



# **NOTICE OF 2019 ANNUAL GENERAL MEETING**

**Thursday 13 June 2019 at 1.00pm**

The Events Centre, The Principal York, Station Road, York, YO24 1AA

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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 who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000, or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

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. If you have sold or otherwise transferred only part of your holding, you should retain this document and its enclosures.

# Chairman's letter

Dear Shareholder,

I am writing to invite you to our 2019 Annual General Meeting (AGM), which will be held at 1.00 p.m. on Thursday 13 June 2019 at The Events Centre, The Principal York, Station Road, York, YO24 1AA.

The formal notice of AGM and resolutions to be proposed are set out on pages 3 to 6 of this document and an explanation of the business to be considered and voted on is set out on pages 7 to 12.

The AGM provides an opportunity for you to meet with your Directors, for them to provide an update on the business and to answer your questions. We therefore hope you will be able to join us for the meeting.

If you are unable to attend the meeting, your vote remains important to us and we encourage you to complete the enclosed proxy form and return it to our Registrars as detailed in note 3 on page 12 or, if you are a CREST member, to appoint your proxy through the CREST proxy appointment service as detailed in notes 4 to 7 on page 12. Please note that the deadline for the receipt by our Registrars of all proxy appointments is 1.00 p.m. on Tuesday 11 June 2019. Completion and return of a proxy card will not prevent you from attending and voting in person at the AGM.

For those attending the AGM this year, voting on all resolutions will be conducted by means of a poll rather than a show of hands. This will result in a more accurate reflection of the views of all the Company's shareholders by ensuring that every vote is recognised, including the votes of shareholders who are unable to attend but who have appointed a proxy for the AGM. The final results of the voting will be notified shortly after the AGM to the London Stock Exchange and posted on the Company's website, [www.siriusminerals.com](http://www.siriusminerals.com).

The Board considers that all the resolutions to be put to the AGM are likely to promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. Your Directors unanimously recommend that you vote in favour of all the resolutions as they intend to do so in respect of their own beneficial shareholdings (save in respect of those matters in which they are interested).

Yours faithfully,



**Russell Scrimshaw**

Chairman

13 May 2019

# Notice of Annual General Meeting

Notice is hereby given that the 2019 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 13 June 2019 at 1.00 p.m. for the following purposes:

To consider and, if thought fit, pass resolutions 1 to 14, which will be proposed as ordinary resolutions of the Company, and resolutions 15 to 18, which will be proposed as special resolutions of the Company.

## **ORDINARY RESOLUTIONS**

### **Annual Report and Accounts**

1. To receive the Annual Report and Accounts for the year ended 31 December 2018.

### **Remuneration**

2. To approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in the form set out in the Annual Report and Accounts for the year ended 31 December 2018.

### **Directors**

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

### **Auditors**

11. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company.
12. To authorise the Audit Committee to determine the remuneration of the auditors.

### **Political donations and expenditure**

13. That, in accordance with sections 366 and 367 of the Companies Act 2006 (the Act), the Company and all companies that are subsidiaries of the Company at the date on which this resolution is passed or at any time during the period for which this resolution has effect are generally and unconditionally 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,

(as such terms are defined in the Act as at the date of this notice of meeting) during the period beginning with the date of the passing of this resolution and ending at the close of business on 30 June 2020 or, if sooner, the conclusion of the next AGM of the Company, provided that the authorised sum referred to in paragraphs (a), (b) and (c) above may be comprised of one or more amounts in different currencies which, for the purposes of calculating the said sum, shall be converted into pounds sterling at the exchange rate published in the London edition of the Financial Times on the day on which the relevant donation is made or expenditure incurred (or the first business day thereafter) or, if earlier, on the day in which the Company enters into any contract or undertaking in relation to the same provided that, in any event, the aggregate amount of any such political donations and political expenditure made or incurred by the Company and its subsidiaries pursuant to this resolution shall not exceed £100,000.

