource of 2.69 billion tonnes. The Resource indicated by Sirius has the scale, thickness and quality to be mined efficiently through a relatively simple, low-energy, non-chemical production process. Anglo American expects that this could result in total unit costs of US\$40-50 per tonne at an initial level of production of 10 mtpa. Sirius has indicated that the Project could operate at an EBITDA margin potentially well in excess of 50%, leaving the Project well positioned for strong through-the-cycle profitability with an anticipated long asset life.

#### *Development pathway*

As at 30 September 2019, US\$1.1 billion has been invested in the development of the Project, with construction supported by the appointment of well-proven contractors including DMC Mining Services Ltd, Strabag AG, Worley Parsons Ltd and P. J. Carey (Contractors) Limited.

All material development, operational and export approvals are in place and access rights secured for the current development plan including the sinking of an operation and a service shaft, the construction of the proposed mineral transport system (MTS) and the material handling facility (MHF) as well as the refurbishment of the port handling facility. The MTS will transport product 37km underground, directly from the mine to the MHF. This will have direct access to dedicated, deep-water harbour facilities.

Prior to completion of the Acquisition, Sirius intends to provide Anglo American and Bidco with information relating to its ongoing cash balance and cash flow requirements in respect of the Offer Period, provided that Anglo American and Bidco agree that such information shall not be used as the basis for invoking any Condition to the Acquisition. Anglo American, Bidco and Sirius intend to work with each other (to the extent legally permissible) to ensure that the business continues to address the financial challenges it faces in the long-term best interests of Sirius and its stakeholders.

#### *Premium product*

Global fertiliser demand is driven by factors including food, feed and fuel demand, which are in turn driven by population growth, diet, arable land per capita and biofuel demand. The use of fertilisers is one of the most effective ways to improve agricultural yields and therefore help to address the anticipated future imbalance between food, feed and biofuel demand and supply. Fertilisers are therefore likely to have a critical role to play in a sustainable future.

Sirius' polyhalite product, POLY4, is a multi-nutrient fertiliser certified for organic use and has the potential to generate demand at a competitive cost that supports a strong margin. POLY4 is an attractive low-chloride alternative to, and for blending with, traditional fertiliser products on a cost-effective basis. It includes four of the six key macro-nutrients necessary for plant growth, being potassium, sulphur, magnesium and calcium, and has been certified for organic use.

Over a period of 7 years, a total of 492 trials across 54 different crops in 31 different countries have been undertaken by Sirius to support discussions with customers on the technical and commercial applications of POLY4. These have shown that polyhalite can improve crop yield, quality and taste. Polyhalite can also improve plant resistance to drought, frost, insects and diseases. Trials are ongoing and will continue to take place during the review phase.

POLY4 will be positioned as a premium product as a result of its multi-nutrient, lower-chloride composition. POLY4 and Sulphate of Potash have significantly lower chloride content (less than five per cent.) than the most commonly used potash fertilizer, Muriate of Potash (approximately 40 per cent.). This is important because many of the world's major crops, such as tea, coffee, beans, potatoes, and many fruits and vegetables, are particularly sensitive to chloride. Sirius has also identified that POLY4 generates significantly

less CO<sub>2</sub> per tonne relative to both Sulphate of Potash and Muriate of Potash (less than, approximately, 93 per cent. and 85 per cent. respectively).

As a result of the significant benefits and potential for POLY4, Sirius has been able to enter into a number of customer offtake agreements with well-established counterparties such as Archer Daniels Midland Company, BayWa AG, Cibrafertel Companhia Brasileira de Fertilizantes, Indian Farmers Fertilisers Cooperative Ltd, Wilmar Group and Qatar Chemical and Petrochemical Marketing and Distribution Company Q.p.J.S.C. A large proportion of these agreements have specific price levels recognising the value from key nutrients and have been set up on a take-or-pay basis. In total, these offtake arrangements accommodate production in excess of 10 mtpa. Based on January 2019 prices, the indicative weighted average FOB price for POLY4 would be approximately US\$140 per tonne under the offtake agreements as outlined in Sirius' May 2019 prospectus. This figure is not a forecast of future pricing and future pricing could be materially different.

#### *Investing in the United Kingdom*

The Project is located in North Yorkshire in the United Kingdom and offers the potential for significant investment and sustained job creation in the region, both directly and indirectly. Key stakeholders, including the North York Moors National Parks Authority, Scarborough Borough Council and a number of local landowners continue to express their support for its development.

As a sign of its intent to support the sustainable development of the Project's host communities, Anglo American intends to make a voluntary contribution of £4 million to the Sirius Minerals Foundation, with £1 million to be paid on completion of the Acquisition and a further £1 million to be paid on the anniversary of completion of the Acquisition for the next three years.

#### **4. Background to and reasons for Sirius Board recommending the Acquisition**

On 17 September 2019 Sirius announced that, as a result of market conditions impacting its ability to deliver its Stage 2 Financing, it would be slowing the pace of development on its North Yorkshire polyhalite project and undertaking a strategic review over a period of six months. The purpose of the strategic review was to consider and incorporate optimisations to the project development plan and to explore alternative funding solutions, including conducting a process with the aim of identifying and securing a strategic investor to acquire a significant interest in the project, in order to reassess the best way to unlock the value of the project for Sirius Shareholders, the community, the UK, and Sirius' customers all around the world. Sirius believed that the compelling economics of the Project provided a strong basis for a revised funding plan, but that it would require time to bring together components of such a plan and to assess investor appetite for a revised funding plan. The strategic review also recognised the difficult market conditions in the project finance market for single asset companies with a greenfield mining project and took into account the feedback received from prospective senior debt providers (including during Stage 2 Financing) around the risks associated with construction. Sirius had identified strategic partners as a way to bring extra capital into the Project to strengthen the credit case to support the senior debt financing required to complete the Project, as well as to potentially provide extra support during construction.

As at 31 August 2019, Sirius had approximately £180 million of unrestricted cash. That amount did not provide sufficient liquidity for Sirius to continue the development of the project in line with its original development schedule for any significant period of time. Therefore, the Sirius Board determined that the scope of development works would be scaled down to provide time to conduct the strategic review of the project development and to explore various funding options. The reduced pace of development focused on maintaining key areas of the Project to preserve the most value for the Project.

During the preliminary phase of the strategic review, Sirius assessed the development options available to significantly de-risk the proposition for any future senior debt providers. In the debt raising processes conducted by Sirius over the last three years, one common aspect identified by prospective credit providers had been the perceived risk associated with deep shaft construction. On 11 November 2019, Sirius announced an update to the strategic review which had identified a two-stage development plan to enable Sirius to achieve the key de-risking milestone of first polyhalite, when the service shaft reaches the polyhalite ore body, with an upfront capital requirement of ~US\$600 million (in addition to existing cash resources) for this initial scope. The deferred scope of additional works required to reach an installed and ramped up production capacity of 10 mtpa contemplated up to US\$2.5 billion of further capital expenditure thereafter. At the same time, Sirius announced that it was seeking to have the initial scope funded from the proceeds of either the strategic investor process or through a structured debt financing package, with either potentially incorporating the issue of new equity or an equity-like component to the financing package.



Sirius confirmed that the strategic partner and debt financing processes were underway with the aim of securing ~US\$600 million of initial scope funding, with various parties engaged and assessing information.

Sirius and its advisers have undertaken an extensive global engagement process, covering mining and fertilizer companies, broader natural resource and industrial companies, financial sponsors, sovereign wealth funds and family offices, as well as providers of structured finance and mezzanine investors. Sirius has facilitated access to project information, conducted site visits and management presentations, supported due diligence requirements and held discussions with parties interested in the Project. Sirius has also evaluated capital markets financing options including institutional equity and retail equity investors, senior mezzanine and junior debt and convertible debt. The Sirius Board has carefully and regularly reviewed the progress of the revised funding plan. It has monitored the status of all parties involved in the strategic investor and debt financing processes and has evaluated discussions and proposals received against the objectives of the strategic review and the Sirius Group's remaining liquidity position. The Sirius Board, having consulted its financial advisers and brokers, has evaluated the ability of the equity market to support a US\$ 600 million equity raise by Sirius. It is the view of the Sirius Board, supported by historical analysis, that there would be insufficient appetite to complete such a transaction. For example, retail demand in the equity financings of 2016 and 2019 was less than US\$ 100 million on each occasion. In addition, Sirius sought but was not successful in procuring financial support from the UK Government.

As at 31 December 2019, Sirius had approximately £59.9 million of unrestricted cash, which was broadly in line with the expected capital spend when the strategic review was announced on 17 September 2019. Unless Sirius is able to secure additional funding or a merger or acquisition transaction involving Sirius by the end of March 2020 or soon thereafter, the Sirius Board would be required to place Sirius into administration or liquidation, which could result in Shareholders losing all of their investment in Sirius.

In conjunction with this review, Anglo American further actively explored an interest in Sirius during Q4 2019, having previously been identified in Q4 2018 as a possible strategic investor as part of ongoing work by the Sirius Board to identify funding providers for the increase in Stage 2 financing requirements. Anglo American had declined the opportunity to become a strategic investor in December 2018. On 6 January 2020 the Sirius Board received a non-binding indicative proposal from Anglo American expressing an interest in acquiring Sirius. On 8 January 2020, Sirius announced that it was in advanced discussions with Anglo American regarding a possible all-cash offer of 5.50 pence per Sirius Share for the entire issued, and to be issued, share capital of Sirius. Following receipt of the Anglo American proposal, the Sirius Board carefully assessed the merits of the proposal against the potential alternative options from other parties involved in the ongoing strategic investor and debt financing processes and also in light of the Sirius Group's current and expected liquidity position.

At the time of the Anglo American proposal, the most advanced alternative proposal was a potential debt financing proposal from a consortium of financial investors. On 9 December 2019, Sirius received a non-binding term sheet from the consortium to form the basis of a US\$680 million funding package to cover the initial scope of work. On 9 January 2020, Sirius received a revised non-binding term sheet from the consortium. The Sirius Board reviewed the proposed terms and conditions (which included a requirement for: (i) Sirius to undertake a substantial new equity raising, (ii) concessions from some of Sirius' major creditors, (iii) certain local authority approvals, and (iv) further due diligence), together with its advisers, and concluded that the consortium's conditions and the time it would take to meet such conditions (if possible to do so) were such that there is a very material risk that the overall funding package would not be implementable by the end of March 2020. Since the date of the firm offer from Anglo American on 20 January 2020, the Sirius Board together with its advisers has continued to explore the option to implement the alternative proposal. There has been no further progress and as a result, the Sirius Board has concluded that the alternative proposal is not implementable. Based on the backdrop of the search for a standalone funding solution undertaken over the last four months and the extensive discussions held during that timeframe, the Sirius Board believes that, at this time, there is no alternative to the Acquisition. If the Acquisition is not approved by shareholders and does not complete there is a high probability that the Sirius Board will place the business into administration or liquidation.

In this context, the Sirius Directors view the Acquisition as the only viable way forward for Sirius. It provides certainty of value in cash to Sirius Shareholders (as against potentially losing all of their investment) and, as a result of the support of the Project by Anglo American, provides greater certainty of outcome for Sirius' creditors. In addition, it safeguards the Project by placing it into a group with the financial, technical and marketing resources and capabilities to progress it over time; it protects the employees, and allows the community, region and the UK to continue to benefit from the Project, as further described in paragraph 7 of Part Two (*Explanatory Statement*) of this document.

## **5. Irrevocable undertakings**

Anglo American and Bidco have received irrevocable undertakings from each of the Sirius Directors to vote in favour of the Scheme at the Court Meeting and the resolutions to be proposed at the General Meeting, in respect of a total of 172,462,637 Sirius Shares, representing approximately 2.46 per cent. of the share capital of Sirius in issue as at close of business on the Latest Practicable Date. Further details of these irrevocable undertakings are set out in paragraph 6 of Part Six (*Additional Information*) of this document.

## **6. Sirius Share Plans**

The impact of the Scheme in relation to options and awards outstanding under the Sirius Share Plans is summarised in paragraph 11 of Part Two (Explanatory Statement) of this document. Participants in the Sirius Share Plans will be contacted regarding the effect of the Acquisition on their rights under the Sirius Share Plans and appropriate proposals will be made to them in due course.

## **7. The Convertible Bonds**

Bidco will make an appropriate proposal to the Convertible Bondholders. Anglo American intends to treat the Effective Date as the date of occurrence of a “change of control” and, accordingly, under the terms and conditions of the Convertible Bonds, Convertible Bondholders will have the right:

- to convert their Convertible Bonds at their prevailing exchange price prior to the Effective Date of the Scheme. Convertible Bondholders who exercise this right will participate in the Scheme as holders of Sirius Shares and will receive the Consideration for each Sirius Share then held; and/or
- subject to completion of the Acquisition, to convert their Convertible Bonds during the period of 60 days following the Effective Date at the enhanced change of control exchange price. Convertible Bondholders who exercise this right will (as a result of amendments to the Sirius Articles proposed to be implemented as from the Effective Date) receive the Consideration for each Sirius Share they would have otherwise been entitled to on conversion, rather than the resulting Sirius Shares; and/or
- subject to completion of the Acquisition to redeem their Convertible Bonds, in the case of the Sirius 2023 Bonds, at their principal amount plus accrued interest and, in the case of the Sirius 2027 Bonds, at their accreted principal amount plus accrued interest, in each case in accordance with the terms of the relevant Convertible Bonds.

Convertible Bondholders that do not exercise any of these rights will retain the right (for so long as their Convertible Bonds remain outstanding and in accordance with the terms and conditions of the Convertible Bonds) either to continue to hold their Convertible Bonds or to convert their Convertible Bonds at the prevailing exchange price following the end of the 60-day change of control period. Convertible Bondholders who exercise this conversion right will not be entitled to the enhanced change of control exchange price and will receive the Consideration for each Sirius Share they would otherwise have been entitled to on conversion, rather than the resulting Sirius Shares (as a result of the amendments proposed to the Sirius Articles to be adopted from the Effective Date). For the avoidance of doubt, the Acquisition is not conditional upon the approval of the Convertible Bondholders.

## **8. Sirius trading update**

On 17 September 2019, Sirius announced that, as a result of market conditions impacting its ability to deliver its Stage 2 Financing, it would be slowing the pace of development on its North Yorkshire polyhalite project and undertaking a strategic review over a period of six months. The purpose of the strategic review was to consider and incorporate optimisations to the project development plan and to explore alternative funding solutions, including conducting a process with the aim of identifying and securing a strategic investor in the project.

On 11 November 2019, Sirius announced an update to the strategic review, noting the work continued by the company on the Project, especially highlighting Drive 1 of the mineral transport system (**MTS**) being successfully driven from Wilton to a distance of 2,250m. The company also highlighted that over the last one kilometre of tunnelling, the tunnel boring machine (**TBM**) had averaged 19 metres per day. In light of the successful progress and strategic review, the company had identified revised base case development plan with cost-saving opportunities. The revised base case also defined two phases of work, the initial scope and deferred scope, to enable Sirius to achieve the key derisking milestone of first polyhalite, when the service shaft reaches the polyhalite ore body, with an upfront capital requirement of ~US\$600 million (in addition to existing cash resources) for the initial scope, and ~US\$2.5bn of further capital expenditure for ramping up production capacity to 10mtpa for the deferred scope. Simultaneously during the strategic review, Sirius



undertook an extensive global engagement process to seek alternative funding solutions, covering strategic investments from a wide range of companies and providers of capital, as well as capital markets options including equity, mezzanine, junior and convertible debt investors.

As at 31 December 2019, Sirius had approximately £59.9 million of unrestricted cash, which was broadly in line with the expected capital spend when the strategic review was announced on 17 September 2019. Unless Sirius is able to secure additional funding or a merger or acquisition transaction involving Sirius by the end of March 2020 or soon thereafter, the Sirius Board would be required to place Sirius into administration or liquidation, which could result in Sirius Shareholders losing all of their investment in Sirius.

In conjunction with this review, Anglo American further actively explored an interest in Sirius during Q4 2019. The only viable proposal was received from Anglo American in early January, who were only interested in pursuing a 100% control transaction at a considerable premium to the market trading price at the time. At the time of the Anglo American proposal, the most advanced alternative proposal was a potential debt financing proposal from a consortium of financial investors to form the basis of a US\$680 million funding package to cover the initial scope of work. However, the Sirius Board reviewed the proposed terms and conditions (which included a requirement for: (i) Sirius to undertake a substantial new equity raising, (ii) concessions from some of Sirius' major creditors, (iii) certain local authority approvals, and (iv) further due diligence), together with its advisers, and concluded that the consortium's conditions and the time it would take to meet such conditions were such that there is a very material risk that the overall funding package would not be implementable by the end of March 2020. Since the date of the firm offer from Anglo American on 20 January 2020, the Sirius Board together with its advisers has continued to explore the option to implement the alternative proposal. There has been no further progress and as a result, the Sirius Board has concluded that the alternative proposal is not implementable. Based on the backdrop of the search for a standalone funding solution undertaken over the last four months and the extensive discussions held during that timeframe, the Sirius Board believes that, at this time, there is no alternative to the Acquisition. If the Acquisition is not approved by shareholders and does not complete there is a high probability that the Sirius Board will place the business into administration or liquidation.

In this context, the Sirius Directors view the Acquisition as the only viable way forward for Sirius. It provides certainty of value in cash to Sirius Shareholders (as against potentially losing all of their investment) and, as a result of the support of the Project by Anglo American, provides greater certainty of outcome for Sirius' creditors. In addition, it safeguards the Project by placing it into a group with the financial, technical and marketing resources and capabilities to progress it over time; it protects the employees, and allows the community, region and the UK to continue to benefit from the Project, as further described in paragraph 7 of Part Two (*Explanatory Statement*) of this document.

## **9. Dividends**

Sirius has not declared any dividends for financial year ended 31 December 2018 or half-year period ended 30 June 2019.

## **10. UK taxation**

Your attention is drawn to paragraph 18 of Part Two (*Explanatory Statement*) of this document headed "UK taxation". Although this document contains a general guide only to certain tax-related information, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the UK, you should consult an appropriately qualified independent professional adviser immediately.

## **11. Overseas Shareholders**

Overseas Shareholders should refer to paragraph 20 of Part Two (*Explanatory Statement*) of this document.

## **12. Action to be taken by Sirius Shareholders**

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Sirius Shareholders in respect of the Acquisition are set out in paragraphs 13 and 23 of Part Two (*Explanatory Statement*) and pages 5 to 7 of this document.

Details relating to the settlement of the Consideration are included in paragraph 17 of Part Two (*Explanatory Statement*) of this document.

### **13. The Scheme and the Court Meeting**

The Acquisition is being implemented by way of a Court-sanctioned scheme of arrangement between Sirius and the Scheme Shareholders under Part 26 of the Companies Act, although Anglo American and Bidco reserve the right to elect to implement the Acquisition by way of a Takeover Offer (subject to Panel consent, where necessary, and the Co-operation Agreement). The procedure involves an application by Sirius to the Court to sanction the Scheme, which will involve the Scheme Shares being transferred to Bidco, in consideration for which the Scheme Shareholders will receive cash (on the basis described in paragraph 2 above).

To become effective, the Scheme requires, among other things, the approval of the majority in number of the Scheme Shareholders present and voting (and entitled to vote) either in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders present and voting at the Court Meeting and the passing by the requisite majority of the Scheme Resolution at the General Meeting. Following the Court Meeting and the General Meeting and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court. The Scheme will only become effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration. Upon the Scheme becoming effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and, if they attended and voted, whether or not they voted in favour).

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair and reasonable representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy through the CREST electronic proxy appointment service (as appropriate) as soon as possible.**

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to the following website: [www.siriusminerals-shares.com](http://www.siriusminerals-shares.com) and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 11.00 a.m. on 28 February 2020 for the Court Meeting and 11.15 a.m. on 28 February 2020 for the General Meeting or, if in either case the Meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned Meeting.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the BLUE Form of Proxy and hand it to a representative of Link Asset Services, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting.

Further details of the Scheme and the Meetings are set out in paragraphs 13 and 23 of Part Two (*Explanatory Statement*) of this document.

### **14. Further information**

Your attention is drawn to the Explanatory Statement set out in Part Two (*Explanatory Statement*) of this document, the full terms of the Scheme set out in Part Four (*The Scheme of Arrangement*), the additional information set out in Part Six (*Additional Information*) and the notices of the Meetings set out in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document.

**You should read the whole of this document and the accompanying Forms of Proxy and not rely solely on the information contained in this letter or the Explanatory Statement.**

A copy of this document (and all information incorporated into this document by reference to another source) and the Forms of Proxy are and will be available, subject to certain restrictions relating to Restricted Jurisdictions, for inspection on Sirius' website at <https://siriusminerals.com/investors/firm-offer-from-anglo-american-plc>.

## **15. Recommendation**

The Sirius Directors, who have been so advised by J.P. Morgan Cazenove and Lazard as to the financial terms of the Acquisition, each consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the Sirius Directors, each of J.P. Morgan Cazenove and Lazard has taken into account the commercial assessments of the Sirius Directors. J.P. Morgan Cazenove and Lazard are providing independent financial advice to the Sirius Directors for the purposes of Rule 3 of the Code.

Accordingly, the Sirius Directors believe that the Acquisition is in the best interests of Sirius Shareholders and recommend unanimously that Sirius Shareholders vote in favour of the Scheme at the Court Meeting and that Sirius Shareholders vote in favour of the Resolutions at the General Meeting, as all of the Sirius Directors have irrevocably undertaken to do in respect of their own legal and/or beneficial holdings of 172,462,637 Sirius Shares, representing, in aggregate, approximately 2.46 per cent. of Sirius' issued ordinary share capital as at close of business on the Latest Practicable Date.

Yours faithfully,

**Russell Scrimshaw**

*Chairman*

Sirius Minerals Plc

## PART TWO

### EXPLANATORY STATEMENT

*(in compliance with section 897 of the Companies Act)*

#### J.P.Morgan CAZENOVE

J.P. Morgan Securities plc  
25 Bank Street  
Canary Wharf  
London  
E14 5JP

#### LAZARD

Lazard & Co Limited  
50 Stratton Street  
Mayfair  
London  
W1J 8LL

7 February 2020

*To Sirius Shareholders and, for information only, to be made available to Convertible Bondholders, persons with information rights and participants in the Sirius Share Plans*

Dear Sir/Madam,

### RECOMMENDED CASH ACQUISITION OF SIRIUS MINERALS PLC BY ANGLO AMERICAN PROJECTS UK LIMITED

#### 1. Introduction

On 20 January 2020, the Sirius Board, the Anglo American Board and the Bidco Board announced that they had reached agreement on the terms of a recommended cash offer by Bidco for the entire issued and to be issued ordinary share capital of Sirius, which is to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

**Your attention is drawn to the letter from the Chairman of Sirius set out in Part One (*Letter from the Chairman of Sirius*) of this document, which forms part of this Explanatory Statement. That letter contains, among other things: (a) information on the background to and reasons for the Acquisition; and (b) the unanimous recommendation by the Sirius Directors to Sirius Shareholders to vote in favour of the proposed Scheme at the Court Meeting, and to Sirius Shareholders to vote in favour of the Resolutions at the General Meeting.**

The Sirius Directors have been advised by J.P. Morgan Cazenove and Lazard as to the financial terms of the Acquisition. J.P. Morgan Cazenove and Lazard have been authorised by the Sirius Board to write to you to set out the terms of the Acquisition and to provide you with other relevant information.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part Four (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including Part One (*Letter from the Chairman of Sirius*), the Conditions and certain further terms set out in Part Three (*Conditions to and further terms of the Scheme and the Acquisition*), and the additional information set out in Part Six (*Additional Information*) of this document. For overseas holders of Sirius Shares, your attention is drawn to Paragraph 20 which forms part of this explanatory statement.

#### 2. Summary of the terms of the Acquisition

Under the terms of the Acquisition, which is subject to the satisfaction (or, where applicable, waiver) of the Conditions and to the further terms set out in Part Three (*Conditions to and further terms of the Scheme and the Acquisition*) of this document, Scheme Shareholders at the Scheme Record Time will receive:

**for each Sirius Share**

**5.50 pence in cash**

The Acquisition values the entire issued and to be issued ordinary share capital of Sirius at approximately £404.9 million and the price represents a premium of approximately:

- 34.1 per cent. to the closing price of 4.10 pence per Sirius Share on 7 January 2020 (being the last Business Day before the commencement of the Offer Period);
- 46.5 per cent. to the volume-weighted average share price of 3.75 pence per Sirius Share since Sirius's 17 September 2019 strategic review announcement to 7 January 2020 (being the last Business Day before the commencement of the Offer Period);
- 53.4 per cent. to the one-month volume-weighted average share price of 3.59 pence per Sirius Share to 7 January 2020 (being the last Business Day before the commencement of the Offer Period); and
- 61.7 per cent. to the three-month volume-weighted average price of 3.40 pence per Sirius Share to 7 January 2020 (being the last Business Day prior to the commencement of the Offer Period).

### **3. Dividends**

Sirius has not declared any dividends for the financial year 2018 and half-year period ended 30 June 2019.

### **4. Information on Sirius**

Sirius is a public limited company registered in England and Wales. The Sirius Shares are listed on the Official List.

Sirius was previously quoted on the AIM market of the London Stock Exchange in 2005 and the Sirius Shares were admitted to trading to the Main Market of the London Stock Exchange on 28 April 2017. Since then, the Company's principal activities have been to raise funds to invest in developing potential mining opportunities. Prior to the acquisition of York Potash Limited and the Project in January 2011, such development opportunities included projects in North Dakota, Queensland and Western Australia. These projects and associated project companies are now dormant or wound up, and Sirius's resources have been dedicated to the development of the Project.

### **5. Information on Anglo American**

Anglo American is a leading global mining company whose products are the essential ingredients in almost every aspect of modern life. Its portfolio of world-class competitive mining operations and undeveloped resources provides the metals and minerals that enable a cleaner, greener and more sustainable world and that meet the fast-growing consumer-driven demands of the world's developed and maturing economies. With people at the heart of its business, Anglo American uses innovative practices and the latest technologies to discover new resources and mine, process, move and market its products to customers around the world – safely, responsibly and sustainably.

Anglo American was founded in 1917 and today produces diamonds (through De Beers), copper, platinum group metals, iron ore, metallurgical coal, nickel and thermal coal, with operations and projects in development in Australia, Botswana, Brazil, Canada, Chile, Colombia, Namibia, Peru, South Africa and Zimbabwe, most of whose products are marketed to customers via a dedicated global marketing business based in London and Singapore. In 2018, Anglo American generated revenue of US\$27.6 billion, an underlying EBITDA of US\$9.2 billion and profit attributable to equity shareholders of US\$3.5 billion, with a 19% Return on Capital Employed. Headquartered in London and listed on the London and Johannesburg stock exchanges with a market capitalisation of £28.3 billion as of 4 February 2020, Anglo American employs approximately 90,000 people around the world.

The Acquisition will mark a continuation of Anglo American's long experience in the fertiliser market over much of the last 50 years, having owned and operated assets both in the U.K and more recently in Brazil until 2016 when it ceased to have any interests in the fertiliser market.

### **6. Information on Bidco**

Bidco is a newly incorporated indirect wholly owned subsidiary of Anglo American, and is a private limited company incorporated in England and Wales.

Bidco has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Acquisition.

## **7. Bidco's intentions with regards to the business, employees, research and development, locations and pensions schemes**

### *Employees and management*

Anglo American attaches great importance to the skill and experience of Sirius's management and employees and recognises that the commitment of the management and employees of Sirius will be important to Anglo American going forward, particularly in relation to the development of the Project and therefore, save as set out in "Sirius senior management and incentivisation arrangements" below, Anglo American does not intend to make any material change in the conditions of employment of Sirius employees, unless otherwise agreed with the relevant employee.

Anglo American intends to support the Sirius management team in conjunction with the broader resources of Anglo American in order to proceed with the development of the Project following a further review of the development plan. Anglo American remains committed to its disciplined capital allocation framework. In the first two years after successful completion of the Acquisition, development work on the Project is expected to be broadly in line with Sirius's revised development plan although Anglo American intends to update the development timeline, optimise mine design and ensure appropriate integration with Anglo American's own operating standards and practices. Following completion of the Acquisition, Anglo American does not intend to initiate any material headcount reductions within the current Sirius organisation or any material changes in the balance of skills and functions of the Sirius employees and management but may provide additional support to the Project through the use of Anglo American's skills and capabilities. Anglo American intends to continue to support Sirius's existing engineering apprentice scheme.

