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# NOTICE OF ANNUAL GENERAL MEETING

## 2017



## WOODSMITH MINE

Officially named on 24 February 2017  
By Andrew Percy MP, Minister for the Northern Powerhouse



# NOTICE OF AGM

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the proposals referred to in the document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant or other independent professional adviser. If you have sold or otherwise transferred all of your shares, please pass this document, together with the accompanying documents, to the purchaser or transferee, or to the person who arranged the sale or transfer, so that they can pass them to the person who now holds the shares.



**Sirius Minerals Plc**

(incorporated in England and Wales under number 04948435)

**Registered office:** 3rd Floor, Greener House, 68 Haymarket, London, SW1Y 4RF

26 May 2017

**Notice of annual general meeting**

Dear Shareholder,

I am writing to give you details of our 2017 annual general meeting (AGM) to be held at 1.00pm on Thursday 29 June 2017 at The Events Centre, The Principal York, Station Road, York, YO24 1AA. The formal notice of AGM is set out on pages 2 to 6 of this document and an explanation of certain of the business to be considered and voted on at the AGM is set out on pages 7 to 18.

We hope you will be able to join us for the meeting. However, if you are unable to do so, your vote remains important to us and we encourage you to fill in the proxy form and return it to our Registrars as detailed in note 3 on page 14 or, if you are a CREST member, appoint your proxy through the CREST proxy appointment service as detailed on page 14. Please note that the deadline for the receipt by our Registrars of all proxy appointments is 1.00pm on 27 June 2017.

The Board considers that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole. Your Board will be voting in favour of them and unanimously recommends that you do so as well.

Yours faithfully,

A handwritten signature in black ink, appearing to be "R. Scrimshaw", written over a horizontal line.

**Russell Scrimshaw**  
Chairman

## **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the annual general meeting of Sirius Minerals Plc (the Company) will be held at The Events Centre, The Principal York, Station Road, York, YO24 1AA on Thursday 29 June 2017 at 1.00 pm for the following purposes:

To consider and, if thought fit, pass resolutions 1 to 13, which will be proposed as ordinary resolutions of the Company, and resolutions 14 to 18, which will be proposed as special resolutions of the Company.

### **ORDINARY RESOLUTIONS**

#### **Annual report and accounts**

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1. To receive the annual report and accounts for the financial year ended 31 December 2016.
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#### **Directors**

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2. To elect Thomas Staley as a director.
  3. To re-elect Russell Scrimshaw as a director.
  4. To re-elect Chris Fraser as a director.
  5. To re-elect Noel Harwerth as a director.
  6. To re-elect Keith Clarke as a director.
  7. To re-elect Louise Hardy as a director.
  8. To re-elect Lord Hutton as a director.
  9. To re-elect Jane Lodge as a director.
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#### **Auditors**

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10. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.
  11. To authorise the audit committee to determine the remuneration of the auditors.
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#### **Political donations**

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12. That, in accordance with section 366 of the Companies Act 2006, the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect are authorised to:
  - (a) Make political donations to political parties or independent election candidates, not exceeding £100,000 in total;
  - (b) Make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
  - (c) Incur political expenditure not exceeding £100,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000, during the period beginning with the date of the passing of this resolution and ending at the close of business on 1 July 2018 or, if sooner, the conclusion of the next annual general meeting of the Company after the passing of this resolution.

For the purpose of this resolution the terms "political donations", "political parties", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in sections 363 to 365 of the Companies Act 2006.

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## Authority to allot shares

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13. That:

- (a) The directors be generally and unconditionally authorised, in accordance with section 551 of the Companies Act 2006, to exercise all powers of the Company to allot shares in the Company or grant rights to subscribe for, or convert any security into, shares in the Company:
  - (i) Up to a maximum nominal amount of £3,471,165.18 (such amount to be reduced by the nominal amount of any equity securities (as defined in section 560 of the Companies Act 2006) allotted under paragraph (ii) below in excess of £3,471,165); and
  - (ii) Comprising equity securities (as defined in section 560 of the Companies Act 2006) up to a maximum nominal amount of £6,942,330.36 (such amount to be reduced by any shares allotted or rights granted under paragraph (i) above) in connection with an offer by way of a rights issue:
    - (A) To holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
    - (B) To holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities;

and so that the directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter;

- (b) This authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2018;
  - (c) The Company may, before this authority expires, make an offer or agreement which would or might require shares to be allotted or rights to be granted after it expires and the directors may allot shares or grant rights in pursuance of such offer or agreement as if this authority had not expired; and
  - (d) All previous unutilised authorities under section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date).
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## SPECIAL RESOLUTIONS

### General authority to dis-apply pre-emption rights

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14. That:

(a) The directors be given power:

(i) Subject to the passing of resolution 13 (authority to allot shares), to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under section 551 of that Act; and

(ii) To allot equity securities as defined in section 560(3) of that Act (sale of treasury shares) for cash,

in either case as if section 561 of that Act did not apply to the allotment but this power shall be limited:

(A) To the allotment of equity securities in connection with an offer or issue of equity securities (but in the case of the authority granted under resolution 13 (authority to allot shares) (a)(ii) by way of a rights issue only) to or in favour of:

