



6 October 2020

Northern Star and Saracen agree to A\$16B merger-of-equals, unlocking A\$1.5-2.0B in synergies

Unique, highly accretive transaction will create a Top-10 global gold company targeting production of 2Mozpa exclusively in Tier-1 locations

- Northern Star Resources Ltd (ASX: NST) and Saracen Mineral Holdings Ltd (ASX: SAR) have agreed to a merger-of-equals via a Saracen Scheme of Arrangement under which Northern Star will acquire 100% of the shares in Saracen
- Saracen shareholders to receive 0.3763 Northern Star shares for each Saracen share held at the Scheme record date. Saracen will also pay a special, fully franked dividend of A3.8¢ per Saracen share, conditional on the Scheme becoming effective and banking consents
- The Scheme is unanimously recommended by the Board of Saracen, subject to no superior proposal emerging for Saracen and the Independent Expert concluding (and continuing to conclude) that the merger is in the best interests of Saracen shareholders
- The Scheme is unanimously endorsed and supported by the Board of Northern Star, subject to no superior proposal for Northern Star emerging
- Upon implementation of the Scheme, Northern Star shareholders will own 64.0% of the combined entity and Saracen shareholders will own the remaining 36.0%
- Bill Beament will remain Executive Chair (transitioning to Non-Executive Chair) and Raleigh Finlayson will become Managing Director, with a highly complementary Board and management team
- The transaction will create a new Top-10 global gold major with:
 - A\$16.0B pro-forma market capitalisation and A\$118M net cash position¹;
 - Immediate production of 1.6Mozpa with a pathway to 2.0Mozpa;
 - Long-life producer with over 19Moz in Reserves and 49Moz in Resources;
 - Complementary industry-leading underground and open pit operating expertise;
 - A world-class portfolio with 3 large scale production centres (Kalgoorlie, Yandal and North America) exclusively in Tier-1 locations; and
 - Kalgoorlie “Golden Mile” consolidated under one owner for the first time in its +125 year history
- Unlocks A\$1.5-A\$2.0B in unique pre-tax synergies via consolidation of KCGM ownership, optimisation of processing throughout the broader Kalgoorlie and Yandal regions, and other savings over a ten year period
- Creates a business with the scale, liquidity and quality of cash flows to be attractive to both gold and generalist investors
- Northern Star and Saracen will host a joint investor call at 11.00am AEDT (8.00am AWST) today, 6 October 2020. The call can be accessed via the following link:
<https://webcast.boardroom.media/read-corporate/20201006/NaNstrategic-investor-broadcast>



Highlights

Northern Star Resources Ltd (ASX: NST) and Saracen Mineral Holdings Ltd (ASX: SAR) are pleased to announce that they have entered into a binding Merger Implementation Deed (**MID**) under which the two companies will merge via a Saracen scheme of arrangement (**Scheme**).

The Scheme will create a Top-10 global major gold producer, with high-margin assets located exclusively in Tier-1 jurisdictions.

The merged Company will benefit from the combined skills and experience of the two leading management teams.

Under the Scheme, Northern Star Executive Chair Bill Beament will be Chair of the merged group (transitioning from Executive to Non-Executive Chair in July 2021) and Saracen Managing Director Raleigh Finlayson will be Managing Director.

Stuart Tonkin will be Chief Executive Officer and Morgan Ball will be Chief Financial Officer. Upon completion, the Board of nine will comprise five Directors from Northern Star (including Mr Beament) and four Directors from Saracen (including Mr Finlayson). Saracen's Non-Executive Chair Tony Kiernan will be the Lead Independent Non-Executive Director.

Under the terms of the Scheme, each Saracen shareholder will receive 0.3763 Northern Star shares for each Saracen share held on the record date. Upon implementation of the Scheme, Northern Star shareholders will own 64.0% of the combined entity and Saracen shareholders will own the remaining 36.0%.

The Saracen Board of Directors unanimously recommends that Saracen shareholders vote in favour of the Scheme and each Saracen Director intends to vote all the shares that they hold in Saracen in favour of the Scheme (in both cases, subject to the Independent Expert opining that the Scheme is in the best interests of Saracen shareholders and in the absence of a superior proposal). The Northern Star Board unanimously endorses and supports the transaction in the absence of a superior proposal for Northern Star.

Mr Beament said: "Northern Star has only ever pursued growth when it will create value for shareholders, and this merger-of-equals will create an abundance of value for both Northern Star and Saracen shareholders.

"This is significant value-creating M&A. Our position as joint venture partners at KCGM, the close proximity of the majority of the combined company's assets and a host of other synergies makes this a unique opportunity exclusive to Saracen and Northern Star shareholders."

Mr Finlayson said: "The benefits which will flow to Saracen shareholders from this merger are significant. The pre-tax synergies alone are expected to be worth in the order of A\$1.5 to A\$2.0 billion over the next 10 years. Saracen shareholders will own 36.0% of the combined group and therefore share in the significant benefits of these synergies, which is value that would not have been available to our shareholders otherwise. It is difficult to foresee anything like that reduction in our cost base outside of this merger.

"This is one of the most logical and strategic M&A transactions the mining industry has seen. The savings, the synergies and the growth opportunities it will generate make the transaction extremely compelling.

"In short, it is a unique opportunity for Saracen shareholders unlikely to be replicated via any other avenue."

¹ Market capitalisation based on the last undisturbed share price of NST of A\$13.82 per share and the pro-forma NST ordinary shares outstanding of 1,158M post implementation of the scheme. Net cash position based on 30 June 2020 reported balance sheet values.



Strategic Rationale and Highlights

- **Logical combination of highly complementary assets**
 - A unique opportunity to combine complementary assets and management teams
 - Combined portfolio of high-quality assets concentrated in three logical production centres exclusively in Tier-1 jurisdictions
 - Unrivalled presence in the West Australian Goldfields, with the transaction consolidating KCGM (the iconic “Golden Mile”) under single ownership for the first time in its +125-year history
 - Pogo provides a platform for growth to 300kozpa in North America in FY21-FY23 utilising combined world-class skill sets
 - Common shareholdings of >50% consolidated into one company
- **Sector-leading growth potential on all metrics**
 - Clear trajectory towards 2Mozpa gold production by FY27, with production set to grow by +30% in the next 3 years, coupled with one of the industry’s lowest capital intensities to achieve this
 - Combined free cash-flow generation, balance sheet and asset base enables growth options to be optimised
 - Significant exploration opportunities across the portfolio, further unlocked by combined processing infrastructure
- **Right skill-set to drive value creation**
 - Combination of two industry-leading management teams with an outstanding track record of delivering superior shareholder returns and significant organic growth
 - Aligned company cultures and complementary skill-sets with world-class underground and open pit mining teams
 - ~A\$200 million of combined ownership amongst the Board and management teams
- **Significant synergies unique to this merger expected to be realised over the next ten years**
 - Transaction unlocks A\$1.5-2.0B NPV in pre-tax synergies via geographic, operational and strategic synergies
 - Consolidating ownership at KCGM to align vision, improve simplicity of operation, drive operational efficiencies and bring forward expansion opportunities
 - Ability to optimise processing capacity group-wide, unlocking a range of previously constrained regional deposits and exploration opportunities
 - Corporate office and KCGM synergies, cost savings, optimisation of capital and procurement efficiencies
- **Increased scale and capital markets profile**
 - Top-10 global gold miner, the scale to attract generalist as well as gold-focused global investors and Australian large cap funds
 - Long-life producer with over 19Moz in Reserves and 49Moz in Resources
 - One of the few global gold companies of this scale with operations exclusively in Tier-1 jurisdictions
- **Enhanced commitment to sustainability and ESG**
 - Ability to leverage combined ESG experience to enhance shared value for all stakeholders
 - Opportunity to align and scale sustainability initiatives, engagement and reporting



Transaction Summary

The proposed merger is to be implemented by way of a Saracen scheme of arrangement. Saracen shareholders will receive 0.3763 Northern Star shares for each Saracen share held on the record date for the Scheme. Northern Star shareholders will own 64.0% of the combined entity and Saracen shareholders will own the remaining 36.0%. Upon implementation of the Scheme, the Merged Entity will have approximately 1,158 million ordinary shares on issue. Saracen shareholders will also be paid a special, fully franked dividend of A3.8¢ per Saracen share (subject to the Scheme becoming effective and the receipt of banking consents).

Key customary conditions to the implementation of the Scheme include:

- Approval being obtained from shareholders of Saracen and court approval in relation to the Scheme;
- The Independent Expert concluding that the Scheme is in the best interests of Saracen shareholders, and not changing, withdrawing or qualifying that conclusion;
- No material adverse effect, prescribed event or regulated event (each as defined in the MID) occurring in relation to either Northern Star or Saracen; and
- Other conditions customary for a public transaction of this nature.

The Merger Implementation Deed includes reciprocal exclusivity arrangements (including “no shop”, “no talk” and “no due diligence” restrictions and notification obligations), customary exclusivity arrangements in favour of Northern Star (including a matching right regime) and reciprocal break fees apply. The exclusivity mechanisms are subject to customary exceptions that enable each of Saracen and Northern Star Boards to comply with their respective fiduciary and / or statutory duties.

Full details of the terms and conditions of the Scheme are set out in the Merger Implementation Deed, a copy of which is set out in Annexure A.

Timetable and next steps

Saracen shareholders do not need to take any action in relation to the Scheme at this stage.

A scheme booklet containing information in relation to the Scheme, including the basis for the Saracen Board’s unanimous recommendation, an Independent Expert Report and details of the Scheme is expected to be circulated to all Saracen shareholders in December 2020.

An indicative timetable is set out below:

Action	Estimated date
First Court Hearing	December 2020
Dispatch scheme booklet to Saracen shareholders	December 2020
Scheme Meeting	January 2021
Second Court hearing	February 2021
Effective Date	February 2021
Record Date	February 2021
Implementation Date	February 2021

Advisers

Northern Star’s financial adviser is Sternship Advisers and its legal adviser is Ashurst.

Saracen’s financial adviser is Macquarie Capital (Australia) Limited and legal adviser is DLA Piper.

Conference Call

Northern Star and Saracen will host a joint investor call at 11.00am AEDT (8.00am AWST) today, 6 October 2020. The call can be accessed via the following link:

<https://webcast.boardroom.media/read-corporate/20201006/NaNstrategic-investor-broadcast>



Authorised for release to the ASX by Bill Beament, Executive Chair (NST) and Raleigh Finlayson, Managing Director (SAR).

Contacts

Investor Relations Enquiries

Kurt Walker (NST)
T: +61 8 6211 2620
E: info@nsr ltd.com

Troy Irvin (SAR)
T: +61 8 6229 9100
E: info@saracen.com.au

Media Enquiries:

Read Corporate
T: +61 8 9388 1474
E: info@readcorporate.com.au

ASX Listing Rule 5.19 Disclosures

This announcement contains estimates of Northern Star's and Saracen's respective ore reserves and mineral resources, as well as estimates of Kalgoorlie Consolidated Gold Mines Pty Ltd's (KCGM) ore reserves and mineral resources and also production targets that are a product of these estimates. Northern Star and Saracen are participants in the 50:50 incorporated joint venture that owns the assets and operations of KCGM (including the Super Pit). The information in this announcement that relates to the ore reserves and mineral resources, and production targets of:

- a) Northern Star has been extracted from the following: the ASX release by Northern Star entitled "Resources and Reserves, Production and Cost Guidance Update (ex-KCGM)" dated 13 August 2020, available at www.nsr ltd.com and www.asx.com (Northern Star Announcement);
- b) Saracen has been extracted from the following: the ASX release by Saracen entitled "Carosue Dam and Thunderbox only – Reserves rise to 3.7Moz" dated 4 August 2020, available at www.saracen.com.au and www.asx.com (Saracen Announcement); and
- c) KCGM has been extracted from the following: Northern Star's and Saracen's joint ASX announcement entitled "KCGM Reserves, Resources and Guidance Update" dated 18 August 2020, available at www.nsr ltd.com and www.asx.com (KCGM Announcement),
(Source Reports).

For the purposes of ASX Listing Rule 5.19:

- d) Northern Star confirms that it is not aware of any new information or data that materially affects the information included in the Northern Star Announcement and, in relation to the estimates of Northern Star's ore reserves and mineral resources, that all material assumptions and technical parameters underpinning the estimates in the Northern Star Announcement continue to apply and have not materially changed. Northern Star confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.
- e) Saracen confirms that it is not aware of any new information or data that materially affects the information included in the Saracen Announcement and, in relation to the estimates of Saracen's ore reserves and mineral resources, that all material assumptions and technical parameters underpinning the estimates in the Saracen Announcement continue to apply and have not materially changed. Saracen confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.
- f) Both Northern Star and Saracen confirm that they are not aware of any new information or data that materially affects the information included in the KCGM Announcement and, in relation to the estimates of KCGM's ore reserves and mineral resources, that all material assumptions and technical parameters underpinning the estimates in the KCGM Announcement continue to apply and have not materially changed. Saracen confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

Note on Competent Persons

The estimated ore reserves and/or mineral resources underpinning the production targets in this announcement (which are based on the Source Reports) have been prepared by the competent persons referred to on pages 39 and 40 of the Northern Star and Saracen joint investor presentation (including disclosures in relation to the production targets, for the purposes of ASX Listing Rule 5.23), in accordance with the requirements in the 2012 edition of the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code) for all of Northern Star and Saracen's projects (including KCGM). Northern Star and Saracen confirm that the relevant proportions of probable ore reserves and proved ore reserves and indicated mineral resources underpinning the production targets in this announcement are:

- NST Kalgoorlie Operations assumes 408koz of Proved and 1,199koz of Probable Reserve in the production forecast, in addition to 463koz of Indicated Resource;
- NST Yandal Operations assumes 426koz of Proved and 2,199koz of Probable Reserves in the production forecast. No Resources are included in this forecast;
- NST Pogo Operation includes 4koz of Proved and 1,507koz of Probable Reserves in the production forecast. An additional 937koz of Indicated Resource is assumed in the forecast;
- SAR CDO forecast consists of 96koz of Proved Reserve and 1,619koz of Probable Reserve. No Resource is included in the forecast;
- SAR TBO forecast consists of 337koz of Proved Reserve and 793koz of Probable Reserve. No Resource is included in the forecast; and



- KCGM forecast consists of 650koz of Proved Reserve and 3,042koz of Probable Reserves. No Resource is included in the forecast.

Please also refer to slide 3 of the presentation released to ASX simultaneously with this announcement and titled "Northern Star and Saracen: A Compelling Combination", for further information underpinning the production targets.

Forward Looking Statements

Northern Star Resources Limited and Saracen Mineral Holdings Limited have jointly prepared this announcement based on information available to them. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this announcement. To the maximum extent permitted by law, none of Northern Star Resources Limited or Saracen Mineral Holdings Limited, their directors, employees or agents, advisers, nor any other person accepts any liability, including, without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this announcement or its contents or otherwise arising in connection with it.

This announcement is not an offer, invitation, solicitation or other recommendation with respect to the subscription for, purchase or sale of any security, and neither this announcement nor anything in it shall form the basis of any contract or commitment whatsoever. This announcement may contain forward looking statements that are subject to risk factors associated with gold exploration, mining and production businesses. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve estimations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

Note on synergies

Please also refer to slides 7 and 13 of the presentation released to ASX simultaneously with this announcement and titled "Northern Star and Saracen: A Compelling Combination", for further information about the basis and assumptions underlying any statements about expected synergies in this announcement.

Not an offer of securities

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions registered under the US Securities Act or exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.



Execution Version

Merger Implementation Deed

Northern Star Resources Ltd

ABN 43 092 832 892

Saracen Mineral Holdings Limited

ABN 52 009 215 347

CONTENTS

CLAUSE	PAGE
1. INTERPRETATION	5
1.1 Definitions	5
1.2 Rules for interpreting this document.....	25
1.3 Non-Business Days	26
2. SCHEME	27
2.1 Agreement to propose and implement Scheme.....	27
2.2 Outline of Scheme	27
2.3 No amendments to Scheme without consent	27
2.4 Scheme Consideration.....	27
2.5 Issue of Consideration Shares	27
2.6 Fractional entitlements and Share Splitting	28
2.7 Ineligible Overseas Shareholders and Relevant Unmarketable Parcel Shareholders.....	28
2.8 Unmarketable parcels.....	29
2.9 Withholding.....	29
3. CONDITIONS.....	30
3.1 Obligations not binding until Conditions satisfied.....	30
3.2 Conditions	31
3.3 Waiver of Conditions	34
3.4 Satisfaction of Conditions.....	35
3.5 Notifications.....	35
3.6 Parties to provide certificate to Court	36
3.7 If a Condition is not fulfilled or waived.....	36
3.8 Court approval	36
3.9 Scheme voted down.....	37
4. OBLIGATIONS OF THE PARTIES	37
4.1 Timetable	37
4.2 Saracen obligations.....	37
4.3 Northern Star obligations.....	41
4.4 Scheme Booklet content and responsibility statements	43
5. PRE-IMPLEMENTATION OBLIGATIONS	44
5.1 Conduct of the business.....	44
5.2 Exception.....	45
5.3 No Regulated Events or Prescribed Events	45
5.4 Transition Team and access	45
5.5 Change of control consents	47
5.6 Information on representations and warranties.....	48
5.7 Information provided subject to confidentiality obligation.....	48
6. DIRECTORS AND EMPLOYEES	48
6.1 Merged Group board composition.....	48
6.2 Merged Group senior management team composition.....	49
6.3 Saracen board composition	49
6.4 Deed of insurance and indemnity.....	50
6.5 Release of Representatives of Northern Star	51
6.6 Release of Representatives of Saracen	51
7. SARACEN UNLISTED SECURITIES AND SARACEN RESTRICTED SHARES	52
7.1 Treatment of Saracen Performance Rights	52

7.2	Treatment of NED Share Rights	53
7.3	Covenant in respect of Saracen Unlisted Securities	54
7.4	Release from restrictions on transfer	54
8.	DIVIDENDS	54
9.	ANNOUNCEMENT	54
9.1	Announcement of execution	54
9.2	No Announcement	54
9.3	Consultation on Announcements	54
9.4	Excluded Announcements	55
10.	EXCLUSIVITY	55
10.1	Existing discussions	55
10.2	No shop, no talk and no due diligence	56
10.3	Fiduciary exception	56
11.	NOTIFICATION AND MATCHING RIGHTS	57
11.1	Initial notification.....	57
11.2	Matching right	58
12.	STANDSTILL.....	60
13.	BREAK FEE.....	61
13.1	Background.....	61
13.2	Payment of Saracen Break Fee by Saracen to Northern Star.....	61
13.3	Payment of Northern Star Break Fee by Northern Star to Saracen.....	64
13.4	Demand for payment	64
13.5	No payment if Scheme becomes Effective	65
13.6	Other Claims	65
13.7	Compliance with law	65
14.	TERMINATION	66
14.1	Termination by either party.....	66
14.2	Termination by Northern Star	67
14.3	Termination by Saracen.....	68
14.4	Effect of termination	68
14.5	Notice of termination.....	69
14.6	Remedies.....	69
15.	REPRESENTATIONS AND WARRANTIES	69
15.1	Saracen representations and warranties	69
15.2	Northern Star representations and warranties	71
15.3	Qualifications on representations and warranties	74
15.4	Reliance on representations and warranties	74
15.5	When warranties are given	74
15.6	Information on representations and warranties.....	75
15.7	Survival of representations and warranties.....	75
16.	INDEMNITIES	75
16.1	Indemnities by Saracen	75
16.2	Indemnities by Northern Star	75
16.3	Survival of indemnities	75
17.	GST	76
17.1	GST pass on.....	76
17.2	Tax Invoice	76
17.3	Consideration exclusive of GST	76
17.4	Later adjustment to price or GST	76

17.5	Reimbursements.....	76
18.	NOTICES	77
18.1	How to give a notice	77
18.2	When a notice is given	77
18.3	Address for notices	77
19.	AMENDMENT AND ASSIGNMENT	78
19.1	Amendment	78
19.2	Assignment.....	78
20.	GENERAL	78
20.1	Governing law	78
20.2	Liability for expenses.....	78
20.3	Giving effect to this document.....	78
20.4	Variation of rights	78
20.5	No partnership or agency.....	79
20.6	Operation of this document.....	79
20.7	Operation of indemnities.....	79
20.8	Third party benefit	79
20.9	Consents	80
20.10	No merger	80
20.11	Inconsistency with other documents.....	80
20.12	Counterparts.....	80

Schedule

1	Timetable	81
2	Issued capital	82
3	Scheme of Arrangement	85
4	Deed Poll	86
5	Treatment of Saracen Unlisted Securities	87

THIS DEED is made on

2020

BETWEEN:

- (1) **Northern Star Resources Ltd** ABN 43 092 832 892 whose registered office is at Level 1, 388 Hay Street, Subiaco, Western Australia (**Northern Star**); and
- (2) **Saracen Mineral Holdings Limited** ABN 52 009 215 347 whose registered office is at Level 11, 40 The Esplanade, Perth, Western Australia (**Saracen**).

RECITALS:

- (A) Northern Star and Saracen have agreed to merge through Northern Star acquiring all of the Saracen Shares by way of a scheme of arrangement between Saracen and Scheme Shareholders under Part 5.1 of the Corporations Act.
- (B) Saracen intends to propose the Scheme and issue the Scheme Booklet.
- (C) Northern Star and Saracen have agreed to implement the Scheme, and to undertake other associated matters, in accordance with this document.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

The following definitions apply in this document.

Announcement means a press release, announcement or other public statement (other than a draft explanatory statement, an explanatory statement or supplementary explanatory statement as required under Part 5.1 of the Corporations Act).

Approach Notice means a notice setting out that a Competing Proposal has been received or that an approach has been made by a person in relation to a Competing Proposal.

ASIC means the Australian Securities and Investments Commission.

ASIC Review Draft means the draft of the Scheme Booklet which is provided to ASIC for approval under section 411(2) of the Corporations Act.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

ASX Listing Rules means the listing rules of ASX.

ATO means the Australian Taxation Office.

Authorisation means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it from or by a Government Agency; and
- (b) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken.

Business Day:

- (a) when used in relation to the Implementation Date and the Scheme Record Date, has the meaning given in the ASX Listing Rules; and
- (b) in all other cases, means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.

CGT Withholding Law means the foreign resident capital gains tax withholding law in Subdivision 14-D of Schedule 1 of the TAA.

Claim, in relation to a person, means any claim, allegation, cause of action, proceeding, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Commissioner means the Commissioner of Taxation of the Commonwealth of Australia.

Competing Proposal means:

- (a) in relation to Saracen, any proposal, offer, transaction, agreement or arrangement which is publicly announced or is in writing and which, if entered into or completed substantially in accordance with its terms:
 - (i) would result in a person (either alone or together with one or more associates) other than any member of the Northern Star Group, directly or indirectly:
 - (A) acquiring control (within the meaning given in section 50AA of the Corporations Act) of Saracen or any member of the Saracen Group which holds all, a substantial part or a material part of the assets of the Saracen Group;
 - (B) acquiring an interest (including an economic interest by way of an equity swap, contract for difference or similar transaction or arrangement) or a relevant interest in more than 25% of the Saracen Shares;
 - (C) acquiring, becoming the holder of, or having a right to acquire an economic interest in all or a substantial part of the business, or a material part of the assets, of the Saracen Group; or
 - (D) otherwise acquiring control (within the meaning given in section 50AA of the Corporations Act) of, or merging with, Saracen or any other member or members of the Saracen Group holding a substantial or a material part of the assets of the Saracen Group,

(where a material part of the assets of the Saracen Group is an asset or assets representing more than 20% of the value of the Saracen Group's total consolidated assets) whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement; or
 - (ii) would result in the Scheme not being able to be Implemented substantially on the basis set out in this document; or

- (b) in relation to Northern Star, any proposal, offer, transaction, agreement or arrangement which is publicly announced or is in writing and which, if entered into or completed substantially in accordance with its terms:
 - (i) would result in a Northern Star Change of Control; or
 - (ii) would result in the Scheme not being able to be Implemented substantially on the basis set out in this document.

Condition means a condition precedent set out in clause 3.2 and **Conditions** means all of them.

Consideration Share means a Northern Star Share to be issued under the Scheme as Scheme Consideration.

Corporations Act means the *Corporations Act 2001* (Cth).

Counter Proposal has the meaning given in clause 11.2(b)(iii).

Court means the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Northern Star and Saracen.

D&O run-off policy has the meaning given in clause 6.4(b).

DD Cut-off Time means 5.00 pm (Perth time) on the Business Day that is 2 Business Days prior to the date of this document, or such later date as Northern Star and Saracen agree in writing.

Deed Poll means a document in the form of Schedule 4, or in such other form as is agreed in writing between Northern Star and Saracen.

Defaulting Party has the meaning given in clause 14.1(d).

EBITDA means earnings before interest, taxes, depreciation and amortisation.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme.

Effective Date means the date on which the Scheme becomes Effective.

Encumbrance means:

- (a) a Security Interest; or
- (b) an easement, restrictive covenant, caveat or similar restriction over property.

End Date means the date that is 6 months after the date of this document, subject to any extension to that date made under clause 3.7.

Exclusivity Period means the period commencing on the date of this document and ending on the earlier of:

- (a) termination of this document in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date.

Fairly Disclosed means any information disclosed in writing by or on behalf of a party, in sufficient detail and with sufficient specificity so as to enable a reasonable and sophisticated recipient of the relevant information, who is experienced in transactions similar to the transactions contemplated by this document and experienced in an industry similar to the industry in which the businesses conducted by Northern Star and Saracen operate, to identify the nature and scope of the relevant matter, event or circumstance and the fact it may have financial, operational or other consequences and be capable of properly assessing those consequences.

First Court Date means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening of the Scheme Meeting.

Government Agency means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including the Australian Competition and Consumer Commission, ASIC, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

GST means a goods and services tax or similar value added tax levied or imposed in Australia under the GST Law.

GST Law means the same as "GST Law" in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme is passed by a majority in number of Saracen Shareholders present and voting, either in person or by proxy at the Scheme Meeting.

Implementation means the implementation of the Scheme.

Implementation Date means the fifth Business Day following the Scheme Record Date, or such other date as ordered by the Court or agreed in writing between Northern Star and Saracen.

Impugned Amount means all or any part of the payment required to be made under clause 13.2 or 13.3 (as the case may be) that is found by the Takeovers Panel or Court to:

- (a) be unlawful;
- (b) involve a breach of directors' duties; or
- (c) constitute Unacceptable Circumstances.

Independent Expert means the independent expert appointed by Saracen (following prior consultation with Northern Star) to provide an opinion on whether the Scheme is in the best interest of Saracen Shareholders.

Independent Expert's Report means the report prepared by the Independent Expert on whether the Scheme is in the best interest of Saracen Shareholders, including any updates or amendments to that report.