# Notice of Annual General Meeting continued

## Authority to allot shares

14. That:

(a) the Directors are 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 aggregate nominal amount of £5,814,614 (or a lower amount equal to 33.33% of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the 2019 AGM) (such amount to be reduced by the aggregate nominal amount of any equity securities (as defined in section 560 of the Companies Act 2006) allotted under paragraph (ii) below in excess of £5,814,614 (or a lower amount equal to 33.33% of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the 2019 AGM)); and

(ii) comprising equity securities (as defined in section 560 of the Companies Act 2006) up to a maximum aggregate nominal amount of £11,629,229 (or a lower amount equal to 66.66% of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the 2019 AGM) (such amount to be reduced by the aggregate nominal amount of 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 close of business on 30 June 2020 or, if earlier, at the conclusion of the next AGM of the Company after the passing of this resolution;

(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 authorities under section 551 of the Companies Act 2006 vested in the Directors on the date of this notice of meeting that remain unexercised at the commencement of this meeting 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).

## SPECIAL RESOLUTIONS

### Dis-application of pre-emption rights

15. That:

(a) the Directors are given power:

(i) subject to the passing of resolution 14 (*authority to allot shares*), to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution; and

(ii) to allot equity securities (as defined in section 560(1) of that Act) for cash where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of that Act,

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 14 (*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 (otherwise than under paragraph (A) above) up to a maximum aggregate nominal amount of £872,192 (or a lower amount equal to 5% of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the 2019 AGM);

- (b) this power shall expire at the close of business on 30 June 2020 or, if earlier, at the conclusion of the next AGM of the Company after the passing of this resolution; 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.

#### **Additional power to dis-apply pre-emption rights**

16. That:

(a) in addition to any power granted under resolution 15 (*dis-application of pre-emption rights*), the Directors are given power:

- (i) subject to the passing of resolution 14 (*authority to allot shares*), to allot equity securities (as defined in section 560(1) of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution; and
- (ii) to allot equity securities (as defined in section 560(1) of that Act) for cash where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of that Act,

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 aggregate nominal amount of £872,192 (or a lower amount equal to 5% of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the 2019 AGM); and

(B) used only for the purposes of financing (or refinancing, if the power 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 of meeting;

- (b) this power shall expire at the close of business on 30 June 2020 or, if earlier, at the conclusion of the next AGM of the Company after the passing of this resolution; 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.

## Notice of Annual General Meeting continued

### Authority to purchase own shares


17. 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 aggregate number of Ordinary Shares that may be purchased under this authority is 697,753,782 (or a lower number of Ordinary Shares having an aggregate nominal amount equal to 10% of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the 2019 AGM);
- (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 close of business on 30 June 2020 or, if earlier, at the conclusion of the next AGM of the Company after the passing of this resolution, unless renewed, varied or revoked by the Company 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.

### Notice period for general meetings

18. That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice.

By order of the Board,



**Nicholas King**  
Company Secretary

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

**Registered number:**  
04948435

13 May 2019

# Explanatory Notes to the Notice of AGM

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

Resolutions 1 to 14 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast by those entitled to vote must be in favour of the resolution. Resolutions 15 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 by those entitled to vote must be in favour of the resolution.

## **ORDINARY RESOLUTIONS**

### **Resolution 1 – Annual Report and Accounts**

The Companies Act 2006 requires the Directors to lay before the Company in general meeting copies of the Directors' reports, the independent auditors' report and the audited financial statements of the Company in respect of each financial year. In accordance with best practice, shareholders are invited to receive the Annual Report and Accounts for the year ended 31 December 2018.

### **Resolution 2 – Directors' Remuneration Report**

In accordance with the Companies Act 2006, Resolution 2 seeks shareholder approval of the Annual Report on Remuneration, which can be found on pages 63 to 75 of the Annual Report and Accounts for the year ended 31 December 2018. The Annual Report on Remuneration gives details of the payments and share awards made to the Directors in connection with their performance and that of the Company during the year ended 31 December 2018. The vote on this resolution is advisory only and the Directors' entitlement to remuneration is not conditional on its being passed.