- (I) Holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
- (II) Holders of other equity securities if this is required by the rights of those securities or, if the directors consider it necessary, as permitted by the rights of those securities;

and so that the directors may make such exclusions or other arrangements as they consider expedient in relation to treasury shares, fractional entitlements, record dates, shares represented by depositary receipts, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter; and

(B) To the allotment of equity securities pursuant to the authority granted under resolution 13 (authority to allot shares) (a)(i) and/or by virtue of section 560(3) of the Companies Act 2006 (in each case otherwise than under paragraph (A) above) up to a maximum nominal amount of £520,726.85;

(b) This power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2018; and

(c) The Company may, before this power expires, make an offer or agreement which would or might require equity securities to be allotted after it expires and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

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### Additional authority to dis-apply pre-emption rights

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#### 15. That:

- (a) In addition to any authority granted under resolution 14 (general authority to dis-apply pre-emption rights), the directors be given power:
  - (i) Subject to the passing of resolution 13 (authority to allot shares), to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under section 551 of that Act; and
  - (ii) To allot equity securities as defined in section 560(3) of that Act (sale of treasury shares) for cash,

in either case as if section 561 of that Act did not apply to the allotment or sale, but this power shall be:

- (A) Limited to the allotment of equity securities up to a maximum nominal amount of £520,726.85; and
  - (B) Used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Dis-applying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice;
- (b) This power shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution or, if earlier, at the close of business on 1 July 2018; and
  - (c) The Company may, before this power expires, make an offer or enter into an agreement, which would or might require equity securities to be allotted after it expires and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

### Market purchase of own shares

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#### 16. That, in accordance with the Companies Act 2006 (the Act), the Company is generally and unconditionally authorised to make market purchases (within the meaning of section 693 of the Act) of ordinary shares in the capital of the Company (Ordinary Shares) on such terms and in such manner as the directors of the Company may determine provided that:

- (a) The maximum number of Ordinary Shares that may be purchased under this authority is 416,581,479;
  - (b) The maximum price which may be paid for any Ordinary Share purchased under this authority (exclusive of expenses payable by the Company in connection with the purchase) shall not be more than the higher of:
    - (i) An amount equal to 105% of the average of the middle market prices shown in the quotations for the Ordinary Shares in the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Ordinary Share is purchased; and
    - (ii) An amount equal to the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out;
  - (c) The minimum price which may be paid shall be the nominal value of that Ordinary Share (exclusive of expenses payable by the Company in connection with the purchase);
  - (d) This authority shall expire at the conclusion of the next annual general meeting of the Company after the passing of this resolution, or, if earlier, at the close of business on 1 July 2018 unless renewed before that time; and
  - (e) The Company may make a contract or contracts to purchase Ordinary Shares under this authority before its expiry which will or may be executed wholly or partly after the expiry of this authority and may make a purchase of Ordinary Shares in pursuance of any such contract.
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### Notice period for general meetings

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17. That a general meeting (other than an annual general meeting) may be called on not less than 14 clear days' notice.

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### Articles of Association

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18. That, with effect from the conclusion of the annual general meeting, the articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the Company in substitution for, and to the exclusion of, the existing articles of association.

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**By order of the Board**



**Nicholas King**  
Company Secretary  
26 May 2017

3rd Floor, Greener House  
66–68 Haymarket, London,  
SW1Y 4RF

# EXPLANATORY NOTES TO THE NOTICE OF AGM

The notes on the following pages give an explanation of the proposed resolutions.

Resolutions 1 to 13 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 14 to 18 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

## ORDINARY RESOLUTIONS

### RESOLUTION 1 – RECEIPT OF ANNUAL REPORT AND ACCOUNTS

The directors must present the Company's annual report and accounts to the AGM.

### RESOLUTIONS 2 TO 9 – RE-ELECTION OF DIRECTORS

In accordance with the UK Corporate Governance Code, each director will submit him/herself for election or re-election by shareholders at the AGM.

Biographical details of the directors and information on their individual contributions to the Board are set out below. Thomas Staley, who has been with the Company since 2014, was appointed to the Board in February 2017 and is standing for election by shareholders for the first time. Thomas has been a key member of the executive team since joining in October 2014 and has been an instrumental part of a number of key milestones for the Company including particularly taking a leading role in the recent phase 1 financing which has allowed the Company to commence construction.

The Board believes that Thomas's financing and governance experience with infrastructure and projects and in a corporate environment is of great value to the Board and the Company as it moves into the next phase. The chairman has confirmed that, following relevant performance evaluation, the performance of each director standing for re-election continues to be effective and to demonstrate commitment to the role.

#### Thomas Staley (Finance Director and Chief Financial Officer)

Thomas has over 10 years' experience in the energy, infrastructure and resources industries with a focus on financing and financial governance for development projects. Thomas has spent a significant part of his career (January 2009–June 2012) working for the Mubadala Development Company (Mubadala) in Abu Dhabi where he was involved in several financings including a US\$600 million project finance facility for a power station development project, a A\$300 million government agency financing of a European development project, and a US\$2,200 million leveraged buy-out financing of a U.S. company.