Ineligible Overseas Shareholder means:

- (a) a Saracen Shareholder whose address shown in the Saracen Share Register at the Scheme Record Date is a place outside Australia or New Zealand and their respective external territories or any other jurisdictions agreed by the parties in writing (each

acting reasonably), other than any Saracen Shareholder in respect of whom Northern Star determines (in its sole and absolute discretion) that it is lawful and not unduly impracticable or onerous for Northern Star to issue that Saracen Shareholder with Consideration Shares on Implementation in accordance with the terms of this document; and

- (b) a Saracen Shareholder to the extent it would not be an Ineligible Overseas Shareholder under paragraph (a) but is treated as an Ineligible Overseas Shareholder pursuant to clause 2.9(b).

Insolvency Event means, in respect of a person:

- (a) an administrator being appointed to the person;
- (b)
 - (i) a controller or analogous person being appointed to the person or any of the person's property;
 - (ii) an application being made to a court for an order to appoint a controller, provisional liquidator, trustee for creditors or in bankruptcy or analogous person to the person or any of the person's property, other than where the application is stayed, withdrawn, dismissed or set aside within 14 days; or
 - (iii) an appointment of the kind referred to in subparagraph (ii) being made (whether or not following a resolution or application);
- (c) the person being taken under section 459F(1) of the Corporations Act to have failed to comply with a statutory demand;
- (d) an application being made to a court for an order for its winding up which is not set aside within 14 days;
- (e) an order being made, or the person passing a resolution, for its winding up;
- (f) the person:
 - (i) suspending payment of its debts, ceasing (or threatening to cease) to carry on all or a material part of its business, stating that it is unable to pay its debts or being or becoming otherwise insolvent; or
 - (ii) being unable to pay its debts or otherwise insolvent;
- (g) the person entering into a compromise or arrangement with, or assignment for the benefit of, its members or creditors generally;
- (h) a court or other authority enforcing any judgment or order against the person for the payment of money or the recovery of any property; or
- (i) any analogous event under the laws of any applicable jurisdiction,

unless this takes place as part of a solvent reconstruction, amalgamation, merger or consolidation that has been approved by Northern Star or Saracen.

Investor Presentation means the investor presentation announced to ASX by each of Northern Star and Saracen on the date of this document.

Joint Announcement means the announcement contemplated in clause 9.1.

Loss includes any loss, damage, liability, obligation, compensation, fine, penalty, charge, payment, cost or expense (including any legal cost and expense) however it arises and whether it is present or future, fixed or unascertained, actual or contingent but excluding any consequential or indirect loss, economic loss or loss of profits.

Matching Period has the meaning given in clause 11.2(b).

Matching Right Notice means a notice given in accordance with clause 11.2(a)(i), setting out all material details of a Competing Proposal, including, without limitation, the consideration, conditions and proposed timing of the Competing Proposal, that the Saracen Board has determined is a Superior Proposal, excluding the person's name and other details which would otherwise be reasonably expected to identify the person who has made the Superior Proposal.

Material Authorisation means any Authorisation held by a member of the Saracen Group at the date of this document, which, if that Authorisation was revoked or terminated would materially adversely impact the ability of any member of the Saracen Group to conduct its business in substantially the same manner and at the same locations as conducted in the 6 months preceding the date of this document.

Material Northern Star Authorisation means any Authorisation held by a member of the Northern Star Group at the date of this document, which, if that Authorisation was revoked or terminated, would materially adversely impact the ability of any member of the Northern Star Group to conduct business in substantially the same manner and at the same locations as conducted in the 6 months preceding the date of this document.

Material Northern Star Contract means any contract to which a member of the Northern Star Group is a party at the date of this document, which, if revoked or terminated, would materially adversely impact the ability of any member of the Northern Star Group to conduct its business in substantially the same manner and at the same locations as conducted in the 6 months preceding the date of this document.

Material Saracen Contract means any contract to which a member of the Saracen Group is a party at the date of this document, which, if revoked or terminated, would materially adversely impact the ability of any member of the Saracen Group to conduct its business in substantially the same manner and at the same locations as conducted in the 6 months preceding the date of this document.

Material Saracen Facility means:

- (a) the facilities provided to Saracen under the 'Syndicated Facility Agreement' dated 3 November 2016 between, among others, Saracen and Westpac Administration Pty Ltd as security trustee (as amended by a deed of amendment dated 26 November 2019) and all related security and other finance documents as further amended and supplemented by the substitution and accession deed dated 26 February 2020 and a letter of amendment dated in or about August 2020; and
- (b) the hedging provided to Saracen under:
 - (i) the ISDA Master Agreement and Schedule dated as of 2 December 2016 between BNP Paribas and Saracen, as amended by the amendment dated as at 14 January 2020;
 - (ii) the ISDA Master Agreement and Schedule dated as of 2 December 2016 between Westpac Banking Corporation and Saracen, as amended by the amendment dated as at 14 January 2020; and

- (iii) the ISDA Master Agreement and Schedule dated as of 2 December 2016 between Citibank N.A. and Saracen, as amended by the first amendment agreement and the amendment dated as at 14 January 2020,

and all related security and other finance documents.

Merged Group means the combination of Northern Star and Saracen following implementation of the Scheme, comprising Northern Star and its then subsidiaries.

Merged Group Information means any information in the Scheme Booklet or any supplementary disclosure to Saracen Shareholders in respect of the Scheme, regarding the Merged Group.

Mutual Confidentiality Agreement means the deed of that name dated 29 June 2020 between Northern Star and Saracen in respect of the proposed Scheme.

Northern Star Board means the board of directors of Northern Star.

Northern Star Break Fee means \$57,600,000.

Northern Star Change of Control means where a person (either alone or together with one or more associates) (other than Saracen or any member of the Saracen Group) acquires control (within the meaning given in section 50AA of the Corporations Act) of Northern Star or any member of the Northern Star Group which holds all, a substantial part or a material part of the assets of the Northern Star Group, whether by way of takeover bid, members' or creditors' scheme of arrangement, shareholder approved acquisition, capital reduction, buy-back, sale or purchase of shares, other securities or assets, assignment of assets and liabilities, incorporated or unincorporated joint venture, dual-listed company (or other synthetic merger), deed of company arrangement, any debt for equity arrangement or other transaction or arrangement.

Northern Star Consolidated Tax Group means the consolidated group of which Northern Star is the head company. In this definition, "consolidated group" and "head company" have the respective meanings given by the *Income Tax Assessment Act 1997* (Cth).

Northern Star Data Room means the online data room established by or on behalf of Northern Star in connection with the Scheme, to which Saracen and its Representatives have been given access.

Northern Star Disclosure Material means:

- (a) the Northern Star Due Diligence Information; and
- (b) information that would have been disclosed to Saracen had Saracen conducted searches of the Public Registers on the Business Day prior to the date of this document.

Northern Star Dividend means any interim dividend declared by Northern Star in respect of the half-year ended 31 December 2020 with a record date after the date on which Implementation occurs.

Northern Star Due Diligence Information means all documents and other written information provided or made available:

- (a) in the Northern Star Data Room; and
- (b) on any other external hard drive provided by Northern Star to Saracen,

prior to the DD Cut-off Time as part of the due diligence investigations carried out in connection with the Scheme, as recorded in the external hard drive provided by Northern Star to Saracen, an index of the contents of which will be initialled for the purposes of identification by Northern Star's Company Secretary (on behalf of Northern Star) and by Saracen's Company Secretary (on behalf of Saracen) by no later than 5 Business Days after the date of this document (on the basis that, in the period prior to initialling, the Northern Star Data Room is secured in such manner so that access by any person other than the Company Secretaries of Northern Star and Saracen will be restricted and, if granted, recorded by way of SharePoint metadata).

Northern Star Excluded Transaction means:

- (a) a transaction Fairly Disclosed in the Northern Star Disclosure Material or which ought to have been expected to arise from a matter, event or circumstance that was so disclosed;
- (b) a transaction consistent with a policy relating to employment which was Fairly Disclosed in the Northern Star Disclosure Material;
- (c) anything required or expressly permitted to be done or procured by Northern Star under this document or the Scheme or the transactions contemplated by either;
- (d) anything set out in the operational budget shared with Saracen as part of the Northern Star Due Diligence Information;
- (e) anything done in connection with the transactions contemplated by clause 7;
- (f) the grant of 1,647,490 Northern Star Performance Rights (to employees of Northern Star, including Northern Star's Executive Chair);
- (g) the issue of any Northern Star Shares on the exercise of any Northern Star NED Share Rights or any Northern Star Performance Rights that, :
 - (i) have been announced by Northern Star to ASX prior to the date of this document; and
 - (ii) vest in accordance with their terms existing as at the date of this document; or
- (h) any transaction in relation to which Saracen has expressly consented in writing.

Northern Star Group means Northern Star and its subsidiaries (Northern Star and each subsidiary being a **member of the Northern Star Group**).

Northern Star Incoming Director means each of the current directors of Saracen listed in clause 6.1(a) (that is, those who will join the Northern Star Board on and from the Implementation Date).

Northern Star Information means the information regarding the Northern Star Group and the Merged Group provided by Northern Star to Saracen in writing for inclusion in the Scheme Booklet or any supplementary disclosure to Saracen Shareholders in respect of the Scheme (in each case, excluding any Saracen Information contained in, or used in the preparation of, the Merged Group Information), including:

- (a) a letter from Northern Star's Executive Chair;

- (b) information about Northern Star, Northern Star Shares and rights attaching to Northern Star Shares, other members of the Northern Star Group, the businesses of the Northern Star Group, Northern Star's interests and dealings in Saracen Shares and Northern Star's intentions for Saracen's business and employees;
- (c) the Merged Group Information (excluding any Saracen Information contained in, or used in the preparation of, the Merged Group Information); and
- (d) any other information required under the Corporations Act or ASIC Regulatory Guide 60 Schemes of arrangement to enable the Scheme Booklet to be prepared, that the parties agree is "Northern Star Information" and that is identified in the Scheme Booklet or supplementary disclosure as such.

To avoid doubt, the Northern Star Information excludes the Saracen Information, the Independent Expert's Report, any "Investigating Accountant's Report" to be included in or accompany the Scheme Booklet, and any information about the potential taxation consequences of the Scheme on Scheme Shareholders in the Scheme Booklet.

Northern Star Joint Announcement Information means any information regarding the Northern Star Group or the Merged Group in the Joint Announcement and Investor Presentation.

Northern Star Material Adverse Effect means an event, matter or circumstance that occurs, is announced or becomes known to Saracen after the date of this document which, either individually or when aggregated with all such events or circumstances which have occurred, has had the effect of, or is reasonably likely to have the effect of diminishing the net asset value of the Northern Star Group by an amount of at least \$550,000,000, other than any event, matter or circumstance:

- (a) required or expressly permitted by this document, the Scheme or the transactions contemplated by either;
- (b) that is Fairly Disclosed in the Northern Star Disclosure Material (or which ought reasonably to have been expected to arise from a matter, event or circumstance which was so disclosed);
- (c) consented to in writing by Saracen (in its absolute discretion);
- (d) resulting from:
 - (i) a change to legislation or regulation, any judicial or administrative interpretation of the law or any practice or policy of a Government Agency (whether or not retrospective in effect), including in relation to Tax;
 - (ii) general changes in economic, political or business conditions (including interest rates, gold prices and exchange rates), or in securities, credit or financial markets, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets, and acts of terrorism, war (whether or not declared), any pandemic or escalation of the same,
 - affecting Australian or North American gold mining businesses generally; or
- (e) which has a similar or substantially similar impact on Saracen.

Northern Star Outgoing Director means each of the current directors of Northern Star, other than those listed in clause 6.1(a) (that is, those who will step down from the Northern Star Board on and from the Implementation Date).

Northern Star Prescribed Event means the occurrence of any of the following:

- (a) **(share conversions)** Northern Star converting all or any of its shares into a larger or smaller number of shares;
- (b) **(capital reduction)** Northern Star resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) **(buyback)** Northern Star:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(distribution)** other than in respect of the Northern Star Dividend in accordance with clause 8, Northern Star declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- (e) **(issue of securities)** a member of the Northern Star Group issuing shares or securities convertible into shares, or granting an option over its shares, or agreeing to make such an issue or grant such an option other than to Northern Star or a wholly-owned subsidiary of Northern Star;
- (f) **(convertible notes)** a member of the Northern Star Group issues, or agrees to issue, convertible notes, other than to Northern Star or a wholly-owned subsidiary of Northern Star;
- (g) **(change to constitution)** a member of the Northern Star Group making any change to its constitution;
- (h) **(deregistration)** a member of the Northern Star Group being deregistered as a company or otherwise dissolved except in the case of an Northern Star Group member with less than \$10 million in net assets as at the date of this document;
- (i) **(Insolvency Event)** an Insolvency Event occurring in relation to a member of the Northern Star Group (except in the case of an Northern Star Group member with less than \$10 million in net assets as at the date of this document),

excluding any Northern Star Excluded Transaction.

Northern Star Regulated Event means the occurrence of any of the following:

- (a) a member of the Northern Star Group acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of:
 - (i) any asset or business; or
 - (ii) any interest in the following: Pogo, KCGM, Kalgoorlie Operations, Jundee, Bronzewing or Tanami or the mines or processing facilities owned by them,other than in the usual and ordinary course of business and consistent with past practice, including in respect of the maintenance and surrender of immaterial tenements and the expansion or reduction of existing project tenement areas

undertaken in the usual and ordinary course of business and consistent with past practice;

- (b) a member of the Northern Star Group varying in any materially adverse respect or terminating or allowing to lapse or expire (without renewal or replacement on terms and conditions that are no less favourable to the Northern Star Group) any Material Northern Star Authorisation;
- (c) a member of the Northern Star Group entering into, agreeing or announcing a joint venture, asset or profit sharing arrangement or partnership in respect of an interest in Pogo, KCGM, Kalgoorlie Operations, Jundee, Bronzewing or Tanami or the mines or processing facilities owned by them;
- (d) a member of the Northern Star Group creating, granting or agreeing to any Encumbrance over any of the assets of any member of the Northern Star Group, other than a lien that arises by operation of law, legislation or in the usual and ordinary course of business;
- (e) a member of the Northern Star Group entering into a contract or commitment restraining a member of the Northern Star Group from competing with any person or conducting activities in any market;
- (f) a member of the Northern Star Group:
 - (i) other than in the usual and ordinary course of business and consistent with past practice:
 - (A) incurring any additional financial indebtedness by way of borrowings, hedging and other financial facilities, including operating and finance leases (except for draw-downs on existing banking facilities or utilisation of existing securitisation programs); or
 - (B) guaranteeing or indemnifying the obligations of any person other than a member of the Northern Star Group,
 - (ii) entering into any new financing arrangement, agreement or otherwise providing financial accommodation in excess of \$10 million other than to a member of the Saracen Group or another member of the Northern Star Group, or amending the terms of any existing financial arrangement, agreement or instrument which provides for financial accommodation to be provided by a member of the Northern Star Group in excess of \$10 million;
 - (iii) incurring capital expenditure in excess of \$10 million;
 - (iv) waiving any material third party default where the financial impact on the Northern Star Group will be in excess of \$10 million individually or in aggregate;
 - (v) accepting as a compromise of a matter less than the full compensation due to a member of the Northern Star Group where the financial impact of the compromise on the Northern Star Group is more than \$10 million individually or in aggregate; or
 - (vi) agreeing to do any of the matters listed in paragraphs (i) to (v);
- (g) a member of the Northern Star Group entering into, or resolving to enter into, a transaction with any related party of Northern Star (other than a related party which

is a member of the Northern Star Group), as defined in section 228 of the Corporations Act;

- (h) a member of the Northern Star Group entering into any employment, consulting, severance or similar agreement or arrangement other than in the ordinary course of business and on terms consistent with past and market practice;
- (i) a member of the Northern Star Group materially altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees, or accelerating or otherwise materially increasing compensation or benefits for any of the above, in each case other than pursuant to:
 - (i) contractual arrangements in effect on the date of this document and which are contained in the Northern Star Disclosure Material; or
 - (ii) Northern Star's policies and guidelines in effect on the date of this document and which are contained in the Northern Star Disclosure Material,provided that the aggregate of all increases in compensation or benefits is no greater than \$1 million;
- (j) a member of the Northern Star Group paying any of its officers, directors, other executives or employees a bonus, termination or retention payment, other than in accordance with contractual arrangements in effect on the date of this document and which are contained in the Northern Star Disclosure Materials;
- (k) a member of the Northern Star Group entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this document and which are contained in the Northern Star Disclosure Materials;
- (l) a member of the Northern Star Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in accounting standards; or
- (m) a member of the Northern Star Group doing anything that would result in a change in the Northern Star Consolidated Tax Group,

excluding any Northern Star Excluded Transaction.

Northern Star Release Period means, in respect of each Saracen Trigger Date, the period commencing at 12.01 am (Perth time) on the day after that Saracen Trigger Date and ending on the earlier of:

- (a) the time at which Saracen makes an Announcement to ASX stating that:
 - (i) the Saracen directors have determined that the applicable Competing Proposal is not a Superior Proposal;
 - (ii) the Saracen directors unanimously recommend that Saracen Shareholders vote in favour of the Scheme at the Scheme Meeting; and
 - (iii) each director of Saracen who holds Saracen Shares intends to vote his or her Saracen Shares in favour of the Scheme at the Scheme Meeting,

in the case of paragraphs (a)(ii) and (a)(iii), subject only to no Superior Proposal emerging and to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interest of Saracen Shareholders; and

(b) the end of the Exclusivity Period.

Northern Star Share means a fully paid ordinary share in Northern Star.

Northern Star Shareholder means a person entered in the register of members of Northern Star as a holder of a Northern Star Share.

Northern Star Trigger Date means, in respect of any Announcement to ASX contemplated by clause 11.2(f)(i), the date that is 10 Business Days after the date of that Announcement.

Opt-in Notice means a notice by an Unmarketable Parcel Shareholder requesting to receive the Scheme Consideration as Consideration Shares.

Order has the meaning given in clause 3.9.

PPS Security Interest means a security interest that is subject to the PPSA.

PPSA means the *Personal Property Securities Act 2009* (Cth).

Proposal Details means the material details of a Competing Proposal, including, without limitation, the consideration offered or proposed, conditions and proposed timing of the Competing Proposal and the name and other details which would otherwise be reasonably expected to identify the person who has made the Competing Proposal or approach.

Public Registers means:

- (a) the records made available for public inspection by ASIC and which are revealed on an electronic search under a party's name, ACN or ABN; and
- (b) the announcements made by a party to ASX.

Regulated Event means, in relation to:

- (a) Northern Star, a Northern Star Regulated Event; or
- (b) Saracen, a Saracen Regulated Event.

Regulated Event Notice means a written notice which sets out the details of any action proposed to be taken or refrained from being taken that may be a Regulated Event by:

- (a) Northern Star during the Northern Star Release Period; or
- (b) Saracen during the Saracen Release Period.

Relevant Agreement means each agreement entered into by a member of the Saracen Group that Northern Star and Saracen agree in writing to be Relevant Agreement for the purposes of this document.

Relevant Event has the meaning given in clause 13.2(b)(i).

Relevant Unmarketable Parcel Shareholder means an Unmarketable Parcel Shareholder who has not provided Saracen with an Opt-in Notice before 5.00 pm (Perth time) on the Business Day prior to the Scheme Record Date.

Representatives means, in relation to an entity:

- (a) each of the entity's subsidiaries and each of the directors, officers and employees of the entity and its subsidiaries; and
- (b) each of the legal, financial and other expert advisers of the entity or any of its subsidiaries in connection with the Scheme.

Sale Nominee has the meaning given in clause 2.7(a).

Saracen Break Fee means \$57,600,000.

Saracen Board means the board of directors of Saracen.

Saracen Cancelling Performance Rights means the Performance Rights identified as Saracen Cancelling Performance Rights set out in the table in Schedule 5.

Saracen Consolidated Tax Group means the consolidated group of which Saracen is the head company. In this definition, "consolidated group" and "head company" have the respective meanings given by the *Income Tax Assessment Act 1997* (Cth).

Saracen Data Room means the online data room established by or on behalf of Saracen in connection with the Scheme, to which Northern Star and its Representatives have been given access.

Saracen Disclosure Material means:

- (a) the Saracen Due Diligence Information; and
- (b) information that would have been disclosed to Northern Star had Northern Star conducted searches of the Public Registers on the Business Day prior to the date of this document.

Saracen Dividend means a dividend of up to 3.8 cents (fully franked) per Saracen Share that may be paid to each Saracen Shareholder recorded as such in the Saracen Share Register at the Saracen Dividend Record Date, subject to and conditional on the Scheme becoming Effective.

Saracen Dividend Record Date means 7.00 pm (Sydney time) on the day which is two Business Days before the Scheme Record Date.

Saracen Due Diligence Information means all documents and other written information provided or made available in the Saracen Data Room prior to the DD Cut-off Time as part of the due diligence investigations carried out in connection with the Scheme, as recorded in the external hard drive provided by Saracen to Northern Star, an index of the contents of which will be initialled for the purposes of identification by Saracen's Company Secretary (on behalf of Saracen) and by Northern Star's Company Secretary (on behalf of Northern Star) by no later than 5 Business Days after the date of this document (on the basis that, in the period prior to initialling, the Saracen Data Room is secured in such manner so that access by any person other than the Company Secretaries of Northern Star and Saracen will be restricted and, if granted, recorded by way of SharePoint metadata).

Saracen Excluded Transaction means:

- (a) a transaction Fairly Disclosed in the Saracen Disclosure Material or which ought to have been expected to arise from a matter, event or circumstance that was so disclosed;

- (b) a transaction consistent with a policy relating to employment which was Fairly Disclosed in the Saracen Disclosure Material;
- (c) anything required or expressly permitted to be done or procured by Saracen under this document or the Scheme or the transactions contemplated by either;
- (d) anything set out in the operational budget shared with Northern Star as part of the Saracen Due Diligence Information;
- (e) anything done in connection with the transactions contemplated by clause 7;
- (f) the grant of:
 - (i) 181,100 Saracen Performance Rights; and
 - (ii) Saracen NED Share Rights proposed to be granted to Sally Langer in the notice convening the annual general meeting of members of Saracen dated 4 September 2020;
- (g) subject to clause 7, the issue of any Saracen Shares on the exercise of any Saracen Unlisted Securities that, at the date of this document, have previously been announced by Saracen to ASX or are contemplated by paragraph (f); or
- (h) any transaction in relation to which Northern Star has expressly consented in writing.

Saracen Group means Saracen and its subsidiaries (Saracen and each subsidiary being a member of the Saracen Group).

Saracen Information means all the information Scheme Booklet or any supplementary disclosure to Saracen Shareholders in respect of the Scheme (other than the Northern Star Information, the Independent Expert's Report, any "Investigating Accountant's Report" to be included in or accompany the Scheme Booklet and any report or opinion prepared by a third party in relation to the potential taxation consequences of the Scheme on Scheme Shareholders in the Scheme Booklet), and includes any information about the Saracen Group:

- (a) provided by Saracen to Northern Star in writing for use in the preparation of the Merged Group Information; or
- (b) obtained by Northern Star from an announcement made by Saracen to ASX or from a publicly available document lodged by Saracen with ASIC, and used in the preparation of the Merged Group Information, provided that Northern Star has obtained written confirmation from Saracen that the information can be used in the preparation of the Merged Group Information.

Saracen Joint Announcement Information means any information regarding the Saracen Group or the Merged Group in the Joint Announcement and Investor Presentation.

Saracen LTI Plan means the long term incentive plan approved by Saracen Shareholders at Saracen's annual general meeting on 23 November 2017 (and, in respect of any performance rights or share rights granted by Saracen after the date of this document, means the long term incentive plan approved or to be approved by Saracen Shareholders at Saracen's annual general meeting on 6 October 2020).

Saracen Material Adverse Effect means an event, matter or circumstance that occurs, is announced or becomes known to Northern Star after the date of this document which, either individually or when aggregated with all such events or circumstances which have

occurred, has had the effect of, or is reasonably likely to have the effect of diminishing the net asset value of the Saracen Group by an amount of at least \$295,000,000, other than any event, matter or circumstance:

- (a) required or expressly permitted by this document, the Scheme or the transactions contemplated by either;
- (b) that is Fairly Disclosed in the Saracen Disclosure Material (or which ought reasonably to have been expected to arise from a matter, event or circumstance which was so disclosed);
- (c) consented to in writing by Northern Star (in its absolute discretion);
- (d) resulting from:
 - (i) a change to legislation or regulation, any judicial or administrative interpretation of the law or any practice or policy of a Government Agency (whether or not retrospective in effect), including in relation to Tax; or
 - (ii) general changes in economic, political or business conditions (including interest rates, gold prices and exchange rates), or in securities, credit or financial markets, including material adverse changes or major disruptions to, or fluctuations in, domestic or international financial markets, and acts of terrorism, war (whether or not declared), any pandemic or escalation of the same, affecting Australian gold mining businesses generally; or
- (e) which has a similar or substantially similar impact on Northern Star.

Saracen NED Share Right means a share right granted under the Saracen LTI Plan.

Saracen Performance Right means a performance right granted under the Saracen LTI Plan.

Saracen Prescribed Event means the occurrence of any of the following:

- (a) **(share conversions)** Saracen converting all or any of its shares into a larger or smaller number of shares;
- (b) **(capital reduction)** Saracen resolving to reduce its share capital in any way or reclassifying, combining, splitting or redeeming or repurchasing directly or indirectly any of its shares;
- (c) **(buyback)** Saracen:
 - (i) entering into a buy-back agreement; or
 - (ii) resolving to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(distribution)** other than the payment of the Saracen Dividend in accordance with clause 8, Saracen declaring, paying or distributing any dividend, bonus or other share of its profits or assets or returning or agreeing to return any capital to its members;
- (e) **(issue of securities)** a member of the Saracen Group issuing shares or securities convertible into shares, or granting an option over its shares, or agreeing to make

such an issue or grant such an option other than to Saracen or a wholly-owned subsidiary of Saracen;

- (f) **(convertible notes)** a member of the Saracen Group issues, or agrees to issue, convertible notes, other than to Saracen or a wholly-owned subsidiary of Saracen;
- (g) **(change to constitution)** a member of the Saracen Group making any change to its constitution;
- (h) **(deregistration)** a member of the Saracen Group being deregistered as a company or otherwise dissolved except in the case of a Saracen Group member with less than \$10 million in net assets as at the date of this document; or
- (i) **(Insolvency Event)** an Insolvency Event occurring in relation to a member of the Saracen Group (except in the case of a Saracen Group member with less than \$10 million in net assets as at the date of this document),

excluding any Saracen Excluded Transaction.