At the 2018 Annual General Meeting, the Directors' Remuneration Policy was approved by shareholders, it is therefore not required to be approved at this year's Annual General Meeting. The policy will be put to shareholders again no later than the Annual General Meeting in 2021.

### **Resolutions 3 to 10 – Re-election of Directors**

In accordance with the Company's articles of association and the best practice recommendation of the UK Corporate Governance Code, each Director will retire from office at the AGM and will submit him/herself for re-election by shareholders. Biographies outlining the Directors skills and expertise, which the Board considers to be important to the Company's long-term sustainable success are set out below. The biographical details set out the experience which each Director has and will enable shareholders to take an informed decision on their re-election. The Board considers, following a formal performance evaluation, that each Director continues to contribute effectively and to demonstrate commitment to his or her role, and accordingly supports each Board member's re-election.

### **Resolution 3 – Re-election of Russell Scrimshaw (Non-Executive Chairman)**

Russell was formerly an Executive Director and Deputy CEO of Fortescue Metals Group Ltd and was a founding member of the Board. 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, Genome.One Pty Ltd 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 and an Adjunct Professorship of Mining Economics at China Central South University in Changsha, China. He is an associate member of the Australian Society of Certified Practising Accountants.

**Current external appointments:** Non-Executive Chairman of Tech Project Pty Ltd; Chairman of the Garvan Research Foundation; Non-Executive Director of the Garvan Institute of Medical Research; Non-Executive Director of Waterford Retirement Village Pty Ltd; Executive Chairman of Torrus Capital Pty Limited; Chairman of Scrimshaw Nominees Pty Ltd; and Chairman of The Scrimshaw Foundation.

**Board Committees:** Remuneration Committee (member) and Nomination Committee (member).

### **Resolution 4 – Re-election of Chris Fraser (Managing Director and CEO)**

Chris Fraser has almost 20 years' experience in the mining industry with a particular focus on financing and strategic developments. He is the founder of the Project, 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 culminated in him being appointed Head of Metals and Mining Investment Banking for Australia in 2006 and Managing Director in 2008. Upon leaving Citigroup in 2009, he founded Sigiriya Capital, a boutique advisory and investment firm. Chris founded York Potash in 2010 and subsequently joined Sirius Minerals Plc in 2011.

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 Directors in Great Britain.

**Current external appointments:** Director of Sigiriya Capital Pty Ltd, Desmo Pty Ltd and C&J Fraser Investments Pty Ltd; member of the UK-China CEO Council; Director of the Northern Powerhouse Partnership and member of the Coventry University Scarborough Advisory Board.

**Board Committees:** Health & Safety Committee (member).

## Explanatory Notes to the Notice of AGM continued

### **Resolution 5 – Re-election of Thomas Staley (Finance Director and CFO)**

Thomas has over ten 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 US 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.

**Current external appointment:** Alternate Director of the Northern Powerhouse Partnership.

### **Resolution 6 – Re-election of Noel Harwerth (Senior Independent Director)**

Noel, whose executive background was in international banking, was formerly Chief Operating Officer of Citibank International and Chief Tax Officer of Citicorp Inc. 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.

Noel has previously held Non-Executive roles at Standard Life Assurance Ltd, Standard Life Aberdeen plc, London Metal Exchange, GE Capital Bank Limited, Sumitomo Mitsui Banking Corporation Europe and Avocet Mining.

**Current external appointments:** Chair of the UK Export Finance Agency; Non-Executive Director of Charter Court Financial Services; and Non-Executive Director of the British Horseracing Authority Limited.