Prior to working at Mubadala, Thomas was working in Australia with Babcock & Brown from 2006 to 2008 where he was involved in numerous energy and infrastructure transactions. Most recently, Thomas was the head of commercial and risk in the international development team of Origin Energy from September 2012 to September 2014. He was the interim chief executive officer of a geothermal exploration project where he was appointed by the main shareholders, Origin Energy and Tata Power, to implement a turnaround plan and put the development project back on track. Thomas has a Bachelor of Engineering (Electrical) and Arts and is a charter holder of the CFA Institute. Thomas joined the Company in October 2014 and was appointed to the Board in February 2017.

#### Russell Scrimshaw (Non-Executive Chairman)

Russell Scrimshaw was formerly an executive director and deputy chief executive officer of Fortescue Metals Group Ltd. He was also formerly chairman of Cleveland Mining Co Ltd, and a non-executive board member of Commonwealth Properties Ltd, EDS Australia, Mobilesoft Ltd, Telecom New Zealand Australia Pty Ltd, The Garvan Institute Foundation and Athletics Australia. Russell has also held senior executive positions within the Commonwealth Bank of Australia, Optus Communications Pty Ltd, Alcatel, IBM and Amdahl USA.

He is an associate member of the Australian Society of Certified Practising Accountants and has been an adjunct professor of Mining Economics at China Central South University in Changsha, China, as well as non-executive director of Genome.One Pty Ltd, the Garvan Institute for Medical Research and Waterford Retirement Village Pty Ltd and executive chairman of Torrus Capital Pty Limited. He is also the chairman of Australian Philanthropic Fund, The Scrimshaw Foundation and Scrimshaw Nominees Pty Ltd. Russell was appointed as non-executive chairman of Sirius Minerals Plc in November 2011 and is a member of the Remuneration Committee and the Nominations Committee.

Russell's leadership since his appointment as chairman has been invaluable and instrumental in creating a strong Board of directors with the skills and experience necessary to lead the Company to its current stage and on to construction and implementation. Russell has led the Board to achieve a number of key milestones since becoming Chairman including several fund raisings, especially the most recent phase 1 financing, the Company's move to the premium list of the London Stock Exchange, and receipt of the necessary permissions to commence construction.

Russell's skills and experience in the mining industry as well as a senior executive and board member roles across a number of other industries and particularly his experience of fund raising, mine development and product marketing are critical skills for the Company.

### **Chris Fraser (Managing Director and Chief Executive Officer)**

Chris Fraser has over 20 years' experience in the mining industry with a particular focus on financing and strategic developments. He is the founder of the North Yorkshire polyhalite project, and has led its development since 2010 and has been managing director and CEO of the Company since January 2011. During his finance career he worked for KPMG, Rothschild and Citigroup, the latter culminating in him being appointed head of metals and mining investment banking for Australia in 2006 and managing director in 2008.

Chris was the lead adviser on the US\$2.5 billion initial development capital financing for Fortescue Metals Group Ltd. Upon leaving Citigroup in 2009, he founded Sigiriya Capital Pty Ltd, a boutique advisory and investment firm. He was appointed as a director of Sigiriya Capital Pty Ltd on 25 March 2009 and continues to be a director as at the date of this Prospectus. Chris founded York Potash in 2010 and subsequently joined Sirius Minerals Plc in 2011. He is also currently a director of C&J Fraser Investments Pty Ltd. He is a member of the Institute of Chartered Accountants in Australia, senior associate of the Financial Services Institute of Australia (FINSIA) and a member of the Institute of Company Directors in Australia.

Chris' leadership of the Company has encompassed reaching several key milestones in the Company's project development including securing planning, raising funds, leading the development of the market for polyhalite and commencing construction. His understanding of project development and polyhalite, together with his many years of experience in structuring, executing and implementing large scale financings is recognised by the Board as crucial experience and necessary skill sets invaluable in assisting the Company and its North Yorkshire project through its current stage of development to production.

### **Noel Harwerth (Senior Independent Director)**

Noel Harwerth, whose executive background was in international banking, was formerly chief operating officer and chief tax officer of Citibank International. Noel is a highly experienced non-executive director who has sat on a number of boards in a variety of different sectors, including mining and finance industry companies. She brings with her a wealth of background and understanding in mining, finance and governance issues. She has been chair of GE Capital Bank Limited since February 2011, and chair of the UK Export Finance Agency since January 2017, non-executive director of Standard Life Plc since July 2012, non-executive director of the London Metal Exchange since December 2012, non-executive director of the British Horseracing Authority Limited since December 2014, director of Harwerth Consulting Limited since March 2013.

She previously held roles as director of Royal & Sun Alliance from March 2004 to March 2013, London First from September 2013 to December 2015, Alent Limited from October 2012 to December 2015, Avocet Mining plc from June 2012 to December 2013, LME Holdings Limited from September 2011 to December 2012, Logica Limited from January 2009 to August 2012, Sumitomo Mitsui Banking Corporation Europe Limited from December 2003 to June 2015, International Tax and Investment Center from May 1996 to November 2014, RSA Insurance Group plc from March 2004 to March 2013 and Dominion Diamond Corporation from 2008 to 2014. Noel joined the Board in July 2015. More recently, Noel's appointment to the board of Chaps Co. as senior independent director was announced on 27 September 2016.