Saracen Regulated Event means the occurrence of any of the following:

- (a) a member of the Saracen Group acquiring or disposing of, or entering into or announcing any agreement for the acquisition or disposal of:
 - (i) any asset or business; or
 - (ii) any interest in the following: KCGM, Carosue Dam or Thunderbox or the mines or processing facilities owned by them,

other than in the usual and ordinary course of business and consistent with past practice, including in respect of the maintenance and surrender of immaterial tenements and the expansion or reduction of existing project tenement areas undertaken in the usual and ordinary course of business and consistent with past practice;

- (b) a member of the Saracen Group varying in any materially adverse respect or terminating or allowing to lapse or expire (without renewal or replacement on terms and conditions that are no less favourable to the Saracen Group) any Material Authorisation;
- (c) a member of the Saracen Group entering into, agreeing or announcing a joint venture, asset or profit sharing arrangement or partnership in relation to any interest in KCGM, Carosue Dam or Thunderbox or the mines or processing facilities owned by them;
- (d) a member of the Saracen Group creating, granting or agreeing to any Encumbrance over any of the assets of any member of the Saracen Group, other than a lien that arises by operation of law, legislation or in the usual and ordinary course of business;
- (e) a member of the Saracen Group entering into a contract or commitment restraining a member of the Saracen Group from competing with any person or conducting activities in any market;

- (f) a member of the Saracen Group:
 - (i) other than in the usual and ordinary course of business and consistent with past practice:
 - (A) incurring any additional financial indebtedness by way of borrowings, hedging and other financial facilities, including operating and finance leases (except for draw-downs on existing banking facilities or utilisation of existing securitisation programs); or
 - (B) guaranteeing or indemnifying the obligations of any person other than a member of the Saracen Group;
 - (ii) entering into any new financing arrangement, agreement or otherwise providing financial accommodation in excess of \$10 million other than to a member of the Northern Star Group or a member of the Saracen Group, or amending the terms of any existing financial arrangement, agreement or instrument which provides for financial accommodation to be provided by a member of the Saracen Group in excess of excess of \$10 million;
 - (iii) incurring capital expenditure in excess of \$10 million;
 - (iv) waiving any material third party default where the financial impact on the Saracen Group will be in excess of \$10 million individually or in aggregate;
 - (v) accepting as a compromise of a matter less than the full compensation due to a member of the Saracen Group where the financial impact of the compromise on the Saracen Group is more than \$10 million individually or in aggregate; or
 - (vi) agreeing to do any of the matters listed in paragraphs (i) to (v);
- (g) a member of the Saracen Group entering into, or resolving to enter into, a transaction with any related party of Saracen (other than a related party which is a member of the Saracen Group), as defined in section 228 of the Corporations Act;
- (h) a member of the Saracen Group entering into any employment, consulting, severance or similar agreement or arrangement other than in the ordinary course of business and on terms consistent with past and market practice;
- (i) a member of the Saracen Group materially altering, varying or amending any employment, consulting, severance or similar agreement or arrangement with one or more of its officers, directors, other executives or employees, or accelerating or otherwise materially increasing compensation or benefits for any of the above, in each case other than pursuant to:
 - (i) contractual arrangements in effect on the date of this document and which are contained in the Saracen Disclosure Material; or
 - (ii) Saracen's policies and guidelines in effect on the date of this document and which are contained in the Saracen Disclosure Material,
 provided that the aggregate of all increases in compensation or benefits is no greater than \$1 million;
- (j) a member of the Saracen Group paying any of its officers, directors, other executives or employees a bonus, termination or retention payment, other than in accordance

with contractual arrangements in effect on the date of this document and which are contained in the Saracen Disclosure Materials;

- (k) a member of the Saracen Group entering into any enterprise bargaining agreement other than in the ordinary course of business or pursuant to contractual arrangements in effect on the date of this document and which are contained in the Saracen Disclosure Materials;
- (l) a member of the Saracen Group changing any accounting policy applied by them to report their financial position other than any change in policy required by a change in accounting standards; or
- (m) a member of the Saracen Group doing anything that would result in a change in the Saracen Consolidated Tax Group,

excluding any Saracen Excluded Transaction.

Saracen Release Period means, in respect of each Northern Star Trigger Date, the period commencing 12.01 am (Perth time) on the day after that Northern Star Trigger Date and ending on the earlier of:

- (a) the time at which Northern Star makes an Announcement to ASX stating that the Northern Star directors unanimously endorse and support the Scheme, subject to no Superior Proposal (for Northern Star) emerging; and
- (b) the end of the Exclusivity Period.

Saracen Share means a fully paid ordinary share in Saracen.

Saracen Shareholder means a person entered in the Saracen Share Register as a holder of a Saracen Share.

Saracen Shareholder Approval means a resolution in favour of the Scheme being passed by the required majorities of Saracen Shareholders under section 411(4)(a)(ii) of the Corporations Act.

Saracen Share Register means the register of members of Saracen.

Saracen Trigger Date means, in respect of any Announcement to ASX contemplated by clause 11.2(d)(i), the date that is 10 Business Days after that Announcement.

Saracen Unlisted Securities means the:

- (a) Saracen Performance Rights; and
- (b) Saracen NED Share Rights.

Saracen Vesting Performance Rights means the Saracen Performance Rights identified as Saracen Vesting Performance Rights set out in the table in Schedule 5.

Saracen Vesting Retention Rights means the Saracen Performance Rights identified as Saracen Vesting Retention Rights set out in the table in Schedule 5.

Saracen Vesting RF Retention Rights means the Saracen Performance Rights identified as Saracen Vesting RF Retention Rights set out in the table in Schedule 5.

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act between Saracen and Scheme Shareholders in the form of Schedule 3, or in such other form as is

agreed in writing between Northern Star and Saracen, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved by each party.

Scheme Booklet means the information memorandum in respect of the Scheme to be approved by the Court and dispatched to Saracen Shareholders, and that includes the Scheme, a copy of the Deed Poll executed by Northern Star, an explanatory statement (as that term is defined in section 412 of the Corporations Act), the Independent Expert's Report and a notice of meeting and proxy form in respect of the Scheme Meeting.

Scheme Consideration means the consideration to be provided by Northern Star to each Scheme Shareholder for the transfer of each Scheme Share under the Scheme, being, subject to clauses 2.6, 2.7 and 2.8, the number of Consideration Shares per Scheme Share set out in clause 2.4.

Scheme Meeting means the meeting of Saracen Shareholders to be convened as ordered by the Court under section 411(1) of the Corporations Act, to consider the Scheme.

Scheme Record Date means 7.00 pm (Sydney time) on the day which is two Business Days after the Effective Date.

Scheme Shareholder means a Saracen Shareholder recorded as such in the Saracen Share Register at the Scheme Record Date.

Second Court Date means the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

Security Interest means any security interest, including:

- (a) a PPS Security Interest;
- (b) any other mortgage, charge, pledge or lien; or
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

Share Splitting means the splitting, by a holder of Saracen Shares, of their single holding of Saracen Shares into two or more parcels of Saracen Shares, whether or not it results in any change in beneficial ownership of the Saracen Shares.

Superior Proposal means a bona fide Competing Proposal:

- (a) in relation to Saracen, which the Saracen Board, acting in good faith and after taking advice from Saracen's financial and legal advisers, determines:
 - (i) is reasonably capable of being implemented within a reasonable timeframe and substantially in accordance with its terms; and
 - (ii) would, if so implemented, result in a more favourable outcome for Saracen Shareholders than would result from the implementation of the Scheme;
- (b) in relation to Northern Star, which the Northern Star Board, acting in good faith and after taking advice from Northern Star's financial and legal advisers, determines:

- (i) is reasonably capable of being implemented within a reasonable timeframe and substantially in accordance with its terms; and
- (ii) would, if so implemented, result in a more favourable outcome for Northern Star Shareholders than would result from the implementation of the Scheme.

TAA means the *Taxation Administration Act 1953* (Cth).

Takeovers Panel means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

Tax means any tax, levy, charge, impost, fee, deduction, GST, compulsory loan or withholding, stamp, transaction or registration duty or similar charge that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above.

Terminating Party has the meaning given in clause 14.1.

Timetable means the timetable set out in Schedule 1, subject to any modifications as the parties may agree in writing.

Transition Team means the committee comprised of senior Saracen executives and senior Northern Star executives established in accordance with clause 5.4(a).

Unacceptable Circumstances has the meaning given to that term in section 657A of the Corporations Act.

Unmarketable Parcel Shareholder means a Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares on the Scheme Record Date, would, on Implementation, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of Consideration Shares (assessed by reference to the price of Northern Star Shares on ASX at the close of trade on the trading day prior to the Scheme Record Date).

Valid Variation Notice means a Variation Notice, which contains:

- (a) the name of each Saracen Shareholder, referred to in clause 2.9(a), which matches the name of the same Saracen Shareholder on the Saracen Share Registry; and
- (b) an expiry date which is on or after the date Northern Star becomes the owner of the shares referred to in clause 2.9(a).

Variation Notice means a notice of variation granted by the Commissioner under subsection 14-235(2) of Schedule 1 to the TAA

Withholding Amount means the amount that Northern Star is required to pay to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in respect of the acquisition of any Saracen Shares from a Saracen Shareholder.

Withholding Declaration means a declaration under section 14-225 of Schedule 1 to the TAA in respect of the acquisition of any Saracen Shares from a Saracen Shareholder.

1.2 Rules for interpreting this document

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document (including this document) or agreement, or a provision of a document (including this document) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The words **associate, controller, entity, officer, key management personnel, related body corporate, relevant interest, security interest** and **subsidiary** have the same meanings as given by the Corporations Act.
- (g) A reference to **\$** or **dollar** is to Australian currency.
- (h) The expression **this document** includes the agreement, arrangement, understanding or transaction recorded in this document.
- (i) Terms defined in the GST Law have the same meaning in this document unless the context otherwise requires.
- (j) If a person is a member of a GST group, references to GST for which the person is liable and to input tax credits to which the person is entitled include GST for which the representative member of the GST group is liable and input tax credits to which the representative member is entitled.
- (k) A reference to time in this document is a reference to time in Perth, Western Australia.

1.3 **Non-Business Days**

If the day on or by which a person must do something under this document is not a Business Day the person must do it on or by the next Business Day.

2. **SCHEME**

2.1 **Agreement to propose and implement Scheme**

- (a) Saracen agrees to propose the Scheme to Saracen Shareholders and implement the Scheme in accordance with Part 5.1 of the Corporations Act and subject to the terms of this document, and must use reasonable endeavours to do so substantially in accordance with the Timetable.
- (b) Northern Star agrees to assist Saracen to propose and implement the Scheme in accordance with Part 5.1 of the Corporations Act and subject to the terms of this document, and must use reasonable endeavours to do so substantially in accordance with the Timetable.
- (c) Subject to the terms of this document, Northern Star covenants in favour of Saracen (in its own right and separately as trustee or nominee for each Scheme Shareholder) that, if the Scheme becomes Effective, in consideration for the transfer to Northern Star of each Saracen Share held by a Scheme Shareholder under the terms of the Scheme, Northern Star will, on the Implementation Date, subject to the terms of the Deed Poll and the Scheme, provide to each Scheme Shareholder the Scheme Consideration for each Saracen Share held by that Scheme Shareholder at the Scheme Record Date.

2.2 **Outline of Scheme**

Subject to the terms of this document and the Scheme, on the Implementation Date:

- (a) all of the Saracen Shares held by Scheme Shareholders will be transferred to Northern Star; and
- (b) the Scheme Shareholders will receive the Scheme Consideration for each Saracen Share they held on the Scheme Record Date.

2.3 **No amendments to Scheme without consent**

Saracen must not consent to:

- (a) any modification of;
- (b) any amendment to; or
- (c) the making or imposition by the Court of any condition in respect of,

the Scheme, that is not immaterial, without the prior written consent of Northern Star.

2.4 **Scheme Consideration**

The Scheme Consideration in respect of each Saracen Share held on the Scheme Record Date is 0.3763 Consideration Shares.

2.5 **Issue of Consideration Shares**

- (a) Northern Star covenants in favour of Saracen (in its own right and separately as trustee or nominee for each Scheme Shareholder) that:
 - (i) subject to clauses 2.6, 2.7 and 2.8 and to the Scheme becoming Effective, Northern Star will issue to the Scheme Shareholders the Consideration Shares that comprise the Scheme Consideration in accordance with the Scheme on

terms such that each Consideration Share will rank equally in all respects with each existing Northern Star Share on issue at the Implementation Date; and

- (ii) Northern Star will apply to ASX for the official quotation of the Consideration Shares on ASX and use all reasonable endeavours to ensure that the Consideration Shares are approved for official quotation on ASX and that trading in the Consideration Shares commences with effect from the Business Day after the Effective Date (or such later date as ASX may require), initially on a deferred settlement basis, and with effect from the first Business Day after the Implementation Date, on an ordinary (T+2) basis.
- (b) Northern Star covenants in favour of Saracen (in its own right and separately as trustee or nominee for each Scheme Shareholder) that:
- (i) the Consideration Shares will entitle the holder to participate in and receive any dividends or distribution of capital and any other entitlements accruing in respect of Northern Star Shares on and from the Implementation Date; and
 - (ii) on issue, each such Consideration Share will be validly issued, fully paid and free from any Encumbrance.

2.6 Fractional entitlements and Share Splitting

- (a) Any fractional entitlement of a Scheme Shareholder to part of a Consideration Share will be rounded up or down to the nearest whole number of Consideration Shares in accordance with the Scheme.
- (b) The Scheme will contain standard provisions under which Northern Star will have the discretion to deem the holdings of two or more Scheme Shareholders to be held by one Scheme Shareholder, to prevent any Share Splitting designed to obtain an unfair advantage by reference to such rounding.

2.7 Ineligible Overseas Shareholders and Relevant Unmarketable Parcel Shareholders

- (a) Northern Star must issue the Consideration Shares to which each Ineligible Overseas Shareholder and each Relevant Unmarketable Parcel Shareholder would otherwise have become entitled to a nominee appointed by Saracen following prior consultation and agreement with Northern Star (each acting reasonably and in good faith) (**Sale Nominee**).
- (b) Saracen must appoint the Sale Nominee at least 5 Business Days prior to the Scheme Meeting.
- (c) The terms of appointment of the Sale Nominee under clause 2.7(a) must provide that:
 - (i) the Sale Nominee must sell on ASX any Consideration Shares issued to the Sale Nominee in accordance with the process set out in the Scheme as soon as reasonably practicable and in any event no more than 10 Business Days after the Implementation Date, in the manner, and on the terms, the Sale Nominee determines in good faith (and at the risk of each Ineligible Overseas Shareholder and each Relevant Unmarketable Parcel Shareholder); and
 - (ii) the Sale Nominee must remit to:
 - (A) subject to clause 2.7(c)(ii)(B), Saracen all proceeds received under clause 2.7(c)(i), after deducting any reasonable and applicable fees, brokerage, taxes and charges; and

- (B) Northern Star all proceeds received under clause 2.7(c)(i) arising from the sale of Northern Star Shares to account for the Withholding Amount paid by Northern Star under clause 2.9(a), after deducting any reasonable and applicable fees, brokerage, taxes and charges.

(d) Promptly after:

- (i) the last sale of Consideration Shares in accordance with clause 2.7(c)(i); and
- (ii) the remittance of all proceeds under clause 2.7(c)(ii),

Saracen and Northern Star (as applicable) must pay or procure the payment to each Ineligible Overseas Shareholder and each Relevant Unmarketable Parcel Shareholder the proportion of the net proceeds of sale received by Saracen or Northern Star (as applicable) to which that Ineligible Overseas Shareholder or Relevant Unmarketable Parcel Shareholder (as applicable) is entitled (rounded down to the nearest cent), in accordance with the terms of the Scheme.

2.8 **Unmarketable parcels**

- (a) Saracen must provide each Unmarketable Parcel Shareholder with, or procure the provision to each Unmarketable Parcel Shareholder of, an Opt-in Notice.
- (b) Unless an Unmarketable Parcel Shareholder provides Saracen with a duly completed Opt-in Notice prior to 5.00 pm (Perth time) on the Business Day prior to the Scheme Record Date requesting to receive the Scheme Consideration as Consideration Shares, Northern Star will be under no obligation under the Scheme or Deed Poll to issue, and will not issue, any Consideration Shares to any Unmarketable Parcel Shareholder, and instead, unless Northern Star and Saracen otherwise agree, Northern Star must procure that the Consideration Shares that each Unmarketable Parcel Shareholder would otherwise be entitled to receive as Scheme Consideration are dealt with in accordance with clause 2.7.
- (c) Saracen must notify Northern Star by 12.00 noon (Perth time) on the Scheme Record Date of the details of each Unmarketable Parcel Shareholder who provided Saracen with a duly completed Opt-in Notice prior to 5.00 pm (Perth time) on the Business Day prior to the Scheme Record Date.

2.9 **Withholding**

- (a) If Northern Star determines (acting reasonably) that it must pay an amount to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in relation to the acquisition of any Saracen Shares from a Saracen Shareholder, Northern Star will:
 - (i) determine the Withholding Amount to be paid to the Commissioner in respect of the acquisition of the Saracen Shares from such Saracen Shareholder;
 - (ii) notify Saracen and the Sale Nominee of the Withholding Amount in respect of the acquisition of the Saracen Shares from such Saracen Shareholder;
 - (iii) pay the Withholding Amount to the Commissioner within the timeframe required under the TAA; and
 - (iv) if requested in writing by the relevant Saracen Shareholder, provide a receipt or other appropriate evidence of payment of the Withholding Amount to the Commissioner (or procure the provision of such receipt or other evidence) to the relevant Saracen Shareholder.

- (b) If any Saracen Shareholder described in paragraph (a) is not an Ineligible Overseas Shareholder under paragraph (a) of the definition thereof, and does not provide a Valid Variation Notice or Withholding Declaration on or before the day Northern Star becomes the owner of the Saracen Shares described in paragraph (a):
 - (i) such Saracen Shareholder will be treated for the purposes of this Scheme as an Ineligible Overseas Shareholder in relation to an amount of Northern Star Shares issued to that Saracen Shareholder as necessary in the reasonable opinion of Northern Star to account for the Withholding Amount paid by Northern Star under clause 2.9(a);
 - (ii) Northern Star will retain an amount equal to the Withholding Amount (as notified pursuant to clause 2.9(a)(ii)) from the Saracen Shareholder's proportion of the net proceeds of sale referred to in clause 2.7(d);
 - (iii) any net proceeds of sale in excess of the Withholding Amount will be paid to the Saracen Shareholder in accordance with clause 2.7(d); and
 - (iv) for the avoidance of doubt, where the conditions in this clause 2.9(b) are satisfied, the aggregate sum payable to a Saracen Shareholder will not be increased to reflect the withholding under this clause and the net aggregate sum payable to those Saracen Shareholders will be taken to be in full and final discharge of the amounts owing to those Saracen Shareholders.
- (c) Saracen agrees that Northern Star may approach the ATO to obtain clarification as to the application of the CGT Withholding Law to the Scheme and will provide such information and assistance that Northern Star reasonably requires in making that approach.
- (d) The parties agree to:
 - (i) consult in good faith as to the application of the CGT Withholding Law to the Scheme; and
 - (ii) use reasonable endeavours to take all actions that are necessary or desirable in relation to the CGT Withholding Law, which may include, without limitation, promptly communicating with any Saracen Shareholder to obtain a Valid Variation Notice or Withholding Declaration contemplated by the CGT Withholding Law so as to reduce or eliminate the Withholding Amount payable to the Commissioner in respect of any Saracen Shareholder.

3. **CONDITIONS**

3.1 **Obligations not binding until Conditions satisfied**

Subject to this clause 3, the obligations of the parties with respect to Implementation (including the obligations of Northern Star under clauses 2.1(c), 2.5 and 4.3(p)) do not become binding unless and until each Condition is satisfied or waived under clause 3.3.

3.2 Conditions

The Conditions are as follows.

	CONDITION	PARTY ENTITLED TO BENEFIT	PARTY RESPONSIBLE
<i>For the benefit of both parties</i>			
1.	<p>Orders convening Meeting</p> <p>The Court makes orders convening the Scheme Meeting under section 411(1) of the Corporations Act.</p>	Northern Star and Saracen, but cannot be waived	Saracen
2.	<p>Saracen Shareholder Approval</p> <p>Before 7.00 am (Perth time) on the Second Court Date, Saracen Shareholder Approval is obtained at the Scheme Meeting (or any adjournment or postponement of it) convened in accordance with the orders made under section 411(1) of the Corporations Act.</p>	Northern Star and Saracen, but cannot be waived	Saracen
3.	<p>Court approval of Scheme</p> <p>Subject to clause 3.8, the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme.</p>	Northern Star and Saracen, but cannot be waived	Saracen
4.	<p>Order lodged with ASIC</p> <p>An office copy of the Court order approving the Scheme under section 411(4)(b) of the Corporations Act is lodged with ASIC.</p>	Northern Star and Saracen, but cannot be waived	Saracen
5.	<p>No regulatory actions</p> <p>At 7.00 am (Perth time) on the Second Court Date, there is not in effect:</p> <p>(a) any temporary, preliminary or final decision, order, injunction or decree issued by a court of competent jurisdiction or other Government Agency; or</p> <p>(b) any action or investigation by any Government Agency,</p> <p>in consequence of or in connection with the Scheme which restrains, prohibits or impedes the implementation of the Scheme (including the acquisition of any or all of the Saracen Shares by Northern Star).</p>	Northern Star and Saracen	Northern Star and Saracen
6.	<p>ASX quotation</p> <p>Before 7.00 am (Perth time) on the Second Court Date, ASX has not indicated to Northern</p>	Northern Star and Saracen	Northern Star

	CONDITION	PARTY ENTITLED TO BENEFIT	PARTY RESPONSIBLE
	Star that it will not grant permission for the official quotation of the Consideration Shares on ASX from the Business Day following the Implementation Date.		
7.	<p>Northern Star financier consents</p> <p>By 7.00 am (Perth time) on the Second Court Date, all required consents or waivers in respect of any merger, acquisition, scheme of arrangement, restrictions on group finance debt or security interests (triggered by finance debt or security interests of any member of the Saracen Group) and obligations as to group guarantors (in respect of any member of the Saracen Group) or similar provisions existing in any financing or hedging arrangements of any member of the Northern Star Group have been given to Northern Star by the relevant financier or hedge counterparty (or an agent on its behalf) on terms acceptable to Northern Star and Saracen acting reasonably and in good faith.</p>	Northern Star and Saracen	Northern Star
8.	<p>Material Saracen Facilities and Relevant Agreements</p> <p>By 7.00 am (Perth time) on the Second Court Date:</p> <p>(a) in respect of each Material Saracen Facility, any of the following occurs:</p> <p>(i) consent to or waiver of any change of control, merger, amalgamation, scheme of arrangement, delisting from ASX or similar provisions and any restriction on paying the Saracen Dividend existing in that Material Saracen Facility has been given to Saracen on terms acceptable to Northern Star and Saracen acting reasonably and in good faith;</p> <p>(ii) a standstill agreement has been entered into between Saracen and the counterparty to that Material Saracen Facility, on terms acceptable to Northern Star and Saracen acting reasonably and in good faith; or</p>	Northern Star and Saracen	Saracen

	CONDITION	PARTY ENTITLED TO BENEFIT	PARTY RESPONSIBLE
	<p>(iii) Saracen has prepaid and cancelled all facilities under that Material Saracen Facility.</p> <p>(b) consent to any change of control, merger, amalgamation, scheme of arrangement, delisting from ASX or similar provisions existing in each of the Relevant Agreements has been given to Saracen by each counterparty to each of the Relevant Agreements on terms acceptable to Northern Star and Saracen acting reasonably and in good faith.</p>		
<i>For the benefit of Northern Star</i>			
9.	<p>No Saracen Material Adverse Effect</p> <p>No Saracen Material Adverse Effect occurs between the date of this document and 7.00 am (Perth time) on the Second Court Date.</p>	Northern Star	Saracen
10.	<p>No Saracen Prescribed Event</p> <p>No Saracen Prescribed Event occurs between the date of this document and 7.00 am (Perth time) on the Second Court Date.</p>	Northern Star	Saracen
11.	<p>No Saracen Regulated Event</p> <p>No Saracen Regulated Event occurs between the date of this document and 7.00 am (Perth time) on the Second Court Date.</p>	Northern Star	Saracen
12.	<p>Saracen representations and warranties</p> <p>Each of the representations and warranties given or made by Saracen under clause 15 is true and correct in all material respects as at the time it is given or made or if this is not the case the breach has been remedied in accordance with clause 14.1(a)(i)(C) or is not of such materiality that Northern Star could rely on clause 14.1(d) to terminate this document as a result of the breach.</p>	Northern Star	Saracen
<i>For the benefit of Saracen</i>			
13.	<p>Independent Expert's Report</p> <p>The Independent Expert issues the Independent Expert's Report, which concludes that the Scheme is in the best interest of Saracen Shareholders and the Independent</p>	Saracen	Saracen

	CONDITION	PARTY ENTITLED TO BENEFIT	PARTY RESPONSIBLE
	Expert does not change, withdraw or qualify its conclusion in any written update to its Independent Expert's Report or withdraw the Independent Expert's Report prior to 7.00 am (Perth time) on the Second Court Date.		
14.	No Northern Star Material Adverse Effect No Northern Star Material Adverse Effect occurs between the date of this document and 7.00 am (Perth time) on the Second Court Date.	Saracen	Northern Star
15.	No Northern Star Prescribed Event No Northern Star Prescribed Event occurs between the date of this document and 7.00 am (Perth time) on the Second Court Date.	Saracen	Northern Star
16.	No Northern Star Regulated Event No Northern Star Regulated Event occurs between the date of this document and 7.00 am (Perth time) on the Second Court Date.	Saracen	Northern Star
17.	Northern Star representations and warranties Each of the representations and warranties given or made by Northern Star under clause 15 is true and correct in all material respects as at the time it is given or made or if this is not the case the breach has been remedied in accordance with clause 14.1(a)(i)(C) or is not of such materiality that Saracen could rely on clause 14.1(d) to terminate this document as a result of the breach.	Saracen	Northern Star

3.3 Waiver of Conditions

- (a) To avoid any doubt, the Conditions that the table in clause 3.2 specifies "cannot be waived", cannot be waived.
- (b) Subject to clause 3.3(a), if a Condition has been included for the benefit of:
 - (i) one party only, only that party may, in its sole and absolute discretion, waive the breach or non-fulfilment of the Condition;
 - (ii) more than one party, the breach or non-fulfilment of the Condition may be waived only by the consent of all those parties.

- (c) The breach or non-fulfilment of a Condition may only be waived in writing.
- (d) If a party waives the breach or non-fulfilment of a Condition, that waiver precludes the party from suing another party for any breach of this document that resulted in the breach or non-fulfilment of the Condition.
- (e) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
 - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
 - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.
- (f) Subject to clause 3.7, any waiver of a breach or non-fulfilment of a Condition must take place prior to 8:00 am (Perth time) on the Second Court Date.

3.4 **Satisfaction of Conditions**

Each party must:

- (a) use its best endeavours (other than waiver) to ensure and procure that each Condition for which that party is responsible (as set out in the table in clause 3.2, and whether solely or jointly) is satisfied as soon as practicable after the date of this document and continues to be satisfied until the last time it is to be satisfied (as the context requires);
- (b) not take any action or refrain from taking any action (except as required by law) designed to prevent the Conditions being satisfied, without the prior consent of the other party; and
- (c) where it is reasonable and lawful for it do so, provide any information or assistance reasonably requested by the other party to satisfy a Condition for which the other party is solely responsible for satisfying.