**Board Committees:** Audit Committee (member) and Nomination Committee (member).

### **Resolution 7 – Re-election of Keith Clarke (Independent Non-Executive Director)**

With more than 40 years' experience, Keith has worked in all sectors of the UK and international construction industry. Keith was Chief Executive of WS Atkins plc, the UK's largest design and engineering consultancy, for eight years to July 2011 and previously held Chief Executive 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. Keith was Vice President of the Institution of Civil Engineers for four years until 2017 and was previously Non-Executive Chairman of Tidal Lagoon (Swansea Bay) Plc and Tidal Lagoon Power Plc. He is a fellow of the Institution of Civil Engineers, Hon Fellow RA Eng & MRIBA.

**Current external appointments:** Chair of the Trustees for Forum for the Future; Chair of Future Cities Catapult; Non-Executive Director of Constructionarium and Women in Property; member of the advisory panel for Peak Urban; and Director of Keith Clarke Consulting Limited.

**Board Committees:** Audit Committee (member), Nomination Committee (Chair) and Health & Safety Committee (Chair).

### **Resolution 8 – Re-election of Louise Hardy (Independent Non-Executive Director)**

Louise has over 25 years' experience in the engineering and construction sector. Previously, she was European Project Excellence Director at Aecom. Louise was a Director at Laing O'Rourke from 2006-2013, working as Infrastructure Director within CLM, which was the consortium delivery partner for the Olympic Delivery Authority for the London 2012 Olympics. She was a Non-Executive Director at the Defence Infrastructure Organisation, Ministry of Defence from May 2015 to June 2017. Louise is a fellow of the Institution of Civil Engineers and a fellow of the Chartered Management Institute.

**Current external appointments:** Non-Executive Director, Chair of the Remuneration Committee and member of the Nomination Committee and Audit Committee of Polypipe Group plc; Non-Executive Director and member of Remuneration Committee, Risk & Audit Committee and Investment Panel of Ebbsfleet Development Corporation; Non-Executive Director and Chair of Risk & Audit Committee of North West Cambridge Developments; Non-Executive Director and member of the Nomination and Remuneration Committees of Crest Nicholson plc.

**Board Committees:** Remuneration Committee (member) and Health & Safety Committee (member).



### **Resolution 9 – Re-election of Lord Hutton (Independent Non-Executive Director)**

John 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. Lord Hutton 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. He was Chairman of Simple Space Ltd until February 2017 and a Partner of Cartesius Advisory Network until January 2018. He was Non-Executive Director at ARIX Bioscience and Arthurian Life Sciences Limited until June 2018, Byhiras Group Limited until October 2018 and Chairman of the Nuclear Industries Association until December 2018.

**Current external appointments:** Non-Executive Director of Circle Holdings (UK) plc; Chairman and Director of Apartments for London Ltd and Chairman of Energy UK.

**Board Committees:** Remuneration Committee (Chair).

### **Resolution 10 – Re-election of Jane Lodge (Independent Non-Executive Director)**

Following an academic background in geology, Jane's executive career as a qualified chartered accountant was in audit, 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.

**Current external appointments:** Non-Executive Director and Chair of the Audit Committee of Devro PLC; Non-Executive Director and Chair of the Audit Committee of DCC PLC; Non-Executive Director and Chair of the Audit Committee of Costain Group Plc; Non-Executive Director of the Bromsgrove School Foundation; Non-Executive Director of Ives Ventures Limited; Non-Executive Director of Ives Estates Limited and Non-Executive Director of Bakkavor Plc.

**Board Committees:** Remuneration Committee (member) and Audit Committee (Chair).

### **Resolutions 11 and 12 – 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, and accordingly resolution 11 proposes such re-appointment. The Audit Committee has confirmed to the Board that its recommendation is free from third party influence and that no restrictive contractual provisions have been imposed on the Company limiting the choice of auditor.