Noel has been with the Company since July 2015 and is the Company's Senior Independent Director and a member of the Audit and Nominations Committees. Noel has been a key part of the strategic oversight and governance for the Company as it achieved planning permissions through fund raising and commencement of construction. Noel has extensive experience as a director and member and chair of a number of Board committees for a number of publicly listed companies across a number of sectors including mining. Noel's executive experience in banking and finance and wealth of experience as a non-executive director together with her independence and knowledge around governance issues are seen by the Board as invaluable skills to lead the Company through its current stage of development.

### **Keith Clarke CBE (Independent Non-Executive Director)**

Keith Clarke was chief executive officer of WS Atkins plc, the UK's largest design and engineering consultancy, for eight years to July 2011 and previously held chief executive officer roles with Skanska UK and Kvaerner Construction Group. He also acted as director of sustainability and chairman of Atkins' Middle East business until April 2012. From September 2011 to December 2015, he was non-executive director of The Engineering and Technology Board (its trading name being EngineeringUK), and from August 2011 to March 2014 he was non-executive director of The British Standards Institution.

He has been chair of Tidal Lagoon (Swansea Bay) Plc and Tidal Lagoon plc since September 2014 and September 2015 respectively, chair of Trustees for Forum for the Future since December 2011, non-executive director and vice chair of Future Cities Catapult since October 2013, vice president of the Institute of Civil Engineering since November 2013 and adviser to both Infrastructure UK and the Government of Qatar. He is currently a fellow of the Institute of Civil Engineering. He has also been a director of Keith Clarke Consulting Limited from December 2014. He was previously a director of Metronet Rail BCV Holdings Limited and Metronet Rail SSL Holdings from July 2007 to November 2011.

Keith has been a director of the Company since December 2013 and a member of the Audit Committee and chair of the Nominations Committee. During this time he has provided strategic oversight and guidance through several key stages of the Company's development, including planning, production of the definitive feasibility study and key documentation necessary to move to construction. Keith's years of experience in design and implementation of large infrastructure projects, his senior executive leadership roles in the engineering and construction industry and current involvement in infrastructure projects and advisory bodies is recognised by the Board as critical in assisting the Company and its polyhalite project through its current stage of development.

### **Louise Hardy (Independent Non-Executive Director)**

Louise Hardy has over 25 years' experience in the engineering sector. She currently has non-executive director roles at Ebbsfleet Development Corporation since April 2015, Department for Communities and Local Government since April 2014, Defence Infrastructure Organisation, Ministry of Defence since May 2015, and North West Cambridge Developments since March 2017. Previously, she was European project excellence director at Aecom and had a part-time executive role at Skanska UK from September 2015 to June 2016, as well as being a director at Laing O'Rourke, working as infrastructure director within CLM, which was the consortium delivery partner for the Olympic Delivery Authority for the London 2012 Olympics. Louise is a fellow of the Institution of Civil Engineers and a fellow of the Chartered Management Institute.

Louise joined the Board in May 2016, Louise has many years of experience as an engineer working in project management roles for large engineering, project management and construction businesses. Louise is a Fellow of the Institute of Chartered Engineers. Given the current stage of the Company's development, and particularly as it moves into the construction and execution phase, Louise's independence and wealth of experience in managing and overseeing large infrastructure developments are seen as vital skill sets which are complementary to existing Board members.

### **Lord Hutton (Independent Non-Executive Director)**

John Hutton, Baron Hutton of Furness was a member of the Government for 13 years including 11 years as a minister and four years serving in the cabinet. He also served as a Parliamentary Private Secretary in the Department of Trade and Industry before moving to the Department of Health where he became Minister of State for Health in 1999. He was a chairman of the Independent Public Service Pensions Commission. John was a legal adviser to the Confederation of Business Industry and a senior law lecturer at Newcastle Polytechnic. He was Member of Parliament for Barrow and Furness for 18 years from April 1992 to May 2010. In 2005 Lord Hutton was made Secretary of State for Work and Pensions.

In 2007 he was appointed Secretary of State for Business, Enterprise and Regulatory Reform. In 2008 he became Secretary of State for Defence until he stepped down from the Cabinet in 2009. In 2010 he was created a life peer as Baron Hutton of Furness and now sits in the House of Lords. John has been a non-executive director of Arix Bioscience Limited since February 2016, Circle Holdings (UK) plc from May 2014, Simple Space Limited from April 2015 and Byhiras Group Limited from February 2016. He has been a director of Arthurian Life Sciences Limited since July 2013, a director of Nuclear Industry Association since June 2011 and a partner of Cartesius Advisory Network, Swiss Incorporation since 2014. He held directorship roles at Pension Quality Mark Limited from October 2013 to March 2015, The HMS Victory Preservation Company from October 2012 to November 2014, The Social Market Foundation from May 2011 to March 2014, MYCSP Limited from April 2012 to August 2013, and was chairman of the Royal United Services Institute from 2010 to 2015.