3.5 **Notifications**

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other party in writing if it becomes aware that any Condition has been satisfied, in which case the notifying party must provide reasonable evidence to the other party that the Condition has been satisfied if requested by the other party; and
- (c) promptly notify the other party in writing of any circumstances of which it becomes aware which has resulted in or may result in any of the Conditions being breached or not being satisfied in accordance with its terms; and
- (d) on receipt of a notice given under clause 3.5(c), as soon as reasonably practicable and in any event no later than 8.00 am (Perth time) on the Second Court Date, give notice to the other party stating whether or not the breach or non-fulfilment of any Condition the subject of the notice given under clause 3.5(c) is waived.

3.6 **Parties to provide certificate to Court**

- (a) Before 8.00 am (Perth time) on the Second Court Date, each party must provide:
 - (i) to the other party, and to the Court, a certificate signed by a duly authorised representative (or such other evidence as the Court requests) confirming whether or not the Conditions set out in clause 3.2 included for its benefit (whether solely or jointly), other than the Conditions in items 3 and 4 in clause 3.2, have been satisfied or waived in accordance with this document; and
 - (ii) to the other party a certificate signed by a duly authorised representative stating whether or not:
 - (A) it has materially breached any of its obligations under this document; and
 - (B) each of the representations and warranties given by it under clause 15 is true and accurate in all material respects as at the time(s) it is given or made under clause 15.
- (b) A certificate provided under clause 3.6(a)(i) constitutes conclusive evidence that the relevant Conditions have been fulfilled, waived or taken to be waived.

3.7 **If a Condition is not fulfilled or waived**

If:

- (a) any Condition is not satisfied or (where capable of waiver) waived by the time or date specified in this document for its satisfaction;
 - (b) for any reason, a Condition is not capable of being satisfied, or a circumstance occurs which is reasonably likely to result in a Condition not being capable of being satisfied, and the Condition has not for the time being been waived in accordance with clause 3.3 or cannot be waived; or
 - (c) the Scheme has not become Effective by 11.59 pm (Perth time) on the End Date,
- then the parties must promptly consult in good faith to determine whether to:
- (d) proceed by way of alternative means or method so as to achieve a commercial outcome that is substantially the same as the Scheme;
 - (e) extend the relevant time or date for satisfaction of a particular Condition or Conditions;
 - (f) change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties;
 - (g) extend the End Date; or
 - (h) do any combination of the matters listed in clauses 3.7(d) to 3.7(g) (inclusive).

3.8 **Court approval**

If the Court's approval of the Scheme in accordance with section 411(4) of the Corporations Act would impose any terms or conditions other than those set out in the Scheme, then each such term or condition must be approved in writing by Northern Star and Saracen

(both acting reasonably) prior to the Court granting the final orders and if not so agreed, the Condition in item 3 of clause 3.2 will not be satisfied.

3.9 **Scheme voted down**

If Saracen Shareholder Approval is not obtained at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test, and it appears to either party (acting reasonably) that there are reasonable grounds on which an application could be made to the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test (**Order**), that party may give notice to the other within three Business Days after the Scheme Meeting setting out those grounds and if such notice is given:

- (a) Saracen must, promptly after such notice is given, apply to Court for the Order by making such submissions to the Court, and filing such evidence, as counsel engaged by Saracen to represent it in Court proceedings related to the Scheme, in consultation with Northern Star, considers is reasonably required to persuade the Court to exercise its discretion; and
- (b) the cost of the application for the Order is to be borne equally between the parties.

4. **OBLIGATIONS OF THE PARTIES**

4.1 **Timetable**

Without limiting clause 2.1, each of Northern Star and Saracen acknowledges and agrees that:

- (a) failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of clause 4.2 (by Saracen) or clause 4.3 (by Northern Star) provided that the party has been working in good faith and in a timely manner to meet the timeframe or deadline or to the extent that such failure is due to circumstances and matters outside the party's control;
- (b) each party must:
 - (i) keep the other party informed about their progress against the Timetable; and
 - (ii) notify each other if it believes that any of the dates in the Timetable are unachievable; and
- (c) where any dates in the Timetable become unachievable, the parties will consult in good faith to agree how to implement the Scheme as soon as reasonably practicable.

4.2 **Saracen obligations**

Saracen must take all steps reasonably necessary to propose and implement the Scheme in accordance with this document as soon as reasonably practicable, and use reasonable endeavours to do so in accordance with the Timetable, including that Saracen must:

- (a) (**Saracen Board recommendation and director intentions**) on the date of this document, and in accordance with clause 9.1, make an Announcement, in a form agreed between Northern Star and Saracen, which includes a statement (on the basis of written statements made to it by each of its directors) that:
 - (i) the Saracen directors unanimously recommend that Saracen Shareholders vote in favour of the Scheme at the Scheme Meeting; and

- (ii) each director of Saracen who holds Saracen Shares intends to vote his or her Saracen Shares in favour of the Scheme at the Scheme Meeting,

in each case, subject only to no Superior Proposal emerging and to the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interest of Saracen Shareholders;

(b) **(directors' support):**

- (i) procure that Saracen's directors maintain the recommendation referred to in clause 4.2(a)(i) and the voting intention referred to in clause 4.2(a)(ii) until the Implementation Date, unless:

- (A) a Superior Proposal is received by Saracen or announced and either:

- (aa) five Business Days have passed after Saracen gives a Matching Right Notice without Northern Star having made a Counter Proposal; or

- (bb) Northern Star makes a Counter Proposal within that five Business Day period and the Saracen Board acting in good faith determines that the terms and conditions of the Counter Proposal taken as a whole would not provide an equivalent or superior outcome to shareholders of Saracen than those in the relevant Competing Proposal; or

- (B) the Independent Expert concludes (either in its initial Independent Expert's Report or in any written update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not in the best interest of Saracen Shareholders, or the Independent Expert withdraws its Independent Expert's Report prior to 7.00 am (Perth time) on the Second Court Date,

and provided that, in each case, Saracen has complied with its obligations under clause 10.

- (ii) For the purposes of this document, if a Competing Proposal is publicly announced by a third party in respect of Saracen, the release by Saracen of one or more Announcements to the effect that Saracen Shareholders should take no action while the Saracen Board considers its response will not (in and of itself) be regarded as a failure of Saracen directors to maintain the recommendation referred to in clause 4.2(a)(i) and the voting intention referred to in clause 4.2(a)(ii), provided that the Announcement contains a statement to the effect that Saracen remains committed to the merger with Northern Star and will continue to comply with its obligations under this document.

(c) **(Independent Expert's Report):**

- (i) commission the preparation of the Independent Expert's Report and provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report; and
- (ii) provide to Northern Star successive drafts of the Independent Expert's Report for the purposes of a factual review only, and provide any of Northern Star's reasonable comments on the Independent Expert's Report to the Independent Expert;

- (d) **(prepare Scheme Booklet)** prepare the Scheme Booklet and provide successive drafts of the Scheme Booklet to Northern Star for the purpose of enabling Northern Star to review and comment on those drafts and ensure that the Scheme Booklet includes all information required by applicable laws, ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules;
- (e) **(Merged Group Information)** promptly prepare and provide to Northern Star any information regarding the Saracen Group reasonably required in order for Northern Star to prepare the Merged Group Information for inclusion in the Scheme Booklet;
- (f) **(Court documents)** prepare all documents necessary for the Court proceedings relating to the Scheme in accordance with all applicable laws, and:
 - (i) promptly provide successive drafts of those documents (including any affidavits given by any Representative of Saracen) to Northern Star for the purpose of enabling Northern Star to review and comment on those drafts; and
 - (ii) take into account Northern Star's reasonable comments in relation to the documents required for the Court proceedings;
- (g) **(due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Saracen Information and, once such processes have been completed, provide written confirmation to Northern Star of their completion;
- (h) **(consult with Northern Star)** without limiting clauses 4.2(d) to 4.2(f), in a timely manner consult with Northern Star as to the form and content of all material documents required for the purposes of the Scheme, including the Scheme Booklet, including taking into account Northern Star's reasonable comments on drafts of the Scheme Booklet, and incorporating the Northern Star Information;
- (i) **(lodgement of ASIC Review Draft)** as soon as reasonably practicable, and no later than 14 days before the First Court Date, provide a draft of the Scheme Booklet to ASIC as contemplated by section 411(2) of the Corporations Act;
- (j) **(keep Northern Star informed)** keep Northern Star reasonably informed and consult with Northern Star in relation to any material matters raised by ASIC or ASX in relation to the Scheme Booklet or the Scheme, including by consulting with Northern Star in relation to the making of any material submission in writing to ASIC or ASX in connection with such matters;
- (k) **(apply to Court for order to convene Meeting)** apply to the Court under section 411(1) of the Corporations Act for an order directing Saracen to convene the Scheme Meeting;
- (l) **(register Scheme Booklet)** if the Court directs Saracen to convene the Scheme Meeting, request ASIC to register the Scheme Booklet under section 412(6) of the Corporations Act;
- (m) **(convene Scheme Meeting)** convene the Scheme Meeting in accordance with any order made by the Court under section 411(1) of the Corporations Act;
- (n) **(dispatch Scheme Booklet)** as expeditiously as practicable following an order made by the Court under section 411(1) of the Corporations Act, dispatch a copy of the Scheme Booklet to each Saracen Shareholder and to all other persons entitled to receive notice of the Scheme Meeting;

- (o) **(inform Saracen Shareholders)** if it becomes aware after the date of dispatch of the Scheme Booklet that any information included in the Scheme Booklet (including by incorporation into the Merged Group Information) is or has become misleading or deceptive in any material respect (whether by omission or otherwise) or otherwise does not comply with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes or the ASX Listing Rules, including due to any further or new information of which Saracen becomes aware, subject to applicable laws and any order of the Court:
 - (i) promptly advise Northern Star;
 - (ii) if that information is Saracen Information, promptly provide to Northern Star such further information in relation to the Saracen Group as may be reasonably required by Northern Star to update the Merged Group Information so that is not misleading or deceptive in any material respect (whether by omission or otherwise) and otherwise complies with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes or the ASX Listing Rules;
 - (iii) consult with Northern Star as to the form and content of any supplementary disclosure to Saracen Shareholders;
 - (iv) consider in good faith any comments provided by or on behalf of Northern Star on the form and content of the supplementary disclosure; and
 - (v) inform Saracen Shareholders of such information in an appropriate and timely manner (with Northern Star's prior written consent, to the extent the information is "Northern Star Information");
- (p) **(promote Scheme)** participate in efforts reasonably requested by Northern Star to promote the merits of the Scheme including, where requested by Northern Star, meeting with key Saracen Shareholders;
- (q) **(section 411(17)(b) statement)** if Saracen Shareholder Approval is obtained, apply to ASIC for the production of a statement under section 411(17)(b) of the Corporations Act in relation to the Scheme;
- (r) **(proxy reports)** keep Northern Star informed on the status of proxy forms received by its share registry for the Scheme Meeting, including:
 - (i) on the day that is 15 Business Days before the Scheme Meeting;
 - (ii) on each Business Day following the day that is 15 Business Days before the Scheme Meeting, up to the deadline for the receipt of proxy forms; and
 - (iii) immediately following the deadline for the receipt of proxy forms;
- (s) **(Court approval)** subject to satisfaction or waiver of all Conditions other than the Conditions in items 3 and 4 of clause 3.2, apply to the Court for orders approving the Scheme under section 411(4) of the Corporations Act;
- (t) **(provide certificate)** before 8.00 am (Perth time) on the Second Court Date, give to Northern Star and the Court the certificate referred to in clause 3.6;
- (u) **(lodge copy of order)** if the Court approves the Scheme under section 411(4) of the Corporations Act, lodge an office copy of the Court order with ASIC in accordance with section 411(10) of the Corporations Act no later than the first Business Day after the day on which the Court approves the Scheme;

- (v) **(representation at Court hearings)** procure that it is represented by Senior Counsel or Queen's Counsel at the Court hearings convened for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act;
- (w) **(provision of information to Northern Star)** provide Northern Star with such information as Northern Star reasonably requests in relation to the shareholdings of Saracen Shareholders in a form reasonably requested by Northern Star for the purposes of Northern Star canvassing approval and soliciting votes in favour of the Scheme by Saracen Shareholders and otherwise promoting the Scheme;
- (x) **(third party consents)** keep Northern Star informed as to Saracen's progress in obtaining the consents referred to in the Condition in item 8 of clause 3.2, whether or not Northern Star and Saracen waive that Condition at any time in accordance with clause 3.3;
- (y) **(Scheme)** do all things within its power that are reasonably necessary to lawfully give effect to the Scheme and the orders of the Court approving the Scheme; and
- (z) **(Implementation):** subject to the Scheme becoming Effective:
 - (i) apply to ASX to suspend trading in Saracen Shares with effect from the close of trading on the Effective Date, or such other date and time agreed between Northern Star and Saracen;
 - (ii) give to the share registry of Northern Star details of the names, registered addresses and holdings of Saracen Shares of every Saracen Shareholder as shown in the Saracen Share Register on the Scheme Record Date, in such form as Northern Star may reasonably require, and determine Saracen Shareholders' respective entitlements to the Scheme Consideration in accordance with the Scheme;
 - (iii) register all transfers of Saracen Shares to Northern Star on the Implementation Date (subject to provision of the Scheme Consideration in accordance with the Scheme and Deed Poll); and
 - (iv) take all steps reasonably necessary for Saracen to be removed from the official list of ASX on the Business Day following Implementation, including lodging a request for removal with ASX prior to the Implementation Date and satisfying any conditions reasonably required by ASX for it to act on that request.

4.3 Northern Star obligations

Northern Star must take all steps reasonably necessary to assist Saracen to propose and implement the Scheme in accordance with this document as soon as reasonably practicable, and use reasonable endeavours to do so in accordance with the Timetable, including that Northern Star must:

- (a) **(Announcement)** on the date of this document, and in accordance with clause 9.1, make an Announcement, in a form agreed between Northern Star and Saracen, which includes a statement (on the basis of written statements made to it by each of its directors) that the Northern Star directors unanimously endorse and support the Scheme, subject to no Superior Proposal (for Northern Star) emerging;
- (b) **(directors' support)** procure that Northern Star's directors maintain the unanimous endorsement and support for the Scheme referred to in clause 4.3(a) until the Implementation Date, unless a Superior Proposal in relation to Northern Star is received by Northern Star or announced and Northern Star has complied with its obligations under clause 10;

- (c) **(Independent Expert's Report)** provide all assistance and information reasonably requested by Saracen or the Independent Expert in connection with the preparation of the Independent Expert's Report (and any update or variation to the Independent Expert's Report);
- (d) **(Scheme Booklet):**
 - (i) prepare the Northern Star Information for inclusion in the Scheme Booklet in accordance with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes and the ASX Listing Rules; and
 - (ii) provide Saracen with drafts of the Northern Star Information in a timely manner and consider in good faith any reasonable comments provided by or on behalf of Saracen;
- (e) **(assistance)** provide any assistance or information reasonably requested by Saracen in connection with the preparation of the Scheme Booklet (including any supplementary disclosure to Saracen Shareholders) including promptly reviewing and providing comments on drafts of the Scheme Booklet given to Northern Star by Saracen;
- (f) **(due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Northern Star Information and, after those processes have been completed, provide on or before the First Court Date an affidavit to the Court confirming the due diligence and verification processes undertaken and their completion;
- (g) **(consent)** promptly after Saracen requests that it does so, confirm in writing to Saracen that it consents in writing to the inclusion of the Northern Star Information in the Scheme Booklet (or any supplementary disclosure to Saracen Shareholders in respect of the Scheme);
- (h) **(Court documents)** promptly:
 - (i) review and provide comments on the drafts of the documents necessary to the Court proceedings relating to the Scheme given to Northern Star by Saracen;
 - (ii) provide Saracen with such evidence as is reasonably recommended by Saracen's counsel to be provided by Northern Star in connection with the Court proceedings; and
 - (iii) provide successive drafts of each affidavit or other document to be provided by Northern Star (or its Representatives) necessary for the Court proceedings in relation to the Scheme to Saracen for the purpose of enabling Saracen to review and comment on those drafts;
- (i) **(liaison with ASIC and ASX)** promptly provide assistance reasonably requested by Saracen in resolving any matter raised by ASIC or ASX regarding the Scheme, Scheme Booklet, or any supplementary disclosure by Saracen to Saracen Shareholders in connection with the Scheme;
- (j) **(further information):** if it becomes aware that any information in the Scheme Booklet is or has become misleading or deceptive in any material respect (including because of any material omission) or otherwise does not comply with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes

or the ASX Listing Rules, including due to any further or new information of which Northern Star becomes aware after despatch of the Scheme Booklet:

- (i) promptly advise Saracen;
- (ii) consult with Saracen as to the form and content of any supplementary disclosure to Saracen Shareholders; and
- (iii) if the information is Northern Star Information:
 - (A) promptly prepare such updates to the Northern Star Information for inclusion in supplementary disclosure by Saracen to Saracen Shareholders as is reasonably required to ensure that the Northern Star Information is not misleading or deceptive in any material respect (whether by omission or otherwise) and otherwise complies with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes or the ASX Listing Rules; and
 - (B) provide Saracen with drafts of the updates to the Northern Star Information in a timely manner, and consider in good faith any reasonable comments provided by or on behalf of Saracen;
- (k) **(Deed Poll)** on the date of this document, duly execute and enter into the Deed Poll and deliver it to Saracen, and comply with its obligations under the Deed Poll;
- (l) **(provide certificate)** before 8.00 am (Perth time) on the Second Court Date, give to Saracen and the Court the certificate referred to in clause 3.6;
- (m) **(Consideration Shares)** apply for the Consideration Shares to be approved for official quotation on ASX subject to the Scheme becoming Effective and use reasonable endeavours to obtain ASX's approval for official quotation from the Business Day after the Effective Date, initially on a deferred settlement basis, and with effect from the first Business Day after the Implementation Date on an ordinary (T+2) basis;
- (n) **(share transfer)** if the Scheme becomes Effective, execute and deliver instruments of transfer in respect of the Scheme Shares and accept a transfer of the Scheme Shares as contemplated by the Scheme;
- (o) **(director and officer changes)** comply with its obligations under clause 6.1;
- (p) **(Scheme Consideration)** subject to the Scheme becoming Effective, on the Implementation Date, provide the Scheme Consideration as contemplated by the Scheme and in accordance with the Deed Poll; and
- (q) **(Scheme)** do all things within its power that are reasonably necessary to lawfully give effect to the Scheme and the orders of the Court approving the Scheme.

4.4 **Scheme Booklet content and responsibility statements**

- (a) The Scheme Booklet will contain a responsibility statement to the effect that:
 - (i) Saracen is responsible for the Saracen Information contained in the Scheme Booklet and is not responsible for the Northern Star Information; and
 - (ii) Northern Star is responsible for the Northern Star Information contained in the Scheme Booklet and is not responsible for the Saracen Information.

- (b) If the parties disagree on the form or content of the Scheme Booklet or any supplementary disclosure to Saracen Shareholders in respect of the Scheme, the parties must consult in good faith to try to settle on an agreed form of the Scheme Booklet or supplementary disclosure.
- (c) If, after a reasonable period of consultation under clause 4.4(b) and in any event 5 Business Days (or such longer period as the parties approve in writing), Northern Star and Saracen are unable to agree on the form or content of the Scheme Booklet:
 - (i) where the determination relates to Northern Star Information, Northern Star (acting in good faith) will make the final determination as to the form and content of that information; and
 - (ii) in any other case, Saracen (acting in good faith) will make the final determination as to the form and content of the Scheme Booklet.

5. PRE-IMPLEMENTATION OBLIGATIONS

5.1 Conduct of the business

- (a) Subject to clause 5.2, each of Northern Star and Saracen must, during the period commencing on the date of this document and ending on the Implementation Date:
 - (i) conduct (and must procure that each of their respective subsidiaries conduct) its business:
 - (A) in the ordinary course and in compliance with all applicable laws, regulations and regulatory approvals; and
 - (B) in substantially the same manner and at the same locations as conducted during the period:
 - (aa) commencing on the date of completion of the parties' respective acquisitions of a 50% interest in the Kalgoorlie Super Pit; and
 - (bb) ending on the date of this document;
 - (ii) use reasonable efforts to:
 - (A) preserve intact its business organisation;
 - (B) retain the services of its key officers and employees;
 - (C) preserve its relationship with financiers, customers, suppliers, licensors, licensees, Government Agencies and others having business dealings with it; and
 - (D) maintain its business and assets, including maintaining at least its current level of insurance,
 - as in place on the date of this document;
 - (iii) keep the other party informed of any material developments concerning the financial affairs or conduct of its business and the businesses of its subsidiaries; and
 - (iv) promptly provide copies of any material correspondence between a Government Agency and it or any of its subsidiaries;

5.2 **Exception**

- (a) Clause 5.1 does not apply to anything:
 - (i) which the party is required to do, permitted to do or is permitted not to do, under or in accordance with this document or the Scheme;
 - (ii) which has been Fairly Disclosed in the Saracen Disclosure Material or in the Northern Star Disclosure Material (as applicable);
 - (iii) required by law, stock exchange listing rules or by order of a court or any applicable Government Agency;
 - (iv) required to be done to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or material damage to property); or
 - (v) in respect of which the other party has provided its consent (such consent not to be unreasonably withheld or delayed).
- (b) For the avoidance of doubt, nothing in clause 5.1 restricts the ability of Saracen to respond to a Competing Proposal, subject to clauses 10 and 11.

5.3 **No Regulated Events or Prescribed Events**

- (a) Subject to clause 11.2(d), during the period commencing on the date of this document and ending on the Implementation Date, Northern Star must ensure that no member of the Northern Star Group:
 - (i) takes or fails to take any action that constitutes, or that could reasonably be expected to result in or otherwise give rise to, a Northern Star Regulated Event or a Northern Star Prescribed Event; or
 - (ii) authorises, commits or agrees to do any such thing.
- (b) During the period commencing on the date of this document and ending on the Implementation Date, Saracen must ensure that no member of the Saracen Group:
 - (i) takes or fails to take any action that constitutes, or that could reasonably be expected to result in or otherwise give rise to, a Saracen Regulated Event or a Saracen Prescribed Event; or
 - (ii) authorises, commits or agrees to do any such thing.

5.4 **Transition Team and access**

- (a) As soon as practicable following the date of this document, Northern Star and Saracen must establish a Transition Team comprising:
 - (i) Darren Stralow and Morgan Ball (as Co-Chairs of the Transition Team); and
 - (ii) representatives of each of Saracen and Northern Star from a range of business functions as Northern Star and Saracen may agree from time to time.
- (b) Between (and including) the date of this document and the Implementation Date, the Transition Team will act as a forum for discussion and planning by Northern Star and Saracen to oversee and implement the Scheme. The Transition Team will determine the frequency and format of its meetings from time to time.

- (c) From the date of this document and up to and including the Implementation Date, subject to applicable laws, each party must give (and must procure each of its subsidiaries gives) the other party reasonable access to its records (subject to any existing confidentiality obligations owed to third parties), premises, and such senior executives, as reasonably requested by the other party at mutually convenient times for the purpose of:
 - (i) understanding the financial position and operations of it and its subsidiaries including the cashflow and working capital position of each of them;
 - (ii) planning for integrating the business of Saracen with the business of Northern Star;
 - (iii) understanding the operations of the business of it and its subsidiaries;
 - (iv) planning for Implementation; and
 - (v) any other purpose which is agreed in writing between the parties.
- (d) To avoid doubt, Northern Star and Saracen acknowledge and agree that:
 - (i) the requirements of this clause 5 are subject to the prohibitions contained in the *Competition and Consumer Act 2010* (Cth) and all other applicable laws;
 - (ii) the Transition Team is a consultative body only that will make recommendations to Northern Star and Saracen, and the members of the Transition Team have no power to bind, or to give any consent, approval or waiver on behalf of, the party of which they are a representative;
 - (iii) the business of each of Northern Star and Saracen will continue to operate independently of the other until (and subject to) Implementation; and
 - (iv) nothing in this clause 5.3 or elsewhere in this document:
 - (A) requires either Northern Star or Saracen to act at the direction of the other;
 - (B) constitutes the relationship of a partnership, joint venture or similar between Northern Star and Saracen;
 - (C) requires a party to take any action that would reasonably be expected to conflict with or violate that party's constituent documents or any applicable law;
 - (D) requires a party to provide information to the other party concerning their directors' or management's consideration of the Scheme or, in the case of Saracen, a Competing Proposal (without limiting Saracen's obligations under clauses 10 or 11);
 - (E) requires a party to provide or procure the provision of information or access to the other party if such provision would result in unreasonable disruptions to, or interference with, the other party or its subsidiary's business;
 - (F) requires a party to provide information concerning the party or its subsidiaries' business that, in the reasonable opinion of the disclosing party:
 - (aa) is commercially sensitive;

- (bb) is subject to an existing confidentiality obligation to a third party;
- (cc) would require a party to make further disclosures to any other entity or to a Government Agency; or
- (dd) would compromise legal privilege;
- (G) gives a party any rights to undertake further due diligence; or
- (H) gives a party any rights as to the decision making of the other party (or its subsidiaries).

5.5 Change of control consents

- (a) As soon as reasonably practicable after the date of this document, Saracen must seek to identify any change of control or similar provisions in favour of any counterparty in any Material Saracen Facility and in each of the Relevant Agreements which would, or would reasonably be likely to, be triggered by Implementation (**Change of Control Right**).
- (b) In respect of each of the Relevant Agreements with a Change of Control Right:
 - (i) Saracen and Northern Star must use reasonable endeavours to agree a proposed strategy for obtaining, prior to 7:00 am (Perth time) on the Second Court Date, any required consents;
 - (ii) following agreement of the proposed strategy, Saracen must seek the required consents in accordance with the agreed strategy; and
 - (iii) Northern Star must provide reasonable assistance to Saracen in connection with seeking the required consents, including by promptly providing any information reasonably required by the relevant counterparty and making Representatives available, where possible, necessary and reasonable, to meet with the relevant counterparty in connection with seeking the required consents.
- (c) In respect of each Material Saracen Facility with a Change of Control Right, unless Saracen prepays and cancels the applicable Material Saracen Facility:
 - (i) Saracen and Northern Star must use reasonable endeavours to agree a proposed strategy for obtaining, prior to 7:00 am (Perth time) on the Second Court Date, any required consents (including, for the avoidance of doubt, entry into any standstill agreement) on terms reasonably acceptable to Northern Star (acting reasonably);
 - (ii) following agreement of the proposed strategy, Saracen must seek the required consents in accordance with the agreed strategy; and
 - (iii) Northern Star must provide reasonable assistance to Saracen in connection with seeking the required consents, including by promptly providing any information reasonably required by the relevant counterparty and making Representatives available, where possible, necessary and reasonable, to meet with the relevant counterparty, in connection with seeking the required consents.
- (d) In respect of each Northern Star financier consent in respect of any merger, acquisition, scheme of arrangement, restrictions on group finance debt or security interests (triggered by finance debt or security interests of any member of the

Saracen Group) and obligations as to group guarantors (in respect of any member of the Saracen Group) or similar provisions existing in any financing or hedging arrangements of any member of the Northern Star Group:

- (i) Saracen and Northern Star must use reasonable endeavours to agree a proposed strategy for obtaining, prior to 7:00 am (Perth time) on the Second Court Date, any required consents;
 - (ii) following agreement of the proposed strategy, Northern Star must seek the required consents in accordance with the agreed strategy; and
 - (iii) Saracen must provide reasonable assistance to Northern Star in connection with seeking the required consents, including by promptly providing any information reasonably required by the relevant counterparty and making Representatives available, where possible, necessary and reasonable, to meet with the relevant counterparty, in connection with seeking the required consents.
- (e) To avoid doubt, subject to complying with clauses 5.5(a) and (b), and without limiting clause 3.4 insofar as item 8 of clause 3.2 is concerned, a failure by Saracen to obtain any consent in respect of a Change of Control Right will not constitute a breach of this document by Saracen.