Sirius currently has a head office in Scarborough with a small registered office in London. Following completion of the Acquisition, Anglo American intends to maintain Sirius's Scarborough office and to close Sirius's London office. Anglo American intends to maintain Sirius's executive, sales and projects functions across both locations and consolidate certain corporate and support functions with corresponding Anglo American functions. Anglo American has not yet determined whether these steps will result in headcount reductions but Anglo American would expect that any required reductions would not be material in number.

It is expected that, upon completion of the Acquisition, each of the non-executive members of the Sirius Board shall resign from his/her office as a Sirius Director.

In accordance with the requirements of Rule 2.11 of the Code, Sirius has made available to employees a copy of the Possible Offer Announcement and the Rule 2.7 Announcement, and has informed them of the right of employee representatives under Rule 25.9 of the Code to require that a separate opinion of the employee representatives on the effects of the possible transaction be appended to this document. As at the date of publication of this document, no such opinions have been provided. If and to the extent that Sirius is provided with any such opinions after the date of publication of this document, Sirius shall publish those opinions in accordance with the requirements of Rule 25.9 of the Code. There are no pension scheme trustees of Sirius relevant for the purposes of Rule 25.9 of the Code.

### *Existing rights and pension schemes*

Anglo American has given assurances to the Sirius Directors that, following completion of the Acquisition, the existing contractual and statutory rights and terms and conditions of employment, including pension obligations, of the management and employees of the Sirius Group will be fully safeguarded in accordance with applicable law. The Sirius Group has confirmed to Anglo American that the only pension scheme it currently makes available to its employees is a defined contribution pension scheme provided through an external provider and it does not have any current or historical liability exposure to any pension arrangements providing benefits on a defined benefit basis. Anglo American therefore does not anticipate any pensions underfunding risk or exposure to any pension scheme deficit arising under legislation to, or in respect of, the Sirius Group employees following completion of the Acquisition.

### *Sirius senior management and incentivisation arrangements*

Each of the Sirius Chief Executive Officer, Chief Financial Officer, General Counsel and Company Secretary, Chief Development Officer, Chief Marketing Officer, External Affairs Director and People Director have agreed that they will remain with the Sirius business following completion of the Acquisition, for a period of at least one year. Anglo American has therefore agreed that during the period of one year following completion there will be no changes to these individuals' remuneration arrangements in respect of salary, benefits and pensions, and that during this period they will continue to participate in a bonus and a long-term incentive arrangement in accordance with their current ordinary level of annual bonus and long-term incentive participation. The annual bonus and long-term incentive arrangements will be cash-based and



subject to terms, including in relation to continued employment and performance conditions, to be determined in due course.

#### *Locations, fixed assets and research and development*

Except as referred to in “Employees and management” above, Anglo American does not intend to make any material restructurings or changes in location of Sirius’s operations and places of business following completion of the Acquisition.

No changes are envisaged by Anglo American with respect to the redeployment of Sirius’s fixed asset base.

Sirius’s research, or global agronomy, programme is designed to provide scientific data on specific crop responses to POLY4 and POLY4-based NPK blends to support ongoing discussions with customers on the technical and commercial applications of POLY4. Anglo American intends to continue to support Sirius’s research programme.

The Acquisition shall not have any impact on the existing business of Anglo American.

No statements in this paragraph 7 constitute “post-offer undertakings” for the purposes of Rule 19.5 of the Code.

#### *Views of the Sirius Directors*

In considering the recommendation of the Acquisition to the Sirius Shareholders, the Sirius Directors have given due consideration to Bidco’s intentions, as stated above, for the business, directors, management, employees, R&D, locations and pension provision of Sirius.

The Sirius Directors are encouraged by the quality Anglo American has identified in relation to the Project’s underlying assets and Anglo American’s stated intention to support continued development of the Project. Given the resources on which Anglo American can draw to support development, the Sirius Directors believe that Anglo American will be a good custodian of the Project and that the Acquisition provides certainty for a wide range of stakeholders, including employees and the local community, which, at this point, Sirius is not positioned to provide on its own.

The Sirius Directors welcome Bidco’s assurances in respect of the rights and terms and conditions of employment of the management and employees and also note that Anglo American does not intend to initiate any material headcount reductions within the current Sirius organisation or any material changes in the balance of skills and functions of the Sirius employees and management.

The Sirius Directors are pleased that Bidco intends to maintain Sirius’s headquarters in Scarborough but note that the expected closure of Sirius’s existing London registered office and consolidation of certain corporate and support functions could result in a reduction of Sirius’s headcount. Whilst this is regrettable, the Sirius Directors understand that any such headcount reductions will be implemented in a manner consistent with Sirius’s high standards, culture and practices.

It is important to the Sirius Directors that Anglo American has stated that it intends to continue to support Sirius’s existing engineering apprentice scheme and that, as a sign of its intent to support the sustainable development of the Project’s host communities, it plans to make a contribution of £4 million to the Sirius Minerals Foundation with £1 million to be paid on completion of the Acquisition and a further £1 million to be paid on the anniversary of completion of the Acquisition for the next three years.

## **8. Trading facilities**

Prior to the Scheme becoming effective, it is intended that applications will be made to the London Stock Exchange to cancel trading in Sirius Shares on the London Stock Exchange’s Main Market for listed securities and to the FCA to cancel the listing of Sirius Shares from the Official List, in each case to take effect on or shortly after the Effective Date.

The last day of dealings in Sirius Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers shall be registered after 6.00 p.m. on that date.

On the Effective Date, share certificates in respect of Sirius Shares shall cease to be valid and entitlements to Sirius Shares held within the CREST system shall be cancelled.

It is also proposed that, following the Effective Date and after its shares are delisted, Sirius shall be re-registered as a private limited company. A resolution to approve the re-registration, which will be conditional on the Scheme becoming effective, will be proposed at the General Meeting.

Details relating to the de-listing of the Sirius Shares are included in paragraph 16 of this Part Two (*Explanatory Statement*).

## **9. Financing**

Full acceptance of the Acquisition will result in the payment by Anglo American of up to approximately £404.9 million in cash to Sirius Shareholders. The Consideration payable to Sirius Shareholders under the terms of the Acquisition will be funded from existing cash facilities.

BofA Securities, as financial adviser to Anglo American, is satisfied that sufficient cash resources are available to Anglo American to enable it to satisfy, in full, the Consideration payable to Sirius Shareholders under the terms of the Acquisition.

## **10. Asset valuation reports**

For the purposes of Rule 29 of the Code, Sirius notes that the asset valuation reports it published in the 12 months before the start of the Offer Period (specifically, in the Sirius equity prospectus dated 1 May 2019 and the York Potash Intermediate Holdings Plc preliminary bond offering memorandum dated 19 July 2019) were based on a series of assumptions and structures that are no longer valid or relevant in the context of the Acquisition. Sirius therefore disclaims the content of those reports and so the information in them should be discounted by Sirius Shareholders when considering the Acquisition.

## **11. Sirius Share Plans**

Participants in the Sirius Share Plans will receive a separate communication explaining the effect of the Scheme on their share awards and the choices available to them, including details of any appropriate proposals being made. A summary is set out below.

### *General*

All Sirius Shares issued or transferred on the exercise of options or vesting of share awards under the Sirius Share Plans before the Scheme Record Time will be subject to the terms of the Scheme and will constitute Scheme Shares.

The Scheme will not extend to any Sirius Shares issued after the Scheme Record Time. However, as part of the Scheme Resolution to be proposed at the General Meeting, it is proposed that the Sirius Articles be amended to provide that if the Scheme becomes effective, any Sirius Shares issued after the Scheme Record Time will be transferred automatically to Bidco (or such person as Bidco directs) in consideration for payment of an amount equal to the amount which would have been payable in respect of such Sirius Shares had they been Scheme Shares.

### *SBIP*

SBIP Awards (which take the form of either nil-cost options, conditional share awards or JOE Awards) which include the Milestone Awards referred to below, will be treated in accordance with the rules of the SPIB as follows:

SBIP Awards granted before 31 May 2018 will vest in full on Court Sanction, to the extent that they have not previously vested.

SBIP Awards granted on or after 31 May 2018 will vest on Court sanction to the extent (if any) determined by Sirius's remuneration committee in accordance with the terms of such awards and will lapse on Court Sanction to the extent that they do not vest.

SBIP Awards in the form of nil-cost options will, to the extent they are vested on Court Sanction, remain exercisable for a period of six months from Court sanction and lapse at the expiry of that period, unless they lapse earlier in accordance with their terms.

In respect of JOE Awards, or any parts of JOE Awards, which are vested on Court sanction, the JOE Options will (to the extent such JOE Award is vested) become exercisable on Court Sanction and cease to be capable of exercise on the Sirius Shares which are subject to the JOE Award becoming subject to the Scheme.

### *CSOP, USOP and IOS*

All outstanding options under the CSOP, USOP and IOS are capable of exercise in accordance with the applicable plan rules; and will, to the extent not exercised, lapse at the expiry of a period of six months from Court Sanction, unless they lapse earlier in accordance with their terms.

### *Milestone Awards*

Awards over 7,000,000 Sirius Shares in aggregate are held by the Sirius Chief Financial Officer and the Sirius General Counsel and Company Secretary (in respect of 1,000,000 Sirius Shares each) and by the Sirius Chief Development Officer (in respect of 5,000,000 Sirius Shares) (the **Milestone Awards**). The Milestone Awards will vest to the extent (if any) determined by the Sirius remuneration committee and will lapse to the extent they do not vest.

### *The Trust*

As at 4 February 2020 the Trust held:

- i. 493,996 unallocated Sirius Shares which are available and will be used to satisfy awards under the Sirius Share Plans; and
- ii. 31,398,723 Sirius Shares which comprise jointly-owned Sirius Shares with Sirius employees under the JOE Awards in accordance with the JSOP and Sirius Shares which have otherwise been allocated to satisfy awards granted under the SBIP.

## **12. Sirius Directors and the effects of the Scheme on their interests**

Details of the interests of the Sirius Directors in the share capital of Sirius, and options and awards in respect of such share capital, are set out in paragraph 5 of Part Six (*Additional Information*) of this document. Sirius Shares held by the Sirius Directors will be subject to the Scheme. Particulars of the service contracts (including termination provisions) and letters of appointment of the Sirius Directors are set out in paragraph 7 of Part Six (*Additional Information*) of this document.

Bidco has received irrevocable undertakings to vote (or procure the voting) in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer) from each Sirius Director holding Sirius Shares, in respect of 172,462,637 Sirius Shares, representing in aggregate approximately 2.46 per cent. of the ordinary share capital of Sirius in issue at close of business on the Latest Practicable Date.

Further details of these irrevocable undertakings are set out in paragraph 6 of Part Six (*Additional Information*) of this document.

Save as set out above, the effect of the Scheme on the interests of the Sirius Directors does not differ from the effect of the Scheme on the like interests of other persons.

## **13. Description of the Scheme and the Meetings**

### **13.1 The Scheme**

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between Sirius and the Scheme Shareholders who are on the Sirius register of members at the Scheme Record Time, under Part 26 of the Companies Act. The procedure requires approval by Scheme Shareholders at the Court Meeting and approval of the Scheme Resolution at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part Four (*The Scheme of Arrangement*) of this document.

The purpose of the Scheme is to provide for Bidco (or its nominee(s)) to become the holder of the entire issued and to be issued ordinary share capital of Sirius. This is to be achieved by transferring the Scheme Shares held by Scheme Shareholders to Bidco (or its nominee(s)), in consideration for which Bidco will pay the Consideration on the basis set out in this Part Two (*Explanatory Statement*).

### **13.2 The Meetings**

The Scheme will require, amongst other things, the approval of Scheme Shareholders at the Court Meeting and Sirius Shareholders at the separate General Meeting, both of which will be held on 3 March 2020 at 11.00 a.m. and 11.15 a.m. respectively. The Court Meeting is being held with the permission of the Court to seek the approval of Scheme Shareholders for the Scheme. The General Meeting is being convened to seek the approval of Sirius Shareholders to enable the Sirius Directors to implement the Scheme and amend

the Sirius Articles as described in paragraph 13.3 below. The Scheme is set out in full at Part Four (*The Scheme of Arrangement*) of this document.

Notice of both the Court Meeting and General Meeting are set out in Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) at the end of this document.

Save as set out below, all holders of Sirius Shares whose names appear on the Sirius register of members at the Voting Record Time, or, if any such Meeting is adjourned, on the Sirius register of members at 6.30 p.m. on the date which is two days (excluding any part of a day that is not a Business Day) before the date set for such adjourned meeting, will be entitled to attend and vote at the Court Meeting and the General Meeting, in respect of the Sirius Shares registered in their name at the relevant time.

If the Scheme becomes effective, it will be binding on all Sirius Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and irrespective of whether or not they voted in favour of the Scheme or the Resolutions at such Meetings).

Any Sirius Shares which Anglo American or any other member of the Anglo American Group (or their respective nominees) may acquire before the Court Meeting are not Scheme Shares and therefore none of Anglo American or any other member of the Anglo American Group (or their respective nominees) is entitled to vote at the Court Meeting in respect of the Sirius Shares held or acquired by it and will not exercise the voting rights attaching to such Sirius Shares at the General Meeting. Bidco will undertake to be bound by the Scheme.

Information about the procedures for appointing proxies and giving voting instructions in relation to the Meetings is set out in paragraph 23 of this Part Two (*Explanatory Statement*) and on pages 5 to 7 of this document.

*(a) The Court Meeting*

The Court Meeting has been convened with the permission of the Court for 11.00 a.m. on 3 March 2020 for Scheme Shareholders to consider and, if thought fit, approve the Scheme.

At the Court Meeting, voting will be by poll and each Scheme Shareholder present in person or by proxy will be entitled to one vote for each Scheme Share held as at the Voting Record Time. The approval required at the Court Meeting is a majority in number of those Scheme Shareholders present and voting in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair representation of opinion of the Scheme Shareholders. You are therefore strongly encouraged to sign and return your Forms of Proxy or to appoint a proxy through CREST or through the [www.siriusminerals-shares.com](http://www.siriusminerals-shares.com) service for both the Court Meeting and the General Meeting as soon as possible. Doing so will not prevent you from attending, voting and speaking at the Meetings or any adjournment of either Meeting, if you so wish and are so entitled.**

Due to the length of time anticipated to be required to calculate the results of the poll, the result of the vote at the Court Meeting will be announced by Sirius via a Regulatory Information Service as soon as practicable after the Court Meeting.

You will find the notice of the Court Meeting in Part Eight (*Notice of Court Meeting*) of this document.

*(b) The General Meeting*

The General Meeting has been convened for 11.15 a.m. on 3 March 2020, or as soon after that time as the Court Meeting has concluded or been adjourned, for Sirius Shareholders to consider and, if thought fit, pass the Scheme Resolution and the Re-registration Resolution.

The Scheme Resolution is proposed to:

- (i) approve giving the Sirius Board the authority to take all necessary action to carry the Scheme into effect; and
- (ii) amending the Sirius Articles as described in paragraph 13.3 below.

The Re-registration Resolution is proposed to approve, subject to and conditional upon the Scheme becoming effective, the re-registration of Sirius as a private company with the name “Sirius Minerals Limited”. The Scheme Resolution is not conditional on the passing of the Re-registration Resolution.

At the General Meeting, voting on the Resolutions will be by poll and each Sirius Shareholder present in person or by proxy and entitled to vote will have one vote for every 0.25 pence in nominal value of the Sirius Shares of which they are the holder. The approval required for each of the Resolutions to be passed is at least 75 per cent. of the votes cast on that Resolution (in person or by proxy).

Due to the length of time anticipated to be required to calculate the results of the poll, the result of the vote at the General Meeting will be announced by Sirius via a Regulatory Information Service as soon as practicable after the General Meeting.

You will find the notice of the General Meeting in Part Nine (*Notice of General Meeting*) of this document.

### **13.3** *Amendment of the Sirius Articles*

Currently, Sirius Shares issued after the Scheme Record Time will not be subject to the Scheme. Accordingly, it is proposed, as part of the Scheme Resolution, to amend the Sirius Articles to ensure that any Sirius Shares issued under the Sirius Share Plans or otherwise between the Voting Record Time and the Scheme Record Time will be subject to the Scheme. It is also proposed to amend the Sirius Articles, subject to the Scheme becoming effective, so that any Sirius Shares issued to any person other than Bidco (or its nominee(s)) after the Scheme Record Time will be automatically acquired by Bidco (or its nominee(s)) on the same terms as under the Scheme. This will avoid any person (other than Bidco or its nominee(s)) being left with Sirius Shares after dealings in such shares have ceased on the London Stock Exchange (which is currently expected to occur by 7.30 a.m. on the Effective Date). The Scheme Resolution in Part Nine (*Notice of General Meeting*) of this document seeks the approval for such amendment at the General Meeting.

### **13.4** *Entitlement to vote at the Meetings*

Each Sirius Shareholder who is entered in the Sirius register of members at the Voting Record Time (expected to be 6.30 p.m. on 28 February 2020) will be entitled to attend, vote and speak on all resolutions to be proposed at the Court Meeting and the General Meeting. If either Meeting is adjourned, only those Sirius Shareholders on the Sirius register of members at 6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the adjourned meeting will be entitled to attend and vote. Each eligible Sirius Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Sirius Shareholder but must attend the Meetings.

The completion and return of a Form of Proxy or the appointment of a proxy or proxies electronically shall not prevent a Sirius Shareholder from attending, voting and speaking in person at either Meeting or any adjournment of a Meeting if such shareholder wishes and is entitled to do so. In the event of a poll on which a Sirius Shareholder votes in person, his or her proxy votes lodged with Link Asset Services or, in the case of the Court Meeting, the Chairman of the Court Meeting, will be excluded.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings, please call the shareholder helpline at Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Further information on the actions to be taken is set out in paragraph 23 of this Part Two (*Explanatory Statement*) and on pages 5 to 7 of this document.

### **13.5** *Lapse of the Scheme*

The Scheme shall lapse if:

- the Court Meeting and the General Meeting are not held by 27 March 2020 (or such later date as may be agreed between Anglo American and Sirius);
- the Court Hearing is not held by the Long Stop Date (or such later date as may be agreed between Anglo American and Sirius); or
- the Scheme does not become effective by the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Hearing as set out above may be waived by Anglo American, and the deadline for the Scheme to become effective may be extended by agreement between Sirius, Bidco and Anglo American.



### **13.6 The Court Hearing for Sanction of the Scheme**

Under the Companies Act, the Scheme requires the sanction of the Court. The hearing by the Court to sanction the Scheme is currently expected to be held before the end of Q1 2020 subject to the prior satisfaction (or, where applicable, waiver) of the other Conditions set out in Part Three (*Conditions to and further terms of the Scheme and the Acquisition*) of this document, including the receipt of the relevant clearance from the competition authority in Brazil, CADE. Sirius will give adequate notice of the date and time of the Court Hearing, once known, by issuing an announcement through a Regulatory Information Service.

The Court Hearing will be held at The Royal Courts of Justice, The Rolls Buildings, Fetter Lane, London, EC4A 1NL. Scheme Shareholders are entitled to attend and be heard at the Court Hearing to support or oppose the sanction of the Scheme, should they wish to do so, in person or through legal advisers.

Following sanction of the Scheme by the Court, the Scheme will become effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies.

#### **Upon the Scheme becoming effective:**

- (A) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted in favour of, or against, or abstained from voting on, the Scheme at the Court Meeting or the Resolutions at the General Meeting;**
- (B) share certificates in respect of the Scheme Shares will cease to be valid and every Scheme Shareholder shall be bound at the request of Sirius to deliver up the same to Sirius, or as it may direct, to destroy the same; and**
- (C) entitlements to Scheme Shares held within CREST will be disabled and Euroclear shall be instructed to cancel the entitlements to holders of Scheme Shares in uncertificated form.**

#### *Modifications to the Scheme*

The Scheme contains a provision for Sirius, Anglo American and Bidco jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be adverse to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances.

In accordance with the Code, modifications or revisions to the Scheme may only be made: (i) more than 14 days prior to the date of the Meetings (or any later day to which such Meetings are adjourned); or (ii) at a later date, with the consent of the Panel. A switch to a Takeover Offer is not a modification or revision for these purposes.

### **14. Conditions to the Scheme and the Acquisition**

The Acquisition and, accordingly, the Scheme are subject to a number of conditions set out in full in Part Three (*Conditions to and further terms of the Scheme and the Acquisition*) of this document and will only become effective if, among other things, the following events occur on or before the Long Stop Date or such later date as may be agreed in writing by Anglo American and Sirius (with the Panel's consent and as the Court may approve (if such approval(s) are required)):

- the approval of the Scheme at the Court Meeting by a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. in value of the Sirius Shares voted by those Sirius Shareholders;
- the Scheme Resolution being duly passed by 75 per cent. or more of votes cast at the General Meeting;
- receipt of the antitrust clearance from CADE;
- the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Sirius and Anglo American); and
- the delivery of a copy of the Court Order to the Registrar of Companies.



## 15. Offer-related arrangements

### 15.1 Confidentiality Agreement

Anglo American Services (UK) Limited, a wholly owned subsidiary of Anglo American, and Sirius entered into a confidentiality agreement dated 8 January 2020 (the **Confidentiality Agreement**) pursuant to which Anglo American Services (UK) Limited has undertaken, on behalf of the Anglo American Group, to (i) keep confidential information relating to, *inter alia*, the Acquisition and Sirius and not to disclose it to third parties (other than to certain permitted parties) unless required by law or regulation; and (ii) use the confidential information only in connection with the Acquisition.

These confidentiality obligations shall remain in force until, *inter alia*, completion of the Acquisition. Anglo American Services (UK) Limited, on behalf of the Anglo American Group, also agreed to certain standstill undertakings, all of which ceased to apply upon the release of the Rule 2.7 Announcement.

### 15.2 Co-operation Agreement

Anglo American, Bidco and Sirius have entered into a co-operation agreement (the **Co-operation Agreement**) dated 20 January 2020, pursuant to which:

- i. Anglo American and Bidco have agreed to use their reasonable endeavours to secure the regulatory clearances and authorisations necessary to satisfy the regulatory conditions as promptly as is reasonably practicable;
- ii. Anglo American, Bidco and Sirius have agreed to certain undertakings to co-operate in relation to such regulatory clearances and authorisations; and
- iii. subject to Sirius complying with its obligations referred to in (ii) above, Anglo American and Bidco have agreed to use their reasonable endeavours to: (a) submit the definitive application form to CADE as soon as reasonably practicable and, in any event, within two Business Days after the Rule 2.7 Announcement; and (b) generally progress the applications for clearances in order to allow the clearances to be obtained as soon as reasonably practicable.

The Co-operation Agreement shall be terminated with immediate effect if: (i) Anglo American, Bidco and Sirius so agree in writing; or (ii) the Acquisition, with the permission of the Panel, lapses, terminates or is withdrawn in accordance with its terms (other than in certain limited circumstances).

Anglo American and Bidco have the right to terminate the Co-operation Agreement if: (i) the Sirius Directors announce that they shall not convene the Court Meeting or the General Meeting; (ii) the Court Meeting or the General Meeting is not held by the 22nd day after 5 March 2020 (or such later date as may be agreed by Anglo American and Sirius); (iii) the Court Hearing is not held by the 22nd day after 8 April 2020 or, if CADE do not consider that the application form is eligible for the fast-track review procedure, the 22nd day after 27 May 2020 (or such later date as may be agreed by Anglo American and Sirius); (iv) the Sirius Directors otherwise withdraw, adversely modify or adversely qualify the recommendation referred to in this document; (v) a competing proposal is recommended by the Sirius Directors or effected; or (vi) any Condition not waived is incapable of satisfaction, or any Condition incapable of waiver is incapable of satisfaction (where such invocation has been permitted by the Panel). The Co-operation Agreement shall also terminate: (i) if the Scheme is not approved by the Sirius Shareholders at the Court Meeting and/or the General Meeting or the Court refuses to sanction the Scheme; or (ii) unless otherwise agreed by the parties in writing, if the Effective Date has not occurred by the Long Stop Date.

The Co-operation Agreement also records Anglo American's, Bidco's and Sirius's intentions to implement the Acquisition by way of the Scheme, subject to Anglo American and Bidco having the right, subject to the consent of the Panel, to implement the Acquisition by way of a Takeover Offer.

The Co-operation Agreement also contains provisions that shall apply in respect of the Sirius Share Plans and certain other employee incentive arrangements.

### 15.3 Hancock Royalty Deed

Pursuant to a royalty financing agreement dated 25 October 2016 entered into between Sirius, York Potash Limited, York Potash Processing & Ports Limited and Hancock British Holdings Limited (**Hancock**) (as amended by a side letter dated 13 September 2018) (together, the **Royalty Deed**), Hancock has a right to subscribe, and Sirius has an obligation to require Hancock to subscribe, for Sirius Shares subject to the terms and conditions of the Royalty Deed being satisfied (or waived by Hancock). Pursuant to the terms of the Royalty Deed, Hancock also has certain Board observers and rights to appoint a director to the Sirius Board.

Hancock has agreed that, conditional upon completion of the Acquisition, Hancock irrevocably waives its right to subscribe, and agrees that Sirius shall have no obligation to require Hancock to subscribe, for Sirius Shares, and has agreed to remove the Board observers and director appointment rights afforded to it under the terms of the Royalty Deed (the **Hancock Waiver**). Anglo American has agreed, in a side letter (the **Waiver Side Letter**), conditional upon completion of the Acquisition, to procure that Sirius agrees to the terms of the Hancock Waiver.

## **16. Cancellation of listing of Sirius Shares and re-registration**

Prior to the Scheme becoming effective, Sirius will make an application for the cancellation of the listing of Sirius Shares on the Official List and for the cancellation of trading of the Sirius Shares on the London Stock Exchange's main market for listed securities, in each case to take effect from or shortly after the Effective Date. The last day of dealings in Sirius Shares on the Main Market of the London Stock Exchange is expected to be the Business Day immediately prior to the Effective Date and no transfers of Sirius Shares shall be registered after 6.00 p.m. on that date, other than to Bidco (or as Bidco may otherwise direct) pursuant to the Sirius Articles, as proposed to be amended by the Scheme Resolution at the General Meeting.

From the Scheme Effective Time, share certificates in respect of Scheme Shares will cease to be valid. Such share certificates should be destroyed or, at the request of Sirius, delivered up to Sirius, or to any person appointed by Sirius to receive the same. In addition, as from the Scheme Record Time, each holding of Sirius Shares credited to any stock account in CREST will be disabled and all Sirius Shares will be removed from CREST in due course.

It is also proposed that, following the Effective Date and after its shares are de-listed, Sirius will be re-registered as a private limited company pursuant to section 97 of the Companies Act. The Re-registration Resolution, which will be conditional on the Scheme becoming effective, will be proposed to Sirius Shareholders at the General Meeting.

## **17. Settlement**

Subject to the Scheme becoming effective, settlement of the Consideration to which any Sirius Shareholder is entitled under the Scheme will be effected in the following manner:

### **17.1 *Sirius Shares in uncertificated form (that is, in CREST)***

Where, at the Scheme Record Time, a Scheme Shareholder holds Sirius Shares in uncertificated form, the Consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by Bidco procuring the creation of an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Sirius Shares within 14 days of the Effective Date.

As from the Scheme Record Time, each holding of Sirius Shares credited to any stock account in CREST will be disabled and all Sirius Shares will be removed from CREST in due course.

As at the close of trading on the last day of dealings in Sirius Shares prior to the Effective Date, there may be unsettled, open trades for the sale and purchase of Sirius Shares within CREST. The Sirius Shares that are the subject of such unsettled trades will be treated under the Scheme in the same way as any other Sirius Share registered in the name of the relevant seller under that trade. Consequently, those Sirius Shares will be transferred under the Scheme and the seller will receive the Consideration.

Bidco reserves the right to pay all, or any part of, the Consideration referred to above to all or any Scheme Shareholder(s) who hold Sirius Shares in uncertificated form in the manner referred to in paragraph 17.2 below if, for any reason, it is not able to effect settlement in accordance with this paragraph 17.1.

### **17.2 *Sirius Shares in certificated form***

Where, at the Scheme Record Time, a Scheme Shareholder holds Sirius Shares in certificated form, settlement of the Consideration due under the Scheme in respect of the Scheme Shares will be despatched by first class post (or by international standard post, if overseas), by cheque drawn on a branch of a UK clearing bank.