John has been a non-executive director and the chair of the Remuneration Committee of the Company since 2012 having helped guide the Company through several key milestones, including the planning process, financing and commencement of construction. John's experience in operating at high levels in central government and more recently as a consultant and non-executive director to a number of businesses in the private sector are seen by the Board as invaluable, particularly given the stage of development that the Company is at and the requirement for the Company to continue to develop strong relationships across a number of key stakeholders including notably various levels of government in connection with the construction and continued development of the project and also in relation to future market opportunities with numerous overseas trading partners.

### **Jane Lodge (Independent Non-Executive Director)**

After an academic background in geology, Jane's executive career was primarily in accountancy, where she became a partner at Deloitte. Her roles included Deloitte's Midlands Practice senior partner and lead partner for the National Manufacturing Industry. As Manufacturing Industry Leader, she represented the UK on the Deloitte Global Manufacturing Industry Executive and was a member of the CBI Manufacturing Council. During her 35-year career with the firm, she advised multinational businesses in the construction, financial services, manufacturing and property sectors.

Jane was the first woman partner in Deloitte to be appointed to the UK Board of Partners. Since 2012 Jane has served as a non-executive director for a number of publicly listed companies. She has been non-executive director and chair of the Audit Committee, Devro PLC since March 2012, non-executive director and chair of the Audit Committee of DCC PLC since October 2012, non-executive director and chair of the Audit Committees of Costain Group Plc since August 2012 and non-executive director of the Bromsgrove School Foundation since September 2012, non-executive director of Ives Ventures Limited since June 2011 and non-executive director of Ives Estates Limited since February 2013. She was previously a director of Moorgate Industries Limited (formerly Stemcor Holdings Limited) (in administration) from May 2014 to October 2015 and a director of The Black Country Living Museum Trust from September 2009 to September 2014.

Jane has been a director of the Company since July 2015 and is the chair of the Audit Committee and member of the Remuneration Committee. Jane has been a key part of the strategic oversight and governance as the Company and has moved through achieving planning permissions, fund raising and commencement of construction and particularly in light of the enhanced corporate governance standards since the Company's move to the main market. Jane's experience as an audit partner and leader of Deloitte in the UK and numerous non-executive director roles including with a number of construction businesses are invaluable in guiding the Company through the remainder of financing and construction and in relation to corporate governance as a premium listed company.

## **RESOLUTIONS 10 AND 11 – RE-APPOINTMENT AND REMUNERATION OF THE AUDITORS**

The Board is proposing the re-appointment of PricewaterhouseCoopers LLP as the Company's auditors, following the recommendation of the Audit Committee. Resolution 11 authorises the Audit Committee to determine the auditors' remuneration.

## **RESOLUTION 12 – POLITICAL DONATIONS/EXPENDITURE**

Part 14 of the Companies Act 2006, amongst other things, prohibits the Company and its subsidiaries from making EU political donations or from incurring political expenditure in respect of a political party or other political organisation or an independent election candidate unless authorised by the Company's shareholders. Aggregate donations made by the Group of £5,000 or less in any 12-month period will not be caught.

Neither the Company nor any of its subsidiaries has any intention of making any political donations or incurring any political expenditure. However, the Companies Act 2006 defines “political party”, “political organisation”, “political donation” and “political expenditure” widely. For example, bodies, such as those concerned with policy review and law reform or with the representation of the business community or sections of it, which the Company and/or its subsidiaries may see benefit in supporting, may be caught.

Accordingly, in line with the practice of other listed companies, the Company wishes to ensure that neither it nor its subsidiaries inadvertently commit any breaches of the Companies Act 2006 through the undertaking of routine activities, which would not normally be considered to result in the making of political donations and political expenditure being incurred.

As permitted under the Companies Act 2006, the resolution covers the Company and extends to all companies which are subsidiaries of the Company at any time the authority is in place. The proposed authority will expire at the next annual general meeting of the Company or, if earlier, at the close of business on 1 July 2018.

### **RESOLUTION 13 – AUTHORITY TO ALLOT SHARES**

At the annual general meeting held in 2016, shareholders authorised the directors, under section 551 of the Companies Act 2006, to allot ordinary shares without the prior consent of shareholders for a period expiring at the conclusion of the next annual general meeting of the Company after the passing of the resolution. It is proposed to renew this authority, in line with market practice for listed companies, and to authorise the directors to allot ordinary shares or grant rights to subscribe for or convert any security into shares in the Company for a period expiring no later than 1 July 2018.

Paragraph (a)(i) of the resolution will allow the directors to allot ordinary shares up to a maximum nominal amount of £3,471,165.18 representing approximately one-third (33.33%) of the Company’s existing issued share capital, calculated as at 23 May 2017 (being the latest practicable date prior to publication of this circular). In accordance with institutional guidelines issued by the Investment Association, paragraph (a)(ii) of the resolution will allow directors to allot, including the ordinary shares referred to in paragraph (a)(i) of the resolution, further of the Company’s ordinary shares in connection with a pre-emptive offer by way of a rights issue to ordinary shareholders up to a maximum nominal amount of £6,942,330.36, representing approximately two-thirds (66.66%) of the Company’s existing issued share capital and calculated as at 23 May 2017 (being the latest practicable date prior to publication of this circular).