5.6 Information on representations and warranties

From the date of this document and up to and including the Implementation Date each party must promptly give to the other party details of any matter or occurrence that it becomes aware of which has resulted, will result, or is reasonably likely to result, in any representation or warranty given under this document by the first-mentioned party being inaccurate in a material respect.

5.7 Information provided subject to confidentiality obligation

All information provided under or in connection with this document is subject to the terms of the Mutual Confidentiality Agreement which continues to have full force and effect subject to this document.

6. DIRECTORS AND EMPLOYEES

6.1 Merged Group board composition

- (a) On and from the Implementation Date, subject to the Scheme Consideration being issued and receipt by Northern Star of duly signed consents to act, the Northern Star Board will comprise:
- (i) Bill Beament, as Executive Chair;
 - (ii) Raleigh Finlayson, as Managing Director;
 - (iii) Anthony Kiernan, as Lead Independent Director;
 - (iv) Shirley In't Veld, as Non-Executive Director;
 - (v) Mary Hackett, as Non-Executive Director;
 - (vi) Nick Cernotta, as Non-Executive Director;
 - (vii) John Fitzgerald, as Non-Executive Director;

- (viii) John Richards, as Non-Executive Director; and
 - (ix) Sally Langer, as Non-Executive Director.
- (b) To give effect to clause 6.1(a), on the Implementation Date, subject to the Scheme Consideration being issued and receipt by Northern Star of duly signed consents to act, Northern Star must:
- (i) effect the appointment of each Northern Star Incoming Director to the Northern Star Board; and
 - (ii) procure that each Northern Star Outgoing Director retires from the Northern Star Board, unconditionally and irrevocably releasing Northern Star from any claims they may have against Northern Star in their capacity as a director (without prejudice to any rights they may have under any deed of indemnity, access and insurance or policy of directors and officers insurance),

in each case, in accordance with Northern Star's constituent documents, the Corporations Act and the ASX Listing Rules.

6.2 **Merged Group senior management team composition**

On and from the Implementation Date, subject to the Scheme Consideration being issued (and, as applicable, receipt by Northern Star of a duly signed consent to act), the Northern Star senior management team will comprise:

- (a) Bill Beament, as Executive Chairman;
- (b) Raleigh Finlayson, as Managing Director;
- (c) Stuart Tonkin, as Chief Executive Officer;
- (d) Morgan Ball, as Chief Financial Officer;
- (e) Luke Creagh, as Chief Operating Officer – Yandal / Pogo; and
- (f) Simon Jessop, as Chief Operating Officer – Kalgoorlie.

6.3 **Saracen board composition**

On and from the Implementation Date, subject to the Scheme Consideration being issued (and, as applicable, receipt by the applicable member of the Saracen Group of duly signed consents to act), Saracen must:

- (a) effect the appointment of each person nominated by Northern Star to the Saracen Board and the board of directors of each other member of the Saracen Group; and
- (b) procure that each director of Saracen and of all other members of the Saracen Group (other than any directors Northern Star and Saracen agree in writing will continue to be directors) retires from their position as director and unconditionally and irrevocably releases Saracen and each applicable other member of the Saracen Group from any claims they may have against any member of the Saracen Group in their capacity as a director (without prejudice to any rights they may have under any deed of indemnity, access and insurance or policy of directors and officers insurance),

in each case, in accordance with the relevant member of the Saracen Group's constituent documents, the Corporations Act and the ASX Listing Rules.

6.4 Deed of insurance and indemnity

- (a) Subject to the Scheme becoming Effective, each of Saracen and Northern Star undertakes, in favour of the Saracen Group and all of their respective past and present directors and officers, that it will:
- (i) for a period of seven years after the Implementation Date, ensure that the constituent documents of Saracen and each other member of the Saracen Group continue to contain such rules as are contained in those constituent documents at the date of this document that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a member of the Saracen Group; and
 - (ii) from the Implementation Date, procure that Saracen and each member of the Saracen Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and, without limiting the foregoing, ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained for a period of seven years from the retirement date of each director and officer.
- (b) Saracen may enter into a directors' and officers' run-off insurance policy in respect of any directors and officers (and relevant former directors and officers) of the Saracen Group for a period of up to 7 years following the Implementation Date (**D&O run-off policy**), provided that:
- (i) Saracen engages an independent consultant (approved by Northern Star, such approval not to be unreasonably withheld or delayed) to run a tender process for the D&O run-off policy;
 - (ii) the independent consultant referred to in clause 6.4(b)(i) seeks at least three proposals for a D&O run-off policy from reputable insurers that have a rating that is similar to or better than the rating of the insurers for Saracen's directors' and officers' insurance policy in place as at the date of this document for the current financial year, which D&O run-off policy:
 - (A) has the same coverage;
 - (B) has the same deductible or excess; and
 - (C) is otherwise on terms substantially similar to, the directors' and officers' insurance policies in place for the current directors or officers of Saracen;
 - (iii) Saracen keeps Northern Star reasonably informed of all material developments in the tender process and provides a copy of the proposals received under the tender process to Northern Star; and
 - (iv) the D&O run-off policy entered into by Saracen:
 - (A) is entered into before 7.00 am (Perth time) on the Second Court Date; and
 - (B) is the lowest cost policy (inclusive of the costs of brokerage, stamp duty and any other transactions costs) of the three proposals received under the tender process which complies with the requirements in clause 6.4(b)(ii).

- (c) Each party acknowledges that, provided that clause 6.4(b) has been complied with, the entry into directors' and officers' run-off insurance policies will not constitute a Saracen Prescribed Event or a Saracen Regulated Event.
- (d) The undertakings contained in clause 6.4(a):
 - (i) are subject to restrictions in the Corporations Act or in any other applicable law, and will be read down accordingly; and
 - (ii) that are given by Northern Star are given until the earlier of the end of the relevant period specified in that clause, or the relevant member of the Saracen Group ceases to be part of the Northern Star Group.
- (e) Saracen receives and holds the benefit of clause 6.4(a) to the extent it relates to each of the respective past and present directors and officers of Saracen and the other members of the Saracen Group, as trustee for them.

6.5 Release of Representatives of Northern Star

- (a) To the maximum extent permitted by law, Saracen releases its rights against, and will not make any Claim against, any past or present Representatives of Northern Star (other than Northern Star and the other members of the Northern Star Group) in connection with:
 - (i) anything done or purported to be done in connection with this document, the Scheme or Implementation including any breach of any of the obligations, representations and warranties of Northern Star or any other member of the Northern Star Group in this document;
 - (ii) any disclosures containing any statement which is false or misleading (whether by omission or otherwise); or
 - (iii) any failure to provide information,except where the Representative has not acted in good faith or has engaged in wilful misconduct or fraud.
- (b) Nothing in clause 6.5(a) limits the rights of Saracen to make a Claim against Northern Star or any member of the Northern Star Group or to terminate this document.
- (c) Clause 6.5(a) is subject to restrictions contained in the Corporations Act or in any other applicable law and will be read down accordingly.
- (d) Northern Star holds the benefit of clause 6.5(a) to the extent it relates to each of the past and present Representatives of Northern Star, as trustee for them.

6.6 Release of Representatives of Saracen

- (a) To the maximum extent permitted by law, Northern Star releases its rights against, and will not make any Claim against, any past or present Representatives of Saracen (other than Saracen and the other members of the Saracen Group) in connection with:
 - (i) anything done or purported to be done in connection with this document, the Scheme or Implementation including any breach of any of the obligations, representations and warranties of Saracen or any other member of the Saracen Group in this document;

(ii) any disclosures containing any statement which is false or misleading (whether by omission or otherwise); or

(iii) any failure to provide information,

except where the Representative has not acted in good faith or has engaged in wilful misconduct or fraud.

(b) Nothing in clause 6.6(a) limits the rights of Northern Star to make a Claim against Saracen or any member of the Saracen Group or to terminate this document.

(c) Clause 6.6(a) is subject to restrictions contained in the Corporations Act or in any other applicable law and will be read down accordingly.

(d) Saracen holds the benefit of clause 6.6(a) to the extent it relates to each of the past and present Representatives of Saracen, as trustee for them.

7. SARACEN UNLISTED SECURITIES AND SARACEN RESTRICTED SHARES

7.1 Treatment of Saracen Performance Rights

(a) Saracen will procure that the Scheme will have the following effect on the Saracen Performance Rights on issue:

(i) upon Saracen Shareholder Approval being obtained, all Saracen Vesting Performance Rights and Saracen Vesting Retention Rights will automatically vest in accordance with their terms and, prior to the Scheme Record Date, either:

(A) expire; or

(B) be exercised, with any resulting Saracen Shares issued to the holder of those rights prior to the Scheme Record Date;

(ii) upon Saracen Shareholder Approval being obtained, all Saracen Vesting RF Retention Rights held by Mr Raleigh Finlayson will automatically vest in accordance with their terms and, prior to the Scheme Record Date, either:

(A) expire; or

(B) be exercised by Mr Raleigh Finlayson, with any resulting Saracen Shares issued to Mr Raleigh Finlayson prior to the Scheme Record Date,

and will procure that Mr Raleigh Finlayson agrees to:

(C) a holding lock to 30 June 2021 being applied to 7,839 Consideration Shares issued to Mr Raleigh Finlayson in respect of the vesting and exercise of the Saracen Vesting RF Retention Rights with a 3 year performance period, in accordance with clause 7.1(a)(ii)(B);

(D) a holding lock to 30 June 2022 being applied to 29,398 Consideration Shares issued to Mr Raleigh Finlayson in respect of the vesting and exercise of the Saracen Vesting RF Retention Rights with a 4 year performance period, in accordance with clause 7.1(a)(ii)(B); and

(E) a holding lock to 30 June 2023 being applied to 42,333 Consideration Shares issued to Mr Raleigh Finlayson in respect of the vesting and exercise of the Saracen Vesting RF Retention Rights with a 5 year performance period, in accordance with clause 7.1(a)(ii)(B);

(iii) the Saracen Board will exercise its discretion to accelerate the vesting of the Saracen Discretionary Retention Rights such that those Saracen Discretionary Retention Rights, prior to the Scheme Record Date, either:

(A) expire; or

(B) are exercised, with any resulting Saracen Shares issued prior to the Scheme Record Date,

and will procure that the holders of the Saracen Discretionary Retention Rights each agree to:

(C) a holding lock to 30 June 2021 being applied to 50% of any Consideration Shares issued to the holder in respect of the vesting and exercise of the Saracen Discretionary Retention Rights with a 3 year performance period, in accordance with clause 7.1(a)(iii)(B);

(D) a holding lock to 30 June 2022 being applied to 50% of any Consideration Shares issued to the holder in respect of Saracen Discretionary Retention Rights with a 4 year performance period, in accordance with clause 7.1(a)(iii)(B); and

(E) a holding lock to 30 June 2023 being applied to 50% of any Consideration Shares issued to the holder in respect of Saracen Discretionary Retention Rights with a 5 year vesting period, in accordance with clause 7.1(a)(iii)(B); and

(iv) subject to the Scheme becoming Effective, on the Implementation Date:

(A) all Saracen Cancelling Performance Rights will be automatically cancelled in accordance with their terms; and

(B) all Saracen Performance Rights that have vested in accordance with clauses 7.1(a)(i) to 7.1(a)(iii), but which have not been exercised (or in respect of which the resulting Saracen Shares have not been issued) prior to the Scheme Record Date, will lapse.

(b) Saracen and Northern Star acknowledge and agree that the terms of any holding lock to be applied to Consideration Shares in accordance with clause 7.1(a), including the conditions that apply to the lifting of any such holding lock, will be agreed between Saracen and Northern Star (each acting reasonably and in good faith).

7.2 Treatment of NED Share Rights

Saracen will procure that:

(a) upon Saracen Shareholder Approval being obtained, all Saracen NED Share Rights will continue to vest in accordance with their terms and, upon the Saracen Shareholder Approval occurring, prior to the Scheme Record Date, either:

(i) expire; or

(ii) be exercised, with any resulting Saracen Shares issued to the holder of those NED Share Rights prior to the Scheme Record Date; and

(b) all holding locks applying to any resulting Saracen Shares are released prior to Implementation.

7.3 **Covenant in respect of Saracen Unlisted Securities**

Saracen covenants in favour of Northern Star that:

- (a) by no later than the Scheme Record Date, there will be no Saracen Unlisted Securities on issue;
- (b) all of the Saracen Unlisted Securities will have been cancelled and extinguished, or will have expired (including in accordance with the balance of this clause 7); and
- (c) there are no other performance rights, retention rights, share rights, options, warrants, convertible notes, instruments, shares or other securities (or offers or agreements to issue any of the foregoing) that may convert into Saracen Shares.

7.4 **Release from restrictions on transfer**

The Saracen Board will exercise any discretion, or take any other action, as is necessary to procure that any holding locks or other disposal restrictions applying to Saracen Shares are lifted prior to the Implementation Date, so as to enable the holders of those Saracen Shares to participate in the Scheme in respect of those Saracen Shares.

8. **DIVIDENDS**

Notwithstanding any other provision of this document:

- (a) Northern Star may pay the Northern Star Dividend; and
- (b) Saracen may pay the Saracen Dividend.

9. **ANNOUNCEMENT**

9.1 **Announcement of execution**

Immediately following execution of this document (or as otherwise agreed by Northern Star and Saracen), each of Northern Star and Saracen must make a joint Announcement in respect of the execution of this document and any other documents relating to the Scheme in a form agreed by them, and the Announcement will attach a copy of this document (excluding any commercially sensitive information).

9.2 **No Announcement**

Neither party may make an Announcement relating to the subject matter of this document or make public this document (or any of its terms) unless the Announcement or publication:

- (a) is required by this document;
- (b) has the prior approval of the other party; or
- (c) is required to be made by any applicable law or the ASX Listing Rules.

9.3 **Consultation on Announcements**

- (a) Subject to clause 9.3(b), if a party is permitted to make an Announcement under clause 9.2, it may only do so after:
 - (i) giving the other party such notice as is reasonably practicable in the circumstances of its intention to make the Announcement; and

- (ii) consulting with the other party, to the extent reasonably practicable in the circumstances, as to the form and content of that Announcement (and after having taken all reasonable steps to restrict that disclosure to the greatest extent possible); and
 - (iii) providing the other party with a draft of the Announcement and an opportunity, to the extent reasonably practicable in the circumstances, to comment on the contents of the draft Announcement.
- (b) For the avoidance of doubt, nothing in this clause 9.3 requires the giving of prior notice or the taking of any action if doing so would lead to a party breaching an applicable law or the ASX Listing Rules.

9.4 **Excluded Announcements**

The requirements in clauses 9.2 and 9.3 do not apply to any Announcement relating to:

- (a) a Competing Proposal; or
- (b) the termination of this document in accordance with its terms.

10. **EXCLUSIVITY**

10.1 **Existing discussions**

- (a) Saracen represents and warrants to Northern Star that, as at the date of this document:
- (i) it is not a party to any agreement or arrangement with any third party entered into for the purposes of facilitating a Competing Proposal or Saracen Regulated Event;
 - (ii) it is not, directly or indirectly, participating in any discussions or negotiations with a third party that concern, or that could be reasonably expected to lead to, a Competing Proposal or Saracen Regulated Event;
 - (iii) any due diligence access granted to any third party for the purposes of such third party making, formulating, developing or finalising, or assisting in the making, formulation, development or finalisation of, a Competing Proposal or Saracen Regulated Event has been terminated; and
 - (iv) any third party to whom non-public information in relation to the Saracen Group has been provided or made available in the previous 24 months for the purposes of such third party making, formulating, developing or finalising, or assisting in the making, formulation, development or finalisation of, a Competing Proposal or Saracen Regulated Event, has been requested to immediately return or destroy that non-public information in accordance with the provisions of any confidentiality agreement with such third party.
- (b) Northern Star represents and warrants to Saracen that, as at the date of this document:
- (i) it is not a party to any agreement or arrangement with any third party entered into for the purposes of facilitating a Competing Proposal or Northern Star Regulated Event;
 - (ii) it is not, directly or indirectly, participating in any discussions or negotiations with a third party that concern, or that could be reasonably expected to lead to, a Competing Proposal or Northern Star Regulated Event; and

- (iii) any due diligence access granted to any third party for the purposes of such third party making, formulating, developing or finalising, or assisting in the making, formulation, development or finalisation of, a Competing Proposal or Northern Star Regulated Event has been terminated.

10.2 **No shop, no talk and no due diligence**

During the Exclusivity Period, each of Saracen and Northern Star must not (and must ensure that none of their respective related bodies corporate or Representatives, nor any other person on their respective behalf) directly or indirectly:

- (a) **(no shop)** solicit, encourage, initiate or invite any offer, enquiry, expression of interest, discussion or proposal in relation to, or that may reasonably be expected to encourage or lead to, a Competing Proposal or Regulated Event, or announce or communicate to any person any intention to do any of these things;
- (b) **(no talk)** subject to clause 10.3, negotiate or enter into, participate in or continue any discussion or negotiation in relation to, or that may reasonably be expected to encourage or lead to, a Competing Proposal or Regulated Event, or otherwise facilitate a Competing Proposal or Regulated Event, or announce or communicate to any person any intention to do any of these things; or
- (c) **(no due diligence)** without limiting clause 10.2(b), and at all times subject to clause 10.3, make available to any third party, or cause or permit any third party to receive, any non-public information relating to (in the case of Saracen) Saracen or any of its related bodies corporate or (in the case of Northern Star) Northern Star or any of its related bodies corporate that may reasonably be expected to assist such third party in formulating, developing or finalising a Competing Proposal or Regulated Event.

10.3 **Fiduciary exception**

The restrictions in clauses 10.2(b) and 10.2(c) do not:

- (a) in the case of Saracen, apply in respect of a Competing Proposal where:
 - (i) there has not been any breach of clause 10.2(a) in respect of that Competing Proposal;
 - (ii) the Saracen Board, acting in good faith and after taking written advice from Saracen's financial and legal advisers, determines that such Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal; and
 - (iii) the Saracen Board, acting in good faith and after taking advice from Saracen's external legal advisers, determines that failing to respond or take or refrain from taking an action in response to such Competing Proposal would be reasonably likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Saracen Board to Saracen;
- (b) in the case of Northern Star, apply in respect of a Competing Proposal where:
 - (i) there has not been any breach of clause 10.2(a) in respect of that Competing Proposal;
 - (ii) the Northern Star Board, acting in good faith and after taking written advice from Northern Star's financial and legal advisers, determines that such Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal; and

- (iii) the Northern Star Board, acting in good faith and after receiving advice from Northern Star's external legal advisers, determines that failing to respond or take or refrain from taking an action in response to such Competing Proposal would be reasonably likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Northern Star Board to Northern Star; or
- (c) prevent either party from disclosing non-public information to its auditors or advisers, or a Government Agency or regulatory body in the ordinary course of its business or as required under the applicable party's existing contractual obligations provided it is not done in a manner which is intended to circumvent the intent of clause 10.

11. NOTIFICATION AND MATCHING RIGHTS

11.1 Initial notification

- (a) If, during the Exclusivity Period:
 - (i) Saracen or any of its related bodies corporate or Representatives receives a Competing Proposal or is approached by a person in relation to a Competing Proposal; and
 - (ii) Saracen proposes or determines to take any action in reliance on the exception in clause 10.3(a),

Saracen must, as soon as reasonably practicable (and in any event, within one Business Day of receiving the Competing Proposal):

- (iii) give Northern Star an Approach Notice in relation to that Competing Proposal; and
- (iv) disclose the Proposal Details to Northern Star on a confidential basis except that Saracen may withhold the name (of the person who has made the Competing Proposal or approach) and other details which would otherwise be reasonably expected to identify that person if the Saracen Board, acting in good faith and on the basis of written advice from its external legal advisers, determines that giving those details to Northern Star would be likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Saracen Board to Saracen.
- (b) If Saracen is entitled under clause 11.1(a)(iv) to withhold the identity of the person who has made the Competing Proposal or approach, Saracen must use reasonable endeavours to obtain the consent of that person to disclose to Northern Star on a confidential basis that person's identity.

- (c) If, during the Exclusivity Period:
 - (i) Northern Star or any of its related bodies corporate or Representatives receives a Competing Proposal or is approached by a person in relation to a Competing Proposal; and
 - (ii) Northern Star proposes or determines to take any action in reliance on the exception in clause 10.3(a),

Northern Star must, as soon as reasonably practicable (and in any event, within one Business Day of receiving the Competing Proposal):

- (iii) give Saracen an Approach Notice in relation to that Competing Proposal; and

- (iv) disclose the Proposal Details to Saracen on a confidential basis except that Northern Star may withhold the name (of the person who has made the Competing Proposal or approach) and other details which would otherwise be reasonably expected to identify that person if the Northern Star Board, acting in good faith and on the basis of written advice from its external legal advisers, determines that giving those details to Saracen would be likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Northern Star Board to Northern Star.
- (d) If Northern Star is entitled under clause 11.1(c)(iv) to withhold the identity of the person who has made the Competing Proposal or approach, Northern Star must use reasonable endeavours to obtain the consent of that person to disclose to Saracen a confidential basis that person's identity.

11.2 Matching right

- (a) If the Saracen Board determines that a Competing Proposal is a Superior Proposal, Saracen must as soon as is reasonably practicable (and in any event within one Business Day of making that determination):
 - (i) give Northern Star a Matching Right Notice; and
 - (ii) disclose the identity of the person(s) who has made the Superior Proposal to Northern Star on a confidential basis to the extent that those details were not previously disclosed to Northern Star under clause 11.1(a)(iv).
- (b) During the five Business Day period starting from the time that Saracen gives Northern Star a Matching Right Notice under clause 11.2(a)(i) (**Matching Period**):
 - (i) Saracen must not enter into, or agree to enter into, any binding documentation to give effect or implement the Competing Proposal;
 - (ii) Saracen must use reasonable endeavours to ensure that no director of Saracen makes any public statement recommending the Competing Proposal to its shareholders; and
 - (iii) Northern Star may offer to amend the terms of the Scheme, this document or make an alternative proposal to Saracen or the Saracen Shareholders with a view to providing an equivalent or a superior outcome for the Saracen Shareholders than those offered under the relevant Competing Proposal (**Counter Proposal**).
- (c) If, during the Matching Period, Northern Star makes a Counter Proposal:
 - (i) Saracen must use reasonable endeavours to procure that the Saracen Board considers the Counter Proposal in good faith before entering into, or agreeing to enter into, any binding documentation to give effect to or implement the Competing Proposal; and
 - (ii) if the Saracen Board acting in good faith determines that the terms and conditions of the Counter Proposal taken as a whole would provide an equivalent or superior outcome to shareholders of Saracen than those in the relevant Competing Proposal, then:
 - (A) Northern Star and Saracen must use their reasonable endeavours to agree and enter into such documentation as is necessary to give effect to and implement the Counter Proposal as soon as reasonably practicable; and

(B) Saracen must use its reasonable endeavours to procure that each director of Saracen makes a public statement recommending the Counter Proposal to the Saracen Shareholders, subject only to no Superior Proposal (in relation to that Counter Proposal) emerging and to the Independent Expert concluding (and continuing to conclude) that the Counter Proposal is in the best interest of Saracen Shareholders.

(d) If:

- (i) Saracen makes an Announcement to ASX in respect of the receipt of a Competing Proposal by Saracen; and
- (ii) by no later than 11.59 pm (Perth time) on the Saracen Trigger Date, Saracen has not notified Northern Star whether or not the Competing Proposal is a Superior Proposal or given Northern Star a Matching Right Notice under clause 11.2(a)(i),

then, during the Northern Star Release Period, Northern Star is automatically released from:

- (iii) all of its obligations under clause 10.2;
- (iv) all of its obligations under clause 3.4 insofar as they relate to the Condition in item 16 of clause 3.2 ("No Northern Star Regulated Event"), but for the avoidance of doubt that Condition will continue to apply (except to the extent it has been, or is subsequently, waived, in accordance with the terms of this document); and
- (v) all of its obligations under clause 5.3(a) in so far as they relate to any Northern Star Regulated Event provided Northern Star provides a Regulated Event Notice to Saracen no later than 5 Business Days prior to taking or refraining from taking a relevant action,

until Saracen notifies Northern Star that the Competing Proposal is not a Superior Proposal.

(e) For the avoidance of doubt:

- (i) Northern Star will not breach any provision of this document as a result of taking or refraining from taking any action that is a Northern Star Regulated Event during the Northern Star Release Period provided it gives Saracen a Regulated Event Notice under clause 11.2(d)(v); and
- (ii) notwithstanding any other provision of this document, Saracen will not be entitled to any Break Fee under clause 13.3 in respect of, or in any way arising out of or relating to the occurrence of, any Northern Star Regulated Event in respect of which, during the Northern Star Release Period, Northern Star enters into, or offers to accept or enter into, any binding agreement, arrangement or understanding to give effect to or implement the Northern Star Regulated Event, provided it has given Saracen a Regulated Event Notice under clause 11.2(d)(v).

(f) If:

- (i) Northern Star makes an Announcement to ASX in respect of the receipt of a Competing Proposal by Northern Star; and

- (ii) by no later than 11.59 pm (Perth time) on the Northern Star Trigger Date, Northern Star has not notified Saracen whether or not the Competing Proposal is a Superior Proposal,

then, during the Saracen Release Period, Saracen is automatically released from:

- (iii) all of its obligations under clause 10.2;
- (iv) all of its obligations under clause 3.4 insofar as they relate to the Condition in item 11 of clause 3.2 ("No Saracen Regulated Event"), but for the avoidance of doubt that Condition will continue to apply (except to the extent it has been, or is subsequently, waived, in accordance with the terms of this document); and
- (v) all of its obligations under clause 5.3(b) insofar as they relate to any Saracen Regulated Event provided Saracen provides a Regulated Event Notice to Northern Star no later than 5 Business Days prior to the taking or refraining from taking a relevant action,

until Northern Star notifies Saracen that the Competing Proposal is not a Superior Proposal.