All such cash payments will be made in Sterling. Payments made by cheque will be payable to the Scheme Shareholder(s) concerned or, in the case of joint holders, to the joint holder whose name stands first in the Sirius register of members in respect of such joint holding (save that, in the case of joint holders Bidco reserves the right to make such payments to all joint holders on the Sirius register of members). Cheques

will be despatched no later than the 14th day following the Effective Date to the person entitled to them at the address as appearing in the Sirius register of members at the Scheme Record Time. None of Sirius, Anglo American, Bidco, any nominee(s) of Bidco, Link Asset Services or any of their respective agents shall be responsible for any loss or delay in the transmission of cheques sent in this way, and such cheques shall be sent at the risk of the person entitled to them.

From the Scheme Effective Time, each certificate representing a holding of Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of Sirius, delivered up to Sirius, or to any person appointed by Sirius to receive the same.

### **17.3 General**

All documents and remittances sent to, by or on behalf of Sirius Shareholders will be sent at their own risk.

Except with the consent of the Panel, settlement of the Consideration to which any Sirius Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which Bidco might otherwise be, or claim to be, entitled against such Sirius Shareholder.

No amounts of cash of less than one penny shall be paid to any Sirius Shareholder and the aggregate amount of cash to which a Scheme Shareholder shall be entitled shall be rounded down to the nearest penny.

## **18. UK taxation**

The comments set out below are summaries intended to apply only as a general guide to certain limited aspects of the UK taxation treatment of certain categories of Sirius Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and what is understood to be the current practice of HM Revenue and Customs (**HMRC**) (which may not be binding on HMRC) as at the date of this document, both of which are subject to change, possibly with retrospective effect.

The comments relate only to certain limited aspects of the UK taxation treatment of, and are intended to apply only to, Sirius Shareholders who are resident, and, in the case of individuals, domiciled or deemed domiciled, solely in the UK for UK tax purposes (except where the position of non-UK resident or non-UK domiciled Sirius Shareholders is referred to expressly) and do not apply to Sirius Shareholders to whom split-year treatment applies. They apply only to Sirius Shareholders who hold their Sirius Shares as an investment (other than under an individual savings account or a self-invested personal pension) and who are the absolute beneficial owners of both the Sirius Shares and any dividends paid on them. The statements may not apply to certain categories of Sirius Shareholder such as (but not limited to) charities, trustees, dealers in securities, persons who have or could be treated for tax purposes as having acquired their Sirius Shares in connection with an office or by reason of their employment or as holding their Sirius Shares as carried interest, collective investment schemes, persons holding their shares through trust arrangements, persons subject to UK tax on the remittance basis, banks and insurance companies. The comments relate to the Consideration only and do not relate to the treatment for tax purposes of any dividend payable to Sirius Shareholders.

References below to UK Holders are to Sirius Shareholders who are resident for UK tax purposes solely in the UK (and, in the case of individuals, domiciled or deemed domiciled solely in the UK for UK tax purposes and to whom “split year” treatment does not apply), who hold their Sirius Shares as an investment (other than under an individual savings account or a self-invested personal pension) and who are the absolute beneficial owners of both their Sirius Shares and any dividends paid on them.

**References to Non-UK Holders are to Sirius Shareholders who are not resident for tax purposes in the UK, have not within the past five years been resident or ordinarily resident for tax purposes in the UK and are not carrying on a trade (or profession or vocation) in the UK.**

**IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION, AND IN PARTICULAR IF YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UK, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.**

### *UK taxation of chargeable gains*

The transfer of Sirius Shares under the Scheme in return for cash should be treated as a disposal of the UK Holder’s Sirius Shares for the purposes of capital gains tax (**CGT**) or corporation tax on chargeable gains

(as applicable) and therefore may, depending on the UK Holder's particular circumstances (including the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK tax on chargeable gains or, alternatively, an allowable capital loss.

#### *Individual Sirius Shareholders*

Subject to available reliefs or allowances, gains arising on a disposal of Sirius Shares by an individual UK Holder will be subject to CGT at the rate of 10 per cent. except to the extent that the gain, when it is added to the UK Holder's other taxable income and gains in the relevant tax year, exceeds the upper limit of the income tax basic rate band (£50,000 for the 2019/20 tax year), in which case it will be taxed at the rate of 20 per cent.

The CGT annual exemption (£12,000 for the 2019/20 tax year) may be available to individual UK Holders to offset against chargeable gains realised on the disposal of their Sirius Shares.

#### *Corporate Sirius Shareholders*

Subject to available reliefs or allowances, gains arising on a disposal of Sirius Shares by a UK Holder within the charge to UK corporation tax will form part of that UK Holder's taxable profits (or if applicable, losses) for the year, such profits to be taxed at a rate of 19 per cent. (assuming they arise in the 2019/20 tax year).

The substantial shareholding exemption may apply to exempt from the charge to UK corporation tax any gain arising to UK Holders within such charge where a number of conditions are satisfied, including, but not limited to, such UK Holder having held not less than 10 per cent. of the ordinary issued share capital of Sirius for a continuous period of at least 12 months beginning not more than six years before the date of disposal.

#### *UK stamp duty and stamp duty reserve tax (SDRT)*

Sirius Shareholders should not be liable for any UK stamp duty or SDRT on the transfer of Sirius Shares under the Scheme.

#### *Non-UK Holders*

Non-UK Holders should not be subject to UK taxation of chargeable gains in respect of the Scheme (though they may be subject to foreign taxation, depending on their personal circumstances).

## **19. US taxation**

#### *Certain US federal income tax considerations*

The following discussion is a summary of certain material US federal income tax considerations for US Scheme Shareholders (as defined below) that receive cash for their Sirius Shares under the Scheme. This summary is not a comprehensive description of all tax considerations that may be relevant to any particular holder. It addresses only US Scheme Shareholders that hold Sirius Shares as capital assets and use the US Dollar as their functional currency. It does not address all aspects of US federal income taxation that may be relevant to US Scheme Shareholders subject to special rules, such as banks, dealers, traders in securities that mark-to-market, insurance companies, tax-exempt entities, regulated investment companies, real estate investment trusts, individual retirement accounts and other tax-deferred accounts, persons that at any time have held 10 per cent. or more of the stock of Sirius by vote or value (directly, indirectly or constructively), US expatriates, persons holding Sirius Shares as part of a hedging, straddle, conversion, integrated, constructive sale or constructive ownership transaction, persons whose Sirius Shares were received in connection with the performance of services, partnerships (or other entities or arrangements treated as partnerships for US federal income tax purposes) and partners in such partnerships, persons required for US federal income tax purposes to accelerate the recognition of an item of gross income with respect to Sirius Shares as a result of such income being recognized on an applicable financial statement, or persons liable for the alternative minimum tax. This summary does not address US state and local, and non-US or other tax considerations or the Medicare tax on net investment income.

For the purposes of this summary, you are a "US Scheme Shareholder" if you are a beneficial owner of Sirius Shares and are for US federal income tax purposes: (1) an individual citizen of the United States or a resident alien of the United States; (2) a corporation created or organised under the laws of the United States or any state of the United States or the District of Columbia; (3) an estate the income of which is subject to US federal income taxation regardless of its source; or (4) a trust (A) if a court within the United States is able to exercise primary jurisdiction over its administration and one or more US persons have

authority to control all substantial decisions of the trust or (B) that has a valid election in effect under applicable Treasury regulations to be treated as a US person.

This summary is based on the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date of this document and all subject to change at any time, possibly with retroactive effect. We have not requested, and will not request, an opinion of counsel or a ruling from the United States Internal Revenue Service (the **IRS**) with respect to any of the US federal income tax consequences described below; there can be no assurance that the IRS will not disagree with or challenge any of the conclusions we have reached and described in this document.

The US federal income tax treatment of a partner in a partnership (or equity holder in any other pass-through entity) that holds Sirius Shares will depend on the status of the partner (equity holder) and the activities of the partnership (entity). Partnerships (and other pass-through entities) should consult their tax advisers concerning the US federal income tax consequences to their partners (equity holders) of participating in the Scheme.

**THE SUMMARY OF US FEDERAL INCOME TAX CONSIDERATIONS SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL US SCHEME SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE SCHEME INCLUDING THE APPLICABILITY AND EFFECT OF US STATE AND LOCAL NON-US OR OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.**

As discussed in more detail below under “Passive Foreign Investment Company Rules”, Sirius has not determined whether it was a “passive foreign investment company” (**PFIC**) for the year ending 31 December 2018 and no assurances can be given that it was not a PFIC in any taxable year in which a US Scheme Shareholder held Sirius Shares. If it were determined that Sirius is or has been a PFIC, certain adverse US federal income tax consequences could apply to any US Scheme Shareholder that was a shareholder during a taxable year in which Sirius was treated as a PFIC. US Scheme Shareholders should consult their tax advisers regarding such consequences and whether Sirius was a PFIC in any taxable year in which they were a shareholder.

#### *Disposition of Sirius Shares*

Subject to the discussion below under “Passive Foreign Investment Company Rules”, a US Scheme Shareholder generally will recognise capital gain or loss on the disposition of Sirius Shares equal to the difference between the US Scheme Shareholder’s adjusted tax basis and the amount realised. A US Scheme Shareholder’s adjusted tax basis in the Sirius Shares generally will be the US Dollar value of the amount paid to purchase the Sirius Shares on the date of purchase.

The amount realised will be the US Dollar value of the pounds sterling received by the US Scheme Shareholder. Gain or loss on the disposition of the Sirius Shares generally will be long-term capital gain or loss if, at the time of disposition, the US Scheme Shareholder has held the Sirius Shares for more than one year. US Scheme Shareholders who are individuals, trusts or estates may be entitled to a preferential tax rate on long-term capital gains. Deductions for capital losses are subject to limitations. Any gain or loss realised on disposition of Sirius Shares generally will be treated as arising from US sources.

The date for determining the US Dollar value of the amount realised in pounds sterling may depend on whether special rules for sales of securities traded on an established securities market apply. Although it is believed that the Scheme Shares currently are traded on such markets, the rules might not apply here because a sale pursuant to the Scheme is not a transaction on those markets. If the special rules apply, cash method and electing accrual method US Scheme Shareholders would determine the US dollar value of the pounds sterling received as of the settlement date. If the rules do not apply (and in the case of non-electing accrual method US Scheme Shareholders even if they do apply), accrual method US Scheme Shareholders would determine the US dollar value of the pounds sterling received as of the Effective Date and would recognise US source foreign currency gain or loss (taxable as ordinary income or loss) on the settlement date equal to any difference between the US Dollar value of the amount received based on the exchange rates on the Effective Date and the settlement date.

A US Scheme Shareholder will have a tax basis in the pounds sterling received by such shareholder on disposition of Sirius Shares equal to the US Dollar value of the pounds sterling on the date of receipt. Any gain or loss on a subsequent conversion or disposition of those pounds sterling generally will be US source ordinary gain or loss.



### *Passive Foreign Investment Company Rules*

In general, a corporation organised or incorporated outside the United States is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income is classified as “passive income” or (ii) at least 50% of the average quarterly value attributable to its assets produce or are held for the production of passive income. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. If Sirius was classified as a PFIC in any year that a US Scheme Shareholder was a shareholder, Sirius generally should continue to be treated as a PFIC for that US Scheme Shareholder in all succeeding years, regardless of whether Sirius continued to meet the income or asset test described above.

Sirius has not determined whether it was a PFIC for the years ending 31 December 2018 and 31 December 2019. No assurances can be given that Sirius was not a PFIC in any prior year in which a US Scheme Shareholder was a shareholder, particularly given that classification as a PFIC depends on the composition and fair market value of Sirius’ and its subsidiaries’ assets each year, the composition of their income each year, and the application of rules that in certain respects are unclear. US Scheme Shareholders should consult their own tax adviser regarding whether Sirius was a PFIC in any taxable year in which they were a shareholder.

If Sirius was a PFIC in any taxable year in which a US Scheme Shareholder was a shareholder, and such US Scheme Shareholder has not made a “mark-to-market” election (as discussed below) or a “purging election” under U.S. Treasury Regulation §1.1298-3, special tax rules would apply to gain from the disposition of Sirius Shares. Under these rules, (i) gain from the disposition of Sirius Shares would be allocated ratably over the US Scheme Shareholder’s holding period for the Sirius Shares, (ii) the amount allocated to the current taxable year and taxable years prior to Sirius becoming a PFIC would be treated as ordinary income, (iii) the amount allocated to each other year would be subject to tax at the highest tax rate in effect for that year and (iv) an interest charge (at the rate generally applicable to underpayments of tax for the period from such year to the current year) would be imposed on the resulting tax attributable to each such other year.

If, however, a US Scheme Shareholder has made an effective “mark-to-market” election with respect to the Sirius Shares, gain from the disposition of Sirius Shares should be treated as ordinary income and the special tax rules described in the preceding paragraph should not apply.

US Scheme Shareholders are urged to consult their tax advisers regarding the application of the PFIC rules to the disposition of the Sirius Shares.

### *Backup Withholding and Information Reporting*

Proceeds from the disposition of Sirius Shares, by a US paying agent or other US (or certain US-related) intermediaries will be reported to the IRS and to the US Scheme Shareholder as may be required under applicable regulations. In addition, payments that are subject to information reporting may be subject to backup withholding if the US Scheme Shareholder fails to comply with all applicable taxpayer identification and certification requirements (generally by providing the relevant paying agent or intermediary an IRS Form W-9). Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a US Scheme Shareholder’s US federal income tax liability and may be refunded to the extent they exceed such liability, provided the required information is provided to the IRS in a timely fashion.

## **20. Overseas Shareholders**

The availability of the Scheme and the Acquisition to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located. Overseas Shareholders should inform themselves about and should observe any applicable legal or regulatory requirements. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The release, publication or distribution of this document and/or any accompanying documents in or into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their Sirius Shares with respect to the Scheme at the Court Meeting or the Resolutions at the General Meeting, or to appoint another person as proxy may be affected by the laws of the relevant jurisdictions in



which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This document and any accompanying documents have been prepared for the purposes of complying with English law and the Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, no person may vote in favour of the Acquisition by any use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving this document and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

## **21. Sirius ADR program**

Sirius has an American depositary receipts (ADR) program for which Deutsche Bank Trust Company Americas acts as the depositary (**Sirius Depositary**). The Scheme shall not be extended to holders of Sirius ADRs. Therefore, if the Scheme becomes effective, the Sirius Depositary shall call for surrender of the Sirius ADRs and, upon those surrenders, shall deliver the Consideration under the Acquisition, net of applicable fees, expenses, taxes and governmental charges, to the holders of the Sirius ADRs entitled to them in accordance with the terms of the Deposit Agreement. Thereafter the Sirius ADR program shall be terminated.

Holders of Sirius ADRs shall not be entitled to vote directly on the Scheme and the Acquisition. However, holders of Sirius ADRs have the right to instruct the Sirius Depositary how to vote the Sirius Shares in respect of the Sirius Shares underlying the Sirius ADRs, subject to and in accordance with the terms of the Deposit Agreement.

Holders of Sirius ADRs that wish to vote directly on the Scheme and the Acquisition must surrender their Sirius ADRs to the Sirius Depositary, pay the Sirius Depositary's fees and charges in accordance with the Deposit Agreement and become holders of Sirius Shares prior to the Voting Record Time, and in each case subject to and in accordance with the terms of the Deposit Agreement. Holders of Sirius ADRs that wish to vote directly on the Scheme should take care to surrender their Sirius ADRs in time to permit processing to be completed by the Sirius Depositary and its English custodian prior to the Voting Record Time. If you hold Sirius ADRs through a broker or other securities intermediary, you should contact the intermediary to determine the date by which you must instruct that intermediary to act in order that the necessary processing can be completed in time.

## **22. The documents**

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 3 March 2020;
- a WHITE Form of Proxy for use in respect of the General Meeting on 3 March 2020; and
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you are a Sirius Shareholder and you have not received all of these documents, please contact the shareholder helpline on the number indicated below.

## **23. Actions to be taken by Sirius Shareholders**

### ***Voting at the Court Meeting and the General Meeting***

The Scheme will require approval at a meeting of Sirius Shareholders convened with the permission of the Court to be held at the Honourable Artillery Company, Armoury House, City Road, London, EC1Y at 11.00 a.m. on 3 March 2020. Implementation of the Scheme will also require approval of the Scheme Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting, at 11.15 a.m. (or as soon thereafter as the Court Meeting shall have concluded or been adjourned). Notices of the Court Meeting and the General Meeting are set out in

Part Eight (*Notice of Court Meeting*) and Part Nine (*Notice of General Meeting*) of this document, respectively.

Sirius Shareholders entitled to attend and vote at the Meetings are entitled to appoint a proxy to exercise all or any of their rights to attend, speak and vote at the Court Meeting and/or General Meeting. A proxy need not be a Sirius Shareholder.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast, so that the Court may be satisfied that there is a fair representation of the opinion of Sirius Shareholders. Whether or not you intend to attend the Court Meeting and/or the General Meeting, please sign and return your Forms of Proxy, or deliver your voting instructions by one of the other methods mentioned below, as soon as possible.**

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described below), will not prevent you from attending, speaking and voting in person at either the Court Meeting or the General Meeting, or any adjournment of either Meeting, if you wish and are entitled to do so.

#### ***Sending Forms of Proxy by post or by hand***

Please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them, either (i) by post or, (ii) during normal UK business hours only, by hand, to Link Asset Services PXS, at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, so as to be received as soon as possible and in any event no later than the relevant time set out below:

BLUE Forms of Proxy for the Court Meeting 11.00 a.m. on 28 February

WHITE Forms of Proxy for the General Meeting 11.15 a.m. on 28 February

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received no later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned Meeting.

If the BLUE Form of Proxy for the Court Meeting is not returned by such time, it may be handed to a representative of Link Asset Services, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting and will still be valid. However, in the case of the General Meeting, the WHITE Form of Proxy must be received by Link Asset Services by the time mentioned above, or it will be invalid.

Sirius Shareholders are entitled to appoint a proxy in respect of some or all of their Sirius Shares and may also appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Sirius Shareholders who wish to appoint more than one proxy in respect of their holding of Sirius Shares should contact Link Asset Services for further Forms of Proxy.

#### ***Online appointment of proxies***

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to the following website: [www.siriusminerals-shares.com](http://www.siriusminerals-shares.com) and following the instructions there. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 11.00 a.m. on 28 February 2020 for the Court Meeting and 11.15 a.m. on 28 February 2020 for the General Meeting or, if in either case the Meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned Meeting.

In the case of the Court Meeting only, if you have not appointed a proxy electronically by such time, you may complete the BLUE Form of Proxy and hand it to a representative of Link Asset Services, on behalf of the Chairman of the Court Meeting, or to the Chairman of the Court Meeting, before the start of the Court Meeting.

#### ***Electronic appointment of proxies through CREST***

If you hold Sirius Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Meetings (or any adjourned Meeting) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any 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.

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 the specifications of Euroclear 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 an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Link Asset Services by 11.00 a.m. on 28 February 2020 in respect of the Court Meeting and 11.15 a.m. on 28 February 2020 in respect of the General Meeting or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not less than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the Court Meeting or the General Meeting, as applicable. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services 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.

CREST members and, where applicable, their CREST sponsors or voting service providers 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 any voting service provider(s), to procure that his or 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Sirius may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

#### ***Shareholder helplines***

**If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy online or electronically through the CREST electronic proxy appointment service, please call Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.**

**If you have any questions in relation to the Acquisition please contact Georgeson, a trading name of Computershare Investor Services PLC, on 00 800 3742 6163 between the hours of 9.00 a.m. and 5.00 p.m. Monday to Friday excluding public holidays in England and Wales. Please note, that for legal reasons, Georgeson will only be able to provide you with information contained in this document and will be unable to give advice on the merits of the Acquisition or to provide legal, financial or taxation advice on the contents of this document or the Acquisition.**

#### **24. Important notices**

The release, publication or distribution of this document (in whole or in part) in, into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the UK should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws or regulations of such jurisdiction. Neither this document nor any of the accompanying documents do or are intended to constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document has been prepared for the purposes of complying with the laws of England and Wales, the Code and the Listing Rules and the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside England and Wales. This document is not a prospectus.

The statements contained in this document are made as at the date of this document, unless some other time is specified in relation to them, and service of this document shall not give rise to any implication that there

has been no change in the facts set out in this document since such date. Nothing in this document shall be deemed to be a forecast, projection or estimate of the future financial performance of Sirius, the Sirius Group, Bidco or the Wider Anglo American Group, except where otherwise stated.

The contents of this document are not to be construed as legal, business, financial or tax advice. If you are in any doubt about the Acquisition or the contents of this document or what action you should take, you are recommended to seek your own financial, tax and legal advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are in the UK, or from another appropriately authorised independent financial adviser, if you are taking advice in a territory outside the UK.

#### *Notice to US investors*

The Acquisition relates to the shares of an English company and is being effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the proxy solicitation or tender offer rules under the US Securities Exchange Act of 1934, as amended (the US Exchange Act). Accordingly, the Acquisition is subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements, style and format of US proxy solicitation or tender offer rules. However, Anglo American and Bidco reserve the right, subject to the prior consent of the Panel and in accordance with the Co-operation Agreement, to elect to implement the Acquisition by means of a Takeover Offer for the entire issued and to be issued share capital of Sirius, as an alternative to the Scheme.

If Anglo American and Bidco were to elect to implement the Acquisition by means of a Takeover Offer, it shall be made in compliance with all applicable US laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder.

In the event that the Acquisition is implemented by way of a Takeover Offer, in accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Exchange Act, Anglo American or its nominees or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Sirius Shares outside such a Takeover Offer during the period in which such a Takeover Offer would remain open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including the US Exchange Act and the Code. Such purchases or arrangements to purchase may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase, and the purchases and activities by exempt principal traders, will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at [www.londonstockexchange.com/prices-and-news/prices-news/home.html](http://www.londonstockexchange.com/prices-and-news/prices-news/home.html). This information will be publicly disclosed in the US to the extent that such information is made public in the UK.

The information contained in this document has neither been approved nor disapproved by the SEC or any US state securities commission. Neither the SEC, nor any state securities commission, has passed upon the fairness or merits of the Acquisition described in, nor upon the accuracy or adequacy of the information contained in, this document. Any representation to the contrary is a criminal offence in the US.

The financial information included in this document has been prepared in accordance with accounting standards applicable in the UK that may not be comparable to the financial statements of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. US generally accepted accounting principles differ in certain respects from IFRS used in the UK. None of the financial information in this document has been audited in accordance with auditing standards generally accepted in the US or the auditing standards of the Public Company Accounting Oversight Board (United States).

The receipt of cash pursuant to the Acquisition by a US holder of Sirius Shares as consideration pursuant to the terms of the Acquisition will be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign, and other, tax laws. Each Sirius Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him or her.

It may be difficult for US holders to enforce their rights and claims arising out of the US federal securities laws since Anglo American, Bidco and Sirius are located in countries other than the US, and some or all of their officers and directors may be residents of countries other than the US. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws.



Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgment.

*Notice to Hong Kong investors*

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

*Notice to Israeli investors*

Neither this document, nor any document accompanying or referenced in this document, has been reviewed, qualified or approved by the Israeli Securities Authority or any other governmental or regulatory body. Neither Sirius, Bidco, Anglo American nor any member of the board of directors of the foregoing is a licensed investment services provider or intends to be licensed as an investment services provider (whether investments advisor, marketer or portfolio manager) under Israel's Regularization of Investment Advice, Investment Marketing and Investment Portfolio Management Law, 1995 (the Investment Services Law) or necessarily maintains insurance as required of a licensee under such law. Nothing in this document or its accompanying or referenced documents may be considered counseling or advice regarding the worthwhileness of an investment, holding, purchase or sale of Sirius Shares, or of any Securities or Financial Assets, each as defined under the Investment Services Law. A Scheme Shareholder is encouraged to consult with its own financial advisors prior to making any decision in connection with the Scheme or the Acquisition.

*Notice to Saudi Arabian Investors*

This document is not intended to constitute an offer, sale or delivery of securities under the laws of the Kingdom of Saudi Arabia. No action has been or will be taken in the Kingdom of Saudi Arabia that would permit an offer of securities in the Kingdom of Saudi Arabia.

*Notice to South African investors*

The Scheme will not constitute an "offer to the public", as envisaged in Chapter 4 of the Companies Act, 2008. Accordingly: (i) this document does not, nor does it intend to, constitute a "registered prospectus", as contemplated by the Companies Act, 2008; and (ii) no prospectus has been filed with CIPC in respect of the offer. As a result, this document does not comply with the substance and form requirements for a prospectus set out in the Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC, or any other South African authority. Should any person who is not a Shareholder receive this document, they should not, and will not be entitled to, act thereon.

The information contained in this document constitutes factual information as contemplated in Section 1(3)(a) of the FAIS Act and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction contemplated in the document is appropriate to the particular investment objectives, financial situations or needs of a Sirius Shareholder, and nothing in this document should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa.

*Notice to Swiss investors*

This document is not intended to constitute an offer or a solicitation to purchase or invest in the Sirius Shares. The Sirius Shares may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange, multilateral or organized trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the listing rules of SIX or the listing rules of any other stock exchange, multilateral or organized trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Sirius Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, the Company or the Sirius Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Sirius Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, and neither the issuer nor the Sirius Shares have been or will be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor



protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to holders of the Sirius Shares.

This document does not constitute investment advice. It may only be used by those persons to whom it has been handed out in connection with the securities and may neither be copied nor directly or indirectly distributed or made available to other persons.

#### *Notice to Belgian investors*

The distribution of this document does not constitute a public bid in Belgium, and no public bid will be launched outside Belgium. The Belgium market authorities (FSMA) do not intervene in this transaction.

#### *Notice to Danish investors*

The Acquisition and this document are subject to the laws of England and Wales. The Acquisition relates to securities in an English company and is subject to the duty of disclosure applicable in the UK which may differ from the corresponding rules under Danish law. The Scheme applies to all Sirius Shareholders based in Denmark on the same terms and conditions as to all other Sirius Shareholders.

Sirius Shareholders based in Denmark should be aware that this document and all other documents relating to the Acquisition have been prepared in accordance with the laws of England and Wales and standards and regulations applicable in the UK and thus might differ from the legislation, standards and regulations used in Denmark.

Danish Sirius Shareholders' receipt of cash amounts in connection with the Scheme or the Acquisition might also impose tax consequences in relation to foreign and Danish tax legislation. Any Sirius Shareholder is hereby urged to consult with its own independent and professional advisor immediately regarding the tax implications of the Scheme or the Acquisition.

#### *Notice to Greek investors*

The Offer is not a public offer under law 3401/2005 in Greece. You are advised to exercise caution in relation to the offer. If you are in any doubt about the tax implications of the offer, you should obtain independent professional tax advice.

#### *Notice to Turkish investors*

This document and the information contained herein are delivered to the recipient for information purposes by virtue of being a Sirius Shareholder. This document is not an advertisement and does not constitute or form part of and should not be construed as, an offer to buy or the solicitation of an offer to sell securities of Sirius in Turkey. No part of this document, nor the fact of its receipt by you, should form the basis of, or be relied on in connection with, any contract or commitment or any sale decision whatsoever. The contemplated scheme shall take place outside of Turkey and any decision to sell securities in connection with the proposed scheme should be made independently of this document.

By accepting delivery of this document you agree to be bound by the foregoing limitations.

#### *Forward-looking statements*

This document (including information incorporated by reference in this document), oral statements made regarding the Acquisition, and other information published by Sirius, Anglo American or any member of the Anglo American Group contain statements which are, or may be deemed to be, "forward-looking statements". Such forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and on numerous assumptions regarding the business strategies and the environment in which Anglo American, any member of the Anglo American Group or the Enlarged Group shall operate in the future and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by those statements.

The forward-looking statements contained in this document relate to Anglo American, any member of the Anglo American Group or the Enlarged Group's future prospects, developments and business strategies, the expected timing and scope of the Acquisition and other statements other than historical facts. In some cases, these forward-looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "will look to", "would look to", "plans", "prepares", "anticipates", "expects", "is expected to", "is subject to", "budget", "scheduled", "forecasts", "synergy", "strategy", "goal", "cost-saving", "projects", "intends", "may", "will", "shall" or "should" or their negatives or other variations or comparable terminology. Forward-looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance,

indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Anglo American's, any member of the Anglo American Group's or Sirius's operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Anglo American's, any member of the Anglo American Group's or Sirius's business.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that shall occur in the future. These events and circumstances include changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.