The directors have no present intention of exercising this authority. However, if they do exercise the authority, the directors intend to follow best practice as regards its use, as recommended by the Investment Association.

As at 23 May 2017, the Company does not hold any shares in treasury.

Resolution 13 will be proposed as an ordinary resolution.

## **SPECIAL RESOLUTIONS**

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### **RESOLUTION 14 – GENERAL AUTHORITY TO DIS-APPLY PRE-EMPTION RIGHTS**

In line with market practice for listed companies and the latest institutional shareholder guidelines, it is proposed that the directors be authorised, under sections 570 to 573 of the Companies Act 2006, to allot equity securities for cash without first being required to offer such shares to existing shareholders. If approved, the resolution will authorise the directors to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares for cash up to a maximum nominal amount of £520,726.85 which includes the sale for cash on a non-pre-emptive basis of any shares the Company may hold in treasury. The £520,726.85 maximum nominal amount of equity securities to which this authority relates represents approximately 5% of the issued share capital of the Company as at 23 May 2017 (being the latest practicable date prior to publication of this circular).

The directors do not intend to issue more than 7.5% of the issued share capital of the Company for cash on a non-pre-emptive basis in any rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Pre-emption Group’s Statement of Principles) without prior consultation with shareholders.

Resolution 14 will be proposed as a special resolution to grant this authority until the conclusion of the next annual general meeting or, if earlier, the close of business on 1 July 2018.

## **RESOLUTION 15 – ADDITIONAL AUTHORITY TO DIS-APPLY PRE-EMPTION RIGHTS**

Resolution 15 requests further shareholder approval, by way of a separate special resolution in line with the best practice guidance issued by the Pre-Emption Group, for the directors to allot equity securities or sell treasury shares for cash without first being required to offer such securities to existing shareholders. The proposed resolution reflects the Pre-emption Group 2015 Statement of Principles for the disapplication of pre-emption rights (the Statement of Principles) and will expire on 1 July 2018 or at the conclusion of next year's annual general meeting, whichever is the earlier.

The authority granted by this resolution, if passed:

- (A) Will be limited to the allotment of equity securities and sale of treasury shares for cash up to an aggregate nominal value of £520,726.85, which represents approximately 5% of the issued share capital of the Company as at 23 May 2017 (being the latest practicable date prior to publication of this circular); and
- (B) Will only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The authority granted by this resolution would be in addition to the general authority to dis-apply pre-emption rights under resolution 14. The maximum nominal value of equity securities which could be allotted if both authorities were used would be £1,041,453.70, which represents approximately 10% of the issued share capital of the Company as at 23 May 2017 (being the latest practicable date prior to publication of this circular).

## **RESOLUTION 16 – MARKET PURCHASE OF OWN SHARES**

This resolution, which is in line with market practice for listed companies, would, if passed, authorise the Company to purchase its own shares in the market. The power given by the resolution will only be exercised if the directors are satisfied that any purchase will increase the earnings per share of the ordinary share capital in issue after the purchase and, accordingly, that the purchase is in the interests of shareholders. The directors will also give careful consideration to gearing levels of the Company and its general financial position. The purchase price would be paid out of distributable profits.

The Companies Act 2006 permits certain listed companies to hold shares in treasury, as an alternative to cancelling them, following a purchase of own shares by the company. Shares held in treasury may subsequently be cancelled, sold for cash or used to satisfy share options and share awards under the Company's employees' share schemes.

Once held in treasury, the company is not entitled to exercise any rights, including the right to attend and vote at meetings in respect of the shares. Further, no dividend or other distribution of the company's assets may be made to the company in respect of the treasury shares.

If the directors exercise the authority conferred by this resolution, they may consider holding those shares in treasury, rather than cancelling them. The directors believe that holding shares in treasury would provide the Company with greater flexibility in the management of its share capital. The directors will also consider using the treasury shares to satisfy share options/awards under the Company's employees' share schemes.

The maximum number of shares which may be purchased under the proposed authority will be 416,581,479 shares representing approximately 10% of the issued ordinary share capital of the Company as at 23 May 2017. The price paid for shares will not be less than the nominal value (of 0.25p per share) nor more than the higher of: (a) 5% above the average of the middle-market quotations of the Company's ordinary shares as derived from the London Stock Exchange Daily Official List for the five business days preceding the day on which the shares are purchased; and (b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

The total number of options to subscribe for ordinary shares or future grants of share awards that were outstanding at 23 May 2017 (being the latest practicable date prior to publication of this circular) was 80,152,367. The proportion of issued share capital that they represented at that time was 1.92% and the proportion of issued share capital that they will represent if the full authority to purchase shares (existing and being sought) is used is 2.14%.

Resolution 16 will be proposed as a special resolution. The authority will expire at the close of business on 1 July 2018 or, if earlier, at the conclusion of next year's annual general meeting.

## **RESOLUTION 17 – NOTICE PERIOD FOR GENERAL MEETINGS**

The notice period required by the Companies Act 2006 for general meetings of the Company is 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days. (Annual general meetings must always be held on at least 21 clear days' notice.) This resolution, if passed, authorises the calling of general meetings other than an annual general meeting on not less than 14 clear days' notice, and will be effective until the Company's next annual general meeting, when it is intended that a similar resolution will be proposed. In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The flexibility offered by this resolution will be used where, taking into account the circumstances and noting the recommendations of the UK Corporate Governance Code, the directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole. Resolution 17 will be proposed as a special resolution.