- (g) For the avoidance of doubt:
 - (i) Saracen will not breach any provision of this document as a result of taking or refraining from taking any action that is a Saracen Regulated Event during the Saracen Release Period provided it gives Northern Star a Regulated Event Notice under clause 11.2(f)(v); and
 - (ii) notwithstanding any other provision of this document, Northern Star will not be entitled to any Break Fee under clause 13.2 in respect of, or in any way arising out of or relating to the occurrence of, any Saracen Regulated Event in respect of which, during the Saracen Release Period, Saracen enters into, or offers to accept or enter into or implement the Saracen Regulated Event, provided it has given Northern Star a Regulated Event Notice under clause 11.2(f)(v).
- (h) Any material change to a Competing Proposal will be taken to constitute a new Competing Proposal in respect of which:
 - (i) Saracen must separately comply with its obligations under clauses 11.2(a) to 11.2(d) (inclusive); and
 - (ii) Northern Star must separately comply with its obligations under clause 11.2(f).

12. **STANDSTILL**

- (a) For the avoidance of doubt, the parties acknowledge that the standstill in clause 7 of the Mutual Confidentiality Agreement continues in full force and effect, in accordance with the terms of the Mutual Confidentiality Agreement.
- (b) Saracen waives the standstill in clause 7 of the Mutual Confidentiality Agreement to the extent required in connection with the Scheme and its implementation or any other transaction with Northern Star contemplated by clause 3.7(d).

13. **BREAK FEE**

13.1 **Background**

Each of Northern Star and Saracen:

- (a) confirms its belief that the Scheme will provide significant benefits to Saracen, Northern Star and their respective shareholders;
- (b) has requested that provisions be made in this document for the payments set out in clauses 13.2 and 13.3, in the absence of which it would not have entered into this document;
- (c) confirms its belief that it is appropriate to agree to the payment which it agrees to make under clause 13.2 or 13.3 (as applicable) in order to secure the other party's participation in the Scheme;
- (d) acknowledges that each of them has incurred, and will further incur, significant costs and expenses in connection with performing its obligations under this document and the Scheme, which will include significant opportunity costs if the Scheme is not implemented;
- (e) acknowledges the costs and expenses actually incurred by it and its subsidiaries are of such nature that they cannot accurately be ascertained;
- (f) acknowledges that it has received external legal and financial advice in relation to this clause 13 and that the amount it has agreed to pay under this clause 13 is an amount which is appropriate to compensate the other party for its reasonable external and internal costs and opportunity costs in connection with the Scheme (and is a genuine and reasonable pre-estimate thereof), including for:
 - (i) reasonable advisory costs relating to the Scheme;
 - (ii) costs of management and directors' time;
 - (iii) reasonable out-of-pocket expenses relating to the Scheme;
 - (iv) reasonable opportunity costs incurred by Northern Star and Saracen (as applicable) in pursuing the Scheme or in not pursuing other alternative acquisitions or strategic initiatives which Northern Star or Saracen (as applicable) could have developed to further its business and objectives.

13.2 **Payment of Saracen Break Fee by Saracen to Northern Star**

- (a) Saracen undertakes to pay Northern Star the Saracen Break Fee if:
 - (i) **(change of recommendation or voting intention statement)** during the Exclusivity Period:
 - (A) any Saracen director does not recommend the Scheme or withdraws or adversely modifies (including by attaching any qualifications not expressly permitted by this document to) an earlier recommendation, or approves, endorses, recommends or makes an announcement in support of a Competing Proposal in relation to Saracen, or announces an intention to do any of these acts;
 - (B) any Saracen director does not state that they intend to vote in favour of the Scheme at the Scheme Meeting or withdraws or adversely modifies (including by attaching any qualifications not expressly

permitted by this document to) an earlier statement that they intend to vote in favour of the Scheme at the Scheme Meeting; or

- (C) Saracen or any of its directors acts in a manner which is materially inconsistent with obtaining approval for the Scheme (including by recommending, approving, endorsing or making an announcement in support of a Competing Proposal),

except where:

- (D) the Independent Expert concludes (either in its initial Independent Expert's Report or in any written update, revision, amendment, addendum or supplementary report to it) that the Scheme is not in the best interest of Saracen Shareholders; or
- (E) the Independent Expert withdraws its Independent Expert's Report prior to 7.00 am (Perth time) on the Second Court Date,

in either case, other than where the conclusion or withdrawal is due (whether in whole or in part) to the existence, announcement or publication of a Superior Proposal.

(ii) **(Competing Proposal)** either:

- (A) during the Exclusivity Period, subject to clause 11.2(f), Saracen accepts or enters into, or offers to accept or enter into, any agreement, arrangement or understanding to give effect to or implement a Competing Proposal in relation to Saracen or a Saracen Regulated Event; or
- (B) during the Exclusivity Period, a Competing Proposal in relation to Saracen is announced, received by Saracen or becomes open for acceptance and within 9 months after the date of announcement or the date that the Competing Proposal is received by Saracen or becomes open for acceptance (whichever is earliest) (regardless of whether by that time this document has terminated) the relevant bidder:
 - (aa) acquires voting power of (or an economic interest in) 50% or more of all Saracen Shares and that Competing Proposal (including any agreement to acquire Saracen Shares related to the Competing Proposal) is (or becomes) free from any conditions; or
 - (bb) subject to clause 13.2(b), otherwise substantially completes the Competing Proposal in relation to Saracen;

(iii) **(Superior Proposal)** Saracen validly terminates this document in accordance with clause 14.3(a);

(iv) **(No determination)** both of the following occur:

- (A) during the Exclusivity Period, but prior to the date that is 10 Business Days before the End Date, Saracen makes an announcement to ASX in respect of the receipt of a Competing Proposal by Saracen; and
- (B) Saracen has not notified Northern Star whether or not the Competing Proposal is a Superior Proposal before the date that is the End Date; or

- (v) (**Saracen breach**) Northern Star has validly terminated this document in accordance with clause 14.1(d).
- (b) If the Saracen Break Fee becomes payable to Northern Star under clause 13.2(a)(ii)(B)(bb), then in circumstances where:
 - (i) an event of the kind described in paragraph (a)(i)(B) of the definition of Competing Proposal has occurred and any of the following happens:
 - (A) Northern Star determines, acting reasonably and in good faith, that it is reasonably unlikely that the Scheme can proceed as a result of that event; or
 - (B) the proponent of the Competing Proposal declares that they will vote against the Scheme; or
 - (C) the proponent of the Competing Proposal votes against the Scheme at the Scheme Meeting and the resolution in favour of the Scheme is not passed by the required majorities of Saracen Shareholders under section 411(4)(a)(ii) of the Corporations Act,
(Relevant Event); and
 - (ii) both of the following apply:
 - (A) that Competing Proposal does not result in an event of the kind described in any of paragraphs (a)(i)(A), (a)(i)(C) or (a)(i)(D) of the definition of Competing Proposal occurring; and
 - (B) the Saracen Shares (the subject of the interest or relevant interest contemplated by paragraph (a)(i)(B) of the definition of Competing Proposal, in the case of that Competing Proposal) are capable of being voted at the Scheme Meeting by, or at the direction of, the proponent of the Competing Proposal; and
 - (iii) no Saracen director:
 - (A) has recommended, approved, endorsed or made an announcement in support of a Competing Proposal, or announced an intention to do any of these acts;
 - (B) has withdrawn or adversely modified (including by attaching any qualifications not expressly permitted by this document to) an earlier recommendation in favour of the Scheme; or
 - (C) has acted in a manner which is materially inconsistent with obtaining approval for the Scheme (including by recommending, approving, endorsing or making an announcement in support of a Competing Proposal); and
 - (iv) no other obligation on Saracen to pay the Saracen Break Fee under clause 13.2 has arisen prior to the occurrence of the Relevant Event,

Saracen's obligation to pay the Saracen Break Fee to Northern Star by reason of the Relevant Event will be satisfied if, in lieu of payment of the Saracen Break Fee, Saracen pays to Northern Star an amount equal to the Saracen Break Fee less a discount of 50% (of the amount of the Saracen Break Fee).

- (c) For the avoidance of doubt, if a Competing Proposal is publicly announced, the release by Saracen of one or more Announcements to the effect that Saracen Shareholders should take no action while the Saracen Board considers its response will not (in and of itself) trigger an obligation for Saracen to pay Northern Star the Saracen Break Fee under clause 13.2(a)(i), provided that Saracen has complied with clause 4.2(b)(ii).

13.3 **Payment of Northern Star Break Fee by Northern Star to Saracen**

Northern Star undertakes to pay Saracen the Northern Star Break Fee if:

- (a) **(Northern Star breach or change of endorsement)** Saracen validly terminates this document in accordance with:
 - (i) clause 14.1(d), 14.3(b) or 14.3(d); or
 - (ii) subject to clause 11.2(d), clause 14.3(c);
- (b) **(Superior Proposal)** Northern Star validly terminates this document in accordance with clause 14.2(a)(v);
- (c) **(Competing Proposal)** during the Exclusivity Period, a Competing Proposal in relation to Northern Star is announced, received by Northern Star or becomes open for acceptance and within 9 months after the date of announcement or the date that the Competing Proposal is received by Northern Star or becomes open for acceptance (whichever is earliest) (regardless of whether by that time this document has terminated) the relevant bidder acquires voting power of (or an economic interest in) 50% or more of all Northern Star Shares and that Competing Proposal (including any agreement to acquire Northern Star Shares related to the Competing Proposal) is (or becomes) free from any conditions; or
- (d) **(No determination)** both of the following occur:
 - (i) during the Exclusivity Period, but prior to the date that is 10 Business Days before the End Date, Northern Star makes an announcement to ASX in respect of the receipt of a Competing Proposal by Northern Star; and
 - (ii) Northern Star has not notified Saracen whether or not the Competing Proposal is a Superior Proposal before the date that is the End Date.

13.4 **Demand for payment**

- (a) If an event referred to in clause 13.2 occurs, any demand by Northern Star for payment under clause 13.2 must be in writing and Saracen must pay the amount referred to in clause 13.2 to Northern Star within 10 Business Days of receipt of the demand, and in any event, in respect of an event referred to in clause 13.2(a)(ii)(A) or 13.2(a)(iii), before any nominee of the relevant bidder is appointed to the Saracen Board.
- (b) If an event referred to in clause 13.3 occurs, any demand by Saracen for payment under clause 13.3 must be in writing and Northern Star must pay the amount referred to in clause 13.3 to Saracen within 10 Business Days of receipt of the demand, and in any event, in respect of an event referred to in clause 13.3(b) or 13.3(c), before any nominee of the relevant bidder is appointed to the Northern Star Board.

13.5 **No payment if Scheme becomes Effective**

- (a) No amount is payable by Northern Star or Saracen under this clause 13 if the Scheme becomes Effective, notwithstanding the occurrence of an event in clause 13.2 or clause 13.3 (as the case may be), and any amount paid under this clause 13 in circumstances where the Scheme becomes Effective is immediately repayable by the payee.
- (b) No amount is payable by Saracen to Northern Star under this clause 13 if Northern Star acquires voting power of (or an economic interest in) 50% or more of all Saracen Shares or otherwise acquires control (within the meaning given in section 50AA of the Corporations Act) of Saracen within 12 months after the date of this document, notwithstanding the occurrence of an event in clause 13.2 and if any amount is paid by Saracen to Northern Star under this clause 13 and Northern Star acquires voting power of (or an economic interest in) 50% or more of all Saracen Shares or otherwise acquires control (within the meaning given in section 50AA of the Corporations Act) of Saracen within 12 months after the date of this document the amount is immediately repayable by Northern Star.
- (c) Notwithstanding anything else in this document, an amount payable by Northern Star or Saracen (as applicable) under this clause 13 is payable only once.

13.6 **Other Claims**

- (a) Subject to clause 13.6(e), the maximum aggregate amount that Saracen is required to pay in relation to this document (including any breach of this document) is the Saracen Break Fee and in no event will the aggregate liability of Saracen in connection with this document exceed the Saracen Break Fee.
- (b) Subject to clause 13.6(e), the maximum aggregate amount that Northern Star is required to pay in relation to this document (including any breach of this document) is the Northern Star Break Fee and in no event will the aggregate liability of Northern Star in connection with this document exceed the Northern Star Break Fee.
- (c) Notwithstanding any clause in this document other than clause 13.6(e), if an amount is paid by Saracen under clause 13.2, that amount is received by Northern Star in complete settlement of any and all Claims that Northern Star may have against Saracen in respect of the Scheme or in connection with this document.
- (d) Notwithstanding any clause in this document other than clause 13.6(e), if an amount is paid by Northern Star under clause 13.3, that amount is received by Saracen in complete settlement of any and all Claims that Saracen may have against Northern Star in respect of the Scheme or in connection with this document.
- (e) This clause 13 does not limit any rights or obligations under the Deed Poll.

13.7 **Compliance with law**

- (a) If the Takeovers Panel or a court of competent jurisdiction determines that an amount paid or payable under clause 13.2 or clause 13.3 is an Impugned Amount and:
 - (i) the period for lodging an application for review or a notice of appeal of that decision has expired without such application or notice having been lodged; or
 - (ii) an application for review or a notice of appeal has been lodged with the Takeovers Panel or a court within the prescribed period and the relevant

review Panel or court also determines that the amount is an Impugned Amount,

then:

- (iii) the undertaking under clause 13.2 or clause 13.3 (as applicable) does not apply to the extent of the Impugned Amount; and
 - (iv) if a party has been paid an Impugned Amount under this document, it must refund that Impugned Amount to the other party.
- (b) The parties must not make or cause to be made, any application to the Takeovers Panel or a court of competent jurisdiction for or in relation to a declaration or other order that an amount paid or payable under clause 13.2 or clause 13.3 is an Impugned Amount.

14. **TERMINATION**

14.1 **Termination by either party**

Northern Star or Saracen (the **Terminating Party**) may terminate this document by notice in writing to the other party if:

- (a) without limiting any other rights to terminate which may arise under another provision of this document, Northern Star and Saracen are unable to reach agreement to do any matter listed in clauses 3.7(d) to 3.7(g) (inclusive), or any combination of the matters listed in clauses 3.7(d) to 3.7(g) (inclusive), after consulting in good faith under clause 3.7 for a period of five Business Days after both parties become aware of the occurrence of a circumstance in clause 3.7(a) (Condition not satisfied or waived), 3.7(b) (Condition not capable of being satisfied or waived) or 3.7(c) (Scheme not Effective), provided that:
 - (i) if clause 3.7(a) or 3.7(b) applies:
 - (A) the Terminating Party has the benefit of the relevant Condition;
 - (B) a breach of this document by the Terminating Party or one or more deliberate acts or omissions of the Terminating Party has not caused or materially contributed to:
 - (aa) the relevant Condition not being satisfied or becoming incapable of being satisfied; or
 - (bb) it becoming reasonably likely that the relevant Condition will not be satisfied; and
 - (C) where the relevant Condition is the Condition in item 12 or 17 of clause 3.2:
 - (aa) the Terminating Party has given written notice to the other party setting out the relevant circumstances giving rise to the breach, and stating an intention to terminate this document; and
 - (bb) the relevant circumstances giving rise to the breach are not remedied to the Terminating Party's reasonable satisfaction by the earlier of:
 - (a) five Business Days after the date of the notice given by the Terminating Party under clause 14.1(a)(i)(C)(aa); or

- (b) 7.00 am (Perth time) on the Second Court Date;
- (b) where the Terminating Party has not given or received a notice under clause 3.9 within three Business Days after the Scheme Meeting, if Saracen Shareholder Approval is not obtained at the Scheme Meeting;
- (c) where the Terminating Party has given or received a notice under clause 3.9 within three Business Days after the Scheme Meeting, any application to the Court for the Order in accordance with clause 3.9 is unsuccessful; or
- (d) at any time before 8.00 am (Perth time) on the Second Court Date, the other party (the **Defaulting Party**) commits a breach of this document (including a representation and warranty) and:
 - (i) the breach is material;
 - (ii) the Terminating Party has given the Defaulting Party written notice setting out the relevant circumstances giving rise to the breach, and stating an intention to terminate this document; and
 - (iii) the relevant circumstances giving rise to the breach are not remedied to the Terminating Party's reasonable satisfaction by the earlier of:
 - (A) five Business Days after the date of the notice given by the Terminating Party under clause 14.1(d)(ii); or
 - (B) 7.00 am (Perth time) on the Second Court Date.

14.2 Termination by Northern Star

- (a) Northern Star may terminate this document by giving notice in writing to Saracen at any time before 8.00 am (Perth time) on the Second Court Date if, for any reason:
 - (i) any Saracen director does not recommend the Scheme or withdraws or adversely modifies (including by attaching any qualifications not expressly permitted by this document to) an earlier recommendation, or approves, endorses, recommends or makes an announcement in support of a Competing Proposal in relation to Saracen, or announces an intention to do any of these acts;
 - (ii) any Saracen director does not state that they intend to vote in favour of the Scheme at the Scheme Meeting or withdraws or adversely modifies (including by attaching any qualifications not expressly permitted by this document to) an earlier statement that they intend to vote in favour of the Scheme at the Scheme Meeting;
 - (iii) Saracen or any of its directors acts in a manner which is materially inconsistent with obtaining approval for the Scheme (including by recommending, approving, endorsing or making an announcement in support of a Competing Proposal);
 - (iv) a member of the Saracen Group accepts or enters into, or offers to accept or enter into, any agreement, arrangement or understanding to give effect to or implement a Competing Proposal in relation to Saracen or a Saracen Regulated Event ; or
 - (v) a Superior Proposal in respect of Northern Star is received or announced and:

- (A) the Superior Proposal requires as a condition, that the Scheme not be implemented; and
 - (B) a majority or the directors of Northern Star acting in good faith and after receiving advice from Northern Star's external legal advisers, determines that failing to terminate this document would be reasonably likely to constitute a breach of the fiduciary duties or statutory obligations of any member of the Northern Star Board to Northern Star.
- (b) To avoid doubt, if a Competing Proposal in respect of Saracen is publicly announced by a third party, the release by Saracen of one or more Announcements to the effect that Saracen Shareholders should take no action while the Saracen Board considers its response will not (in and of itself) trigger a right for Northern Star to terminate this document under this clause 14.2, provided Saracen has complied with clause 4.2(b)(ii).

14.3 Termination by Saracen

Saracen may terminate this document by giving notice to Northern Star at any time before 8:00 am (Perth time) on the Second Court Date if:

- (a) Either of the following occurs:
 - (i) five Business Days have passed after Saracen gives a Matching Right Notice without Northern Star having made a Counter Proposal; or
 - (ii) Northern Star makes a Counter Proposal within that five Business Day period and the Saracen Board acting in good faith determines that the terms and conditions of the Counter Proposal taken as a whole would not provide an equivalent or superior outcome to shareholders of Saracen than those in the relevant Competing Proposal;
- (b) any Northern Star director does not endorse and support the Scheme or withdraws or adversely modifies (including by attaching any qualifications not expressly permitted by this document to) an earlier statement of endorsement or support, or approves, endorses, recommends or makes an announcement in support of a Competing Proposal in relation to Northern Star, or announces an intention to do any of these acts; or
- (c) a member of Northern Star Group accepts or enters into, or offers to accept or enter into, any agreement, arrangement or understanding to give effect to or implement a Competing Proposal in relation to Northern Star or a Northern Star Regulated Event; or
- (d) Northern Star or any of its directors acts in a manner which is materially inconsistent with endorsing and supporting the Scheme (including by recommending, approving, endorsing or making an announcement in support of a Competing Proposal in relation to Northern Star).

14.4 Effect of termination

If a party terminates this document in accordance with this clause 14, this document will cease to have force and effect without any liability or obligation on or in respect of any party, except that:

- (a) this clause 14, clauses 6.5 (Release of Representatives of Northern Star), 6.6 (Release of Representatives of Saracen), 9 (Announcement) (but only insofar as it relates to the Announcement each party makes in relation to the termination), 13 (Break Fee), 15 (Representations and warranties), 16 (Indemnities), 17 (GST),

18 (Notices), 19 (Amendment and Assignment) and 20 (General) will survive termination and remain in force; and

- (b) each party will retain any rights it has or may have against the other party in respect of any past breach of this document, including in respect of the breach giving rise to termination.

14.5 **Notice of termination**

Where a party has a right to terminate this document, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this document and the provision under which it terminates this document.

14.6 **Remedies**

- (a) The parties acknowledge and agree that damages may not be a sufficient remedy for breach of this document. Specific performance, injunctive relief or any other remedies which would otherwise be available in equity or law are available as a remedy for a breach or threatened breach of this document by any party, notwithstanding the ability of any party to terminate this document or seek damages for such a breach or threatened breach.

- (b) To avoid doubt, clause 14.6(a) is subject to clause 13.6.

15. **REPRESENTATIONS AND WARRANTIES**

15.1 **Saracen representations and warranties**

Saracen represents and warrants to Northern Star that:

- (a) **(status)** it is a validly existing company limited by shares under the Corporations Act;
- (b) **(power)** it has full legal capacity and power to:
 - (i) own its property and to carry on its business; and
 - (ii) enter into this document and carry out the transactions that this document contemplates in accordance with its terms;
- (c) **(corporate authority)** it has taken all corporate action that is necessary to authorise it entering into this document and has taken or will take all necessary corporate action necessary to carrying out the transactions that this document contemplates in accordance with its terms;
- (d) **(Authorisations)** subject to satisfaction of the Conditions, it holds each Authorisation that is necessary to:
 - (i) enable it to properly execute this document and to carry out the transactions that this document contemplates in accordance with its terms; and
 - (ii) ensure that this document is legal, valid, binding and admissible in evidence, and it is complying with any conditions to which any such Authorisation is subject in all material respects;
- (e) **(document effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;

- (f) **(no contravention)** subject to satisfaction of the Conditions, neither its execution of this document nor the carrying out by it of the transactions that it contemplates in accordance with its terms, does or will contravene:
- (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
 - (ii) any Authorisation held by it;
 - (iii) any undertaking or instrument binding on it or any of its property; or
 - (iv) its constitution,
- disregarding any instances of non-compliance that individually and in aggregate, could not reasonably be expected to have a materially adverse effect on Saracen or the implementation of the Scheme;
- (g) **(no Insolvency Event)** neither it nor any of its subsidiaries is affected by an Insolvency Event;
- (h) **(not representative capacity)** it is not entering into this document as trustee of any trust or settlement or otherwise in a representative capacity;
- (i) **(information provided to the Independent Expert)** all information provided by it to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report for inclusion in the Scheme Booklet;
- (j) **(Saracen Due Diligence Information not false or misleading)** Saracen has not knowingly or recklessly:
- (i) omitted to disclose information to Northern Star, the disclosure of which might reasonably be expected to have resulted in Northern Star not entering into this document, or entering into it on materially different terms;
 - (ii) omitted anything from the Saracen Due Diligence Information that would make any part of that information false or misleading in any material respect;
 - (iii) included anything in the Saracen Due Diligence Information that is false or misleading in any material respect; or
 - (iv) denied access to requested information with the intention of misleading Northern Star;
- (k) **(Saracen Information)** as at the First Court Date, the date of dispatch of the Scheme Booklet, the date of the Scheme Meeting and 7:00 am (Perth time) on the Second Court Date, the Saracen Information in the Scheme Booklet, as updated by the Saracen Information in any supplementary disclosure to Saracen Shareholders in respect of the Scheme:
- (i) will not contain any material statement which is false or misleading (including because of any material omission) and will not contain any material omission; and
 - (ii) will otherwise comply in all material respects with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes or the ASX Listing Rules;

- (l) **(Saracen Joint Announcement Information)** as at the time of release of the Joint Announcement to ASX, the Saracen Joint Announcement Information will not contain any material statement which is false or misleading (including because of any material omission) and will otherwise comply in all material respects with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes or the ASX Listing Rules.
- (m) **(continuous disclosure)** Saracen is not in breach of its continuous disclosure obligation under ASX Listing Rule 3.1 and, except for information contained in the Announcement to be made in accordance with clause 4.2(a) or as otherwise Fairly Disclosed to Northern Star, there is no information to which ASX Listing Rule 3.1 does not apply because of ASX Listing Rule 3.1A;
- (n) **(compliance)** Saracen and its wholly owned subsidiaries have complied in all material respects with all applicable laws and the ASX Listing Rules (disregarding any instances of non-compliance that individually and in aggregate, could not reasonably be expected to have a materially adverse effect on Saracen);
- (o) **(no default):**
 - (i) neither Saracen nor any of its wholly owned subsidiaries is in default under any document or agreement binding on it or its assets; and
 - (ii) nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement,

which individually or in aggregate could reasonably be expected to have a materially adverse effect on Saracen;
- (p) **(no litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could reasonably be expected to have a materially adverse effect on Saracen;
- (q) **(schedule accurately details Saracen capital)** Part A of Schedule 2 accurately records the total number and details of Saracen Shares, securities convertible into Saracen Shares, Saracen Unlisted Securities, notes or other securities issued by Saracen at the date of this document and, other than as disclosed in writing to Northern Star on or before the DD Cut-off Time, Saracen is not under any actual or contingent obligation to issue, convert or cancel any securities other than as listed in Part A of Schedule 2; and
- (r) **(Material Authorisations / Material Saracen Facilities / Material Saracen Contracts)** to Saracen's knowledge, there are no existing or potential material disputes or breaches in relation to any Material Authorisation, any Material Saracen Facility or Material Saracen Contracts.