Neither Sirius nor Anglo American nor any member of the Anglo American Group, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document shall actually occur. Given these risks and uncertainties, potential investors should not place any reliance on forward-looking statements.

The forward-looking statements speak only at the date of this document. All subsequent oral or written forward-looking statements attributable to any member of the Anglo American Group or Sirius Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Sirius, the Anglo American Group and Anglo American expressly disclaim any obligation to update such statements other than as required by law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

#### *No profit forecasts or estimates*

No statement in this document is intended as a profit forecast or estimate for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for Anglo American or Sirius, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Anglo American or Sirius, as appropriate.

#### *Disclosure requirements of the Code*

Under Rule 8.3(a) of the Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they shall be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at <http://www.thetakeoverpanel.org.uk/>, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

#### *Electronic Communications*

Please be aware that addresses, electronic addresses and certain information provided by Sirius Shareholders, persons with information rights and other relevant persons for the receipt of communications from Sirius may be provided to Anglo American during the Offer Period as requested under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c) of the Code.

#### *Rounding*

Certain figures included in this document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

#### *Publication on website and availability of hard copies*

A copy of this document shall be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Anglo American's and Sirius's websites at [www.angloamerican.com/offer](http://www.angloamerican.com/offer) and [www.siriusminerals.com/investors/firm-offer-from-anglo-american-plc](http://www.siriusminerals.com/investors/firm-offer-from-anglo-american-plc) respectively by no later than 12 noon (London time) on the Business Day following the publication of this document. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this document.

You may request a hard copy of this document by contacting Sirius's registrars, Link Asset Services, during business hours on 0371 664 0321 or at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU. You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

## **25. Further information**

The terms of the Scheme are set out in full in Part Four (*The Scheme of Arrangement*) of this document. Further information regarding Sirius, Anglo American and Bidco is set out in Part Six (*Additional Information*) of this document. Documents published and available for inspection are listed in paragraph 15 of Part Six (*Additional Information*) of this document.

Yours faithfully,

James Robinson  
*Managing Director*  
  
For and on behalf of  
**J.P. Morgan Cazenove**

Spiro Youakim  
*Managing Director*  
  
For and on behalf of  
**Lazard & Co., Limited**

## PART THREE

### CONDITIONS TO AND FURTHER TERMS OF THE SCHEME AND THE ACQUISITION

#### Part A: Conditions of the Scheme and the Acquisition

1. The Acquisition is conditional upon the Scheme becoming unconditional and effective, subject to the Code, by not later than the Long Stop Date.
2. The Scheme is subject to the following conditions:

#### 2.1

- (a) its approval by a majority in number of the Sirius Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 per cent. or more in value of the Sirius Shares voted by those Sirius Shareholders; and
- (b) such Court Meeting being held on or before the 22nd day after 5 March 2020 (or such later date as may be agreed by Anglo American and Sirius and, if required, the Court may allow);

#### 2.2

- (a) the resolutions required to implement the Scheme being duly passed by Sirius Shareholders representing 75 per cent. or more of votes cast at the General Meeting; and
- (b) such General Meeting being held on or before the 22nd day after 5 March 2020 (or such later date as may be agreed by Anglo American and Sirius and, if required, the Court may allow);

#### 2.3

- (a) the sanction of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Sirius and Anglo American) and the delivery of a copy of the Court Order to the Registrar of Companies; and
- (b) the Court Hearing being held on or before the 22nd day after 8 April 2020 or, if CADE do not consider that the application form is eligible for the fast-track review procedure, the 22nd day after 27 May 2020 (or such later date as may be agreed by Anglo American and Sirius and, if required, the Court may allow);

3. In addition, subject to the requirements of the Panel, the Acquisition is conditional upon the following Conditions and, accordingly, the Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

#### *Brazilian Competition Authorities clearance*

- (a) CADE having approved the consummation of the Acquisition unconditionally pursuant to the Brazilian competition law No 12529 of 30 November 2011 and CADE's Internal Regime (approved by CADE Regulation No.22 of 19 June 2019), or, if approved with conditions, on such conditions as are reasonably satisfactory to Anglo American;

#### *Notifications, waiting periods and Authorisations*

- (b) other than in respect of Condition 3(a), all material notifications, filings or applications which are necessary having been made in connection with the Acquisition and all necessary waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with in each case in respect of the Acquisition and all Authorisations deemed reasonably necessary by Anglo American in any jurisdiction and, except pursuant to Chapter 3 of Part 28 of the Companies Act, in respect of the Acquisition having been obtained in terms and in a form reasonably satisfactory to Anglo American from all appropriate Relevant Authorities and all such Authorisations remaining in full force and effect at the time at which the Acquisition becomes otherwise wholly unconditional and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations, in each case in any way that would be materially adverse to the Wider Sirius Group;

*General antitrust and regulatory*

- (c) other than in respect of Condition 3(a), no antitrust regulator or Relevant Authority having given notice of a decision to take, institute or implement any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or would reasonably be expected to, in any case to an extent or in a manner which is or would be material in the context of the Wider Sirius Group taken as a whole:
- (i) require, prevent or materially delay the divestiture or materially alter the terms envisaged for such divestiture by any member of the Wider Anglo American Group or by any member of the Wider Sirius Group of all or any material part of its businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - (ii) except pursuant to Chapter 3 of Part 28 of the Companies Act, require any member of the Wider Anglo American Group or the Wider Sirius Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Sirius Group or any asset owned by any Third Party (other than in the implementation of the Acquisition);
  - (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Anglo American Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in Sirius or on the ability of any member of the Wider Sirius Group or any member of the Wider Anglo American Group directly or indirectly to hold or exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any member of the Wider Sirius Group;
  - (iv) otherwise adversely affect any or all of the business, assets or profits of the Wider Sirius Group or the Wider Anglo American Group;
  - (v) result in any member of the Wider Sirius Group or any member of the Wider Anglo American Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vi) make the Acquisition or its implementation void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly materially prevent or prohibit, restrict, restrain, or delay or otherwise to a material extent or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede, interfere or require material amendment of the Acquisition;
  - (vii) require, prevent or materially delay a divestiture by any member of the Wider Anglo American Group of any shares or other securities (or the equivalent) in any member of the Wider Sirius Group or any member of the Wider Anglo American Group; or
  - (viii) impose any material limitation on the ability of any member of the Wider Anglo American Group or any member of the Wider Sirius Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Anglo American Group and/or the Wider Sirius Group,

and all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Relevant Authority could decide to take, institute or implement any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or the acquisition or proposed acquisition of any Sirius Shares or otherwise intervene having expired, lapsed or been terminated;



*Certain matters arising as a result of any arrangement, agreement, etc.*

- (d) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Sirius Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition would or would be reasonably expected to result in, in each case to an extent which is material in the context of the Wider Sirius Group taken as a whole:
- (i) any monies borrowed by, or any other indebtedness, actual or contingent, of, or any grant available to, any member of the Wider Sirius Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Sirius Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, lease, licence, franchise, permit or other instrument being terminated or the rights, liabilities, obligations or interests of any member of the Wider Sirius Group being adversely modified or adversely affected or any obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iv) any liability of any member of the Wider Sirius Group to make any severance, termination, bonus or other payment to any of its directors, or other officers;
  - (v) the rights, liabilities, obligations, interests or business of any member of the Wider Sirius Group under any arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Sirius Group or with any other person or body or firm or company (or any arrangement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
  - (vi) any member of the Wider Sirius Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (vii) the value of, or the financial or trading position of, any member of the Wider Sirius Group being prejudiced or adversely affected; or
  - (viii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Sirius Group other than liabilities incurred in the ordinary course of business,

and, except as Disclosed, no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Sirius Group is a party or by or to which any such member or any of its assets are bound or subject, would result in any of the events or circumstances as are referred to in Conditions 3(d)(i) to (viii), in each case to the extent material in the context of the Wider Sirius Group taken as a whole;

*Certain events occurring since 30 June 2019*

- (e) except as Disclosed, no member of the Wider Sirius Group having since 30 June 2019:
- (i) issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Sirius Shares out of treasury (except, where relevant, as between Sirius and wholly owned subsidiaries of Sirius or between the wholly owned subsidiaries of Sirius and except for the issue or transfer out of treasury of Sirius Shares on the exercise of employee share options or vesting of employee share awards in the ordinary course under the Sirius Share Plans);

- (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any dividend, distribution or other return of value (whether payable in cash or otherwise) other than dividends (or distributions or other return of value whether payable in cash or otherwise) lawfully paid or made by any wholly owned subsidiary of Sirius to Sirius or any of its wholly owned subsidiaries;
- (iii) other than pursuant to the Acquisition (and except for transactions between Sirius and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sirius and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case to an extent which is material in the context of the Wider Sirius Group taken as a whole;
- (iv) except for transactions between Sirius and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sirius, disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;
- (v) except for transactions between Sirius and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sirius, issued, authorised or proposed or announced an intention to authorise or propose, the issue of or made any change in or to the terms of any debentures or become subject to any contingent liability or incurred or increased any indebtedness which is material in the context of the Wider Sirius Group as a whole;
- (vi) entered into or varied or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, unusual or onerous nature or magnitude or which is or which involves or could involve an obligation of a nature or magnitude which is reasonably likely to be materially restrictive on the business of any member of the Wider Sirius Group;
- (vii) entered into or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Sirius Group, except for, in each case, salary increases, bonuses or variations of terms consistent with past practice or as contemplated in the Co-operation Agreement;
- (viii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Sirius Group, other than as contemplated in the Co-operation Agreement;
- (ix) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital;
- (x) waived, compromised or settled any claim which is material in the context of the Wider Sirius Group as a whole;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Sirius Group and any other person in a manner which has had or would reasonably be expected to have a material adverse effect on the financial position of the Wider Sirius Group taken as a whole;
- (xii) made any material alteration to its memorandum or articles of association or other incorporation documents;
- (xiii) except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any significant change to:

- A. the terms of the trust deeds and rules constituting the pension scheme(s) established by any member of the Wider Sirius Group for its directors, employees or their dependants;
  - B. the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
  - C. the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - D. the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (xiv) been unable, or deemed unable for the purposes of any applicable law, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened in writing to stop or suspend) payment of its debts generally or ceased or threatened in writing to cease carrying on all or a substantial part of its business;
  - (xv) (other than in respect of a member of the Wider Sirius Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened in writing against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee, controller, liquidator or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
  - (xvi) except for transactions between Sirius and its wholly owned subsidiaries or between the wholly owned subsidiaries of Sirius, made, authorised, proposed or announced an intention to propose any change in its loan capital;
  - (xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities, save with another member of the Wider Sirius Group;
  - (xviii) having taken (or agreed or proposed to take) any action which requires or would require, the consent of the Panel or the approval of Sirius Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.2 of the Code; or
  - (xix) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3(e), having regard to all carve outs, exclusions and limitations contained in this Condition 3(e) to the extent applicable to such transaction, matter or event;

*No adverse change, litigation, regulatory enquiry or similar*

- (f) except as Disclosed, since 30 June 2019, there having been:
  - (i) no adverse change and no circumstance having arisen which would result in any adverse change in, the business, assets, financial or trading position or profits or operational performance of any member of the Wider Sirius Group which is material in the context of the Wider Sirius Group taken as a whole;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened in writing, announced or instituted by or against or remaining outstanding against or in respect of, any member of the Wider Sirius Group or to which any member of the Wider Sirius Group is a party (whether as claimant, defendant or otherwise) having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Sirius Group which, in each case, would have a material adverse effect on the Wider Sirius Group taken as a whole;

- (iii) no investigation by any Relevant Authority against or in respect of any member of the Wider Sirius Group having been threatened in writing, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Sirius Group;
- (iv) no contingent or other liability having arisen or increased other than in the ordinary course of business which would affect adversely the business, assets, financial or trading position or profits of any member of the Wider Sirius Group to an extent which would be material in the context of the Wider Sirius Group taken as a whole; and
- (v) no steps having been taken and no omissions having been made which would result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Sirius Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would have a material adverse effect on the Wider Sirius Group taken as a whole;

*No discovery of certain matters regarding information, liabilities and environmental issues*

- (g) except as Disclosed, Anglo American not informing Sirius in writing that it has discovered, and, in each case to an extent which is material in the context of the Wider Sirius Group taken as a whole, that:
  - (i) any financial, business or other information concerning the Wider Sirius Group publicly announced prior to 20 January 2020 is misleading, contains a material misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading;
  - (ii) any past or present member of the Wider Sirius Group has not complied in any material respect with all applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Sirius Group;
  - (iii) there has been a material disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous substance or any substance likely to impair the environment (including any property) or harm human health which (whether or not giving rise to non-compliance with any law or regulation) would give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Sirius Group;
  - (iv) there is any material obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property, asset or any controlled waters currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Sirius Group (or on its behalf), or in which any such member has or previously has had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Relevant Authority in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto; or
  - (v) circumstances exist (whether as a result of making the Acquisition or otherwise) which would lead to any Relevant Authority instituting (or whereby any member of the Wider Sirius Group would be required to institute), an environment audit or take any steps which would in any such case result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or any asset now or previously owned, occupied or made use of by any past or present member of the Wider Sirius Group (or on its behalf) or by any person for which a member of the Wider Sirius Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest;

*Anti-corruption*

- (h) any member of the Wider Sirius Group or any person that performs or has performed services for or on behalf of any such company is or has engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 or any other applicable anti-corruption legislation;
- (i) any member of the Wider Sirius Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations (2006) (each as amended); or
- (ii) any member of the Wider Sirius Group has engaged in any transaction which would cause any member of the Wider Anglo American Group to be in breach of applicable law or regulation upon completion of the Acquisition in relation to the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; or

*No criminal property*

- (i) any asset of any member of the Wider Sirius Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**Part B: Certain further terms of the Acquisition**

1. Subject to the requirements of the Panel, Anglo American reserves the right to waive:
  - (a) the deadline set out in Condition 1, subject to the agreement of Anglo American and Sirius, and any of the deadlines set out in Condition 2 for the timing of the Court Meeting, General Meeting and the Court Hearing. If any such deadline is not met, Anglo American shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Sirius to extend the deadline in relation to the relevant Condition; and
  - (b) in whole or in part, all or any of the above Conditions 3(a) to (i) (inclusive).
2. If Anglo American is required by the Panel to make an offer for Sirius Shares under the provisions of Rule 9 of the Code, Anglo American may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
3. The Scheme and the Acquisition shall not become effective if:
  - (a) in so far as the Acquisition or any matter arising from or relating to the Scheme or Acquisition constitutes a concentration with a Community dimension within the scope of the Regulation, the European Commission either initiates proceedings under Article 6(1)(c) of the Regulation or makes a referral to a competent authority in the United Kingdom under Article 9(1) of the Regulation and there is then a CMA Phase 2 Reference; or
  - (b) the Acquisition or any matter arising from or relating to the Scheme or Acquisition becomes subject to a CMA Phase 2 Reference,in each case, before the date of the Court Meeting.
4. Other than as required under the terms of the Co-operation Agreement, Anglo American shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of Conditions 3(a) to (i) (inclusive) by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
5. The Sirius Shares acquired under the Acquisition shall be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and (subject to paragraph 6 below) the right to receive and



retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after 20 January 2020.

6. If, on or after 20 January 2020 and prior to or on the Effective Date, any dividend, distribution or other return of value is declared, paid or made or becomes payable by Sirius and with a record date on or prior to the Effective Date, Anglo American reserves the right (without prejudice to any right of Anglo American, with the consent of the Panel, to invoke Condition 3(e)(ii) of this Part Three (*Conditions to and further terms of the Scheme and the Acquisition*)) to reduce the Consideration payable under the Acquisition to reflect the aggregate amount of such dividend, distribution or other return of value. In such circumstances, Sirius Shareholders would be entitled to retain any such dividend, distribution or other return of value declared, made or paid.

If and to the extent that any such dividend, distribution or other return of value is paid or made on or prior to the Effective Date, and Anglo American exercises its rights under this paragraph 6 to reduce the Consideration payable under the Acquisition, any reference in this document to the Consideration shall be deemed to be a reference to the Consideration as so reduced.

If and to the extent that any such dividend, distribution or other return of value has been declared or announced but not paid or made or is not payable by reference to a record date on or prior to the Effective Date or shall be (i) transferred pursuant to the Acquisition on a basis which entitles Anglo American to receive the dividend, distribution or other return of value and to retain it; or (ii) cancelled, the Consideration shall not be subject to change in accordance with this paragraph 6.

Any exercise by Anglo American of its rights referred to in this paragraph 6 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.

7. Anglo American and Bidco reserve the right to elect (with the consent of the Panel and subject to the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer for the Sirius Shares as an alternative to the Scheme. In such event, the Takeover Offer shall be implemented on the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments, including (without limitation) an acceptance condition set at a level permitted by the Panel and the Co-operation Agreement.
8. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
9. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.
10. The Acquisition is governed by the law of England and Wales and is subject to the jurisdiction of the English courts and to the Conditions and further terms set out in this Part Three (*Conditions to and Further Terms of the Scheme and Acquisition*). The Acquisition shall be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.
11. Under Rule 13.5(a) of the Code, Anglo American may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Anglo American in the context of the Acquisition. Condition 2 of Part A of this Part Three (*Conditions to and further terms of the Scheme and the Acquisition*) and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Code.
12. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

**PART FOUR**  
**THE SCHEME OF ARRANGEMENT**

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS  
OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

CR-2020-000377

**IN THE MATTER OF SIRIUS MINERALS PLC**  
**and**  
**IN THE MATTER OF THE COMPANIES ACT 2006**

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**SCHEME OF ARRANGEMENT**  
**(under Part 26 of the Companies Act 2006)**

**between**  
**SIRIUS MINERALS PLC**  
**and**  
**THE HOLDERS OF THE SCHEME SHARES**  
**(as defined below)**

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**PRELIMINARY**

- (A) In this Scheme, unless inconsistent with the subject or context, the following expressions have the following meanings:

<b>Bidco</b>	Anglo American Projects UK Limited, a company incorporated in England and Wales with registered number 12366241;
<b>Bidco Group</b>	Bidco, its parent company and its subsidiary undertakings and, where the context permits, each of them;
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
<b>CADE</b>	Brazil's Council for Economic Defence and its entities;
<b>certificated or in certificated form</b>	in relation to a Scheme Share, one which is not in uncertificated form (that is, not in CREST);
<b>Code</b>	the City Code on Takeovers and Mergers issued from time to time by the Panel;
<b>Companies Act</b>	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time;
<b>Conditions</b>	the conditions to the implementation of the Scheme, as set out in Part A of Part Three ( <i>Conditions to and further terms of the Scheme and the Acquisition</i> ) of the Scheme Document;
<b>Court</b>	the High Court of Justice in England and Wales;
<b>Court Hearing</b>	the hearing of the Court at which the Court Order will be sought;
<b>Court Meeting</b>	the meeting of Scheme Shareholders (and any adjournment of such meeting) convened pursuant to an order of the Court pursuant to section

	896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) this Scheme;
<b>Court Order</b>	the order of the Court sanctioning this Scheme under section 899 of the Companies Act;
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) for the paperless settlement of trades in securities and the holding of uncertificated securities;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>CSOP</b>	the Sirius Minerals Plc Company Share Option Plan;
<b>Effective Date</b>	the date on which this Scheme becomes effective in accordance with clause 5.1;
<b>Euroclear</b>	Euroclear UK & Ireland Limited;
<b>Holder</b>	a registered holder and includes any person(s) entitled by transmission;
<b>IOS</b>	the Sirius Minerals Plc Incentive Option Scheme;
<b>Latest Practicable Date</b>	4 February 2020 (being the latest practicable date before the publication of the Scheme Document);
<b>Link Asset Services</b>	Link Asset Services, a trading name of Link Market Services Limited;
<b>Panel</b>	the UK Panel on Takeovers and Mergers, or any successor to it;
<b>Registrar of Companies</b>	the registrar of companies in England and Wales;
<b>SBIP</b>	the Sirius Minerals Plc Share Based Incentive Plan;
<b>Scheme</b>	this scheme of arrangement in its present form or with or subject to any modification, addition or condition which Sirius, Anglo American and Bidco each agree and which is approved or imposed by the Court;
<b>Scheme Document</b>	the circular dated 7 February 2020 sent by Sirius to Sirius Shareholders and persons with information rights, of which this Scheme forms a part;
<b>Scheme Effective Time</b>	the time on the Effective Date at which this Scheme becomes effective in accordance with clause 5.1;
<b>Scheme Record Time</b>	6.30 p.m. on the date the Court makes the Court Order;
<b>Scheme Shareholder</b>	a holder of Scheme Shares at any relevant date or time;
<b>Scheme Shares</b>	means together: <ul style="list-style-type: none"> <li>(a) the Sirius Shares in issue at the date of this Scheme and (where the context requires) which remain in issue at the Scheme Record Time;</li> <li>(b) any Sirius Shares issued after the date of this Scheme and before the Voting Record Time and (where the context requires) which remain in issue at the Scheme Record Time; and</li> <li>(c) any Sirius Shares issued at or after the Voting Record Time and before the Scheme Record Time on terms that the holder of such Sirius Shares shall be bound by this Scheme, or in respect of which the original or any subsequent holders of such Sirius Shares are, or shall have agreed in writing to be, bound by this Scheme and, in each case, (where the context requires) which remain in issue at the Scheme Record Time,</li> </ul> <p>excluding, in any case, any Sirius Shares (i) held in treasury, or (ii) registered in the name of, or beneficially owned by, Bidco, any member of the Bidco Group or their respective nominees;</p>

<b>Sirius</b>	Sirius Minerals Plc, a company incorporated in England and Wales with registered number 04948435;
<b>Sirius Shareholders</b>	the holders of Sirius Shares from time to time;
<b>Sirius Share Plans</b>	each of the following share plans of Sirius: the SBIP, the CSOP, the IOS and the USOP;
<b>Sirius Shares</b>	ordinary shares of 0.25 pence each in the capital of Sirius with ISIN GB00B0DG3H29;
<b>subsidiary undertaking</b>	has the meaning given in section 1162 of the Companies Act;
<b>uncertificated or in uncertificated form</b>	in relation to a Scheme Share, one which is recorded on the relevant register as being held in uncertificated form in CREST;
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>USOP</b>	the Sirius Minerals Plc Unapproved Share Option Plan; and
<b>Voting Record Time</b>	6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the date of the Court Meeting or any adjournment of it (as the case may be).

- (B) References to clauses, sub-clauses and paragraphs are to clauses, sub-clauses and paragraphs of this Scheme.
- (C) The issued share capital of Sirius as at the Latest Practicable Date was 7,020,196,560 ordinary shares of 0.25 pence each.
- (D) As at the Latest Practicable Date, no Sirius Shares are registered in the name of, or beneficially owned by, Bidco, any member of the Bidco Group or their respective nominees.
- (E) Bidco has, subject to the satisfaction or, where capable, waiver of the Conditions agreed to appear by Counsel at the Court Hearing and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to Bidco and to execute and do or procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.
- (F) References to times are to London (UK) time.
- (G) All references to **£** and **pence** are to the lawful currency of the United Kingdom.

## **THE SCHEME**

### **1. Transfer of Scheme Shares**

- 1.1** Upon and with effect from the Scheme Effective Time, Bidco (and/or its nominee(s)) shall acquire all the Scheme Shares fully paid with full title guarantee, free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights and interests of any nature, and together with all rights attaching or accruing to such Scheme Shares at the Scheme Effective Time or thereafter, including (without limitation) voting rights and the right to receive and retain, in full, (subject to sub-clause 2.4) all dividends and other distributions (if any), authorised, declared, made or paid or any other return of capital (whether by reduction of share capital or share premium account or otherwise) in respect of the Scheme Shares that is made or paid by Sirius by reference to a record date on or after the Scheme Effective Time.
- 1.2** For the purposes of such acquisition, the Scheme Shares shall be transferred to Bidco (and/or its nominees) and such transfer shall be effected by means of a form or forms of transfer or other instrument or instruction of transfer and, to give effect to such transfers, any person may be appointed by Sirius as attorney and/or agent, and is authorised as such attorney and/or agent, on behalf of the holder or holders concerned to execute and deliver as transferor a form of transfer or other instrument of transfer (whether as a deed or otherwise) of, or give any instructions to transfer (whether as a deed or otherwise), such Scheme Shares and every form, instrument or instruction of transfer so executed or instruction given shall be effective as if it had been executed or given by the holder or holders of the Scheme Shares transferred by it. Such instrument, form or instruction of transfer shall be deemed to

be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to Bidco (and/or its nominee(s)), together with the legal interest in such Scheme Shares, pursuant to such instruction, form or instrument of transfer.

**1.3** With effect from the Scheme Effective Time and until the register of members of Sirius is updated to reflect the transfer of the Scheme Shares pursuant to sub-clauses 1.1 and 1.2:

- (a) Bidco or its agents shall be entitled to direct the exercise of any votes and any or all other rights and privileges (including the right to requisition the convening of a general meeting of Sirius or of any class of its shareholders) attaching to any Scheme Shares;
- (b) each Scheme Shareholder irrevocably appoints Bidco (and/or any one or more of its directors or agents) as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to the Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of Sirius or of any class of its shareholders) attaching to the Scheme Shares;
- (c) each Scheme Shareholder irrevocably appoints Bidco and/or any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and do such things, as may in the opinion of Bidco and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to the relevant Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meetings of Sirius as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Bidco and/or any one or more of its directors or agents to attend any general and separate class meetings of Sirius (or any adjournment of any such meeting) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf);
- (d) each Scheme Shareholder irrevocably authorises Sirius and/or its agents to send to Bidco at its registered office any notice, circular, warrant or other document or communication which may be required to be sent to a Scheme Shareholder as a member of Sirius in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form); and
- (e) each Scheme Shareholder irrevocably undertakes: (i) not to exercise any votes or any other rights attaching to the relevant Scheme Shares without the consent of Bidco; and (ii) not to appoint a proxy or representative for or to attend any general meeting or separate class meeting of Sirius,

such that from the Scheme Effective Time, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or (subject to sub-clause 2.3) any other rights or privileges attaching to the Scheme Shares.

**2. Consideration for the transfer of Scheme Shares**

- 2.1** In consideration for the transfer of the Scheme Shares to Bidco (and/or its nominee(s)) referred to in sub-clause 1.1, Bidco shall, subject to the provisions of this clause 2, pay or procure that there shall be paid to or for the account of each Scheme Shareholder (as appearing on the register of members of Sirius at the Scheme Record Time) an amount of 5.50 pence in cash for each Scheme Share held by such Scheme Shareholder at the Scheme Record Time.
- 2.2** Subject to sub-clause 2.4, if any dividend, distribution or return of capital is authorised, declared, made or paid by Sirius in respect of a Sirius Share before the Effective Date, Bidco reserves the right to reduce the value of the consideration payable for each Scheme Share by up to the amount per Scheme Share of such dividend, distribution or other return of capital (as the case may be) which has been authorised, declared, made or paid, except where the Scheme Share is, or will be, acquired pursuant to the Scheme on a basis which entitles Bidco to receive such dividend, distribution or return of capital (as the case may be) and to retain it.
- 2.3** If Bidco exercises the right referred to in sub-clause 2.2 to reduce the consideration payable by Bidco for each Scheme Share by all or part of the amount of the dividend, distribution or return of capital (as the case may be), then: (a) Scheme Shareholders shall be entitled to receive and retain that dividend, distribution or return of capital in respect of the Scheme Shares they hold; (b) any reference



in this Scheme to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced; and (c) the exercise of such right shall not be regarded as constituting any revision or variation of the terms of this Scheme.

- 2.4** If and to the extent that any such dividend, distribution or other return of capital is authorised or declared and it is cancelled before the Effective Date, the consideration payable under the Scheme shall not be reduced under sub-clause 2.3.
- 2.5** No amounts of cash of less than one penny shall be paid to any Scheme Shareholder pursuant to this Scheme and the aggregate amount of cash to which a Scheme Shareholder shall be entitled under sub-clause 2.1 shall be rounded down to the nearest penny. For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder's holding which is recorded in the register of members of Sirius by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, shall be treated as a separate holding.