## **RESOLUTION 18 – ARTICLES OF ASSOCIATION**

It is proposed to adopt new articles of association (the New Articles) in order to update the current articles of association (the Current Articles) in line with market practice for main market listed companies. The principal changes introduced in the New Articles are summarised in the appendix to this document on pages 16 to 18. Minor, technical and clarifying changes have not been noted. A copy of the New Articles and a copy of the Current Articles are available for inspection as set out in Note 12 on page 15 of this document. Resolution 18 will be proposed as a special resolution.

## NOTES:

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- 1** Only persons entered on the register of members of the Company at close of business on 27 June 2017 (or, in the event of any adjournment, on the date which is two days before the time of the adjourned meeting) are entitled to attend and vote at the meeting either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the meeting.

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- 2** A member is entitled to appoint a proxy to exercise all or any of his rights to attend and to speak and vote instead of him at the meeting. A member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A proxy need not be a member of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice.

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- 3** The form of proxy and power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority must be received by the Company's registrars, Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF not later than 48 hours before the time appointed for the meeting. Completion and return of the form of proxy will not prevent you from attending and voting at the meeting instead of the proxy, if you wish. You must inform the Company's registrars in writing of any termination of the authority of a proxy.

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- 4** CREST members 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. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.

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- 5** In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available by logging in at [www.euroclear.com](http://www.euroclear.com)). 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 the issuer's agent (ID RA10) by 1p.m on 27 June 2017. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which 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.

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- 6** 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 message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his 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.

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- 7** 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.

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- 8** A person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
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- 9** The statement of the rights of members in relation to the appointment of proxies in paragraphs 2, 3 [and 4] above does not apply to a Nominated Person. The rights described in these paragraphs can only be exercised by registered members of the Company.
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- 10** Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investments in the Company.
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- 11** As at 26 May 2017 (being the latest practicable date prior to publication of this notice) the Company's issued share capital consists of 4,165,814,795 ordinary shares carrying one vote each. No shares are held in treasury. Therefore, the total voting rights in the Company as at 26 May 2017 are 4,165,814,795.
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- 12** Copies of the non-executive directors' terms of appointment are available for inspection at the registered office of the Company during normal business hours from the date of this notice and at the place of the meeting for a period from 15 minutes immediately before the meeting until its conclusion. In addition, a copy of the proposed New Articles and a copy of the Current Articles will be available for inspection at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD during normal business hours until the time of the AGM, and will also be available at the place of the AGM from at least 15 minutes prior to the meeting and until the conclusion of the meeting.
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- 13** Any corporation which is a member 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.
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- 14** Under section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the members requesting such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006, and it must forward the statement to the Company's auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on its website.
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- 15** A member attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
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- 16** A copy of this notice, and other information required by section 311A of the Companies Act 2006 can be found at [www.siriusminerals.com](http://www.siriusminerals.com).
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- 17** You may not use any electronic address provided either in this notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
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# APPENDIX

## **EXPLANATORY NOTES OF PRINCIPAL CHANGES TO THE COMPANY'S ARTICLES OF ASSOCIATION**

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It is proposed to adopt new articles of association (the New Articles) in order to update the provisions of the current articles of association (the Current Articles) to take account of the recent market practice of listed companies, the recommendations in the UK Corporate Governance Code and developments in technology. The principal changes introduced in the New Articles are summarised below. Minor, technical and clarifying changes, and some changes reflecting statutory provisions, have not been noted.

### **ELECTRONIC GENERAL MEETINGS**

The New Articles include provisions enabling general meetings to be held electronically as well as physically in accordance with the Companies Act 2006. The changes introduced in the New Articles will allow for meetings to be held and conducted in such a way that persons who are not present together at the same physical venue may attend, speak and vote at the meeting by electronic means. This change is proposed to allow the Company additional flexibility to embrace new technology. However, nothing in the New Articles will preclude physical general meetings being held, and the Company does not intend to change its current practice of holding physical general meetings.

### **GENERAL MEETINGS AT MORE THAN ONE PLACE**

The New Articles include provisions, in line with market practice, that allow general meetings to be held in more than one place (which may include electronic platforms) in circumstances where the chairman is satisfied that adequate facilities are available to enable each person present at each place to participate in the business of the meeting.

### **RESOLUTIONS AND AMENDMENTS AT A GENERAL MEETING**

The New Articles include general provisions regarding resolutions at general meetings, in line with market practice, and provide that a resolution may only be put to the vote at a general meeting if the chairman is satisfied that the resolution may properly be regarded as within the scope of the meeting. The New Articles also provide that (subject to certain exemptions) no amendment can be made to the form of a resolution, as it is set out in the notice of meeting, at or before it is put to a vote.

### **ADMINISTRATION OF PROXY APPOINTMENTS**

In line with market practice, the New Articles allow the board some flexibility to treat as valid a proxy appointment that does not comply with all technical requirements of the articles. The New Articles permit the board to require reasonable evidence of the identity of the member and of a proxy, the member's instructions (if any) as to how the proxy is to vote and, where the proxy is appointed by a person acting on behalf of the member, authority of that person to make the appointment.