15.2 Northern Star representations and warranties

Northern Star represents and warrants to Saracen that:

- (a) **(status)** it is a validly existing company limited by shares under the Corporations Act;
- (b) **(power)** it has full legal capacity and power to:
 - (i) own its property and to carry on its business; and

- (ii) enter into this document and carry out the transactions that this document contemplates in accordance with its terms;
- (c) **(corporate authority)** it has taken all corporate action that is necessary to authorise it entering into this document and has taken or will take all necessary corporate action necessary to carrying out the transactions that this document contemplates in accordance with its terms;
- (d) **(Authorisations)** it holds each Authorisation that is necessary to:
 - (i) enable it to properly execute this document and to carry out the transactions that this document contemplates in accordance with its terms; and
 - (ii) ensure that this document is legal, valid, binding and admissible in evidence, and it is complying with any conditions to which any such Authorisation is subject in all material respects;
- (e) **(document effective)** this document constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms;
- (f) **(no contravention)** neither its execution of this document nor the carrying out by it of the transactions that it contemplates in accordance with its terms, does or will contravene:
 - (i) any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
 - (ii) any Authorisation held by it;
 - (iii) any undertaking or instrument binding on it or any of its property; or
 - (iv) its constitution,

disregarding any instances of non-compliance that individually and in aggregate, could not reasonably be expected to have a materially adverse effect on Northern Star or the implementation of the Scheme;
- (g) **(no Insolvency Event)** neither it nor any of its subsidiaries is affected by an Insolvency Event;
- (h) **(not representative capacity)** it is not entering into this document as trustee of any trust or settlement or otherwise in a representative capacity;
- (i) **(information provided to the Independent Expert)** all information provided by it to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report for inclusion in the Scheme Booklet.
- (j) **(Northern Star Due Diligence Information not false or misleading)** Northern Star has not knowingly or recklessly:
 - (i) omitted to disclose information to Saracen, the disclosure of which might reasonably be expected to have resulted in Saracen not entering into this document, or entering into it on materially different terms;
 - (ii) omitted anything from the Northern Star Due Diligence Information that would make any part of that information false or misleading in any material respect;

- (iii) included anything in the Northern Star Due Diligence Information that is false or misleading in any material respect; or
 - (iv) denied access to requested information with the intention of misleading Saracen;
- (k) **(Northern Star Information)** as at the First Court Date, the date of dispatch of the Scheme Booklet, the date of the Scheme Meeting and 7:00 am (Perth time) on the Second Court Date, the Northern Star Information in the Scheme Booklet, as updated by the Northern Star Information in any supplementary disclosure to Saracen Shareholders in respect of the Scheme:
- (i) will not contain any material statement which is false or misleading (including because of any material omission) and will not contain any material omission; and
 - (ii) will otherwise comply in all material respects with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes or the ASX Listing Rules;
- (l) **(Northern Star Joint Announcement Information)** as at the time of release of the Joint Announcement to ASX, the Northern Star Joint Announcement Information will not contain any material statement which is false or misleading (including because of any material omission) and will otherwise comply in all material respects with all applicable laws, relevant ASIC regulatory guides, Takeovers Panel policy and guidance notes or the ASX Listing Rules.
- (m) **(continuous disclosure)** Northern Star is not in breach of its continuous disclosure obligation under ASX Listing Rule 3.1 and, except for information contained in the Announcement to be made in accordance with clause 4.2(a), or as otherwise Fairly Disclosed to Saracen, there is no information to which ASX Listing Rule 3.1 does not apply because of ASX Listing Rule 3.1A;
- (n) **(compliance)** Northern Star and its wholly owned subsidiaries have complied in all material respects with all applicable laws and the ASX Listing Rules (disregarding any instances of non-compliance that individually and in aggregate, could not reasonably be expected to have a materially adverse effect on Northern Star);
- (o) **(no default):**
- (i) neither Northern Star nor any of its wholly owned subsidiaries is in default under any document or agreement binding on it or its assets; and
 - (ii) nothing has occurred which is or would, with the giving of notice or lapse of time or both, constitute an event of default, prepayment event or similar event under any such document or agreement,
- which individually or in aggregate could reasonably be expected to have a materially adverse effect on Northern Star;
- (p) **(no litigation)** no litigation, arbitration, mediation, conciliation or administrative proceedings are taking place, pending or to its knowledge, threatened which, if adversely decided, could reasonably be expected to have a materially adverse effect on Northern Star;
- (q) **(schedule accurately details Northern Star capital)** Part B of Schedule 2 accurately records the total number and details of Northern Star Shares, securities convertible into Northern Star Shares, notes or other securities issued by Northern Star at the date of this document and, other than as disclosed in writing to Saracen

on or before the DD Cut-off Time, Northern Star is not under any actual or contingent obligation to issue, convert or cancel any securities other than as listed in Part A of Schedule 2;

- (r) **(Consideration Shares)** the Consideration Shares will, on issue:
 - (i) be duly issued and fully paid;
 - (ii) be free from any Encumbrance and interest of third parties of any kind, whether legal or otherwise, or restriction on transfer of any kind, other than as provided for in the constitution of Northern Star or as contemplated by clause 7; and
 - (iii) rank equally in all respects, including for future dividends, with all existing Northern Star Shares; and
- (s) **(Material Northern Star Authorisations / Material Northern Star Contracts)** to Northern Star's knowledge, there are no existing or potential material disputes or breaches in relation to any of the Material Northern Star Authorisations or Material Northern Star Contracts.

15.3 **Qualifications on representations and warranties**

- (a) Each of the representation and warranties made or given by Saracen in clause 15.1 and the indemnity in clause 16.1 are subject to matters that:
 - (i) have been Fairly Disclosed in the Saracen Disclosure Material; or
 - (ii) are required or expressly permitted by this document or the Scheme.
- (b) Each of the representations and warranties made or given by Northern Star in clause 15.2 and the indemnity in clause 16.2 are subject to matters that:
 - (i) have been Fairly Disclosed in the Northern Star Disclosure Material; or
 - (ii) are required or expressly permitted by this document or the Scheme.

15.4 **Reliance on representations and warranties**

- (a) Each party acknowledges that the other party has executed this document and agreed to take part in the transactions that this document contemplates in reliance on the representations and warranties that are made in clauses 15.1 and 15.2.
- (b) Each party acknowledges and confirms that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this document, other than the representations and warranties made by the parties in accordance with clauses 15.1 and 15.2, and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this document, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.

15.5 **When warranties are given**

Each representation and warranty given or made under clauses 15.1 and 15.2 is given:

- (a) as at the date of this document;
- (b) as at 7.00 am (Perth time) on the Second Court Date;

- (c) in the case of representations and warranties in clauses 15.1(j) and 15.2(j), as at the DD Cut-off Time; and
- (d) at any other date at which the representation or warranty is expressed to be given under this document.

15.6 Information on representations and warranties

From the date of this document and up to and including the Implementation Date, each party must promptly give to the other party details of any matter or occurrence which might reasonably make any representation and warranty given by the first mentioned party under this document inaccurate in any material respect.

15.7 Survival of representations and warranties

Each representation and warranty given by the parties in clause 15.1 and 15.2:

- (a) is severable;
- (b) survives the termination of this document;
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this document;
- (d) is to be construed independently of all other representations and warranties given under clause 15.1 and 15.2; and
- (e) is not limited by any other representation or warranty given under clause 15.1 and 15.2.

16. INDEMNITIES

16.1 Indemnities by Saracen

Subject to clause 13.6, Saracen indemnifies Northern Star and members of the Northern Star Group and their respective directors, officers and employees against, and must pay on demand, any Loss, Claim or damages (including any right to common law damages) arising from or incurred in connection with a breach of the representations and warranties in clause 15.1, to the fullest extent permitted by law.

16.2 Indemnities by Northern Star

Subject to clause 13.6, Northern Star indemnifies Saracen and members of the Saracen Group and their respective directors, officers and employees against, and must pay on demand, any Loss, Claim or damages (including any right to common law damages) arising from or incurred in connection with a breach of the representation and warranties in clause 15.2, in each case, to the fullest extent permitted by law.

16.3 Survival of indemnities

Each indemnity given in clause 16.1 and 16.2:

- (a) is severable;
- (b) survives the termination of this document;
- (c) is a continuing obligation; and

- (d) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this document.

17. **GST**

17.1 **GST pass on**

If GST is or will be payable on a supply made under or in connection with this document, to the extent that the consideration otherwise provided for that supply under this document is not stated to include an amount for GST on the supply:

- (a) the consideration otherwise provided for that supply under this document is increased by the amount of that GST; and
- (b) the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the consideration has already been paid or provided, within seven days of receiving a written demand from the supplier.

17.2 **Tax Invoice**

The right of the supplier to recover any amount in respect of GST under this document on a supply is subject to the issuing of the relevant tax invoice or adjustment note to the recipient except where the recipient is required to issue the tax invoice or adjustment note.

17.3 **Consideration exclusive of GST**

Any consideration otherwise provided for a supply or payment obligation, and any reference to an amount, in connection with this document is stated exclusive of GST unless indicated otherwise.

17.4 **Later adjustment to price or GST**

If the amount of GST on a supply is or should be different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier:

- (a) may recover from the recipient the amount by which the amount of GST on the supply exceeds the amount already recovered by giving seven days written notice; or
- (b) must refund to the recipient the amount by which the amount already recovered exceeds the amount of GST on the supply; and
- (c) must issue an adjustment note or tax invoice reflecting any adjustment event in relation to the supply to the recipient within 28 days of the adjustment.

17.5 **Reimbursements**

Costs actually or estimated to be incurred or revenue actually or estimated to be earned or lost by a party that is required to be reimbursed or indemnified by another party, or used as the basis for calculation of consideration for a supply, under this document must exclude the amount of GST referable to the cost to the extent to which an entitlement arises or would arise to claim an input tax credit and in relation to revenue must exclude any amount in respect of GST referable to the revenue.

18. **NOTICES**

18.1 **How to give a notice**

A notice, consent or other communication under this document is only effective if it is:

- (a) in writing, legible and in English, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or
 - (ii) sent in electronic form (such as email).

18.2 **When a notice is given**

A notice, consent or other communication that complies with this clause 18 is regarded as given and received:

- (a) if it is sent by mail:
 - (i) within Australia – three Business Days after posting; or
 - (ii) to or from a place outside Australia – seven Business Days after posting;
- (b) if it is sent in electronic form:
 - (i) if it is transmitted by 5.00 pm (local time of receipt) on a Business Day – when sent; or
 - (ii) if it is transmitted:
 - (A) after 5.00 pm (local time of receipt) on a Business Day; or
 - (B) on a day that is not a Business Day,
on the next Business Day,

provided that no notice of failure of transmission or other error message is received by the sender.

18.3 **Address for notices**

A person's address and email address are those set out below, or as the person notifies the sender.

Saracen

Address: Level 11, 40 The Esplanade
Perth, WA 6000

Email Address: JRyan@saracen.com.au

Attention: Jeremy Ryan

Copy to: James Stewart, Partner, DLA Piper
(james.f.stewart@dlapiper.com)

Northern Star

Address: Level 1, 388 Hay Street
Subiaco WA 6008

Email Address: compliance@nsrltd.com

Attention: Company Secretary

Copy to: Antonella Pacitti, Partner, Ashurst (antonella.pacitti@ashurst.com)
Roger Davies, Partner, Ashurst (roger.davies@ashurst.com)

19. AMENDMENT AND ASSIGNMENT

19.1 Amendment

This document can only be amended or replaced by another document executed by the parties.

19.2 Assignment

A party may only assign, encumber, declare a trust over or otherwise deal with its rights under this document with the prior written consent of the other party.

20. GENERAL

20.1 Governing law

- (a) This document and any dispute arising out of or in connection with the subject matter of this document is governed by the laws of the State of Western Australia.
- (b) Each party submits to the non-exclusive jurisdiction of the courts of that State and courts of appeal from them, in respect of any proceedings arising out of or in connection with the subject matter of this document.

20.2 Liability for expenses

- (a) Northern Star must pay for all stamp duty payable on this document or any instrument or transaction contemplated in or necessary to give effect to this document.
- (b) Subject to clause 20.2(a), each party must pay its own expenses incurred in negotiating, preparing, executing and registering this document.
- (c) Between the date of this document and the Implementation Date, Saracen must provide to Northern Star any information or record in Saracen's possession or control which Northern Star reasonably requests in order for it to estimate the stamp duty payable in respect of the transactions contemplated by this document or in order to satisfy the requirements of any Government Agency in connection with the assessment of any stamp duty referred to in clause 20.2(a).

20.3 Giving effect to this document

Each party must do anything within its power (including execute any document) that the other party may reasonably require to give full effect to this document.

20.4 Variation of rights

The exercise of a right partially or on one occasion does not prevent any further exercise of that right in accordance with the terms of this document. Neither a forbearance to exercise

a right nor a delay in the exercise of a right operates as an election between rights or a variation of the terms of this document.

20.5 **No partnership or agency**

Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation.

20.6 **Operation of this document**

- (a) Subject to clause 5.7:
 - (i) this document, the Scheme, the Deed Poll and the Mutual Confidentiality Agreement contain the entire agreement between the parties about its subject matter;
 - (ii) any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this document, the Scheme, the Deed Poll and the Mutual Confidentiality Agreement and has no further effect.
- (b) Any right that a person may have under this document is in addition to, and does not replace or limit, any other right that the person may have.
- (c) Any provision of this document which is unenforceable or partly unenforceable is, where possible, to be severed to the extent necessary to make this document enforceable, unless this would materially change the intended effect of this document.

20.7 **Operation of indemnities**

- (a) Without limiting clause 16.3, each indemnity in this document survives the expiry or termination of this document.
- (b) A party may recover a payment under an indemnity in this document before it makes the payment in respect of which the indemnity is given.

20.8 **Third party benefit**

If a provision of this document is expressed to be for the benefit of (for example, by conferring an indemnity or an exclusion of liability upon) a person such as an officer, employee, agent or adviser of Northern Star or Saracen that is not a party to this document (**third party**, for the purposes of this clause 20.8), the third party:

- (a) (**benefit, enforcement**) is entitled to the benefit of the provision and may enforce it but only in accordance with this clause;
- (b) (**variation, cancellation**) accepts that before Implementation Northern Star and Saracen may vary or cancel the provision as they see fit without the consent of and without having regard to the interests of or being responsible for any detriment to the third party;
- (c) (**indemnity acceptance**) may accept the benefit of an indemnity only when the third party has suffered a Loss or received a Claim to which the indemnity would apply;
- (d) (**indemnity time limit**) must accept the benefit of an indemnity and issue and serve any legal proceedings to enforce it within two years after suffering the Loss or receiving the Claim;

- (e) **(exclusion acceptance)** may accept the benefit of an exclusion from or limitation of liability only when the third party has received a Claim or a threat of a Claim to which the exclusion would apply; and
- (f) **(exclusion time limit)** must accept the benefit of an exclusion from or limitation of liability and issue and serve any legal proceedings to enforce it within two years after receiving the Claim or threat of a Claim,

provided that clauses 20.8(c) to 20.8(f) do not apply in relation to clauses 6.4, 6.5 or 6.6.

20.9 **Consents**

Where this document contemplates that a party may agree or consent to something (however it is described), unless this document expressly contemplates otherwise, the party may:

- (a) agree or consent, or not agree or consent, in its sole and absolute discretion; and
- (b) agree or consent subject to conditions.

20.10 **No merger**

No provisions of this document merge on Implementation.

20.11 **Inconsistency with other documents**

If this document is inconsistent with any other document or agreement between the parties, this document prevails to the extent of the inconsistency.

20.12 **Counterparts**

This document may be executed in counterparts. Transmission of an executed counterpart of this document by email (in PDF format) will be taken to be valid and effective delivery of a duly executed counterpart of this document.

SCHEDULE 1

Timetable

Event	Date
Release of Joint Announcement	6 October 2020
ASIC Review Draft provided to ASIC	18 November 2020
First Court Hearing	10 December 2020
Scheme Meeting	15 January 2021
Second Court Hearing	2 February 2021
Effective Date	3 February 2021
Scheme Record Date	5 February 2021
Implementation Date	12 February 2021

SCHEDULE 2

Issued capital

Part A - Saracen's issued capital

1. **Saracen Shares**

As at the date of this document, Saracen has 1,107,628,120 fully paid ordinary shares on issue.

2. **Saracen Performance Rights**

As at the date of this document, Saracen has on issue 15,751,000 Saracen Performance Rights, comprising the following.¹

Class / description	Number of Saracen Performance Rights	Number of Saracen Shares to be issued on vesting and exercise
LTI Performance Rights		
FY19 LTIP Performance Rights	3,697,500	3,697,500
FY20 LTIP Performance Rights	2,724,920	2,724,920
FY21 LTIP Performance Rights	2,201,600	2,201,600
Retention Performance Rights		
FY19 Retention Rights (Tranche 1)	2,400,000	2,400,000
FY19 Retention Rights (Tranche 2)	2,400,000	2,400,000
FY19 Retention Rights (Tranche 3)	2,400,000	2,400,000

¹ In addition to these Saracen Performance Rights, Saracen is seeking shareholder approval at its annual general meeting on 6 October 2020 to issue to Raleigh Finlayson up to 181,100 additional Saracen Performance Rights.

3. Saracen NED Share Rights

As at the date of this document, Saracen has on issue 35,190 Saracen NED Share Rights, comprising the following.²

Class / description	Number of Saracen Share Rights	Number of Saracen Shares to be issued on vesting and exercise
Tranche 1 Share Right	8,798	8,798
Tranche 2 Share Right	8,797	8,797
Tranche 3 Share Right	8,798	8,798
Tranche 4 Share Right	8,797	8,797

Part B - Northern Star's issued capital

4. Northern Star Shares

As at the date of this document, Northern Star has 740,962,173 fully paid ordinary shares on issue.

5. Northern Star Performance Rights

As at the date of this document, Northern Star has on issue 1,523,770 Northern Star Performance Rights, comprising the following.³

Class / description	Number of Northern Star Performance Rights	Number of Northern Star Shares to be issued on vesting and exercise
NSTAA Unlisted FY19 Long Term Incentive Plan Performance Rights	343,640	343,640
NSTAA Unlisted FY20 Long Term Incentive Performance Rights	1,180,130	1,180,130

² In addition to these Saracen NED Share Rights, Saracen is seeking shareholder approval at its annual general meeting on 6 October 2020 to issue to Sally Langer additional Saracen NED Share Rights.

³ In addition to these Northern Star Performance Rights, Northern Star intends to issue up to 1,061,950 additional Northern Star FY21 Long Term Incentive Performance Rights and 585,540 Northern Star FY21 Short Term Incentive Performance Rights on or after 6 October 2020.

6. **Northern Star NED Share Rights**

As at the date of this document, Northern Star has on issue 18,560 Northern Star NED Share Rights, comprising the following.

Class / description	Number of Northern Star NED Share Rights	Number of Northern Star Shares to be issued on vesting and exercise
NSTAC Unlisted FY21 NED Share Rights	18,560	18,560

SCHEDULE 3
Scheme of Arrangement



Scheme of Arrangement

Saracen Mineral Holdings Limited

ABN 52 009 215 347

Scheme Shareholders

SCHEME OF ARRANGEMENT

Under section 411 of the Corporations Act

BETWEEN:

- (1) Saracen Mineral Holdings Limited ABN 52 009 215 347 whose registered office is at Level 11, 40 The Esplanade, Perth, Western Australia 6000 (**Saracen**); and
- (2) Scheme Shareholders.

PRELIMINARY MATTERS

- (A) Saracen is a public company limited by shares incorporated in Australia. It has its registered office at Level 11, 40 The Esplanade, Perth, Western Australia 6000. Saracen is admitted to the official list of ASX and Saracen Shares are quoted on the securities exchange operated by ASX.
- (B) As at the date of the Merger Implementation Deed, Saracen had on issue or had granted:
 - (i) 1,107,628,120 Saracen Shares;
 - (ii) 15,751,000 Saracen Performance Rights; and
 - (iii) 35,190 Saracen NED Share Rights.
- (C) Northern Star Resources Ltd ABN 43 092 832 892 (**Northern Star**) is a public company limited by shares incorporated in Australia. It has its registered office at Level 1, 388 Hay Street, Subiaco, Western Australia 6008. Northern Star is admitted to the official list of ASX and Northern Star Shares are quoted on the securities exchange operated by ASX.
- (D) Saracen and Northern Star entered into the Merger Implementation Deed on or about 6 October 2020 to facilitate the implementation of this Scheme.
- (E) Northern Star has executed the Deed Poll under which it covenants in favour of the Scheme Shareholders to carry out its obligations under this Scheme, including to provide the Scheme Consideration in accordance with the terms of this Scheme.
- (F) If this Scheme becomes Effective, on the Implementation Date:
 - (1) Northern Star will provide the Scheme Consideration to Scheme Shareholders in accordance with the terms of this Scheme and the Deed Poll;
 - (2) all of the Scheme Shares, and all of the rights and entitlements attaching to them as at the Implementation Date, will be transferred to Northern Star; and
 - (3) Saracen will enter Northern Star's name in the Saracen Share Register as the holder of all of the Scheme Shares.

OPERATIVE PROVISIONS

1. INTERPRETATION

1.1 Definitions

The following definitions apply in this Scheme.

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires.

ASX Listing Rules means the listing rules of ASX.

Business Day:

- (a) when used in relation to the Implementation Date and the Scheme Record Date, has the meaning given in the ASX Listing Rules; and
- (b) in all other cases, means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Perth, Western Australia.

CHESS means the clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement Pty Limited ABN 49 008 504 532.

Commissioner means the Commissioner of Taxation of the Commonwealth of Australia.

Consideration Share means a Northern Star Share to be issued under this Scheme as Scheme Consideration.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Western Australia or such other court of competent jurisdiction under the Corporations Act agreed to in writing by Northern Star and Saracen.

Deed Poll means the deed poll dated on or about the date of the Merger Implementation Deed under which Northern Star covenants in favour of Scheme Shareholders to (among other things) provide the Scheme Consideration in accordance with the terms of this Scheme.

Effective means the coming into effect, under section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme.

Effective Date means the date on which this Scheme becomes Effective.

Encumbrance means:

- (a) a Security Interest; or
- (b) an easement, restrictive covenant, caveat or similar restriction over property.

End Date means the date that is 6 months after the date of the Merger Implementation Deed, subject to any extension to that date made under clause 3.7 of the Merger Implementation Deed.

First Court Date means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening of the Scheme Meeting.

Government Agency means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including the Australian Competition and Consumer Commission, ASIC, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX.

Implementation means the implementation of this Scheme.

Implementation Date means the fifth Business Day following the Scheme Record Date, or such other date as ordered by the Court or agreed in writing between Northern Star and Saracen.

Ineligible Consideration Shares has the meaning given in clause 4.4(a).

Ineligible Overseas Shareholder means a Saracen Shareholder whose address shown in the Saracen Share Register at the Scheme Record Date is a place outside Australia or New Zealand and their respective external territories or any other jurisdictions agreed by Saracen and Northern Star in writing (each acting reasonably), other than any Saracen Shareholder in respect of whom Northern Star determines (in its sole and absolute discretion) that it is lawful and not unduly impracticable or onerous for Northern Star to issue that Saracen Shareholder with Consideration Shares on Implementation in accordance with the terms of the Merger Implementation Deed, and also includes a Saracen Shareholder that would not otherwise be an Ineligible Overseas Shareholder but is treated as an Ineligible Overseas Shareholder pursuant to clause 2.9(b) of the Merger Implementation Deed (to the extent that an amount of the Consideration Shares that would be issued to that Scheme Shareholder is necessary in the reasonable opinion of Northern Star to account for the Withholding Amount).

Ineligible Shareholder means an Ineligible Overseas Shareholder or a Relevant Unmarketable Parcel Shareholder.

Merger Implementation Deed means the merger implementation deed dated on or about 6 October 2020 between Saracen and Northern Star relating to (among other things) implementation of this Scheme.

Northern Star Share means a fully paid ordinary share in Northern Star.

Northern Star Share Register means the register of members of Northern Star.

Opt-in Notice means a notice by an Unmarketable Parcel Shareholder requesting to receive the Scheme Consideration as Consideration Shares.

Proceeds has the meaning given in clause 4.4(b)(ii).

Registered Address means, in relation to a Saracen Shareholder, the address of the shareholder shown in the Saracen Share Register.

Relevant Unmarketable Parcel Shareholder means an Unmarketable Parcel Shareholder who has not provided Saracen with an Opt-in Notice before 5.00 pm (Perth time) on the Business Day prior to the Scheme Record Date.

Sale Nominee means the nominee appointed by Saracen (following prior consultation and agreement with Northern Star (each acting reasonably and in good faith) in accordance with clause 2.7 of the Merger Implementation Deed) to sell the Consideration Shares that are attributable to Ineligible Shareholders under the terms of this Scheme (or any nominee of such person).

Saracen LTI Plan means the long term incentive plan approved by Saracen Shareholders at Saracen's annual general meeting on 23 November 2017 (and, in respect of any performance rights or share rights granted by Saracen after the date of this document, means the long term incentive plan approved or to be approved by Saracen Shareholders at Saracen's annual general meeting on 6 October 2020).

Saracen NED Share Right means a share right granted under the Saracen LTI Plan.

Saracen Performance Right means a performance right granted under the Saracen LTI Plan.

Saracen Share means a fully paid ordinary share in Saracen.

Saracen Shareholder means a person entered in the Saracen Share Register as a holder of a Saracen Share.

Saracen Share Register means the register of members of Saracen.

Saracen Share Registry means Computershare Investor Services Pty Limited ACN 078 279 277.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Saracen and the Scheme Shareholders, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Northern Star and Saracen.

Scheme Consideration means the consideration to be provided by Northern Star to each Scheme Shareholder for the transfer of each Scheme Share under this Scheme, as set out in clause 4.

Scheme Meeting means the meeting of Saracen Shareholders to be convened as ordered by the Court under section 411(1) of the Corporations Act, to consider this Scheme.

Scheme Record Date means 7.00 pm (Sydney time) on the day which is two Business Days after the Effective Date.

Scheme Share means a Saracen Share held by a Scheme Shareholder as at the Scheme Record Date.

Scheme Shareholder means a Saracen Shareholder as at the Scheme Record Date, taking into account registration of all registrable transfers and transmission applications in accordance with clause 5.1.

Scheme Transfer means a duly completed and executed proper instrument of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, in favour of Northern Star, being a master transfer of all of the Scheme Shares.

Second Court Date means the first day on which the Court hears an application for an order under section 411(4)(b) of the Corporations Act approving this Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard.

Security Interest means any security interest, including:

- (a) a security interest that is subject to the *Personal Property Securities Act 2009* (Cth);
- (b) any other mortgage, charge, pledge or lien; or
- (c) any other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property.

TAA means the *Taxation Administration Act 1953* (Cth).

Unclaimed Money Act means the *Unclaimed Money Act 1990* (WA).

Unmarketable Parcel Shareholder means a Scheme Shareholder (other than an Ineligible Overseas Shareholder) who, based on their holding of Scheme Shares on the Scheme Record Date, would, on Implementation, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of Consideration Shares

(assessed by reference to the price of Northern Star Shares on ASX at the close of trade on the trading day prior to the Scheme Record Date) as Scheme Consideration.

Withholding Amount means the amount that Northern Star is required to pay to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in respect of the acquisition of any Saracen Shares from a relevant Scheme Shareholder.

Withholding Amount Shareholder means a Scheme Shareholder who is treated as an Ineligible Overseas Shareholder pursuant to clause 2.9(b) of the Merger Implementation Deed.

1.2 Rules for interpreting this Scheme

Headings and catchwords are for convenience only, and do not affect interpretation. The following rules also apply in interpreting this Scheme, except where the context makes it clear that a rule is not intended to apply.

- (a) A reference to:
 - (i) a legislative provision or legislation (including subordinate legislation) is to that provision or legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a clause is to a clause of this Scheme;
 - (iii) a document (including this Scheme) or agreement, or a provision of a document (including this Scheme) or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iv) a party to this Scheme, or to any other document or agreement, includes a permitted substitute or a permitted assign of that party;
 - (v) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (vi) anything (including a right, obligation or concept) includes each part of it.
- (b) A singular word includes the plural, and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (f) The word **officer** and **subsidiary** have the same meaning as given by the Corporations Act.
- (g) A reference to **\$** or **dollar** is to Australian currency.
- (h) A reference to time in this Scheme is a reference to time in Perth, Western Australia.

- (i) Nothing in this Scheme is to be construed adversely to a party just because that party prepared this Scheme or prepared or proposed the relevant part of this Scheme.

1.3 **Non-Business Days**

If the day on or by which a person must do something under this Scheme is not a Business Day the person must do it on or by the next Business Day.

2. **CONDITIONS PRECEDENT**

2.1 **Conditions precedent to the Scheme**

This Scheme is conditional upon, and will not become Effective unless and until, each of the following conditions precedent is satisfied.