### **3. Share certificates and cancellation of CREST entitlements**

With effect from, or as soon as practicable after, the Scheme Effective Time:

- (a) all certificates representing Scheme Shares shall cease to have effect as documents of title to the Scheme Shares comprised in the certificates and every Scheme Shareholder shall be bound at the request of Sirius to deliver up the same to Sirius (or any person appointed by Sirius to receive them), or, as it may direct, to destroy the same;
- (b) Sirius shall procure that entitlements to Scheme Shares held within CREST are disabled and Euroclear is instructed to cancel or transfer the entitlements of Scheme Shareholders to Scheme Shares in uncertificated form and (if necessary) that entitlements to such Scheme Shares are rematerialised; and
- (c) subject to completion and delivery of any form or forms of transfer or other instrument or instruction of transfer as may be required in accordance with sub-clause 1.2 and the payment of any stamp duty on them, Sirius shall make, or procure to be made, appropriate entries in the register of members of Sirius to reflect the transfer of the Scheme Shares to Bidco (and/or its nominee(s)).

### **4. Settlement**

- 4.1** No later than 14 days after the Effective Date (or such other period as may be agreed between Sirius and Bidco and approved by the Panel), Bidco shall, subject to sub-clause 4.6:
- (a) in the case of the Scheme Shares which at the Scheme Record Time are in certificated form, despatch, or procure the despatch of, to the persons entitled to them in accordance with the provisions of sub-clause 4.2, cheques for the sums payable to them respectively in accordance with sub-clause 2.1; and
  - (b) in the case of the Scheme Shares which at the Scheme Record Time are in uncertificated form, procure that Euroclear is instructed to create an assured payment obligation in favour of the payment bank of the persons entitled to the sums payable in accordance with sub-clause 2.1 and in accordance with the CREST assured payment arrangements, provided that Bidco shall be entitled to make payment of the consideration by cheque or electronic payment as aforesaid in sub-clause 4.1(a) if, for any reason, it is not able to effect settlement in accordance with this sub-clause 4.1(b).
- 4.2** All deliveries of cheques pursuant to this Scheme shall be effected by sending the same by first class post (or by international standard post, if overseas) in pre-paid envelopes addressed to the persons entitled to them at their respective registered addresses as appearing in the register of members of Sirius at the Scheme Record Time (or in the case of any joint holders, at the address of the joint holder whose name stands first in the register of members of Sirius in respect of such joint holding at the Scheme Record Time) and none of Sirius, Bidco or their respective agents or nominees or Link Asset Services shall be responsible for any loss or delay in the transmission of any cheques sent in accordance with this sub-clause 4.2 which shall be sent at the risk of the person or persons entitled to them.
- 4.3** All cheques shall be in Sterling drawn on a branch of a UK clearing bank and shall be made payable to the Scheme Shareholder concerned, or, in the case of joint holders, the joint holder whose name stands first in the register of members of Sirius in respect of such joint holding at the Scheme Record

Time (save that, in the case of joint holders, Bidco reserves the right to make the cheque payable to all joint holders), and the encashment of any such cheque shall be a complete discharge of Bidco's obligation under this Scheme to pay the monies represented by such cheques.

- 4.4** In the case of Scheme Shareholders that have not encashed cheques within six months from the Effective Date, the consideration due to such Scheme Shareholders under the Scheme shall be remitted to Sirius within seven months and two weeks from the Effective Date to be held by it on trust for such Scheme Shareholders (subject to the legal requirements of any jurisdiction relevant to such Scheme Shareholders) and Sirius shall procure that a notification is sent to such Scheme Shareholders at their addresses as appearing in the register of members at the Scheme Record Time. Sirius shall (subject to the legal requirements of any jurisdiction relevant to such Scheme Shareholders) hold the consideration due to such Scheme Shareholders on trust for a period of 12 years from the Effective Date, in a separate, interest-bearing UK bank account established solely for that purpose, and such Scheme Shareholders may (subject to the legal requirements of any jurisdiction relevant to such Scheme Shareholders) claim the consideration due to them (plus any interest accrued on such consideration, but net of any expenses or taxes) by written notice to Sirius in a form which Sirius determines evidences their entitlement to such consideration at any time during the period of 12 years from the Effective Date.
- 4.5** In respect of payments made through CREST, Bidco shall procure that Euroclear is instructed to create an assured payment obligation in accordance with the CREST assured payment arrangements. The creation of such an assured payment obligation shall be a complete discharge of Bidco's obligation under this Scheme with reference to the payments made through CREST.
- 4.6** In the case of any Scheme Shares issued or transferred under the Sirius Share Plans after the Court Order is made and before the Scheme Record Time, Bidco may satisfy the consideration due to the relevant Scheme Shareholders in respect of such Scheme Shares under sub-clause 4.1 by the payment to Sirius (or any of its subsidiary undertakings or otherwise at its or their discretion) of the aggregate consideration in respect of such Scheme Shares by no later than 14 days after the Effective Date, by such method as may be agreed with Sirius, and Sirius shall procure that any such sums paid to it (or any of its subsidiary undertakings or otherwise at its or their discretion) are paid to the relevant Scheme Shareholders through the payroll of the relevant Scheme Shareholders' employing company as soon as practicable and subject to all deductions or withholdings required by law (including applicable exercise price, income taxes and social security contributions or their equivalent in any jurisdiction).
- 4.7** The preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

## **5. Effective time**

- 5.1** This Scheme shall become effective upon a copy of the Court Order being delivered to the Registrar of Companies.
- 5.2** Unless this Scheme has become effective on or before 30 April 2020 or, if CADE do not consider that the application form is eligible for the fast-track review procedure, 18 June 2020 or such later date as may be agreed in writing by Bidco and Sirius (with the Panel's consent and as the Court may approve (if such approval(s) are required)), this Scheme shall never become effective.

## **6. Modification**

Sirius, Anglo American and Bidco may jointly consent on behalf of all persons concerned to any modification of or addition to this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Code.

## **7. Governing law**

This Scheme is governed by the laws of England and Wales and is subject to the jurisdiction of English courts. The rules of the Code will apply to this Scheme on the basis provided in the Code.

Dated: 7 February 2020

## PART FIVE

### FINANCIAL INFORMATION

#### 1. Sirius financial information

The following sets out the financial information in respect of Sirius as required by Rule 24.3 of the Code. The following documents, the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Code:

Information incorporated by reference	Hyperlinks	Pages
Half year results for Sirius for the six months ended 30 June 2019	<a href="https://siriusminerals.com/downloads/half-year-results-for-the-period-ended-30-june-2019/">https://siriusminerals.com/downloads/half-year-results-for-the-period-ended-30-june-2019/</a>	n/a
Audited accounts for Sirius for the financial year ended 31 December 2018, as set out in the Annual Report and Accounts 2018	<a href="https://siriusminerals.com/downloads/annual-report-accounts-2018/">https://siriusminerals.com/downloads/annual-report-accounts-2018/</a>	88-124
Audited accounts for Sirius for the financial year ended 31 December 2017, as set out in the Annual Report and Accounts 2017	<a href="https://siriusminerals.com/downloads/annual-report-for-year-ended-31-march-2017/">https://siriusminerals.com/downloads/annual-report-for-year-ended-31-march-2017/</a>	104-140

There are no current ratings or outlooks publicly accorded to Sirius.

#### 2. Bidco financial information

As Bidco was incorporated on 16 December 2019, no financial information is available or has been published in respect of it. Bidco has not traded since its date of incorporation, has paid no dividends and, save as disclosed in paragraph 8 of Part Six (*Additional Information*) and the receiving agent agreement dated 6 February 2020 between Link Asset Services, Sirius and Bidco, has not entered into any obligations. There are no current ratings or outlooks publicly accorded to Bidco.

#### 3. Effect of Scheme becoming effective on Bidco

Bidco has no material assets or liabilities other than those described in this document in connection with the Acquisition. With effect from the Effective Date, the earnings, assets and liabilities of Bidco will therefore comprise the consolidated earnings, assets and liabilities of the Sirius Group on the Effective Date.

#### 4. Hard copies

Recipients of this document may request hard copies of the information incorporated into this document by reference by contacting Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Hard copies of the information incorporated into this document by reference will not be sent to recipients of this document unless specifically requested.

#### 5. No other incorporation of website information

Save as expressly stated in this document, neither the content of Sirius' website, nor the content of any website accessible from hyperlinks on Sirius' website, is incorporated into, or forms part of, this document.

## PART SIX

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1** The Sirius Directors, whose names are set out in paragraph 2.1, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the Sirius Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2** The Bidco Directors and the Anglo American Directors, whose names are set out in paragraphs 2.2 and 2.3 respectively of this Part Six (*Additional Information*), accept responsibility for the information contained in this document (including any expressions of opinion) relating to Bidco, each member of the Wider Anglo American Group, the directors, partners and members of each of them and their close relatives, related trusts and companies, and other connected persons, and persons acting, or deemed to be acting, in concert with Bidco (as such term is used in the Code), including, for the avoidance of doubt, BofA Securities and Centerview Partners. To the best of the knowledge and belief of the Bidco Directors and the Anglo American Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document (including any expressions of opinion) for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors

- 2.1** The Sirius Directors and their respective positions are:

<b>Name</b>	<b>Position</b>
Russell Scrimshaw	Non-Executive Chairman
Chris Fraser	Managing Director and Chief Executive Officer
Thomas Staley	Finance Director and Chief Financial Officer
Elizabeth Noel Harwerth	Senior Independent Director
Louise Hardy	Independent Non-Executive Director
Lord Hutton of Furness	Independent Non-Executive Director
Keith Clarke CBE	Independent Non-Executive Director
Jane Lodge	Independent Non-Executive Director

Sirius' registered office and the business address of each of the Sirius Directors is 3rd Floor, Greener House, 68 Haymarket, London, United Kingdom, SW1Y 4RF.

Sirius' company secretary is Nicholas King.

- 2.2** The Bidco Directors are:

<b>Name</b>	<b>Position</b>
Stephen Pearce	Director
Tony O'Neill	Director
Richard Price	Director
Duncan Wanblad	Director

Bidco's registered office and the business address of each of the Bidco Directors is 20 Carlton House Terrace, London, England, SW1Y 5AN.

Bidco's company secretary is Anglo American Corporate Secretary Limited.

### 2.3 The Anglo American Directors are:

<b>Name</b>	<b>Position</b>
Stuart Chambers	Chairman
Mark Cutifani	Chief Executive
Stephen Pearce	Finance Director
Tony O'Neill	Technical Director
Byron Grote	Senior Independent Director
Ian Ashby	Independent Non-Executive Director
Marcelo Bastos	Independent Non-Executive Director
Hixonia Nyasulu	Independent Non-Executive Director
Nonkululeko Nyembezi	Independent Non-Executive Director
Mphu Ramatlapeng	Independent Non-Executive Director
Jim Rutherford	Independent Non-Executive Director
Anne Stevens	Independent Non-Executive Director

Anglo American's registered office and the business address of each of the Anglo American Directors is 20 Carlton House Terrace, London, England, SW1Y 5AN.

Anglo American's company secretary is Richard Price.

### 3. Persons acting in concert

- 3.1** In addition to the Sirius Directors (together with their close relatives and related trusts) and members of the Sirius Group (and their related pension schemes), the persons who, for the purposes of the Code, are acting in concert with Sirius in respect of the Acquisition and who are required to be disclosed are:

<b>Name</b>	<b>Registered office</b>	<b>Relationship with Sirius</b>
J.P. Morgan Cazenove	25 Bank Street, Canary Wharf, London E14 5JP	Lead financial adviser
Lazard & Co Limited	50 Stratton Street, Mayfair, London, W1J 8LL	Co-financial adviser
Liberum Capital Limited	Ropemaker Place Level 12, 25 Ropemaker Street, London, EC2Y 9LY	Joint Broker
Shore Capital Limited	Cassini House, 57 St James's Street, London, England, SW1A 1LD	Joint Broker

- 3.2** In addition to the Bidco Directors and the Anglo American Directors (each together with their close relatives and related trusts) and members of the Anglo American Group (and their related pension schemes), the persons who, for the purposes of the Code, are acting in concert with Bidco in respect of the Acquisition and who are required to be disclosed are:

<b>Name</b>	<b>Registered office</b>	<b>Relationship with Bidco</b>
BofA Securities	Merrill Lynch International, 2 King Edward Street, London, EC1A 1HQ	Joint Financial Adviser
Centerview Partners	100 Pall Mall, 3rd Floor, London, SW1Y 5NQ	Joint Financial Adviser
Goldman Sachs International	Plumtree Court, 25 Shoe Lane, London, EC4A 4AU	Joint Broker
Morgan Stanley & Co. International plc	25 Cabot Square, Canary Wharf, London, E14 4QA	Joint Broker



#### 4. Market quotations

- 4.1 The following table shows the closing middle market prices for Sirius Shares as derived from the Official List for the first dealing day of each month from 1 August 2019 to January 2020 (inclusive), for 17 January (being the last Business Day before the Rule 2.7 Announcement) and for 4 February 2020 (being the Latest Practicable Date).

Date	Sirius Share price (pence)
01 August 2019	14.95 pence
02 September 2019	10.29 pence
01 October 2019	3.75 pence
01 November 2019	3.01 pence
02 December 2019	3.48 pence
02 January 2020	3.66 pence
17 January 2020	5.40 pence
04 February 2020	5.51 pence

#### 5. Disclosures of interests and dealings

- 5.1 For the purposes of paragraphs 3 to 5 of this Part Six (*Additional Information*):

- (a) **acting in concert** has the meaning given to it in the Code;
- (b) **arrangement** includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (c) **connected adviser** has the meaning given to it in the Code;
- (d) **dealing** has the meaning given to it in the Code;
- (e) **derivative** has the meaning given to it in the Code;
- (f) **disclosure period** means the period beginning on 8 January 2019 (being the date that is 12 months before the commencement of the offer period) and ending on the Latest Practicable Date;
- (g) **financial collateral arrangements** are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Code;
- (h) **interest** or **interests** in relevant securities shall have the meaning given to it in the Code and references to interests of Bidco Directors or interests of Sirius Directors in relevant securities shall include all interests of any other person whose interests in shares the Bidco Directors or, as the case may be, the Sirius Directors, are taken to be interested in pursuant to Part 22 of the Companies Act;
- (i) **Note 11 arrangement** includes any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments to vote in favour of the Scheme and/or related resolutions, details of which are set out in paragraph 6 of this Part Six (*Additional Information*));
- (j) **offer period** means, in this context, the period commencing on 8 January 2020 and ending on the Latest Practicable Date;
- (k) **relevant Bidco securities** means relevant securities (such term having the meaning given to it in the Code in relation to an offeror) of Bidco including equity share capital in Bidco (or derivatives referenced to them) and securities convertible into, rights to subscribe for and options (including traded options) in respect of them;
- (l) **relevant Sirius securities** means relevant securities (such term having the meaning given to it in the Code in relation to an offeree) of Sirius including equity share capital of Sirius (or derivatives referenced to them) and securities convertible into, rights to subscribe for and options (including traded options) in respect of them; and

- (m) **short position** means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

**Interests in relevant Sirius securities**

- 5.2** As at the Latest Practicable Date, the interests of the Sirius Directors (and their close relatives, related trusts and connected persons) in Sirius Shares were as follows:

<b>Name</b>	<b>Number of Sirius Shares</b>	<b>Percentage of total issued ordinary share capital (%)</b>
Thomas Staley	1,187,139	0.02%
Lord Hutton of Furness	30,856	0.00%
Keith Clarke CBE	899,144	0.01%
Russell Scrimshaw	45,645,005	0.65%
Elizabeth Noel Harwerth	101,303	0.00%
Jane Lodge	601,822	0.01%
Chris Fraser	123,997,368	1.77%
<b>Total</b>	<b>172,462,637</b>	<b>2.46%</b>

- 5.3** As at the Latest Practicable Date, the Sirius Directors held the following outstanding awards over Sirius Shares under the Sirius Share Plans:

<b>Name</b>	<b>Share Plan</b>	<b>Number of Sirius Shares</b>	<b>Date of award</b>	<b>Exercise price</b>	<b>Exercise period</b>
Chris Fraser	Ordinary award 2016	413,002	13 May 2016	—	Awards vest on achievement of the relevant milestone. Awards can be realized between vesting and the tenth anniversary of grant.
	Ordinary award 2017	1,479,452	26 June 2017	—	
	Ordinary award 2018	2,994,767	26 June 2018	—	
	ETA award 2018	4,492,151	26 June 2018	—	
	Ordinary award 2019	6,918,919	28 June 2019	—	
Thomas Staley	USOP option	1,240,768	27 January 2015	0.29	27 January 2018 to 27 January 2025
	CSOP option	311,723	27 January 2015	0.29	27 January 2018 to 27 January 2025
	Milestone award	1,000,000	27 January 2015	—	Awards vest on achievement of the relevant milestone. Awards can be realized between vesting and the tenth anniversary of grant.
	Ordinary award 2017	602,740	26 June 2017	—	
	Ordinary award 2018	1,820,503	26 June 2018	—	
	ETA award 2018	3,120,862	26 June 2018	—	
	Ordinary award 2019	4,205,974	28 June 2019	—	
Keith Clarke CBE	USOP	1,862,997	23 December 2013	0.29	23 December 2016 to 22 December 2023
Lord Hutton of Furness	USOP	1,862,997	30 January 2012	0.29	30 January 2015 to 29 January 2022

- 5.4** As at the Latest Practicable Date, the following persons acting in concert with Sirius held the following interests in, or rights to subscribe in respect of, relevant Sirius securities:

<b>Name</b>	<b>Number of Sirius Shares/Nature of Holding</b>
J.P. Morgan Cazenove	2 ordinary shares

- 5.5 As at the Latest Practicable Date, the interests of the Anglo American Directors (and their close relatives, related trusts and connected persons) in Sirius Shares were as follows:

Name	Number of Sirius Shares	Percentage of total issued ordinary share capital (%)
Ian Ashby	1,166,665	0.02%

***Dealings in relevant Sirius securities***

- 5.6 During the disclosure period, the following dealing(s) in relevant Sirius Securities by persons acting in concert with Bidco have taken place:

Name	Dates	Nature of dealings	Number of Sirius Shares	Price (£)
Ian Ashby	16 April 2019	Purchase of Sirius Shares	833,333	0.30
Ian Ashby	12 August 2019	Sale of Sirius Shares	105,000	0.08
Ian Ashby	15 August 2019	Sale of Sirius Shares	11,666	0.08
Ian Ashby	4 September 2019	Sale of Sirius Shares	116,660	0.11
Ian Ashby	17 September 2019	Sale of Sirius Shares	933,342	0.04

- 5.7 Save as disclosed in this document (including in paragraph 6 of this Part Six (*Additional Information*)):

- (a) as at the Latest Practicable Date, none of: (i) Bidco; (ii) any director of Bidco or any close relative, related trust or connected person of any such director; or (iii) any other person acting in concert with Bidco, had any interest in, right to subscribe in respect of, or short position in respect of, relevant Sirius securities, and no such person has dealt in any relevant Sirius securities during the disclosure period;
- (b) as at the Latest Practicable Date, neither Bidco nor any person acting in concert with Bidco had borrowed or lent any relevant Sirius securities (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (c) as at the Latest Practicable Date, none of: (i) Sirius; (ii) any Sirius Director, or any close relative, related trust or connected person of any Sirius Director; (iii) any other person acting in concert with Sirius, had any interest in, right to subscribe in respect of, or short position in relation to, relevant Sirius securities; and no such person has dealt in any relevant Sirius securities during the offer period;
- (d) as at the Latest Practicable Date, neither: (i) Sirius; nor (ii) any Sirius Director, or any close relative, related trust or connected person of any Sirius Director, had any interest in, right to subscribe in respect of, or short position in relation to, relevant Bidco securities, and no such person has dealt in any relevant Bidco securities during the offer period;
- (e) as at the Latest Practicable Date, neither Sirius nor any person acting in concert with it had borrowed or lent any relevant Sirius securities (including any financial collateral arrangements), save for borrowed shares which have been either on-lent or sold;
- (f) as at the Latest Practicable Date, neither Bidco nor any person acting in concert with Bidco has any Note 11 arrangement with any other person;
- (g) as at the Latest Practicable Date, neither Sirius nor any person who is acting in concert with Sirius has any Note 11 arrangement with any other person; and
- (h) no persons have given any irrevocable or other commitment to vote in favour of the Scheme at the Court Meeting or the Resolutions at the General Meeting.

**5.8 *Interests in Bidco***

Bidco is an indirect wholly owned subsidiary of Anglo American as at the date of this document.

## 6. Irrevocable undertakings

Bidco has received irrevocable undertakings to vote (or procure the voting) in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting from each Sirius Director as follows:

<b>Name of Sirius Director</b>	<b>Number of Sirius Shares in respect of which undertaking is given</b>	<b>Percentage of Sirius issued ordinary share capital (%)</b>
Thomas Staley	1,187,139	0.02%
Lord Hutton of Furness	30,856	0.00%
Keith Clarke CBE	899,144	0.01%
Russell Scrimshaw	45,645,005	0.65%
Elizabeth Noel Harwerth	101,303	0.00%
Jane Lodge	601,822	0.01%
Chris Fraser	123,997,368	1.77%
<b>Total</b>	<b>172,462,637</b>	<b>2.46%</b>

As at the Latest Practicable Date, in aggregate, the Sirius Directors have given irrevocable undertakings in respect of 172,462,637 Sirius Shares, representing in aggregate approximately 2.46 per cent. of Sirius' issued ordinary share capital at close of business on the Latest Practicable Date.

The obligations of the Sirius Directors under the irrevocable undertakings shall lapse and cease to have effect on and from the following occurrences:

- Bidco announces, with the consent of the Panel, before the Scheme Document is published that it does not intend to proceed with the Acquisition and no new, revised or replacement Scheme is announced by Bidco; and
- the Scheme is withdrawn or lapses, provided that this shall not apply if a new, revised or replacement scheme of arrangement is or has been announced by Bidco (or a person acting in concert with it) within five Business Days after any such lapse or withdrawal.

These irrevocable undertakings remain binding in the event of a competing offer.

## 7. Directors' service contracts and emoluments

### *Executive directors*

- 7.1 The particulars of the service contracts between Sirius and each executive director are set out below. No such contract has been entered into or amended during the six months preceding publication of this document.

### *(a) General terms*

<b>Name of executive director</b>	<b>Position</b>	<b>Date of joining Sirius</b>
Chris Fraser	Managing Director and Chief Executive Officer	17 January 2011
Thomas Staley	Finance Director and Chief Financial Officer	20 October 2014

Chris Fraser and Thomas Staley are paid annual base salaries of £486,400 and £337,920, respectively. They are eligible, at the discretion of Sirius' remuneration committee, to participate in Sirius' annual bonus plan and share incentive schemes.

Their benefit packages include a relocation benefit, being the costs associated with relocating back to Australia at the conclusion of each of their employment, and private medical insurance for the benefit of each of them and their immediate families. Sirius also provides life insurance cover equal to four times base salary.

In addition to public holidays in England, Chris Fraser is entitled to 28 working days' paid holiday in each complete holiday year and Thomas Staley is entitled to 25 working days' paid holiday in each complete holiday year.

*(b) Termination provisions*

Each of the Executive Director's service agreements can be terminated by him or Sirius subject to the terminating party giving six months' written notice or payment in lieu of notice. The notice to which Chris Fraser is entitled to increases to 12 months in certain change of control situations. In addition, his employment is terminable with immediate effect if he: (i) commits acts of gross misconduct or gross incompetence; (ii) is convicted of any criminal offence which in the reasonable opinion of the Sirius Board may be thought to bring him or Sirius into disrepute; or (iii) becomes incapacitated by illness or injury of any kind which prevents him from performing his duties for a period of six consecutive months or any periods aggregating six months in any period of 12 months during his employment. On termination of his contract, Chris Fraser is entitled to a payment equal to a minimum of one month of his then base salary for every year of employment by Sirius, pro rated for any part year of service, and Thomas Staley is entitled to a payment equal to a notice period of six months.

*Non-executive directors*

- 7.2** The particulars of the letters of appointment between Sirius and each non-executive director are set out below. No such letter of appointment has been entered into or amended during the six months preceding publication of this document.

*(a) General terms*

<b>Name of non-executive director</b>	<b>Position</b>	<b>Date of original appointment</b>
Russell Scrimshaw	Non-Executive Chairman	19 December 2010
Elizabeth Noel Harwerth	Senior Independent Director	27 July 2015
Keith Clarke CBE	Independent Non-Executive Director	23 December 2013
Louise Hardy	Independent Non-Executive Director	12 May 2016
Lord Hutton of Furness	Independent Non-Executive Director	18 January 2012
Jane Lodge	Independent Non-Executive Director	27 July 2015

Russell Scrimshaw, as Chairman of the Sirius Board, is entitled to receive an annual fee of £180,000.

Each of Keith Clarke CBE, Louise Hardy, Elizabeth Noel Harwerth, Lord Hutton of Furness and Jane Lodge is entitled to receive an annual fee of £45,000. Non-executive directors will also be entitled to receive an additional fee if they are appointed to serve on Sirius's audit committee, remuneration committee, nominations committee or health and safety committee at an annual rate of £4,000 per committee, or £8,000 if they are chairing a committee. For her role as Senior Independent Director, Elizabeth Noel Harwerth is entitled to receive an annual fee of £8,000.

In addition, the Chairman and the Non-Executive Directors are entitled to be reimbursed for reasonable expenses properly incurred arising from the performance of their duties as directors of Sirius.

*(b) Termination provisions*

The appointment of each of the Non-Executive Directors and the Chairman is terminable by either the non-executive director or Sirius on three months' notice. The non-executive directors are not entitled to compensation on termination of their respective contracts.

A non-executive director's appointment shall also terminate if the non-executive director is not re-elected at any annual general meeting.

**8. Material contracts**

Set out below is a summary of each material contract (not being a contract entered into in the ordinary course of business) entered into by Sirius or any of its subsidiaries during the period beginning two years before the commencement of the Offer Period, including particulars of dates, parties, terms and conditions and any consideration passing to or from Sirius or any of its subsidiaries.



## 8.1 *Material handling facility and harbour facilities*

The material handling facility (**MHF**) will consist of the plant and equipment necessary for a simple and cost-effective granulation process for producing bulk volumes of POLY4. It will be located at the existing Wilton International multi-occupancy chemical manufacturing centre in Redcar, Teesside (**Wilton**). Finished products will be transported to the existing port facility at the RBT Wharf. The RBT Wharf will, in the first instance, be used by the Project to handle POLY4 until such times as production levels increase to in excess of 10 mtpa to justify the development of new quayside harbour facilities at the Bran Sands port facility, in respect of which Yorkshire Potash Processing and Ports Limited (**YPPPL**) has purchased the freehold in order to provide the frontage for the harbour once production is in excess of 10 mtpa.

The MHF and the harbour facilities constitute key elements in the overall infrastructure of the Project and, accordingly, are considered material to the successful implementation of the Project by Sirius.

### *Interests in relation to the existing port facility at RBT*

In consideration for (i) a guarantee provided by Sirius to RBT Limited pursuant to the RBT Agreement for Lease (as defined below) and (ii) an easement fee of £510,000 (plus VAT) and a peppercorn, YPPPL has taken the following interests at the existing port facility at the RBT Wharf:

1. an easement in perpetuity expressed to benefit YPPPL's other land interests at Wilton to facilitate the construction of the OLC and to allow the transfer of POLY4 from the storage facility to the RBT Wharf (**First RBT Easement**);
2. an easement for a term of 30 years to facilitate the transfer of POLY4 from the storage facility to the RBT Wharf (**Second RBT Easement**, and together with the First RBT Easement, the **RBT Easements**); and
3. an agreement: (a) to take a lease for a term of 30 years to be used for the construction of the storage facility (the **RBT Lease**); and (b) for an option to acquire a 100 year lease at a premium of £1; the term of such lease to run from the expiry of the RBT Lease (the **RBT Option**) (together, the **RBT Agreement for Lease**).

Further details of the RBT Easements and the RBT Agreement for Lease are as follows:

### *The RBT Easements*

RBT Limited and YPPPL entered into the RBT Easements on 6 July 2018. The RBT Easements are broadly on the same terms, as set out below.

YPPPL may terminate the RBT Easements at any time with not less than 12 months' notice, provided it removes the MTS and the relevant infrastructure and makes good any damage caused to RBT Limited's property to RBT Limited's reasonable satisfaction. RBT Limited may terminate (i) the first RBT Easement by written notice at any time, if YPPPL has not initiated works within the meaning of section 56 (1) Town and Country Planning Act 1990 before 10 August 2023 and (ii) the Second RBT Easement by written notice at any time, if YPPPL has not substantially completed the construction of the MTS and relevant infrastructure before 10 August 2023 or on termination of the RBT MHF Contract.