### **VOTING BY PROXIES ON A SHOW OF HANDS**

The Companies Act 2006 provides that, subject to a company's articles, each proxy appointed by a member has one vote on a show of hands, unless the proxy is appointed by more than one member, in which case the proxy has one vote for and one vote against if the proxy has been instructed by one or more members to vote for the resolution and by one or more members to vote against the resolution. The New Articles amend the provisions of the Current Articles to reflect this, and to clarify the procedure to be followed if a proxy is appointed by more than one member and is given discretion as to how to vote by one or more of those members.

### **VOTING IN ACCORDANCE WITH INSTRUCTIONS**

Under the Companies Act 2006, proxies are expressly required to vote in accordance with instructions given to them by members. For the avoidance of doubt, the New Articles contain a provision stating that the Company is not obliged to check whether a proxy or corporate representative has voted in accordance with the members' instructions.

## UNTRACED MEMBERS

The New Articles will, in line with recent market practice, provide greater flexibility when the Company is trying to trace its lost shareholders. The New Articles replace the requirement in the Current Articles to place notices in newspapers with a requirement that Company must send a notice to the last registered address of the shareholder stating that it intends to sell the shares. Before sending such a notice, the Company must have made tracing enquiries for the purpose of contacting the shareholder which the Board considers to be reasonable and appropriate in the circumstances. The New Articles entitle the Company to use the sale proceeds for any purpose the Board thinks fit.

## COMMUNICATIONS BY THE COMPANY

The New Articles will provide that a member whose registered address is not within the United Kingdom shall not be entitled to receive any notice from the Company unless he gives the Company a postal address for receiving notices within the United Kingdom. The New Articles also set out when communications by the Company are deemed received by the members, depending on the method of communication that is used.

## RETIREMENT OF DIRECTORS

The New Articles update the Current Articles to reflect the recommendation of the UK Corporate Governance Code that all directors be subject to annual re-election by shareholders. The New Articles provide that at each annual general meeting every director who held office on the date seven days before the date of the notice of annual general meeting shall retire from office. Directors who wish to continue to serve can submit themselves for re-election by shareholders.

## VACATION OF OFFICE OF DIRECTOR

The New Articles include updated wording, in line with recent legislation, regarding the circumstances in which a director must vacate office where the director has become physically or mentally ill, subject to a resolution of the Board. The change applies a test of whether in the opinion of a medical practitioner the director is rendered incapable by his illness of acting as a director for more than three months.

## DIRECTORS' FEES

In line with best practice, the New Articles provide for directors' fees up to an aggregate of £1,000,000 per annum (unless there is an ordinary resolution of the Company determining a larger sum). The specified sum is intended to provide reasonable flexibility in setting the level of directors' fees and the number of directors appointed in the future.

## PROCEEDINGS OF THE BOARD

Proceedings of the Board have been updated in the New Articles in line with the provisions of the Companies Act 2006 and market practice. For example, the New Articles permit board meetings to take place by telephone or electronically if a quorum is participating.

## CHANGE OF NAME

Under the Companies Act 2006 a company is able to change its name by special resolution or by other means provided for by its articles. To take advantage of this provision, the New Articles enable the directors to pass a resolution to change the Company's name.

## REDEEMABLE SHARES

Under the old Companies Act 1985, if a company wished to issue redeemable shares, it had to include in its articles the terms and manner of redemption, whereas the Companies Act 2006 enables directors to determine such matters themselves, provided that they are authorised to do so by the articles. The New Articles contain such an authorisation for the directors. The Company has no plans to issue redeemable shares but, if it did so, the directors would need shareholders' authority to issue new shares in the usual way.

## **PAYMENT OF DIVIDENDS**

The New Articles update the provisions of the Current Articles that relate to the way dividends are paid, in line with recent market practice and guidance issued in 2014 by the ICSA Registrar's Group. The New Articles confirm the existing flexibility under the Current Articles to allow the payment of dividends by different methods (including cheque, dividend warrant, money order, bank transfer, electronic and other means) and additionally permit the Board to decide which payment method is to be used on any particular occasion. The Company considers it important to have the flexibility to cater for new developments and changes in practice, including considering the efficiency and cost savings if, in the future, the Company changed to electronic payment only.

## **CAPITALISATION OF RESERVES**

Whereas the Current Articles limited the power of the Company to capitalise reserves for the purpose of paying up amounts unpaid on any shares in the Company or for paying "debentures or other obligations", the New Articles permit the Company, by way of an ordinary resolution, to capitalise any sum standing to the credit of any reserve account of the Company for the payment of any preferential dividend (whether or not it is available for distribution). The New Articles also include an updated provision, in line with market practice, that clarifies the approach the Company would intend to take in the context of a capitalisation of reserves where shares are to be allotted at less than their nominal value under an employees' share scheme.

## **INDEMNITY AND INSURANCE**

The New Articles have been updated for consistency with current market practice and to reflect more clearly the indemnities available to directors (subject to the relevant statutory provisions).