**Resolution 12** authorises the Audit Committee to determine the auditors' remuneration.

### **Resolution 13 – Political donations/expenditure**

Part 14 of the Companies Act 2006, amongst other things, prohibits the Company and its subsidiaries from making local, regional and national 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 close of business on 30 June 2020 or, if earlier, at the conclusion of the next AGM of the Company.

## Explanatory Notes to the Notice of AGM continued

### Resolution 14 – Authority to allot shares

At the Annual General Meeting held in 2018, shareholders authorised the Directors, under section 551 of the Companies Act 2006, to allot ordinary shares up to a specified limit without further consent of shareholders for a period which is due to expire at the 2019 AGM. 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 30 June 2020 and within the limits prescribed by the Investment Association.

Paragraph (a)(i) of the resolution will allow the Directors to allot ordinary shares or grant rights up to a maximum aggregate nominal amount of £5,814,614 representing approximately one-third (33.33%) of the Company's anticipated issued share capital following completion of the firm placing and placing and open offer announced on 30 April 2019, which is expected to complete on 23 May 2019 (the Firm Placing and Placing and Open Offer). If the Firm Placing and Placing and Open Offer does not complete prior to the date of the 2019 AGM, the maximum aggregate nominal amount authorised by the resolution shall be equal to 33.33% of the aggregate nominal amount of the Company's issued share capital at the date of the 2019 AGM. 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 aggregate nominal amount of £11,629,229, representing approximately two-thirds (66.66%) of the Company's anticipated issued share capital following completion of the Firm Placing and Placing and Open Offer. If the Firm Placing and Placing and Open Offer does not complete prior to the date of the 2019 AGM, the maximum aggregate nominal amount authorised by the resolution shall be equal to 66.66% of the aggregate nominal amount of the Company's issued share capital at the date of the 2019 AGM.

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 13 May 2019, the Company did not hold any shares in treasury.

Resolution 14 will be proposed as an ordinary resolution.

### SPECIAL RESOLUTIONS

#### Resolution 15 – Dis-application of pre-emption rights

In line with market practice for listed companies and the latest institutional shareholder guidelines, it is proposed that the Directors be empowered to allot ordinary shares for cash without first being required to offer such shares to existing shareholders. If approved, the resolution will empower the Directors to issue shares for cash on a non-pre-emptive basis in connection with a rights issue or other pre-emptive offer and, otherwise than in connection with such an issue, up to a maximum aggregate nominal amount of £872,192 which includes the sale for cash on a non-pre-emptive basis of any shares the Company may hold in treasury. The £872,192 maximum aggregate nominal amount of equity securities to which this power relates represents approximately 5% of the Company's anticipated issued share capital following completion of the Firm Placing and Placing and Open Offer. If the Firm Placing and Placing and Open Offer does not complete prior to the date of the 2019 AGM, the maximum aggregate nominal amount authorised by the resolution shall be equal to 5% of the aggregate nominal amount of the Company's issued share capital at the date of the 2019 AGM.

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 15 will be proposed as a special resolution to grant this power until the close of business on 30 June 2020 or, if earlier, the conclusion of the next AGM.

#### Resolution 16 – Additional power to dis-apply pre-emption rights

Resolution 16 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 ordinary shares or sell treasury shares for cash without first being required to offer such shares 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 at the close of business on 30 June 2020 or at the conclusion of next year's AGM, whichever is the earlier.

The power 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 £872,192, which represents approximately 5% of the Company's anticipated issued share capital following completion of the Firm Placing and Placing and Open Offer. If the Firm Placing and Placing and Open Offer does not complete prior to the date of the 2019 AGM, the maximum aggregate nominal amount authorised by the resolution shall be equal to 5% of the aggregate nominal amount of the Company's issued share capital at the date of the 2019 AGM; 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 power granted by this resolution would be in addition to the general power to dis-apply pre-emption rights under resolution 15. The maximum aggregate nominal value of ordinary shares which could be allotted if the powers sought under both resolutions 15 and 16 were exercised would be £1,744,384, which represents approximately 10% of the Company's anticipated issued share capital following completion of the Firm Placing and Placing and Open Offer. If the Firm Placing and Placing and Open Offer does not complete prior to the date of the 2019 AGM, the maximum aggregate nominal amount of ordinary shares which could be allotted if the powers sought under both resolutions 15 and 16 were exercised shall be equal to 10% of the aggregate nominal amount of the Company's issued share capital at the date of the 2019 AGM.