### *RBT Agreement for Lease*

RBT Limited, YPPPL and Sirius (as guarantor) entered into the RBT Agreement for Lease on 6 July 2018. In consideration of RBT Limited entering into the RBT Agreement for Lease and in consideration of £10 paid by RBT Limited to Sirius, Sirius agreed to be bound by the terms of the RBT Agreement for Lease as far as they relate to Sirius in its capacity as guarantor. In the event that YPPPL becomes insolvent, is struck off the Register of Companies at the Companies Registry or otherwise ceases to exist, RBT Limited may serve notice on Sirius with the effect that Sirius will take on YPPPL's obligations as (i) if it had entered the RBT Agreement for Lease as the tenant and (ii) the lessee in the RBT Lease. If Sirius becomes insolvent, YPPPL shall provide an alternative guarantor reasonably acceptable to RBT Limited.

### *RBT Lease and RBT Option*

The RBT Agreement for Lease completed and the RBT Lease and the RBT Option were entered into on 10 June 2019 between RBT Limited, YPL and Sirius (as guarantor).

In consideration of the lease of the property for the contractual term, YPL will pay annual rent, a fixed amount as set out in the lease, to RBT Limited in four (4) equal instalments. The lease expires on 9 June 2049. The property can only be mortgaged or charged with prior written consent of YPL unless in favour of a financier. Sirius has agreed to be bound by the terms of the RBT lease as far as they relate to Sirius in its capacity as guarantor. Sirius covenants with RBT Limited that they will indemnify them against any failure by YPL to pay rent or perform covenants. Sirius's liability continues to the end of the lease terms or until YPL is released from the covenants of the lease. If the lease is forfeited or the liability of YPL is disclaimed and RBT Limited gives Sirius notice, Sirius must enter into a new lease of the property on the terms set out in the lease.

YPL has paid an option fee of £1 to RBT Limited in consideration for the option granted over the property. The term of the option is until 9 June 2049. YPL may at any time during the option period serve notice on the landlord specifying the amount YPL believes to be the price of the property (the **Valuation Notice**). This price must be equal to the amount the property could reasonably be expected to be let at a premium on the terms of the lease at that date. The option may then be exercised within 20 days of serving the Valuation Notice, together with making a payment of 10% of the property price. Sirius agreed to be bound by the terms of the option to the extent they apply to Sirius.

#### *Materials Handling Agreement*

YPL entered into a materials handling agreement with RBT Limited on 6 July 2018 for the provision of port and ship loading services at the RBT Wharf (the **RBT MHF Contract**).

The price is calculated based on the aggregate of the tonnage fee (which is calculated based on price per tonnes quantity of materials loaded onto each vessel and which rate may increase during subsequent contract years by a percentage of the increase in the Consumer Price Index subject to a maximum cap) and the take-or-pay fee (which is a fee payable by YPL to the extent YPL fails to meet the guaranteed tonnage of materials or the nominated base load annual volume to RBT and is calculated based on a rate, respectively, (i) for each tonne of material under or in excess of the base guaranteed tonnage that it fails to provide to RBT Limited for re-delivery or (ii) for all tonnage not provided for re-delivery).

The latest commencement date for the RBT MHF Contract is 1 January 2023. The commencement date is within YPL's control, subject to satisfaction or waiver of relevant conditions precedent by this long stop date, failing which YPL may terminate the contract. The RBT MHF Contract will automatically terminate upon the earlier of termination of the relevant port lease, which is currently expected to be 16 June 2033, or the tenth anniversary of first delivery. YPL is not a party to the port lease but RBT Limited has granted YPL a non-exclusive licence to keep at RBT bulk processing and ship loading equipment solely for the purpose of enabling RBT Limited to deliver the materials into vessels. However, such licence does not grant YPL exclusive occupation of any part of the facility. Further, except for exclusive use of, and access to, the outload circuit (which excludes the jetty), YPL is not entitled to exclusive possession or occupation or any estate, right, title or interest in the facilities or port nor is it entitled to priority access or priority services from RBT Limited.

YPL may terminate the contract upon (i) a material breach of the contract or the relevant lease, (ii) a change in control of RBT Limited, (iii) the insolvency of RBT Limited, (iv) the abandonment of services by RBT Limited, (v) a breach of anti-bribery and anti-slavery obligations by RBT Limited, (vi) failure by RBT Limited to amend the liability cap under the contract, if exceeded, (vii) non-performance of services as a result of a force majeure event lasting at least six months, (viii) failure to pay an undisputed amount of £500,000 or more, when it falls due or (ix) convenience. RBT Limited may terminate the contract (i) for YPL's failure to pay an amount within 30 days of receipt of notice of it or (ii) if YPL has committed a material breach.

## **8.2 Planning agreements**

There are five 'S106' agreements containing planning obligations relating to the Project made pursuant to section 106 of the Town and Country Planning Act 1990, section 1 of the Local Government Act 2011 and section 111 of the Local Government Act 1972. These are:

- a. with NYMNPA, relating to the mine which is to be developed as part of the development, dated 19 October 2015 and varied by agreement dated 5 February 2018 (the **Main s.106 Agreement**);
- b. with NYCC, relating to the mine, dated 19 October 2015, and varied by an agreement dated 5 January 2018;

- c. with RCBC, relating to the mine, dated 19 August 2015, and varied by an agreement dated 22 May 2018;
- d. with RCBC, relating to the MHF, dated 13 August 2015; and
- e. with RCBC, relating to the harbour, dated 27 June 2016.

These agreements regulate aspects of the Project's development and include obligations on Sirius to pay monetary contributions to offset potential impacts of the development on the environment and to support the surrounding community by, among other things, contributing towards education of the labour force, provision of employment opportunities and improvements in public infrastructure, as well as for reinstatement security in the event mine operations cease.

#### *Main s.106 Agreement*

The Main s.106 Agreement relating to the development as described in the application for planning permission and which is to be carried out pursuant to the planning permission is with NYMNPA. The other parties are the chargee of the land and all land owners bound by the obligations. YPL is a party as owner of some of the land bound at Woodsmith Mine site (formerly known as Dove's Nest Farm) and also as the beneficiary of an option in relation to land bound.

An agreement dated 5 February 2018 relating to a variation of permissions applied the obligations in the Main s.106 Agreement to the revised permission. All the obligations are enforceable by NYMNPA. All payments to be made under the agreement are index-linked. Many of these relate to certain periods of the construction and operation of the mine. In connection with its obligations under the Main s.106 Agreement, Sirius has secured a bond, which is revalued and reissued on an annual basis.

#### *RCBC s.106 agreement*

There is also a separate s.106 agreement with RCBC relating to the mine application. The other parties are the Homes and Communities Agency who own the land bound by the obligations, and York Potash Processing and Ports Limited who have an option to purchase the land bound. All payments to be made under the agreement are index-linked and none are payable prior to the Commencement of Construction, which is defined in the agreement and excludes preparatory works. In connection with its obligations under the s106 agreement, Sirius has secured a bond, which is revalued and reissued on an annual basis.

### **8.3 Customer Offtake Agreements**

#### *ITL agreement*

In June 2018, YPL signed an offtake agreement with ITL, a global trading company with an active presence in Europe, Africa, the Middle East and Asia. This agreement was amended and restated in August 2018. The ITL agreement is for a period of seven years from the first commercial production and shipment with a possibility to extend the term by a further three years. Pricing is based on an individualised formula incorporating benchmark prices of competing products and assumptions (subject to inflation) as to the costs of certain underlying nutrients which POLY4 contains, as well as certain other costs. Termination is available on insolvency of either party and a material breach that is not remedied within a 60-business day cure period.

#### *Eiliseng agreement*

In July 2018, YPL signed an offtake agreement with Eiliseng, part of an established agricultural group operating with access to an extensive distribution network across key southern agricultural provinces in China. The Eiliseng agreement is for a period of ten years from the first commercial production and shipment with a specified peak-volume contracted amount. If Eiliseng fails to make certain payments, YPL will be entitled to suspend Eiliseng's right of exclusivity in the relevant Chinese provinces and suspend future deliveries of POLY4 until such payment has been received in full. Pricing is based on an individualised formula incorporating benchmark prices of competing products and assumptions (subject to inflation) as to the costs of certain underlying nutrients which POLY4 contains. Termination is available on insolvency of either party and a material breach that is not remedied within a 60-business day cure period.

#### *YSA agreement*

In July 2018, YPL signed an offtake agreement with YSA, an agricultural services business and strategic partner of Yantai Agricultural Means of Production Corporation which is responsible for product innovation and procurement in line with the Chinese government's policies. The YSA agreement is for a period of ten years from the first commercial production and shipment, and the contracted amount increases in the sixth year after commercial production begins. However, if at any point during the first half of a contract year, YSA expects that it will be unable to sell the contracted volume for the contract year, YSA has the option to purchase and pay for a lower set of minimum quantities of POLY4. If YSA fails to make certain payments, YPL will be entitled to suspend YSA's right of exclusivity and suspend future deliveries of POLY4 until such payment has been received in full. Termination is available on insolvency of either party and if a material breach is not remedied within a 60-business day cure period.

#### *Cibra agreement*

In September 2018, YPL signed an offtake agreement with the Cibra Group Companies. This agreement was amended and restated in November 2018. Paribara Sociedad de Responsabilidad Limitada (**Paribara**) provides a guarantee and agrees to be jointly and severally liable for the performance obligations of OFD as the offtaker responsible for the take-or-pay obligation included in the agreement. The initial term of the agreement is for seven years from the initial production date. Cibra has the exclusive right to resell and distribute Sirius's product in the following South American markets: Brazil, Venezuela, Guyana, French Guiana, Suriname, Bolivia, Paraguay and Uruguay. Cibra further has a right of first refusal with respect to exclusivity in certain South American markets, including Colombia, Ecuador, Peru, Argentina and Chile. Pricing is based on a formula incorporating benchmark prices of competing products on a CFR basis, as well as a unique downstream price participation mechanic that enables Sirius to benefit from higher realised POLY4 prices for the duration of the contract. Termination is available on insolvency of either party and a material breach of more than 120 business days' duration. YPL may also terminate the agreement with immediate effect where there is a change of control of Cibra or OFD by a competitor entity actively involved in distribution and/or production of POLY4 and substitute products or if there is a sale by Cibra, OFD or Paribara of a material part of their respective fertilizer distribution business in the distribution markets.

#### *BayWa agreement*

In April 2019, YPL signed a supply and distribution agreement with BAST, a wholly owned subsidiary of BayWa AG (**BayWa**) and a leading European agribusiness group, for the distribution of POLY4 into Europe. The initial term of the supply agreement is for 10 years from the initial production date and includes the possibility of two five-year extension options. BAST has the exclusive right to resell and distribute Sirius's POLY4 product in key European markets. Pricing is based on a bespoke formula, including benchmark prices of certain underlying nutrients which POLY4 contains as well as other variables, with YPL benefitting from a downstream price participation mechanic designed to enable it to benefit from higher realised POLY4 prices for the duration of the contract. Termination is available on insolvency of either party and a material breach not remedied for more than 30 business days subject to a wind-down provision. YPL can also terminate the agreement where there is a change of control of BAST by a competitor entity or if the purchaser engages in pricing activities relating to POLY4 aimed at undermining the intent of the agreement.

#### *IFFCL agreement*

In June 2019, YPL entered into a supply and distribution agreement with Indian Farmers Fertiliser Cooperative Limited (**IFFCL**) for the supply and distribution of POLY4 in India. Under the agreement, IFFCL has the right to exclusive distribution of the product in India. The initial term of the agreement is for eleven (11) contract years from the effective date, being the date of initial production until the next March 31. The agreement sets out scheduled quantities of POLY4 which YPL has agreed to supply or procure the supply of and IFFCL has agreed to purchase, take and pay for, or if not taken, to pay for; these quantities increase each contract year. IFFCL has agreed to pay an agreed amount to YPL each year. Pricing is based on a bespoke formula, which includes benchmark prices and assumptions. Termination is available on insolvency of either party and upon a material breach not remedied from more than 120 days.

#### *Muntajat agreement*

In October 2019, YPL entered into an offtake agreement with Qatar Chemical and Petrochemical Marketing and Distribution Company (Muntajat) Q.P.J.S.C. (**Muntajat**). Under this agreement, Muntajat has agreed to distribute POLY4 in Qatar in accordance with the terms and conditions set out in the agreement. The duration of the agreement is from the date on which the agreement is signed until the end of the initial supply period, which means ten (10) years after the date on which YPL commences mining and production and first commercial shipments of POLY4. The agreement is automatically renewed for an additional five (5) years at the end of the initial ten (10) year period unless Muntajat gives notice to YPL of its intention not to renew. The agreement sets out minimum quantities which YPL must make available for sale and delivery each year and Muntajat must purchase and lift each year. Consideration is payable by Muntajat to YPL each month for the POLY4 and pricing includes benchmark prices of certain underlying nutrients that POLY4 contains. Termination is available on insolvency of either party and upon material breach if such breach is not remedied within ninety (90) days after notice of such breach is given.

#### **8.4 Construction and Supply Contracts**

Sirius, through its subsidiaries YPL and YPPPL, has entered into a number of construction contracts in relation to the Project. The construction contracts are comprised of four main construction contracts, a number of ancillary contracts (mainly linked to shaft sinking) and a number of procurement contracts during the construction and operations phases.

The main construction agreements comprise:

- i. a mine site development works contract between YPL and DMC, dated 13 February 2018 (the **Shaft Sinking Contract**);
- ii. a contract relating to the works for Drive 1, Drive 2 and Drive 3 and MTS fit-out, between YPL and STRABAG, dated 5 September 2018 (as amended on 14 November 2018, 5 March 2019, 26 May 2018 and 20 November 2019) (the **MTS Contract**);
- iii. a materials handling facility agreement between YPPPL and Jacobs, dated 5 September 2018 as novated to Worley Europe Limited (**Worley**) on 12 June 2019 (the **MHF Contract**); and
- iv. a port handling facility and overland conveyor agreement between YPL and PJ Careys (Contractors) Limited (**Careys**), dated 1 September 2019 (this document was an amendment and restatement of the contract for the OLC between the same parties to include the PHF scope) (the **PHF and OLC Contract**).

Key terms of each of the main construction agreements are summarised as follows:

##### *a. Shaft Sinking Contract*

The Shaft Sinking Contract provides for the design, fabrication, construction, testing and commissioning of (i) the production shaft at Woodsmith, (ii) the service shaft at Woodsmith, (iii) the MTS shaft at Woodsmith and (iv) the Lockwood Beck shaft at Lockwood Beck. The Shaft Sinking Contract is a target cost and cost reimbursable contract (as opposed to a lump sum contract). DMC is entitled to adjustments to the initial target price in certain circumstances. In addition, the contract incorporates a scheme for bonus payments linked to completion milestones and a painshare/gainshare incentive scheme linked to target price, which contemplates adjustments to the initial target price in certain scenarios.

On 7 May 2018, Bank Gospodarstwa Krajowego issued a performance bond in favour of YPL for an amount equal to 10 per cent. of the initial target price during the period of issue up to and including the issue of the practical completion certificate pursuant to the Shaft Sinking Contract.

In addition, on 21 February 2018, KGHM Polska Miedz S.A. (**KGHM**) provided a parent company guarantee to YPL in respect of the Shaft Sinking Contract. Until the issue of the practical completion certificate, the guarantee is for up to an agreed cap which reduces once the aforementioned performance bond is delivered to YPL to provide a combined security of the aforementioned agreed amount. Following practical completion, the guarantee is up to an agreed cap which reduces over the subsequent five years until termination of the guarantee.

YPL may terminate the Shaft Sinking Contract (i) in the event of insolvency of DMC or KGHM, (ii) upon an event of default, including a change in control in respect of any entity comprising DMC, for convenience, or (iii) if it is excused from performance of its obligations under the contract for a



continuous period of 180 days, or 365 days in aggregate, in an event of force majeure. DMC may terminate the Shaft Sinking Contract upon (i) non-payment within 81 days of the final date for payment, (ii) YPL's insolvency, (iii) a material or persistent breach of the contract by YPL, (iv) suspension of works by YPL for 365 days or more (not attributable to DMC) with requests for permission to continue not granted and (v) a prolonged force majeure lasting 180 continuous days or 365 days in aggregate.

b. *The MTS Contract*

The MTS Contract provides for engineering, procurement and construction of the works for Drive 1, Drive 2 and Drive 3 including the fit-out works. The commencement date of the works (with the exception of works in respect of Drive 1) has not yet been triggered. Following a delay in commencement and access for provision of the works, the MTS Contract has recently been amended so that earlier "initial works" have been included in the scope with the aim of reducing the impact of the delay in commencement.

The MTS Contract is a cost reimbursable contract based on agreed rates with an initial price for the initial works and for the fit-out works. The price of the initial works has a fixed upper limit.

The contract provides for bonus payments for early completion of the works. In addition, the contract provides for the payment by the contractor of daily delay liquidated damages in respect of both the tunnel connection and practical completion, which increase in value after a certain period of delay and are subject to a cap (of a fixed amount in respect of the tunnel connection and of a fixed percentage of the value of the MTS fit-out works in respect of practical completion).

The MTS Contract provides for a percentage of each progress payment to be retained by YPL by way of security. STRABAG has the option to provide a retention bond to avoid this retention. The aggregate of the retention money and/or the retention bond is released (in broad terms) (i) one half on the date of issue of the practical completion certificate and (ii) the remainder on the date the warranty period expires.

Additionally, on 27 March 2018, STRABAG SE (**STRABAG SE**) provided a parent company guarantee relating to (i) performance and observance of STRABAG's obligations under the MTS Contract and (ii) due and punctual payment by STRABAG of all monies and liabilities due and unpaid to YPL or as a result of any breach of the contract. Under this guarantee, STRABAG SE indemnifies YPL against any damages sustained or incurred to the extent they arise or are in relation to STRABAG's obligations under the MTS Contract. Under the guarantee, YPL is entitled to recover from STRABAG SE no more than it would be entitled to recover from STRABAG under the MTS Contract and YPL may commence proceedings against STRABAG SE in respect of any claim only once any proceedings against STRABAG in respect of such claim would be statute barred.

YPL may terminate the MTS Contract upon (i) the insolvency of STRABAG or STRABAG SE, (ii) failure of acceptance and handover of the works by a longstop date being four months after the date the delay liquidated damages are exhausted, (iii) STRABAG's event of default, which includes, among others, a persistent or substantial breach by STRABAG of any of its material obligations, (iv) convenience or (v) non-performance of any obligation for a continuous period of 180 days, or 365 days in aggregate, in the event of force majeure.

STRABAG may terminate the MTS Contract upon (i) non-payment five days after payment is due and subsequent suspension of works by STRABAG for 20 days or more due to failure of YPL to pay, (ii) YPL's insolvency, (iii) an assignment of the contract to a STRABAG competitor or any party without financial capacity, (iv) a suspension of works for 91 days or more (not attributable to STRABAG) with requests for permission to continue not granted, (v) prolonged force majeure lasting 180 continuous days or 365 days in aggregate and (vi) if a commencement notice has not been issued by 1 July 2019.

c. *The MHF Contract*

The MHF Contract provides for the engineering, procurement and construction of the works for the MHF. The MHF Contract is a cost reimbursable contract and Worley is entitled to adjustments to the target price in certain circumstances.

In compliance with its obligations under the MHF Contract, Worley provided YPL with a performance bond in an amount equal to a fixed percentage of the target price for the contract term and at a reduced rate for the warranty period. The performance bond will be returned to Worley for

cancellation within 30 days of the later of: (i) the date of issue of the performance certificate; and (ii) the date on which all claims made under the performance bond prior to issuance of the performance certificate have been satisfied.

Additionally, on 12 June 2019, WorleyParsons Ltd (**WorleyParsons**) provided a parent company guarantee to YPL relating to (i) performance and observance of Worley's obligations under the MHF Contract and (ii) due and punctual payment by Worley of all monies and liabilities due and unpaid to YPL or as a result of any breach of the contract. Under this guarantee, WorleyParsons indemnifies YPL against any damages sustained or incurred to the extent they arise or are in relation to Worley's obligations under the MHF Contract. Under the guarantee, YPL is entitled to recover from WorleyParsons no more than it would be entitled to recover from Worley under the MHF Contract and YPL may commence proceedings against WorleyParsons in respect of any claim only once any proceedings against Jacobs in respect of such claim would be statute barred.

YPL may terminate the MHF Contract (i) in the event of insolvency of Worley or WorleyParsons, (ii) if practical completion of the works has not occurred by the longstop date (as defined in the MHF Contract), (iii) upon reaching the cap on delay liquidated damages, (iv) upon an event of default, including a change in control of Worley or any of its related parties that is effected by Worley's parent, (v) for convenience and (vi) if excused from performance of any of its obligations under the contract for a continuous period of 180 days, or 365 days in aggregate, in the event of force majeure.

WorleyParsons may terminate the MHF Contract upon (i) non-payment within 30 days of the due date and subsequent suspension of works by Worley for 30 days or more due to failure by YPL to pay, (ii) YPL's insolvency, (iii) suspension of works for 180 days or more (not attributable to Worley) with requests for permission to continue not granted, and (iv) prolonged force majeure lasting 180 continuous days or 365 days in aggregate.

d. *The PHF and OLC Contract*

The PHF and OLC Contract provides for the engineering, procurement and construction of the storage and screening facility, berth-out loading facility and site wide infrastructure (including roads and drainage) at the RBT Wharf and the construction of an overland conveyor between the MHF and the Port Handling Facilities. The contract price is an all-inclusive price which is subject to escalation or alteration save as provided for in certain circumstances set out in the agreement.

There will be a performance bond for 10 per cent. of the contract price subject to adjustment in proportion to adjustments to the contract price. The performance bond is released within 30 days of the later of the date of issue of the performance certificate and the date when all claims made under the performance bond prior to the issue of the performance certificate have been satisfied.

Additionally, Carey Group plc provided a parent company guarantee relating to (i) performance and observance of Careys obligations under the PHF Contract and (ii) due and punctual payment by Careys of all monies and liabilities due and unpaid to YPL or as a result of any breach of the contract. Under the guarantee, Carey Group plc indemnifies YPL against any damages sustained or incurred to the extent they arise or are in relation to Careys's obligations under the PHF and OLC Contract.

Under the guarantee, YPL is entitled to recover from Carey Group plc no more than it would be entitled to recover from Careys under the PHF Contract and YPL may commence proceedings against Carey Group plc in respect of any claim only once any proceedings against Careys in respect of such claim would be statute barred.

YPL may terminate the PHF Contract upon (i) a material breach by Careys, (ii) persistent breach by Careys of any of its obligations, (iii) a change of control of Careys or any related party effected by Carey Group plc, (iv) failure of Careys to comply with applicable laws, consents or traffic management requirements, (v) upon an event of insolvency occurring in relation to Careys or Carey Group plc, (vi) Careys committing any major health and safety breach or a death occurring in connection with the works, (vii) Careys abandoning the works or otherwise plainly demonstrating the intention not to continue performance of their obligations under the agreement (other than where instructed to do so by Sirius or where a right of suspension arises under the contract), (viii) Careys failing to achieve practical completion by 32 weeks after the PHF Scheduled Practical Completion Date (as defined in the PHF and OLC Contract), (ix) Careys committing a health and safety breach other than that referred to under vi, (x) Careys failing to proceed with the works without reasonable cause when instructed, (xi) Careys subcontracting or assigning the whole of the works without YPL's

consent, (xii) Careys's liability totalling or exceeding the total liability cap on delay liquidated damages set out in the agreement, (xiii) Careys committing any breach of the anti-bribery, corruption and modern slavery provisions set out in the agreement, or (xiv) Careys failing to comply with its obligations under the agreement to provide and maintain any security.

In the event of termination upon Careys' default, YPL may recover any extra costs of completing the works and all other expenses directly incurred by YPL in completing the works and any other direct costs resulting from the termination of the PHF Contract.

Careys may terminate the PHF Contract (i) for non-payment within 30 days of the due date and subsequent suspension of works by Careys for 30 days or more due to failure by YPL to pay, (ii) if a court makes an order that YPL be wound up or a resolution for a voluntary winding up of YPL is passed, (iii) if any receiver or receiver manager in respect of YPL is appointed or possession is taken by or on behalf of any creditor of any property of YPL that is the subject of a charge, (iv) if any voluntary arrangement is made for a composition of debts or a scheme of arrangement is approved under any applicable insolvency legislation in respect of YPL, or (v) an administration order is made or an administrator is appointed in respect of YPL.

In the event of voluntary termination or termination upon YPL's default, YPL shall pay to Careys (i) the amounts payable for any work carried out for which a price is stated in the contract, (ii) the costs of the materials ordered for the works which have been delivered to Careys in respect of which Careys is liable to accept delivery or (iii) any other cost or liability which was reasonably incurred by Careys in the expectation of completing the works.

## **8.5** *Ancillary Contracts*

The remaining material construction and/or supply contracts relating to the Project are the following ancillary contracts:

- i. a design and build contract for piling and grouting services between YPL and Bachy, dated 1 August 2018 (the **Bachy D&C Agreement**);
- ii. a design and build contract in relation to diaphragm wall activities between YPL and Bauer, dated 19 June 2018 (the **Bauer D&C Contract**);
- iii. a supply contract in relation to concrete between YPL and Breedon, dated 22 March 2018 (the **BNL Supply Contract**);
- iv. a supply agreement in relation to the service shaft and production shaft winders between YPL and Olko, dated 15 June 2018 (the **Olko Winder Contract**);
- v. a construction only contract for concrete and civil works at Woodsmith between YPL and PJ Carey, dated 1 April 2018 (the **PJ Carey Construction Contract**);
- vi. a consultancy services agreement for shaft lining design between YPL and Arup, dated 18 May 2018 (the **Arup Shaft Design Contract**); and
- vii. a supply contract in relation to a vertical shaft sinking machine between YPL and Herrenknecht AG (**Herrenknecht**), dated 5 September 2018 (the **VSM Supply Contract**).

The key terms of each of these contracts are as follows:

### *Bachy D&C Agreement*

The Bachy D&C Agreement is for the procurement and construction of piling works and procurement, design and construction of grouting works for a shaft at Lockwood Beck. The works under this contract completed on 14 December 2018 and Bachy fully demobilised from site on 21 December 2018.

The works benefit from a warranty period of 12 months from practical completion that can be (i) restarted in respect of items repaired or replaced by Bachy or (ii) extended by the length of time that they were not capable of operation due to any defects or damage. Such extensions cannot be for more than two years from its original expiry date. Bachy will be liable for any defect which could not reasonably have been discovered by YPL before the end of the warranty period and which arises or becomes apparent at any time before the twelfth anniversary of the practical completion date.

#### *Bauer D&C Contract*

The Bauer D&C Contract provides for the design and construction of the circular diaphragm walling for the production shaft foreshaft, production shaft, service shaft foreshaft, service shaft and MTS insertion shaft, all at Woodsmith. The works under this contract completed on 4 December 2018 and Bauer fully demobilised from site on 18 January 2019.

The works benefit from a warranty period expiring 52 weeks after their completion, which may be extended in respect of defects that Bauer fail to correct within the specified time period and that YPL instructed another sub-contractor to rectify. Additionally, Bauer's liability in respect of defects which relate to permeability of the diaphragm wall expires five years from the earlier of (i) the date when the final diaphragm wall panel has been cast, or (ii) the date of termination of the Bauer D&C Contract, and defects in any other part of the works, expires 12 years from the earlier of either completion of the works or termination of the Bauer D&C Contract.

#### *BNL Supply Contract*

The BNL Supply Contract provides for the operation, maintenance and upkeep of the concrete batching plant at the Woodsmith Mine belonging to YPL and the supply and delivery of concrete, mortar and shotcrete at the site.

The contract price is a tender price based on estimated bill of quantities, with the value of each monthly payment calculated based on a forward forecast programme of works prepared by Breedon and a reconciliation of the forecast costs as against actual costs incurred for the previous month.

YPL may terminate the BNL Supply Contract (i) in an event of insolvency of Breedon and any parent company guarantee provider, (ii) for contractual breaches not remedied within two weeks, (iii) when Breedon has substantially failed to comply with the contract, hindered another contractor or broken a health and safety regulation or (iv) for convenience. Breedon may terminate (i) for non-payment within four weeks of the final date for payment, (ii) in event of insolvency of YPL, (iii) on YPL's material or persistent breach of the contract, or (iv) if YPL has instructed Breedon to stop or not to start any substantial work or all work for a reason which is not Breedon's fault and an instruction allowing the work to re-start or start has not been given within four weeks.

#### *Olko Winder Contract*

The works under the Olko Winder Contract comprise delivery to site, installation and commissioning of the service shaft and production shaft hoists (double drum winders and associated electrical systems) at the Woodsmith Mine.