#### **Resolution 17 – 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 up to a specified limit. 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 aggregate number of shares which may be purchased under the proposed authority will be 697,753,782 shares representing approximately 10% of the Company's anticipated issued share capital following completion of the Firm Placing and Placing and Open Offer. If the Firm Placing and Placing and Open Offer does not complete prior to the date of the 2019 AGM, the maximum aggregate number of shares which may be purchased under the proposed authority will be such number of ordinary shares as represents 10% of the aggregate nominal amount of the Company's issued share capital at the date of the 2019 AGM. The price paid for shares will not be less than the nominal value 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 13 May 2019 (being the latest practicable date prior to publication of this circular) was 24,912,900. The proportion of issued share capital that they represented at that time was 0.52% and the proportion of issued share capital that they would represent if the full authority to purchase shares (existing and being sought) had been exercised as at that date was 0.39%.

Resolution 17 will be proposed as a special resolution. The authority will expire at the close of business on 30 June 2020 or, if earlier, at the conclusion of next year's AGM.

#### **Resolution 18 – 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 best practice, 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 18 will be proposed as a special resolution.

# Explanatory Notes to the Notice of AGM continued

## Notes:

1. Only persons entered on the register of members of the Company at close of business on 11 June 2019 (or, in the event of any adjournment, on the date which is two business 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.
2. A member entitled to attend and vote at the meeting 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.
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, Link Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF by not later than 1p.m. on 11 June 2019 or, in the case of an adjourned meeting, by not later than 48 hours (excluding any part of a day that is not a working day) before the time appointed for the adjourned 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.
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.
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 11 June 2019. 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.
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.
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.
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.
9. The statement of the rights of members in relation to the appointment of proxies in paragraph 2 above does not apply to a Nominated Person. The rights described in this paragraph can only be exercised by registered members of the Company.
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.
11. As at 13 May 2019 (being the latest practicable date prior to publication of this circular) the Company's issued share capital consisted of 4,797,057,259 ordinary shares of 0.25 pence each, carrying one vote each. No shares were held in treasury. Therefore, the total voting rights in the Company as at 13 May 2019 were 4,797,057,259. The issued share capital of the Company immediately following completion of the Firm Placing and Placing and Open Offer is expected to be 6,977,537,829 ordinary shares of 0.25 pence each, carrying one vote each.
12. Copies of the service contracts of the Executive Directors and 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 circular and at the place of the meeting for a period from 15 minutes immediately before the meeting until its conclusion.
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.
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 auditors' 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.
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.
16. A copy of this notice, and other information required by section 311A of the Companies Act 2006 can be found on the Company's website, [www.siriusminerals.com](http://www.siriusminerals.com).
17. You may not use any electronic address provided either in this circular or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
18. All resolutions to be proposed at the AGM will be put to the vote on a poll. On a poll, each shareholder has one vote for each share held. All of the votes of the shareholders present will be counted and added to those received by proxy. The final results, including the votes cast for and against each resolution and those withheld, will be announced via a Regulatory Information Service and also published on the Company's website, [www.siriusminerals.com](http://www.siriusminerals.com) as soon as practicable after the meeting.
19. If you have voted by proxy, you will still be able to attend and vote at the meeting and your vote on the day will replace your provisionally lodged proxy vote. Whomever you appoint as proxy can vote or abstain from voting as he or she decides on any other business which may validly come before the meeting. This includes proxies appointed using the CREST service.