The contract is a fixed price contract subject to an increase if a "compensation event" occurs (being an instruction by YPL of a variation or acceleration outside the scope of the agreed activity schedule or the occurrence of a contractor risk event). Additional sums (on top of the fixed contract price) are also payable when the hoists are commissioned.

YPL may terminate the contract (i) in the event of insolvency of Olko, (ii) if Olko breaches a health and safety regulation, (iii) if Olko fails to provide a bond or guarantee required under the contract, (iv) if Olko appoints a sub-contractor without YPL consent, (v) if Olko has substantially hindered YPL or others, (vi) if the suspension of works or a substantial part thereof lasts for more than fourteen weeks and the reason for such suspension arose from an Olko default or for a reason other than YPL's default, (vii) for convenience, (viii) if it has been prevented from completing the works either completely or by the date specified in the accepted programme and is forced to delay completion by more than 13 weeks in the event of force majeure or (ix) if legally released from further performance.

Olko may terminate (i) for non-payment eleven weeks from the date a payment should have been made to Olko, (ii) in the event of insolvency of Olko, (iii) upon suspension of the works (or a substantial part thereof), without instructions for Olko to re-start within fourteen weeks of instruction to suspend, (iv) upon a force majeure event, causing suspension of works either completely or by the date specified in the accepted programme and is forced to delay completion by more than thirteen weeks or (v) if legally released from further performance.

#### *PJ Carey Construction Contract*

The PJ Carey Construction Contract provides for the excavation of the foreshafts of the service and production shafts at Woodsmith. The contract is a lump sum contract.

YPL may terminate the contract (i) in the event of insolvency of PJ Carey or its parent company guarantee provider, (ii) if acceptance and handover of the works has not occurred 12 months from the scheduled practical completion date, (iii) on a PJ Carey event of default, including a change in control, (iv) for convenience or (v) if excused from its obligations under the contract for a continuous period of 180 days, or 365 days in aggregate in the event of force majeure.

PJ Carey may terminate the contract (i) for YPL's non-payment 30 days after payment date and subsequent 30 days suspension of the works, (ii) upon YPL's insolvency, (iii) upon a suspension of works for 365 days or more (not attributable to PJ Carey) with requests for permission to continue not granted or (iv) if excused from its obligations under the contract for a continuous period of 180 days, or 365 days in aggregate in the event of force majeure.

#### *Arup Shaft Design Contract*

The Arup Shaft Design Contract relates to the provision of consultancy services by Arup in relation to (among other responsibilities) the development of the civil design of certain aspects of the production shaft at Woodsmith, the service shaft at Woodsmith, the MTS shaft at Woodsmith and the MTS shaft at Lockwood Beck.

The contract is a lump sum contract broken down by reference to key design packages and coordination services. Additional services (if required) are payable by reference to a schedule of agreed rates which are reviewed and fixed at the start of each new financial year.

YPL may terminate the contract, *inter alia*, (i) for Arup's breach of its obligations, without good reason, after a cure period of 14 days or (ii) for convenience. Arup may terminate the contract (i) for non-payment of an invoice within 28 days of the relevant due date (to the extent that such invoice has not by that time been contested in writing), (ii) if a suspension occurs which is either the result of a force majeure event or upon YPL's instruction, (iii) where consent by any funder providing finance to YPL in relation to the Project is needed to proceed with the Project and/or Project financing and this is refused by such funder, or (iv) immediately, if it is shown that YPL is in breach of its obligations in relation to corruption and fraud and notwithstanding any penalties or other sanctions to which YPL may be subject under the law of the England and Wales, or in other jurisdictions.

#### *VSM Supply Contract*

The VSM Supply Contract provides for the purchase of one vertical shaft sinking machine and other equipment for the Project. The VSM is currently in use on the Woodsmith site.

The contract is a lump sum contract and is stated to be an all-inclusive price which is not subject to escalations or alterations except in relation to variations changing the scope of supply requested by YPL.

YPL has termination rights (i) in the event of insolvency of Herrenknecht, (ii) in event of certain material breaches by Herrenknecht, and (iii) in an event of force majeure lasting more than 30 days. Herrenknecht has termination rights (i) for non-payment within 30 days of notification to YPL to do so, (ii) upon an event of insolvency of YPL, (iii) upon a change of control of Herrenknecht and (iv) in the event of a force majeure that prevents Herrenknecht from performing its obligations for three or more months continuously.

#### *PJ Carey VSM Works Contract*

YPL has entered in to an agreement for VSM works with PJ Carey, dated 1 May 2018 (the **PJ Carey VSM Works Contract**). Under the PJ Carey VSM Works Contract, PJ Carey will be responsible for the excavation and construction of the MTS shaft at Woodsmith, using the VSM provided by YPL.

The contract price is divided into different phases, with only certain phases not being priced on a lump sum basis: (i) one phase is split between a weekly lump sum payment and a cost plus a mark-up of a fixed percentage for purchase of materials; and (ii) the other phase is an arrangement of a cost plus a fixed margin, with a proposed budget for the cost of this phase solely for indicative purposes. This means that the total contract price may fluctuate. The scheduled practical date for completion is the date 33 calendar weeks after receipt of YPL's notice to commence construction works. The PJ Carey VSM Works Contract does not provide for payment to YPL of delayed liquidated damages.

YPL may terminate the contract (i) in the event of insolvency of PJ Carey or its parent company guarantee provider, (ii) if acceptance and handover of the works has not occurred 12 months from the scheduled practical completion date, (iii) upon a PJ Carey event of default including a change in



control, (iv) for convenience or (v) if excused from its obligations under the contract for a continuous period of 180 days, or 365 days in aggregate in the event of force majeure. PJ Carey may terminate the contract (i) for YPL's non-payment 30 days after payment date and subsequent to 30 days suspension of the works, (ii) in event of YPL's insolvency, (iii) upon a suspension of the works for 365 consecutive days or more (not attributable to PJ Carey) with requests for permission to continue not granted or (iv) if excused from its obligations under the contract for a continuous period of 180 days, or 365 days in aggregate in the event of force majeure.

#### *ADM Binder Supply Agreement*

YPL has entered into a supply agreement with ADM, dated 30 July 2018, pursuant to which ADM will supply binder to be used by YPL in the granulation of POLY4 (the **ADM Binder Supply Agreement**). The ADM Binder Supply Agreement is akin to a framework agreement and consists of the key commercial terms of the supply arrangement prior to first polyhalite (price, volumes and take-or-pay), with more definitive terms around specifications, measurement and nominations procedures envisaged to be negotiated once the research and development phase of the relationship has concluded.

The ADM Binder Supply Agreement is for the provision of corn-starch-based binder in accordance with YPL's requirements. The binder price for each metric tonne of binder is in accordance with a specified formula and is subject to a fixed processing fee.

The initial term of the contract is five years from the commencement date (being the date on which YPL provides notice to ADM of the date it first requires delivery of binder to commence) with an option to renew for a further term of one or more contract years subject to mutual agreement of the parties.

Both parties to the ADM Binder Supply Agreement have termination rights (i) in the event of force majeure and (ii) in the case of default of the other party under the agreement. In the event of termination for breach by YPL, YPL would be liable for the cost of any binder raw material ordered by ADM prior to the termination.

### **8.6** *Hancock Royalty Deed*

Pursuant to a royalty financing agreement dated 25 October 2016 entered into between Sirius, York Potash Limited, York Potash Processing & Ports Limited and Hancock British Holdings Limited (**Hancock**) (as amended by a side letter dated 13 September 2018) (together, the **Royalty Deed**), Hancock has a right to subscribe, and Sirius has an obligation to require Hancock to subscribe, for Sirius Shares subject to the terms and conditions of the Royalty Deed being satisfied (or waived by Hancock). Pursuant to the terms of the Royalty Deed, Hancock also has certain board observers and rights to appoint a director to the Sirius Board.

Hancock has agreed that, conditional upon completion of the Acquisition, Hancock irrevocably waives its right to subscribe, and agrees that Sirius shall have no obligation to require Hancock to subscribe, for Sirius Shares, and has agreed to remove the board observers and director appointment rights afforded to it under the terms of the Royalty Deed (the Hancock Waiver). Anglo American has agreed, in a side letter (the **Waiver Side Letter**), conditional upon completion of the Acquisition, to procure that Sirius agrees to the terms of the Hancock Waiver.

### **8.7** *Investment in the Cibra Group Companies*

#### *Share Purchase Agreement relating to the Cibra Group Companies*

On 16 September 2018, Paribara, the Niti Ross Separate Property Trust (the **Niti Ross Trust**), the Neha Vashisht Separate Property Trust (the **Neha Vashisht Trust** and, together with the Niti Ross Trust, the **VF Sellers**) and Sirius entered into an agreement for the sale and purchase of shares in Cibra and OFD (the **Cibra SPA**). The SPA provides for the acquisition by Sirius (acting through its wholly owned subsidiary Sirius Minerals Holdings Limited (Sirius Holdings)) of 30 per cent. of the issued share capital in each of Cibra and OFD from Paribara and the VF Sellers respectively in consideration for the issuance of 95 million ordinary shares (the **Consideration Shares**).

Completion of the transaction occurred on 26 November 2018 and was subject to certain conditions. The Cibra SPA contains a specific indemnity in relation to an ongoing historic dispute with Bafertil J.D. Participacoes Ltda (a minority shareholder holding one share in Cibra) (**Bafertil**) in respect of which Bafertil has challenged previous capital raises of Cibra. This is a dispute that has been ongoing for in excess of 20 years and Paribara also has a separate indemnity in respect of damages arising in relation to this dispute under a prior sale and purchase agreement with a former seller of Cibra. The

Cibra SHA (as defined below) also contains a put option allowing Sirius Holdings to put its shares in Cibra to Paribara in the event of any enforcement action being taken that would result in a change in the capital structure of Cibra as a result of such dispute with Bafertil. The Cibra SPA was amended on 14 November 2018 to extend the long stop date for satisfaction of the conditions in the SPA from 15 November 2018 to 14 December 2018.

#### *Cibra Group Shareholders' Agreements*

On 26 November 2018, (a) Paribara and Sirius Holdings (together the **Cibra Shareholders**) and Cibra entered into a shareholder's agreement in respect of the governance and share capital of Cibra (the **Cibra SHA**); and (b) the Neha Vashisht Trust, the Niti Ross Trust and Sirius Holdings (together, the **OFD Shareholders**), OFD and Paribara entered into a shareholders' agreement in respect of the governance and share capital of OFD (the **OFD SHA**, and together with the Cibra SHA, the **Cibra Group SHAs**). The Cibra Group SHAs set out the rights and obligations of the Cibra Shareholders and the OFD Shareholders (the **Cibra Group Shareholders**) including in relation to the 30 per cent. stake in each of the Cibra Group Companies acquired by Sirius Holdings under the SPA.

The business of the Cibra Group Companies is expressly specified to be the import, export and commercialisation of fertilizers and minerals (the **Business**) and the Cibra Group Shareholders are required to direct all new business in the nature of the Business to the Cibra Group Companies and its subsidiaries in the following territories: Brazil, Venezuela, Guyana, French Guiana, Suriname, Bolivia, Paraguay, Uruguay, Colombia, Ecuador, Peru, Argentina and Chile.

The OFD SHA also contains a guarantee pursuant to which Paribara gives a guarantee in favour of Sirius Holdings' and the Sirius Group in respect of each of Neha Vashisht Trust's and Niti Ross Trust's payment and performance obligations under the OFD SHA.

The Cibra Group SHAs contain the following termination events: (i) serious or persistent default by a shareholder (or in the case of the OFD SHA only, by Paribara in its capacity as guarantor of each of Neha Vashisht Trust's and Niti Ross Trust's obligations under the OFD SHA) that, if capable of being remedied, is not remedied within 20 Business Days of receiving notice from the other shareholder; (ii) an insolvency event affecting a shareholder; (iii) a direct or indirect change of control occurring in relation to Paribara without the prior written consent of Sirius Holdings; (iv) a "YPL Supply and Distribution Agreement Default" occurring (i.e. where the Cibra Offtake Agreement is terminated by OFD due to (A) a material breach of the Cibra Offtake Agreement by YPL that is not remedied within the applicable time periods as set out in the Cibra Offtake Agreement; or (B) the occurrence of an insolvency event affecting YPL in accordance with the terms of the Cibra Offtake Agreement); (v) an "OFD Supply and Distribution Agreement Default" (which is substantively equivalent to a YPL Supply and Distribution Agreement Default except it applies where the Cibra Offtake Agreement is terminated by YPL for equivalent circumstances to (A) and (B) but affecting OFD rather than YPL); and (vi) a shareholder being prohibited by law from being a shareholder of Cibra as a result of a change in law.

The Cibra SHA also contains as an additional termination event referred to as a "Bafertil Event" (i.e., where, in relation to the dispute with Bafertil as described above, any enforcement is taken by a court or authority in Brazil in respect of any ruling or decision by any court to change the capital structure of Cibra as a result of or in connection with the outcome of the dispute with Bafertil).

If the termination event is (i), (ii), (iv) or (vi), the non-defaulting shareholder has a call option over the defaulting shareholder's shares, which in the case of (i) and (iv) will be at an amount equal to 90 per cent. of fair market value and in the case of (ii) or (vi) will be at an amount equal to fair market value. If the termination event is (i), (iii), (v) or a Bafertil Event, the non-defaulting shareholder has a put option pursuant to which it can put its shares to the defaulting shareholder, which in the case of (i) and (v) will be at an amount equal to 110 per cent of fair market value or in the case of (iii) or a Bafertil Event will be at an amount equal to fair market value.

#### **8.8** *Confidentiality Agreement*

See paragraph 15.1 of Part Two (*Explanatory Statement*) of this document for details of the Confidentiality Agreement.

#### **8.9** *Co-operation Agreement*

See paragraph 15.2 of Part Two (*Explanatory Statement*) of this document for details of the Co-operation Agreement.

## 9. Bidco material contracts

Save as disclosed below, no contracts (otherwise than in the ordinary course of business) have been entered into by Bidco or members of the Anglo American Group since 7 January 2018 (being the date two years prior to the commencement of the Offer Period) and which are, or may be, material to the Anglo American Group as at the date of this document:

### *Co-operation Agreement*

See paragraph 15.2 of Part Two (*Explanatory Statement*) of this document for details of the Co-operation Agreement.

## 10. Cash confirmation

The Consideration payable pursuant to the Acquisition will be financed as set out in paragraph 9 of Part Two (*Explanatory Statement*) of this document. BofA Securities as financial adviser to Anglo American, are satisfied that sufficient resources are available to satisfy in full the Consideration payable to Sirius Shareholders under the terms of the Acquisition.

## 11. No significant change

The current trading information in paragraph 8 of Part One (*Letter from the Chairman of Sirius*) of this document provides an update on the trading position of the Sirius Group (the **Current Trading Update**), which is in line with the update and projection outlined by the Company on 17 September 2019 in its half year results announcement for the six months ended 30 June 2019 (the **HY 2019 RNS**). Except as disclosed in the Current Trading Update and the HY 2019 RNS, there has been no significant change in the financial or trading position of the Sirius Group since 30 June 2019, being the date to which Sirius' most recent half year results were prepared.

## 12. Offer-related fees and expenses

### 12.1 Bidco fees and expenses

The aggregate fees and expenses which are expected to be incurred by Bidco in connection with the Acquisition are estimated to amount to between £12,979,000 and £15,816,000, plus applicable VAT and other taxes. The aggregate fees and expenses consist of the following categories:

Category	Amount (excluding applicable VAT)
Financial and corporate broking advice <sup>(1)</sup>	£8,512,000 – £10,819,000
Legal advice <sup>(2)</sup>	£2,980,000 – £3,480,000
Public relations advice	£550,000
Other professional services <sup>(3)</sup>	£770,000 – £800,000
Other costs and expenses	£167,000
<b>Total</b>	<b>£12,979,000 – £15,816,000</b>

(1) Financial advice fees are estimated as a range as they include a discretionary fee element, the amount of which will be determined at the end of the transaction.

(2) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to the latest practicable date prior to the publication of this document and an estimate of the further time required.

(3) Other professional advice fees are estimated as a range at the latest practicable date prior to the publication of this document. The amount of services to be provided in connection with, *inter alia*, pensions and tax advice is uncertain.

In addition, stamp duty (or stamp duty reserve tax) of 0.5 per cent. on an amount up to the total Consideration will be payable by Bidco.

## 12.2 *Sirius fees and expenses*

The aggregate fees and expenses which are expected to be incurred by Sirius in connection with the Acquisition are estimated to amount to £6,660,000 to £7,756,000, plus applicable VAT and other taxes. The aggregate fees and expenses consist of the following categories:

Category	Amount (excluding applicable VAT)
Financial and corporate broking advice <sup>(1)</sup>	£4,224,000 – £5,220,000
Legal advice <sup>(2)</sup>	£2,286,000
Other costs and expenses	£150,000 – £250,000
<b>Total</b>	<b>£6,660,000 – £7,756,000</b>

(1) Financial advice fees are estimated as a range as they include a discretionary fee element, the amount of which will be determined at the end of the transaction.

(2) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to the latest practicable date prior to the publication of this document and an estimate of the further time required.

Some fees payable in USD have been translated into GBP.

## 13. Other information

- 13.1 Each of J.P. Morgan Cazenove, Lazard, BofA Securities and Centerview Partners has given and not withdrawn its written consent to the issue of this document with the inclusion of the references to its name in the form and context in which they appear.
- 13.2 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangement) between Bidco or any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of Sirius, or any person interested or recently interested in Sirius Shares, having any connection with or dependence on or which is conditional upon the outcome of the Acquisition.
- 13.3 There is no agreement, arrangement or understanding pursuant to which the beneficial ownership of any of the Sirius Shares to be acquired by Bidco will be transferred to any other person, save that Bidco reserves the right to transfer any such shares to any other member of the Bidco Group.
- 13.4 Save with the consent of the Panel, settlement of the Consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which Bidco may otherwise be, or claim to be, entitled against any such Scheme Shareholder.
- 13.5 Save as disclosed in this document, the emoluments of the Sirius Directors and the Bidco Directors will not be affected by the Acquisition or any other associated transaction.
- 13.6 Save as disclosed in this document, there is no agreement or arrangement to which Bidco is a party which relates to the circumstances in which it may or may not invoke a Condition to the Scheme.

## 14. Incorporation by reference

- 14.1 Parts of other documents are incorporated by reference in, and form part of, this document.
- 14.2 Part Five (*Financial Information*) sets out which sections of such documents are incorporated into this document.
- 14.3 Recipients of this document may request hard copies of the information incorporated into this document by reference by contacting Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. Hard copies of the information incorporated into this document by reference will not be sent to recipients of this document unless specifically requested.

## **15. Documents published on a website**

Copies of the following documents are available on Sirius's website at [www.siriusminerals.com/investors](http://www.siriusminerals.com/investors) (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions) up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier:

- (a) the irrevocable undertakings referred to in paragraph 6 of this Part Six (*Additional Information*);
- (b) the Confidentiality Agreement;
- (c) the Co-operation Agreement;
- (d) the written consents referred to in paragraph 13.1 of this Part Six (*Additional Information*);
- (e) the Rule 2.7 Announcement;
- (f) this document;
- (g) the Forms of Proxy;
- (h) the Hancock Waiver;
- (i) the Anglo Side Letter;
- (j) Bidco's articles of association;
- (k) the Sirius Articles; and
- (l) the Sirius Articles, as proposed to be amended by the Scheme Resolution.

## **16. Sources of information and bases of calculation**

**16.1** The value placed by the Acquisition on the existing issued ordinary share capital of Sirius is based on 7,020,196,560 Sirius Shares in issue on the Latest Practicable Date.

**16.2** The value of the Acquisition on a fully diluted basis has been calculated on the basis of a fully diluted issued ordinary share capital of 7,020,196,560 Sirius Shares, which is calculated by reference to 7,020,196,560 Sirius Shares in issue on the Latest Practicable Date and a further 341,152,599 Sirius Shares which may be issued on or after the date of this document on the exercise of options or vesting of awards under the Sirius Share Plans (taking into account the exercise by the Sirius remuneration committee of applicable discretions).

**16.3** Unless otherwise stated, all prices and closing prices for Sirius Shares are closing middle market quotations derived from the Daily Official List of the London Stock Exchange.

**16.4** Volume-weighted average prices have been derived from Bloomberg and have been rounded to the nearest single decimal place.

**16.5** Unless otherwise stated, the financial information relating to Sirius is extracted from the audited final results of the Sirius Group for the financial year to 31 December 2018 and the half year results of the Sirius Group for the six months to 30 June 2019, prepared in accordance with IFRS.

**16.6** Certain figures included in this document have been subject to rounding adjustments.



## PART SEVEN

### DEFINITIONS

The following definitions apply throughout this document, unless the context requires otherwise:

<b>Acquisition</b>	the direct or indirect acquisition by Bidco of the entire issued and to be issued ordinary share capital of Sirius, to be effected by means of the Scheme (or by way of the Takeover Offer under certain circumstances described in this document), and, where the context admits, any subsequent revision, variation, extension or renewal of it;
<b>ADM</b>	Amylum Bulgaria EAS;
<b>ADR</b>	an American Depositary Receipt;
<b>Anglo American</b>	Anglo American plc, a company incorporated in England and Wales with registered number 03564138;
<b>Anglo American Board</b>	the board of directors of Anglo American;
<b>Anglo American Directors</b>	the directors of Anglo American as at the date of this document or, where the context so requires, the directors of Anglo American from time to time;
<b>Anglo American Group</b>	Anglo American and its subsidiary undertakings and, where the context permits, each of them;
<b>Arup</b>	Ove Arup & Partners Limited;
<b>Authorisations</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
<b>Bachy</b>	Bachy Soletanche Limited;
<b>BAST</b>	BayWa Agri Supply & Trade;
<b>Bauer</b>	Bauer Technologies Limited;
<b>Bidco</b>	Anglo American Projects UK Limited, a company incorporated in England and Wales with registered number 12366241;
<b>Bidco Board</b>	the board of directors of Bidco;
<b>Bidco Directors</b>	the directors of Bidco as at the date of this document or, where the context so requires, the directors of Bidco from time to time;
<b>Bidco Group</b>	Bidco and its subsidiary undertakings and, where the context permits, each of them;
<b>BofA Securities</b>	Merrill Lynch International;
<b>Breedon</b>	Breedon Northern Ltd;
<b>Business Day</b>	a day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
<b>CADE</b>	Brazil's Council for Economic Defence and its entities;
<b>Centerview Partners</b>	Centerview Partners UK LLP;
<b>certificated or in certificated form</b>	in relation to a Sirius Share, one which is not in uncertificated form (that is, not in CREST);
<b>Cibra</b>	Cibrafertil Companhia Brasileira de Fertilizantes;
<b>Cibra Group Companies</b>	Cibra and OFD;
<b>Cibra Offtake Agreement</b>	the offtake agreement entered into between YPL and the Cibra Group Companies in September 2018, which was amended and restated in November 2018;

<b>CFR</b>	cost and freight;
<b>CMA Phase 2 Reference</b>	a reference of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013;
<b>Code</b>	the City Code on Takeovers and Mergers issued from time to time by the Panel;
<b>Companies Act</b>	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time;
<b>Competition and Markets Authority or CMA</b>	a UK statutory body established under the Enterprise and Regulatory Reform Act 2013;
<b>Conditions</b>	the conditions to the implementation of the Acquisition, as set out in Part A of Part Three ( <i>Conditions to and further terms of the Scheme and the Acquisition</i> ) of this document;
<b>Confidentiality Agreement</b>	the confidentiality agreement dated 8 January 2020 between Anglo American Services (UK) Limited and Sirius;
<b>Consideration</b>	the cash amount of 5.50 pence per Scheme Share, payable by Bidco to the Scheme Shareholders pursuant to the Scheme;
<b>Convertible Bonds</b>	together, the Sirius 2023 Bonds and the Sirius 2027 Bonds;
<b>Convertible Bondholders</b>	holders of the Convertible Bonds from time to time;
<b>Co-operation Agreement</b>	the agreement dated 20 January 2020 between Bidco, Anglo American and Sirius relating to, among other things, the implementation of the Acquisition;
<b>Court</b>	the High Court of Justice in England and Wales;
<b>Court Hearing</b>	the hearing of the Court at which the Court Order will be sought;
<b>Court Meeting</b>	the meeting of Scheme Shareholders (and any adjournment of such meeting) convened pursuant to an order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
<b>Court Order</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
<b>CREST</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) for the paperless settlement of trades in securities and the holding of uncertificated securities;
<b>CREST Manual</b>	the CREST Manual published by Euroclear, as amended from time to time;
<b>CREST Proxy Instruction</b>	the proxy appointment or instruction made using the CREST service, properly authenticated in accordance with the specifications of Euroclear and containing the information required by the CREST Manual;
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended;
<b>CSOP</b>	the Sirius Minerals Plc Company Share Option Plan;
<b>Daily Official List</b>	the Daily Official List published by the London Stock Exchange;
<b>Dealing Disclosure</b>	has the same meaning as in Rule 8 of the Code;
<b>Disclosed</b>	the information disclosed by, or on behalf of, Sirius: (i) in the annual report and accounts of the Sirius Group for the financial year ended 31 December 2018; (ii) in the Rule 2.7 Announcement; (iii) in any other

announcement to a Regulatory Information Service by, or on behalf of, Sirius prior to the publication of the Rule 2.7 Announcement; (iv) in filings made with the Registrar of Companies and appearing in Sirius' file at Companies House within the three years preceding the Rule 2.7 Announcement; (v) in Sirius' announcement of its interim results for the half-year ended 30 June 2019; (vi) on Sirius' website as at 5.00 p.m. on 17 January 2020; or (vii) as otherwise fairly disclosed to Bidco (or its respective officers, employees, agents or advisers) prior to the publication of the Rule 2.7 Announcement (including all matters fairly disclosed in the written replies, correspondence, documentation and information provided in an electronic data room created by or on behalf of Sirius or sent to Anglo American, Bidco or any member of the Wider Anglo American Group or any of its advisers during the due diligence process and whether or not in response to any specific request for information made by any member of the Wider Anglo American Group or any of its advisers);

<b>DMC</b>	DMC Mining Services;
<b>Drive 1</b>	the first section of the MTS tunnel that joins the mine head at Woodsmith and the MHF at Teesside;
<b>Drive 2</b>	the second section of the MTS tunnel that joins the mine head at Woodsmith and the MHF at Teesside;
<b>Drive 3</b>	the third section of the MTS tunnel that joins the mine head at Woodsmith and the MHF at Teesside;
<b>Effective Date</b>	the date on which: (i) the Scheme becomes effective; or (ii) if Bidco elects to implement the Acquisition by way of a Takeover Offer, the date on which such Takeover Offer becomes or is declared unconditional in all respects;
<b>Eiliseng</b>	Guangzhou Eiliseng Biotech Co Ltd;
<b>Enlarged Group</b>	the combined Sirius Group and Anglo Group following completion of the Acquisition;
<b>EU</b>	the European Union;
<b>Euroclear</b>	Euroclear UK & Ireland Limited;
<b>FCA or Financial Conduct Authority</b>	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the UK Financial Services and Markets Act 2000;
<b>Form(s) of Proxy</b>	the BLUE Form of Proxy for use at the Court Meeting and the WHITE Form of Proxy for use at the General Meeting (or either of them as the context may require), which accompany this document;
<b>General Meeting</b>	the general meeting of Sirius (or any adjournment of such meeting) to be convened in connection with the Scheme;
<b>Herrenknecht</b>	Herrenknecht AG;
<b>HMRC</b>	HM Revenue & Customs;
<b>holder</b>	a registered holder and includes any person(s) entitled by transmission;
<b>IFRS</b>	International Financial Reporting Standards;
<b>ITL</b>	Intercontinental Trade DMCC;
<b>IOS</b>	the Sirius Minerals Plc Incentive Option Scheme;
<b>Jacobs</b>	Jacobs UK Limited;
<b>JOE Award</b>	a jointly owned equity award over Sirius Shares;

<b>JOE Option</b>	an option granted in conjunction with a JOE Award over the part-interest in the Sirius Shares subject to such JOE Award held by the Trustee;
<b>J.P. Morgan Cazenove</b>	J.P. Morgan Securities plc, which conducts its United Kingdom investment banking business as J.P. Morgan Cazenove;
<b>Latest Practicable Date</b>	4 February 2020 (being the latest practicable date before the publication of this document);
<b>Link Asset Services</b>	Link Asset Services, a trading name of Link Market Services Limited;
<b>Listing Rules</b>	the rules and regulations made by the Financial Conduct Authority under the Financial Services and Markets Act 2000 (as amended), and contained in the publication of the same name, as amended from time to time;
<b>London Stock Exchange</b>	London Stock Exchange plc;
<b>Long Stop Date</b>	30 April 2020 or, if CADE do not consider that the application form is eligible for a fast-track review procedure, 18 June 2020 or such later date as may be agreed in writing by Anglo American and Sirius (with the Panel's consent and as the Court may approve (if such approval(s) are required));
<b>McLaughlin &amp; Harvey</b>	McLaughlin & Harvey Ltd;
<b>Meetings</b>	the Court Meeting and/or the General Meeting, as the case may be;
<b>MHF Contract</b>	a materials handling facility agreement between YPPPL and Jacobs, dated 5 September 2018;
<b>Milestone Awards</b>	the awards over 7,000,000 Sirius Shares in aggregate held by the Sirius Chief Financial Officer and the Sirius General Counsel and Company Secretary (in respect of 1,000,000 Sirius Shares each) and by the Sirius Chief Development Officer (in respect of 5,000,000 Sirius Shares);
<b>MTS</b>	Mineral Transport System;
<b>MTS Contract</b>	a contract relating to works for Drive 1, Drive 2 and Drive 3 and MTS fir-out between YPL and STRABAG, dated 5 September 2018 (as amended on 14 November 2018 and on 5 March 2019);
<b>NYCC</b>	North Yorkshire County Council;
<b>NYMP</b>	North York Moors National Park;
<b>NYMPA</b>	North York Moors National Park Association;
<b>OFD</b>	OFD Supply Inc;
<b>Offer Period</b>	the period commencing on 8 January 2020, being the date of the Rule 2.7 Announcement, and ending on: (i) the earlier of the Effective Date and the date on which the Scheme lapses or is withdrawn (or such other date as the Panel may decide); or (ii) the earlier of the date on which the Acquisition has become or has been declared unconditional as to acceptances and the date on which the Acquisition lapses or is withdrawn (or such other date as the Panel may decide), in each case other than where such lapsing or withdrawal is a result of Bidco exercising its right to implement the Acquisition by way of a Takeover Offer or a Scheme (as appropriate), provided that references to the offer period in paragraph 5 of Part Six ( <i>Additional Information</i> ) of this document are to the Offer Period up to the close of business on the Latest Practicable Date;
<b>Official List</b>	the Official List of the London Stock Exchange;
<b>OLC</b>	Overland elevated conveyor;

<b>Olko</b>	Olko-Maschinentechnik GmbH;
<b>Opening Position Disclosure</b>	has the same meaning as in Rule 8 of the Code;
<b>Overseas Shareholders</b>	Sirius Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside of the UK or who are nominees of, or custodians or trustees for, citizens or nationals of countries other than the UK;
<b>Panel</b>	the UK Panel on Takeovers and Mergers, or any successor to it;
<b>PHF</b>	port handling facility;
<b>PHF Contract</b>	a port handling facility agreement between YPPPL and McLaughlin & Harvey, dated 2 November 2018;
<b>PJ Carey</b>	P.J. Carey (Contractors) Limited;
<b>Possible Offer Announcement</b>	the statement regarding possible offer announcement made by Sirius on 8 January 2020 pursuant to Rule 2.4 of the Code;
<b>Project</b>	Sirius's North Yorkshire polyhalite project;
<b>RBT Limited</b>	RedCar Bulk Terminal Limited;
<b>RBT MHF Contract</b>	the materials handling agreement made between RBT Limited and YPL on 6 July 2018 for the provision of port and ship loading services at the RBT Wharf;
<b>RBT Wharf</b>	RedCar Bulk Terminal Wharf;
<b>RCBC</b>	Redcar and Cleveland Borough Council;
<b>Registrar of Companies</b>	the registrar of companies in England and Wales;
<b>Regulatory Information Service</b>	any of the services set out in Appendix I to the Listing Rules;
<b>Relevant Authority</b>	any central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body or court in any jurisdiction;
<b>Re-registration Resolution</b>	the special resolution to approve the re-registration of Sirius as a private limited company following the Effective Date to be proposed at the General Meeting;
<b>Resolutions</b>	the Scheme Resolution and/or the Re-registration Resolution, as the case may be;
<b>Restricted Jurisdiction</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if the Acquisition is extended or made available in that jurisdiction or if information concerning the Acquisition is sent or made available in that jurisdiction;
<b>Royalty</b>	the royalty on the Project of 5 per cent. of gross revenue (less deductible allowances) on the first 13 mtpa of sales in each calendar year and 1 per cent. For sales volumes above 13 mtpa in return of US\$250 million, to be granted by the Company to Hancock pursuant to the terms of the Royalty Financing Deed;
<b>Royalty Financing</b>	the purchase of the Royalty in return for US\$250 million and subscription of 200,076,824 Shares for US\$50 million by Hancock pursuant to the terms of the Royalty Deed;
<b>Royalty Purchase Price</b>	the US\$250 million paid by Hancock under the Royalty Deed in respect of the Royalty;
<b>Rule 2.7 Announcement</b>	the joint announcement made by Sirius, Anglo American and Bidco on 20 January 2020 in relation to the Acquisition;
<b>SBIP</b>	the Sirius Minerals Plc Share Based Incentive Plan;



<b>SBIP Awards</b>	all awards outstanding under the SBIP;
<b>Scheme or Scheme of Arrangement</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between Sirius and the Sirius Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Sirius and Bidco;
<b>Scheme Effective Time</b>	the time on the Effective Date at which the Scheme becomes effective in accordance with its terms;
<b>Scheme Record Time</b>	6.30 p.m. on the date on which the Court makes the Court Order;
<b>Scheme Resolution</b>	the special resolution relating to the Scheme to be proposed at the General Meeting;
<b>Scheme Shareholders</b>	holders of Scheme Shares at any relevant date or time;
<b>Scheme Shares</b>	means together: <ul style="list-style-type: none"> <li>(a) the Sirius Shares in issue at the date of this document and (where the context requires) which remain in issue at the Scheme Record Time;</li> <li>(b) any Sirius Shares issued after the date of this document and before the Voting Record Time and (where the context requires) which remain in issue at the Scheme Record Time; and</li> <li>(c) any Sirius Shares issued at or after the Voting Record Time and before the Scheme Record Time on terms that the holder of such Sirius Shares shall be bound by the Scheme, or in respect of which the original or any subsequent holders of such Sirius Shares are, or shall have agreed in writing to be, bound by the Scheme and, in each case, (where the context requires) which remain in issue at the Scheme Record Time,</li> </ul> <p>excluding, in any case, any Sirius Shares (i) held in treasury, or (ii) registered in the name of, or beneficially owned by, Bidco, any member of the Bidco Group or their respective nominees;</p>
<b>Significant Interest</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking;
<b>Sirius</b>	Sirius Minerals Plc, a company incorporated in England and Wales with registered number 04948435;
<b>Sirius 2023 Bonds</b>	the US\$400,000,000 8.5 per cent. guaranteed convertible bonds due 2023 issued by Sirius Minerals Finance Limited, which are guaranteed by Sirius and convertible into Sirius Shares (of which there are US\$137,600,000 outstanding as at close of business on the Latest Practicable Date);
<b>Sirius 2027 Bonds</b>	the US\$106,600,000 5 per cent. guaranteed convertible bonds due 2027 issued by Sirius Minerals Finance No.2 Limited, which are guaranteed by Sirius and convertible into Sirius Shares (of which there are US\$99,000,000 outstanding as at close of business on the Latest Practicable Date);
<b>Sirius ADRs</b>	Sirius' sponsored level 1 American Depositary Receipts for which Deutsche Bank Trust Company Americas acts as Sirius Depositary;
<b>Sirius Articles</b>	the articles of association of Sirius as amended from time to time;
<b>Sirius Board</b>	the Board of directors of Sirius at the time of this document or, where the context so requires, the Board of directors of Sirius from time to time;
<b>Sirius Directors</b>	the directors of Sirius;

<b>Sirius Employee Benefit Trust</b>	the Sirius employee benefit trust constituted by a trust deed dated 15 February 2008;
<b>Sirius Depositary</b>	Deutsche Bank Trust Company Americas, as depositary for the Sirius ADR program;
<b>Sirius Group</b>	Sirius and its subsidiary undertakings and, where the context permits, each of them;
<b>Sirius Share Plans</b>	the SBIP, the CSOP, the IOS and the USOP;
<b>Sirius Shareholders</b>	the holders of Sirius Shares from time to time;
<b>Sirius Shares</b>	ordinary shares of 0.25 pence each in the capital of Sirius;
<b>Specified Time</b>	6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the date of the General Meeting or any adjournment of it (as the case may be);
<b>STRABAG</b>	STRABAG International GmbH;
<b>Takeover Offer</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued ordinary share capital of Sirius and, where the context admits, any subsequent revision, variation, extension or renewal of such takeover offer;
<b>Trust</b>	the Sirius Minerals Plc Employee Benefit Trust;
<b>Trustee</b>	Sanne Fiduciary Services Limited, a company incorporated in Jersey under registered number 41570, whose registered office is 13 Castle Street, St Helier, Jersey JE4 5UT;
<b>uncertificated or in uncertificated form</b>	in relation to a Sirius Share, one which is recorded on the relevant register as being held in uncertificated form in CREST;
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>US or United States</b>	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political subdivision thereof;
<b>US Exchange Act</b>	the US Securities Exchange Act of 1934, as amended;
<b>USOP</b>	the Sirius Minerals Plc Unapproved Share Option Plan;
<b>VAT</b>	value added tax or any similar sales or turnover tax;
<b>Voting Record Time</b>	6.30 p.m. on the day which is two days (excluding any part of a day that is not a Business Day) before the date of the Court Meeting or any adjournment of it (as the case may be);
<b>VSM</b>	Vertical Shaft Mine;
<b>Wider Anglo American Group</b>	Anglo American, and associated undertakings and any other body corporate, partnership, joint venture or person in which Anglo American and such undertakings (aggregating their interests) have a Significant Interest;
<b>Wider Sirius Group</b>	Sirius and associated undertakings and any other body corporate, partnership, joint venture or person in which Sirius and such undertakings (aggregating their interests) have a Significant Interest; and
<b>YSA</b>	Yantai Service Agriculture Science and Technologies Co. Ltd.

In this document, **subsidiary**, **subsidiary undertaking**, **undertaking** and **associated undertaking** have the respective meanings given to them in the Companies Act.

In this document, all references:

- (a) to times are to London time, unless otherwise stated;
- (b) to the singular include the plural and vice versa;
- (c) to **Sterling**, **£**, **pence** and **p** are to the lawful currency of the United Kingdom; and
- (d) to **US\$** are to the lawful currency of the United States.

**PART EIGHT**  
**NOTICE OF COURT MEETING**

IN THE HIGH COURT OF JUSTICE

CR-2020-000377

BUSINESS AND PROPERTIES COURTS  
OF ENGLAND AND WALES  
COMPANIES COURT (ChD)  
ICC JUDGE MULLEN

**IN THE MATTER OF SIRIUS MINERALS PLC**  
**and**  
**IN THE MATTER OF THE COMPANIES ACT 2006**

NOTICE IS GIVEN that, by an order dated 5 February 2020 made in the above matters, the Court has given permission for a meeting (the **Court Meeting**) to be convened of the holders of Scheme Shares (as defined in the scheme of arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement (the **Scheme of Arrangement**) proposed to be made pursuant to Part 26 of the Companies Act 2006 (the **Act**) between Sirius Minerals Plc (the **Company**) and the holders of the Scheme Shares (as defined in the Scheme of Arrangement) and that the Court Meeting will be held at 11.00 a.m. at the Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ on 3 March 2020 at which place and time all holders of Scheme Shares are requested to attend.

Copies of the Scheme of Arrangement and of the explanatory statement required to be published pursuant to section 897 of the Act are incorporated in the document of which this Notice forms part.

Voting on the resolution to approve the Scheme of Arrangement will be by poll, which shall be conducted as the Chairman of the Court Meeting may determine.

*Right to Appoint a Proxy; Procedure for Appointment*

**Holders of Scheme Shares entitled to attend and vote at the Court Meeting may vote in person at such meeting or they may appoint another person or persons, whether a member of the Company or not, as their proxy or proxies, to exercise all or any of their rights to attend, speak and vote at the Court Meeting, provided that, where more than one proxy is appointed, each proxy is appointed to exercise the rights attached to a different share or shares.**

A BLUE Form of Proxy, for use at the Court Meeting, is enclosed with this Notice. Instructions for its use are set out on the form. It is requested that the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy of such power or authority) be returned to Link Asset Services PXS at The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, either (i) by post or (ii) (during normal UK business hours only) by hand, to be received no later than 11.00 a.m. (London time) on 28 February 2020 or, in the case of an adjournment of the Court Meeting, 48 hours (excluding any part of a day that is not a Business Day) before the time appointed for the adjourned meeting. However, if not so lodged, BLUE Forms of Proxy (together with any such authority, if applicable) may be handed to the Chairman of the Court Meeting or to Link Asset Services, on behalf of the Chairman of the Court Meeting, before the start of the Court Meeting. If you require additional proxy forms, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Members who hold their shares in uncertificated form through CREST who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST). In order for a proxy appointment or instruction made using CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications, and must contain the information required for such instruction, 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 Link Asset Services (ID RA10) by 11 a.m. (London time) on 28 February 2020 (or if the Court Meeting is adjourned, 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned Court Meeting). 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 Applications Host) from which Link Asset Services 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.

Forms of Proxy may alternatively be submitted electronically by logging on to the following website [www.siriusminerals-shares.com](http://www.siriusminerals-shares.com) and following the instructions there. You will need your Investor Code (this is the series of numbers printed under your name on the Form of Proxy). Full instructions are given on the website. You are advised to read the terms and conditions of use carefully. For an electronic proxy appointment to be valid, the appointment must be received by Link Asset Services no later than 11 a.m. (London time) on 28 February 2020 (or if the Court Meeting is adjourned, 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the adjourned Court Meeting). Any electronic communication found to contain a computer virus will not be accepted.

Completion and return of a Form of Proxy, or the appointment of a proxy electronically using CREST (or any other procedure described on pages 5 to 7 of the document of which this Notice forms part), will not prevent a holder of Scheme Shares from attending, speaking and voting in person at the Court Meeting, or any adjournment of it, if such holder of Scheme Shares wishes and is entitled to do so.

#### *Voting Record Time*

Entitlement to attend, speak and vote at the Court Meeting or any adjournment of it and the number of votes which may be cast at the Court Meeting, will be determined by reference to the register of members of the Company at 6.30 p.m. (London time) on 28 February 2020 or, if the Court Meeting is adjourned, 6.30 p.m. (London time) on the date which is two days (excluding any part of a day that is not a Business Day) before the date fixed for the adjourned meeting. Changes to the register of members of the Company after the relevant time shall be disregarded in determining the rights of any person to attend, speak and vote at the Court Meeting.

#### *Joint Holders*

In the case of joint holders of Scheme Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

#### *Corporate Representatives*

As an alternative to appointing a proxy, any holder of Scheme Shares which is a corporation may appoint one or more corporate representatives who may exercise on its behalf all its powers as a member, provided that if two or more corporate representatives purport to vote in respect of the same shares, if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

#### *Nominated Persons*

Any person to whom this Notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a **Nominated Person**) does not, in that capacity, have a right to appoint a proxy, such right only being exercisable by shareholders of the Company. However, Nominated Persons may, under agreement with the shareholder who nominated them, have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting.



By the said Order, the Court has appointed Russell Scrimshaw or, failing him, any other director of the Company to act as Chairman of the Court Meeting and has directed the Chairman to report the result of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 7 February 2020

**ALLEN & OVERY LLP**

One Bishops Square London E1 6AD

*Solicitors for the Company*

## PART NINE

### NOTICE OF GENERAL MEETING

#### SIRIUS MINERALS PLC

*(registered in England and Wales with registered number 04948435)*

NOTICE IS GIVEN that a general meeting of Sirius Minerals Plc (the Company) will be held at 11.15 a.m. at the Honourable Artillery Company, Armoury House, City Road, London, EC1Y 2BQ on 3 March 2020 (or as soon thereafter as the meeting of the holders of Scheme Shares (as defined in the Scheme as referred to in resolution 1 set out below) convened for 11 a.m. on the same day and at the same place, by an order of the High Court of Justice, shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions.

### SPECIAL RESOLUTIONS

1. THAT for the purpose of giving effect to the scheme of arrangement dated 7 February 2020 (as amended or supplemented) between the Company and the holders of Scheme Shares (as defined in the scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, in its original form or subject to such modification, addition or condition as may be agreed between the Company, Anglo American and Bidco and approved or imposed by the Court (the **Scheme**):
  - (i) the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
  - (ii) with effect from the passing of this resolution, the articles of association of the Company be and are amended by the adoption and inclusion of the following new article 133:

#### “Scheme of Arrangement

- (a) In this article, references to the **Scheme** are to the scheme of arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in such scheme of arrangement and as approved by the holders of the Scheme Shares at the meeting convened by the Court (as defined in such scheme of arrangement) and as may be modified or amended in accordance with its terms, and expressions defined in the Scheme (save as defined in this article) shall have the same meanings in this article.
- (b) Notwithstanding either any other provision of these articles or the terms of any resolution whether ordinary or special passed by the Company in general meeting, if the Company issues any ordinary shares (other than to Bidco or its nominee(s)) after the adoption of this article and before the Scheme Record Time, such shares shall be issued subject to the terms of the Scheme (and shall be Scheme Shares for the purposes of the Scheme) and the original or any subsequent holder or holders of such ordinary shares shall be bound by the Scheme accordingly.
- (c) Notwithstanding any other provision of these articles, subject to the Scheme becoming effective, if any ordinary shares are issued (or transferred from treasury) to any person (other than Bidco or its nominee(s)) (a **New Member**) at or after the Scheme Record Time (such shares, **Post-Scheme Shares**), the Post-Scheme Shares shall, subject to the Scheme becoming effective, be immediately transferred to Bidco (or to such other person as Bidco may direct) in consideration of the payment by or on behalf of Bidco to the New Member of an amount in cash for each Post-Scheme Share equal to the consideration that the New Member would have been entitled to under the Scheme had each Post-Scheme Share been a Scheme Share, provided that any New Member may, prior to the issue of any Post-Scheme Shares to such New Member pursuant to the exercise of an option under any of the Sirius Share Plans (as defined in the scheme of arrangement), give not less than five Business Days’ written notice to the Company in such manner as the Board shall prescribe of their intention to transfer some or all of such Post-Scheme Shares to their spouse or civil partner. Any such New Member may, if such notice has been validly given, on such Post-Scheme Shares being issued to such New Member, immediately transfer to their spouse or civil partner any such Post-Scheme Shares, provided that such Post-

Scheme Shares shall then be immediately transferred from that spouse or civil partner to Bidco (or to such other person as Bidco may direct) pursuant to this article as if the spouse or civil partner were a New Member. Where a transfer of Post-Scheme Shares to a New Member's spouse or civil partner takes place in accordance with this article, references to "New Member" in this article shall be taken as referring to the spouse or civil partner of the New Member. If notice has been validly given pursuant to this article but the New Member does not immediately transfer to their spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares shall be transferred directly to Bidco (or to such other person as Bidco may direct) pursuant to this article.

- (d) On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after the Scheme Effective Time, the consideration per Post-Scheme Share to be paid under article 133(c) above shall be adjusted by the Board in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to reflect such reorganisation or alteration. References in this article to ordinary shares shall, following such adjustment, be construed accordingly.
- (e) To give effect to any transfer of Post-Scheme Shares required by this article, the Company may appoint any person as attorney and/or agent for the New Member to transfer the Post-Scheme Shares to Bidco (or such other person as Bidco directs), to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member in favour of Bidco (or such other person as Bidco otherwise directs) and do all such other things and execute and deliver all such documents as may in the opinion of the attorney and/or agent be necessary or desirable to vest the Post-Scheme Shares in Bidco (or such other person as Bidco otherwise directs) and, pending such vesting, to exercise all such rights attaching to the Post-Scheme Shares as Bidco may direct. If an attorney and/or agent is so appointed, the New Member or any subsequent holder or any nominee of such New Member or any such subsequent holder shall not thereafter (except to the extent that the attorney and/or agent fails to act in accordance with the directions of Bidco) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by Bidco. The Company may give good receipt for the purchase price of the Post-Scheme Shares and may register Bidco (or such other person as Bidco otherwise directs) as holder of the Post-Scheme Shares and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member or any subsequent holder or any nominee of such New Member or any such subsequent holder for any Post-Scheme Shares. Bidco shall send a cheque drawn on a UK clearing bank (or shall procure that such a cheque is sent) in favour of the New Member for the purchase price of such Post-Scheme Shares within 14 days of the date on which the Post-Scheme Shares are issued to the New Member.
- (f) If the Scheme shall not have become effective by the date referred to in sub-clause 5.2 of the Scheme (or such later date, if any, as Bidco and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow, if such consent is required), this article shall be of no effect.
- (g) Notwithstanding any other provision of these articles, neither the Company nor the directors of the Company shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Scheme Effective Time."

2. That subject to and conditional upon the Scheme becoming effective, pursuant to section 97 of the Companies Act 2006: (i) the Company be re-registered as a private limited company with the name “Sirius Minerals Limited” and (ii) the articles of association of the Company be amended as follows: (a) references to “Sirius Minerals Plc” as the name of the Company be amended to “Sirius Minerals Limited”; and (b) the statement that the Company is a public company limited by shares be amended to state that the Company is a private company limited by shares, each with effect from the date that the re-registration of the Company is approved by the Registrar of Companies.

*By order of the Board of directors of the Company*

Nicholas King  
*Company Secretary*

*Registered office:*

3rd Floor  
Greener House  
68 Haymarket  
London  
United Kingdom  
SW1Y 4RF

7 February 2020

## Notes to the notice of General Meeting

The following notes explain your general rights as a shareholder and your rights to attend and vote at the General Meeting or to appoint someone else to vote on your behalf.

1. A copy of this Notice of General Meeting, and other information required by section 311A of the Companies Act 2006, can be found on the Company's website <https://siriusminerals.com/investors/firm-offer-from-anglo-american-plc>.
2. Only those persons entered on the register of members of the Company (the **Register**) as at 6.30 p.m. on 28 February 2020 (the **Specified Time**) shall be entitled to attend or vote at the General Meeting (either in person or by proxy) in respect of the number of shares in the capital of the Company registered in their names at that time. Changes to entries on the Register for certificated or uncertificated shares of the Company after the Specified Time shall be disregarded in determining the rights of any person to attend or vote at the General Meeting.

Should the General Meeting be adjourned to a time not more than 48 hours (excluding any part of a day that is not a Business Day) after the Specified Time, that time will also apply for the purpose of determining the entitlement of members to attend and vote (and for the purpose of determining the number of votes they may cast) at the adjourned General Meeting. Should the General Meeting be adjourned for a longer period, to be so entitled members must have been entered on the Register by 6.30 p.m. on the date that is two days (excluding any part of a day that is not a Business Day) prior to the adjourned General Meeting or, if the Company gives notice of the adjourned General Meeting, at the time specified in such notice.

3. Any member of the Company who is unable or does not wish to attend the General Meeting is entitled to appoint one or more proxies to exercise all or any of his or her rights to attend and to speak and vote on his or her behalf at the meeting. A proxy need not be a member of the Company but must attend the meeting for the member's vote to be counted. Appointing a proxy does not prevent a member from attending and voting in person if he or she is entitled to do so and so wishes.
4. A WHITE Form of Proxy for use by members in connection with the General Meeting is enclosed with this notice. Proxies may be appointed by completing a WHITE Form of Proxy and returning it in accordance with note 6 below. (Details of how to appoint a proxy are set out in the notes to the WHITE Form of Proxy.) As an alternative to completing a hard copy WHITE Form of Proxy, proxies may be appointed electronically in accordance with note 7 below. CREST members may appoint proxies using the CREST electronic proxy appointment service (see note 8 below).
5. A member may appoint more than one proxy in relation to the meeting, provided that each proxy is appointed to exercise the rights attaching to a different share or shares held by the member. To do this a member must complete a separate WHITE Form of Proxy for each proxy or, if appointing multiple proxies electronically, follow the instructions given on the relevant electronic facility (see notes 7 and 8 below). Additional WHITE Forms of Proxy can be obtained from Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. and 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes. A member appointing more than one proxy should indicate on the relevant WHITE Forms of Proxy the number of shares for which each proxy is authorised to act on his or her behalf.
6. To be valid any WHITE Form of Proxy must be completed and received by hand or by post at Link Asset Services PXS, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, not less than 48 hours (excluding any part of a day that is not a Business Day) before the time of the General Meeting or any adjournment of it. The deadline for receipt of proxy appointments also applies in relation to amended instructions. Any power of attorney or any other authority under which the Form of Proxy is signed (or a certified copy of such authority) must be included with the WHITE Form of Proxy. A member must inform the Company's registrars in writing of any termination of the authority of a proxy.
7. As an alternative to completing a hard copy WHITE Form of Proxy, a member can appoint a proxy electronically by visiting [www.siriusminerals-shares.com](http://www.siriusminerals-shares.com). You will need your Investor Code. Full instructions are given on the website. The proxy appointment and instructions should reach Link Asset Services not less than 48 hours (excluding any part of a day that is not a Business Day) before the



time appointed for the holding of the General Meeting or any adjournment of it. You are advised to read the terms and conditions of use carefully. Any electronic communication found to contain a computer virus will not be accepted.

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment of it by using the procedures described in the CREST Manual (available via [www.euroclear.com](http://www.euroclear.com)). 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.

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 CREST 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 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 Link Asset Services (ID RA10) by the latest time(s) for receipt of proxy appointments specified in the notice of General Meeting, being no later than 48 hours (excluding any part of a day that is not a Business Day) before the time fixed for the General Meeting (or any adjournment of it). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent 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.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited 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 voting service provider(s), to procure that his or 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 providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

9. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
10. Any or all joint holders of shares may attend the General Meeting, although only one holder may vote in person or by proxy. In the case of joint holders, where more than one of the joint holders purports to vote or to appoint a proxy, only the vote or appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register in respect of the joint holding (the first-named being the most senior).
11. If two or more valid but differing appointments of a proxy are received in respect of the same share for use at the same meeting, the one which is last received (regardless of its date or the date of its signature) shall be treated as replacing and revoking the others as regards that share; if the Company is unable to determine which was last received, none of them shall be treated as valid in respect of that share.
12. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolutions. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion.
13. A member of the Company which is a corporation can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
14. Any person to whom this Notice of General Meeting is sent and 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 or her and the member by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such right or does not wish to exercise it, he or she may, under any such agreement,

have a right to give instructions to the shareholder as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 3 to 9 above does not apply to Nominated Persons. The rights described in those notes can only be exercised by members of the Company. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) in matters relating to the investment of their shares.

15. Voting on the resolutions will be conducted by way of a poll rather than a show of hands. This is a more transparent method of voting as member votes are to be counted according to the number of shares held. As soon as practicable following the General Meeting, the results of the voting at the meeting and the numbers of all votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website <https://siriusminerals.com/investors/firm-offer-from-anglo-american-plc>.
16. A member attending the meeting has the right to ask questions. Pursuant to section 319A of the Companies Act 2006, the Company must cause to be answered at the General Meeting any question relating to the business being dealt with at the General 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.
17. As at 4 February 2020 (being the latest practicable date prior to the publication of this Notice of General Meeting), the Company's issued share capital consists of 7,020,196,560 ordinary shares of 0.25 pence nominal value.
18. You may not use any electronic address provided either in this Notice of General Meeting or any related documents (including the WHITE Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
19. The venue is wheelchair accessible. Please let the Company know in advance if any attendee will need wheelchair assistance or has any other needs to ensure appropriate arrangements are in place. Anyone accompanying a member in need of assistance will be admitted to this meeting. Other guests will only be admitted at the discretion of the Company.
20. The Company thanks the attendees in advance for their co-operation with the security staff at the venue and kindly requests that each attendee provides one piece of identification, such as photographic ID or a bank card. The Company does not permit cameras or recording equipment at this meeting and should be grateful if attendees would ensure that they switch off their mobile telephones before the start of this meeting. The Company does not permit behaviour which may interfere with anyone's safety or the orderly conduct of this meeting.