- (a) As at 7.00 am (Perth time) on the Second Court Date, each of the conditions set out in clause 3.2 of the Merger Implementation Deed (other than the conditions in items 3 (Court approval of Scheme) and 4 (Order lodged with ASIC) of clause 3.2 of the Merger Implementation Deed) has been satisfied or waived in accordance with the terms of the Merger Implementation Deed.
- (b) Prior to 7.30 am (Perth time) on the Second Court Date, neither the Merger Implementation Deed nor the Deed Poll has been terminated in accordance with their terms.
- (c) The Court makes an order under section 411(4)(b) of the Corporations Act approving this Scheme, either unconditionally or with any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act which have been agreed to in writing by Northern Star and Saracen.
- (d) Any conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme (which conditions were agreed to in writing by each of Saracen and Northern Star) have been satisfied or waived.
- (e) The order of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) approving this Scheme comes into effect pursuant to section 411(10) of the Corporations Act on or before the End Date (or any later date agreed to in writing by Northern Star and Saracen).

2.2 **Certificates**

- (a) Before 8.00 am (Perth time) on the Second Court Date, each of Saracen and Northern Star must provide to the Court a certificate signed by a duly authorised representative confirming whether or not the conditions precedent in clause 2.1(a) and 2.1(b) have been satisfied.
- (b) The certificates referred to in clause 2.2(a) constitute conclusive evidence that the conditions precedent in clauses 2.1(a) and 2.1(b) have been satisfied.

2.3 **Effective Date**

Subject to clauses 2.1, this Scheme takes effect on the Effective Date.

2.4 **When Scheme will lapse**

Unless Saracen and Northern Star otherwise agree in writing (and, if required, as approved by the Court), this Scheme will immediately lapse and be of no further force or effect if, without limiting any rights under the Merger Implementation Deed, either or both of the

Merger Implementation Deed and the Deed Poll are terminated in accordance with their respective terms.

3. **THE SCHEME**

3.1 **Lodgement of copy of Court Order with ASIC**

Saracen must lodge with ASIC an office copy of the order of the Court approving this Scheme under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) (**Court Orders**) in accordance with section 411(10) of the Corporations Act by 5.00 pm (Perth time) on the first Business Day following the day on which the Court approves this Scheme or by 5.00 pm (Perth time) on the Business Day on which the Court Orders are entered, whichever is the later, or by such other Business Day and by such other time as agreed to in writing by Northern Star and Saracen.

3.2 **Transfer of Scheme Shares**

On the Implementation Date:

- (a) subject to the provision of the Scheme Consideration in the manner contemplated by clause 4, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to Northern Star without the need for any further act by any Scheme Shareholder (other than acts performed by Saracen or its directors and officers as attorney and agent for the Scheme Shareholders under this Scheme) by:
 - (i) Saracen delivering to Northern Star a duly completed registrable Scheme Transfer to transfer the Scheme Shares to Northern Star, which Scheme Transfer has been duly executed by Saracen (or any of its directors and officers) as the attorney and agent of each Scheme Shareholder as a transferor under clauses 6.2 and 6.4; and
 - (ii) Northern Star duly completing and executing the Scheme Transfer as transferee, attending to stamping of the Scheme Transfer (if required) and delivering it to Saracen for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 3.2(a)(ii), Saracen must:
 - (i) attend to registration of the Scheme Transfer; and
 - (ii) enter or procure the entry of the name and address of Northern Star in the Saracen Share Register as the holder of all of the Scheme Shares.

3.3 **Alteration or condition to Scheme**

If the Court proposes to approve this Scheme subject to any alterations or conditions under section 411(6) of the Corporations Act, and those alterations or conditions have been agreed to in writing by each of Saracen and Northern Star:

- (a) Saracen may, by its counsel, consent on behalf of all persons concerned, including each Scheme Shareholder, to those alterations or conditions; and
- (b) each Scheme Shareholder agrees to any such alterations or conditions which counsel for Saracen has consented to.

4. **SCHEME CONSIDERATION**

4.1 **Entitlement to Scheme Consideration**

On the Implementation Date, in consideration for the transfer to Northern Star of the Scheme Shares by each Scheme Shareholder under the terms of this Scheme, each Scheme Shareholder will be entitled to receive, and Northern Star will issue to each Scheme Shareholder (subject to clauses 4.2 to 4.9), 0.3763 Consideration Shares for each Scheme Share in accordance with clauses 4.2 to 4.9 and the Deed Poll.

4.2 **Provision of Scheme Consideration**

Subject to clauses 4.3 to 4.9, Northern Star must:

- (a) on the Implementation Date:
 - (i) issue to each Scheme Shareholder the applicable Scheme Consideration in accordance with this Scheme and the Deed Poll; and
 - (ii) procure that the name and address of each Scheme Shareholder is entered in the Northern Star Share Register as the holder of the applicable Consideration Shares (being the name and Registered Address entered in the Saracen Share Register in relation to the relevant Scheme Shares); and
- (b) no later than five Business Days after the Scheme Record Date, send or procure the dispatch to each Scheme Shareholder (other than Ineligible Shareholders), to their Registered Address as at the Scheme Record Date, a holding statement representing the Consideration Shares issued to that Scheme Shareholder.

4.3 **Election by Unmarketable Parcel Shareholders**

- (a) Saracen must provide each Unmarketable Parcel Shareholder with, or procure the provision to each Unmarketable Parcel Shareholder of, an Opt-in Notice.
- (b) Unless an Unmarketable Parcel Shareholder provides Saracen with a duly completed Opt-in Notice prior to 5.00 pm (Perth time) on the Business Day prior to the Scheme Record Date, Northern Star will be under no obligation under this Scheme or Deed Poll to issue, and will not issue, any Consideration Shares to any Unmarketable Parcel Shareholder, and instead, unless Northern Star and Saracen otherwise agree, Northern Star must procure that the Consideration Shares that each Unmarketable Parcel Shareholder would otherwise be entitled to receive as Scheme Consideration are dealt with in accordance with clause 4.4 of this Scheme.

4.4 **Ineligible Shareholders**

- (a) Northern Star has no obligation to issue, and will not issue, any Consideration Shares under this Scheme to any Ineligible Shareholder and instead, subject to clauses 4.6 and 4.9, Northern Star must issue the Consideration Shares which would otherwise be required to be issued to any Ineligible Shareholder under this Scheme (**Ineligible Consideration Shares**) to the Sale Nominee.
- (b) Saracen will procure that the Sale Nominee:
 - (i) sells the Ineligible Consideration Shares on ASX as soon as reasonably practicable and in any event no more than 20 Business Days after the Implementation Date, in the manner, and on the terms, the Sale Nominee determines in good faith (and at the risk of the Ineligible Shareholder); and
 - (ii) remits to:

- (A) subject to clause 4.4(b)(ii)(B), Saracen all proceeds received under clause 4.4(b)(i) (after deducting any reasonable and applicable fees, brokerage, taxes and charges) ; and
- (B) Northern Star, all proceeds received under clause 4.4(b)(i) arising from the sale of Northern Star Shares to account for the Withholding Amount, after deducting any reasonable and applicable fees, brokerage, taxes and charges,

(together, the proceeds under clause 4.4(b)(ii)(A) and 4.4(b)(ii)(B) are the **Proceeds**).

- (c) Promptly after receipt of the Proceeds, Saracen and Northern Star will, subject to clause 2.9(b) of the Merger Implementation Deed, pay or procure the payment to each Ineligible Shareholder such proportion of the Proceeds to which that Ineligible Shareholder is entitled (rounded down to the nearest cent), being, in respect of an Ineligible Shareholder who is:
 - (i) a Withholding Amount Shareholder, the amount of the Proceeds (if any, after deducting any reasonable and applicable fees, brokerage, taxes and charges (**Excess**)) that exceeds the Withholding Amount; and
 - (ii) not treated as a Withholding Amount Shareholder, in accordance with the following formula:

$$A = \left(\frac{B}{C} \right) \times D$$

where:

A = the proportion of the Proceeds (after deduction of the Excess) to which that Ineligible Shareholder is entitled;

B = the number of Consideration Shares to which that Ineligible Shareholder would have been entitled if they had not been an Ineligible Shareholder;

C = the total number of Ineligible Consideration Shares (excluding the Consideration Shares that were issued to the Sale Nominee in respect of Withholding Amount Shareholders) which were issued to and sold by the Sale Nominee; and

D = the Proceeds (after deduction of the Excess).

- (d) Each Ineligible Shareholder acknowledges and agrees that:
 - (i) none of Saracen, Northern Star or the Sale Nominee give any assurance as to the price that will be achieved for the sale of the Ineligible Consideration Shares described in clause 4.4(b); and
 - (ii) Saracen, Northern Star and the Sale Nominee each expressly disclaim any fiduciary duty to any Ineligible Shareholder which may arise in connection with this clause 4.4.
- (e) Saracen must pay each Ineligible Shareholder any amounts owing under clause 4.4(c) by either (in the absolute discretion of Saracen):
 - (i) where an Ineligible Shareholder has, before the Scheme Record Date, made a valid election in accordance with the requirements of the Saracen Share Registry to receive dividend payments from Saracen by electronic funds transfer to a bank account nominated by the Ineligible Shareholder, paying,

or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or

- (ii) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Shareholder by prepaid post to their Registered Address (as at the Scheme Record Date), such cheque being drawn in the name of the Ineligible Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.7).
- (f) Each Ineligible Shareholder appoints Saracen, and each director and officer of Saracen, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Shareholders under the Corporations Act or any other applicable law.
- (g) Payment of the amount calculated in accordance with clause 4.4(c) to an Ineligible Shareholder in accordance with this clause 4.4, subject to (where relevant), Northern Star making payment of the Withholding Amount to the Commissioner within the timeframe required by the TAA, satisfies in full Northern Star's obligations to the Ineligible Shareholder under this Scheme in respect of the Scheme Consideration.

4.5 **Other ineligible Scheme Shareholders**

Where the issue of Consideration Shares to which a Scheme Shareholder (other than an Ineligible Shareholder) would otherwise be entitled under this Scheme would result in a breach of law:

- (a) Northern Star will issue the maximum possible number of Consideration Shares to the Scheme Shareholder without giving rise to such a breach; and
- (b) any further Consideration Shares to which that Scheme Shareholder is entitled, but the issue of which to the Scheme Shareholder would give rise to such a breach, will instead be issued to the Sale Nominee and dealt with under clause 4.4, as if:
 - (i) references to Ineligible Shareholders also included that Scheme Shareholder; and
 - (ii) references to Ineligible Consideration Shares also included any of that Scheme Shareholder's Consideration Shares that have been issued to the Sale Nominee.

4.6 **Fractional Entitlements**

Where the calculation of a total number of Consideration Shares to be issued to (or in respect of) a particular Scheme Shareholder as Scheme Consideration would result in an entitlement to a fraction of a Consideration Share, then, any such fractional entitlement:

- (a) of 0.5 or more will be rounded up to the nearest whole number; and
- (b) of less than 0.5 will be rounded down to the nearest whole number.

4.7 **Joint holders**

In the case of Scheme Shares held in joint names:

- (a) any Scheme Consideration will be issued to and registered in the names of the joint holders; and

- (b) any other document required to be sent under this Scheme (including any holding statement under clause 4.2(b)) will be forwarded to the holder whose name appears first in the Saracen Share Register as at the Scheme Record Date.

4.8 Shareholder splitting or division

- (a) If Northern Star is of the reasonable opinion that two or more Scheme Shareholders (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 4.6), have, before the Scheme Record Date, been party to shareholder splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Northern Star may give notice to those Scheme Shareholders:
 - (i) setting out their names and Registered Address;
 - (ii) stating that opinion; and
 - (iii) attributing the Scheme Shares held by all of them to one of them as specifically identified in the notice.
- (b) The Scheme Shareholder specifically identified in a notice given under clause 4.8(a) as the deemed holder of all the specified Scheme Shares will, for the purposes of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Shareholders whose names and Registered Addresses are set out in the notice will, for the purposes of this Scheme, be taken to hold no Scheme Shares.
- (c) Northern Star, in complying with the other provisions of this Scheme relating to it in respect of the Scheme Shareholder specifically identified in a notice given under clause 4.8(a) as the deemed holder of all of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of this Scheme.

4.9 Orders of a court or Government Agency

- (a) If Saracen (or the Saracen Share Registry) or Northern Star receives written notice of an order or direction made by a court of competent jurisdiction or by a Government Agency that:
 - (i) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable or required to be issued to that Scheme Shareholder by Saracen or Northern Star in accordance with this clause 4, then Saracen or Northern Star (as applicable) will be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
 - (ii) prevents Saracen or Northern Star from providing consideration to any particular Scheme Shareholder in accordance with this clause 4, or the payment or issuance of such consideration is otherwise prohibited by applicable law, Saracen or Northern Star (as applicable) will be entitled to:
 - (A) in the case of any Ineligible Shareholder, retain an amount, in Australian dollars, equal to the relevant Ineligible Shareholder's share of any proceeds of sale received by Saracen pursuant to clause 4.4; and
 - (B) not issue (or, in the case of Saracen, direct Northern Star not to issue), or issue (or, in the case of Saracen, direct Northern Star to issue) to a permitted trustee or nominee, such number of Consideration Shares

as that Scheme Shareholder would otherwise be entitled to under clause 4.2,

until such time as provision of the Scheme Consideration in accordance with this clause 4 is permitted by that (or another) order or direction or otherwise by law.

- (b) To avoid doubt, any payment or retention by Saracen or Northern Star (as applicable) under clause 4.9(a) will constitute the full discharge of Northern Star's obligations under clause 4.2 with respect to the amount so paid or retained until, in the case of clause 4.9(a)(ii), the amount is no longer required to be retained.

4.10 **Consideration Shares to rank equally**

Northern Star covenants in favour of each Scheme Shareholder that:

- (a) the Consideration Shares to be issued as the Scheme Consideration will, on issue:
 - (i) be duly issued and fully paid;
 - (ii) be free from any Encumbrances and interests of third parties of any kind, whether legal or otherwise, or restriction on transfer of any kind, other than as provided for in the constitution of Northern Star or as contemplated by clause 7 of the Merger Implementation Deed; and
 - (iii) rank equally in all respects, including for future dividends, with all existing Northern Star Shares then on issue; and
- (b) it will apply to ASX for the official quotation of the Consideration Shares and use all reasonable endeavours to ensure that the Consideration Shares are approved for official quotation on ASX by 8.00 am (Perth time) on the Business Day following the Effective Date (or such later day as ASX may require), initially on a deferred settlement basis, and with effect from the first Business Day after the Implementation Date on an ordinary (T+2) basis (which approval may be conditional on the issue of those Consideration Shares and other conditions customarily imposed by ASX).

4.11 **Unclaimed monies**

- (a) Saracen may cancel a cheque issued under clause 4.4(e) if the cheque:
 - (i) is returned to Saracen; or
 - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Saracen (or the Saracen Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Saracen must reissue a cheque that was previously cancelled under clause 4.11(a).
- (c) The Unclaimed Money Act will apply in relation to any Scheme Consideration which becomes "unclaimed money" (as defined in section 6 of the Unclaimed Money Act).

4.12 **Title to and rights in Scheme Shares**

- (a) Immediately upon the provision of the Scheme Consideration to each Scheme Shareholder or to the Sale Nominee (as applicable, and in accordance with this

clause 4), Northern Star will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Saracen of the name and address of Northern Star in the Saracen Share Register as the holder of the Scheme Shares.

- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to Northern Star will, at the time of transfer to Northern Star, vest in Northern Star free from all:
 - (i) Encumbrances and interests of third parties of any kind, whether legal or otherwise; and
 - (ii) restrictions on transfer of any kind.
- (c) To avoid doubt, notwithstanding clause 4.12(a), to the extent that clause 4.9(a) applies to any Scheme Shareholder, Northern Star will be beneficially entitled to any Scheme Shares held by that Scheme Shareholder immediately upon compliance with clause 4.9 on the Implementation Date as if Northern Star had provided the Scheme Consideration to that Scheme Shareholder.

5. DEALINGS IN SARACEN SHARES

5.1 Saracen Share dealings that are recognised

To establish the identity of the Scheme Shareholders, dealings in Saracen Shares (or other alterations to the Saracen Share Register) will be recognised only if:

- (a) in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Saracen Share Register as the holder of the relevant Saracen Shares as at the Scheme Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings, or valid requests in respect of other alternations, are received by the Saracen Share Registry at or before the Scheme Record Date,

and Saracen must not accept for registration, nor recognise for any purpose (except a transfer to Northern Star pursuant to this Scheme and any subsequent transfer by Northern Star or its successors in title), any transfer or transmission application or other request in respect of Saracen Shares received after the Scheme Record Date, or received prior to the Scheme Record Date but not in registrable or actionable form.

5.2 Saracen to register transfer and transmission applications

Saracen must register registrable transfers and transmission applications of the kind referred to in clause 5.1(b) by the Scheme Record Date, provided that, for the avoidance of doubt, nothing in this clause 5.2 requires Saracen to register a transfer that would result in a Saracen Shareholder holding a parcel of Saracen Shares that is less than a "marketable parcel" (within the meaning given to that term in the operating rules of ASX).

5.3 Transfers received after Scheme Record Date not recognised

If this Scheme becomes Effective, each Scheme Shareholder (and any person claiming through any Scheme Shareholder) must not dispose of or transfer, or purport or agree to dispose of or transfer, any Scheme Share or any interest in them after the Scheme Record Date, other than pursuant to this Scheme, and any such disposal or transfer, purported disposal or transfer or attempted disposal or transfer will be void and of no legal effect whatsoever and Saracen must disregard any disposal, transfer or transmission application in respect of Scheme Shares received after the Scheme Record Date.

5.4 **Saracen to maintain Saracen Share Register to determine entitlements**

- (a) In order to determine entitlements to the Scheme Consideration, Saracen must maintain, or procure the maintenance of, the Saracen Share Register in accordance with this clause 5 until the Scheme Consideration has been paid to Scheme Shareholders and Northern Star has been entered into the Saracen Share Register as the holder of the Scheme Shares.
- (b) The Saracen Share Register in this form will solely determine entitlements to the Scheme Consideration.

5.5 **Holding statements no effect from Scheme Record Date**

- (a) All holding statements for Saracen Shares (other than holding statements in favour of Northern Star) will cease to have effect as documents of title (or evidence thereof) after the Scheme Record Date.
- (b) Each entry on the Saracen Share Register at and from the Scheme Record Date (other than those entries in respect of Northern Star) will cease to have any effect other than as evidence of an entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

5.6 **Saracen to provide contact information for Scheme Shareholders**

Saracen must ensure that, as soon as practicable after the Scheme Record Date (and in any event by 8.00 am (Perth time) on the day that is two Business Days after the Scheme Record Date), Northern Star is given details of the name, Registered Address and holding of Saracen Shares of each Scheme Shareholder, as shown in the Saracen Share Register at the Scheme Record Date, in the form Northern Star reasonably requires.

5.7 **Suspension of trading**

Saracen will apply to ASX to suspend trading of Saracen Shares on the securities exchange operated by ASX with effect from the close of trading on the Effective Date or such other date as agreed between Northern Star and Saracen, acting reasonably, following consultation with ASX.

5.8 **Termination of official quotation**

Saracen will apply to ASX:

- (a) for termination of the official quotation of Saracen Shares on the securities exchange operated by ASX; and
- (b) to have itself removed from the official list of ASX,

in each case, with effect on and from the close of trading on the trading day immediately following the Implementation Date, or such other date as Northern Star and Saracen may agree, acting reasonably, following consultation with ASX.

6. **GENERAL PROVISIONS**

6.1 **Saracen giving effect to the Scheme**

Saracen must do all things (including executing all documents), and must ensure that its employees and agents do all things (including executing all documents), that are necessary or desirable to give full effect to the Scheme and the transactions contemplated by it.

6.2 **Scheme Shareholders' agreements and consents**

Each Scheme Shareholder (and the Sale Nominee on behalf of all Ineligible Shareholders, as applicable) irrevocably:

- (a) agrees for all purposes to:
 - (i) the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, to Northern Star, in accordance with this Scheme;
 - (ii) become a member of Northern Star and to have their name registered in the Northern Star Share Register as a holder of Northern Star Shares (in respect of the Consideration Shares which they are issued pursuant to this Scheme); and
 - (iii) be bound by the constitution of Northern Star;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from, and in accordance with, this Scheme;
- (c) acknowledges that this Scheme binds Saracen and all Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting);
- (d) consents to Saracen and Northern Star doing all things (including executing all deeds, instruments, transfers or other documents) as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it; and
- (e) acknowledges and agrees that Saracen, as agent of each Scheme Shareholder, may sub-delegate its functions under this Scheme to any of its directors and officers, jointly and severally,

in each case, without the need for any further act by the Scheme Shareholder.

6.3 **Scheme Shareholders' warranties**

- (a) Each Scheme Shareholder is taken to have warranted to Saracen and Northern Star on the Implementation Date, and to have appointed and authorised Saracen as its attorney and agent to warrant to Northern Star on the Implementation Date, that:
 - (i) all their Scheme Shares (including any rights and entitlements attaching to their Scheme Shares) which are transferred under this Scheme will, at the time of transfer of them to Northern Star, be fully paid and free from all:
 - (A) Encumbrances and interests of third parties of any kind, whether legal or otherwise; and
 - (B) restrictions on transfer of any kind;
 - (ii) they have full power and capacity to transfer their Scheme Shares to Northern Star, together with any rights and entitlements attaching to those Scheme Shares, under this Scheme; and
 - (iii) as at the Scheme Record Date, they have no existing right to be issued any other Scheme Shares or any other form of securities in Saracen.
- (b) Saracen undertakes that it will provide such warranty to Northern Star as agent and attorney of each Scheme Shareholder.

6.4 **Appointment of Saracen as attorney of Scheme Shareholders**

On the Effective Date, each Scheme Shareholder, without the need for any further act, irrevocably appoints Saracen and each of its directors and officers, jointly and severally, as its attorney and agent to:

- (a) execute any document or do any other act necessary, expedient or incidental to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer under clause 3.2; and
- (b) enforce the Deed Poll against Northern Star,

and Saracen accepts such appointment in respect of itself and on behalf of each of its directors and officers.

6.5 **Appointment of Northern Star as agent, attorney and sole proxy in respect of Scheme Shares**

From the Implementation Date until Northern Star is registered as the holder of all Scheme Shares in the Saracen Share Register, each Scheme Shareholder:

- (a) appoints, and is deemed to irrevocably appoint, Northern Star as its attorney and agent (and directs Northern Star as its attorney and agent to appoint any of the directors and officers of Northern Star as its sole proxy and, where applicable, corporate representative, of that Scheme Shareholder) to:
 - (i) attend shareholders' meetings of Saracen;
 - (ii) exercise the votes attaching to the Scheme Shares registered in the name of the Scheme Shareholder; and
 - (iii) sign any Saracen Shareholders' resolution (whether in person, by proxy or by corporate representative);
- (b) must take all other action in the capacity of a registered holder of Scheme Shares as Northern Star reasonably directs;
- (c) undertakes not to attend or vote at any shareholders' meetings of Saracen or sign any Saracen Shareholders' resolution (whether in person, by proxy or by corporate representative) other than pursuant to clause 6.5(a); and
- (d) acknowledges and agrees that in exercising the powers conferred by clause 6.5(a), Northern Star and any director, officer or agent nominated by Northern Star may act in the best interests of Northern Star as the intended registered holder of the Scheme Shares.

6.6 **Binding effect of Scheme**

This Scheme binds Saracen and all of the Scheme Shareholders (including those who did not attend the Scheme Meeting and those who did not vote, or voted against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Saracen.

6.7 **No liability when acting in good faith**

Neither Saracen nor Northern Star, nor any of their respective directors, officers, secretaries or employees will be liable for anything done or omitted to be done in good faith in the performance of this Scheme or the Deed Poll.

6.8 **Deed Poll**

Saracen undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Northern Star for and on behalf of each Scheme Shareholder.

6.9 **Notices**

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Saracen, it will be deemed to be received on the date (if any) on which it is actually received at Saracen's registered office or at the Saracen Share Registry and on no other date.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by a Saracen Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

6.10 **Stamp duty**

Northern Star will pay all stamp duty (if any) and any related fines and penalties payable on, or in connection with, the transfer by the Scheme Shareholders of the Scheme Shares to Northern Star pursuant to this Scheme or the Deed Poll.

6.11 **Governing law**

- (a) This Scheme and any dispute arising out of or in connection with the subject matter of this Scheme is governed by the laws of Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts with respect to any proceedings that may be brought at any time arising out of or in connection with the subject matter of this Scheme. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in any inconvenient forum.

SCHEDULE 4

Deed Poll



Execution Version

Deed Poll

Northern Star Resources Ltd

ABN 43 092 832 892

In favour of each person registered as a holder of a fully paid ordinary share in Saracen Mineral Holdings Limited as at the Scheme Record Date

Deed Poll relating to proposed Scheme of Arrangement between Saracen Mineral Holdings Limited and its members

DEED POLL

THIS DEED POLL is made on

2020

BY:

Northern Star Resources Ltd ABN 43 092 832 892, whose registered office is at Level 1, 388 Hay Street, Subiaco, Western Australia 6008 (**Northern Star**).

IN FAVOUR AND FOR THE BENEFIT OF:

Each person registered as a holder of a fully paid ordinary share in Saracen Mineral Holdings Limited ABN 52 009 215 347 (**Saracen**) in the Saracen Share Register as at the Scheme Record Date (each a **Scheme Shareholder**).

BACKGROUND

- (A) Saracen and Northern Star have entered into a merger implementation deed with respect to the Scheme and associated matters (**Merger Implementation Deed**).
- (B) Under the Merger Implementation Deed:
 - (1) Saracen has agreed to propose the Scheme, pursuant to which (among other things):
 - (i) the Scheme Shareholders will transfer to Northern Star, and Northern Star will acquire, all of the Scheme Shares; and
 - (ii) Northern Star will provide to each Scheme Shareholder the Scheme Consideration in respect of each of their Scheme Shares; and
 - (2) Northern Star has agreed to enter into this Deed Poll.
- (C) Northern Star is executing this Deed Poll to covenant in favour of the Scheme Shareholders to perform the obligations attributed to Northern Star under the Merger Implementation Deed and the Scheme.

NORTHERN STAR DECLARES AS FOLLOWS

1. **INTERPRETATION**

1.1 **Definitions**

Scheme means the proposed scheme of arrangement pursuant to Part 5.1 of the Corporations Act between Saracen and Scheme Shareholders in respect of all Scheme Shares, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Northern Star and Saracen.

Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this Deed Poll.

1.2 **Rules for interpreting this Deed Poll**

Clause 1.2 of the Scheme applies to the interpretation of this Deed Poll, except that references to "Scheme" are to be read as references to "Deed Poll".

2. **NATURE OF THIS DEED POLL**

Northern Star acknowledges and agrees that:

- (a) this Deed Poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Saracen and each of its directors and officers, jointly and severally, as its agent and attorney to enforce this Deed Poll against Northern Star.

3. **CONDITIONS PRECEDENT AND TERMINATION**

3.1 **Conditions precedent**

This Deed Poll and Northern Star's obligations under this Deed Poll are subject to the Scheme becoming Effective.

3.2 **Termination**

- (a) Northern Star's obligations under this Deed Poll will automatically terminate, and the terms of this Deed Poll will be of no further force or effect, if the Merger Implementation Deed is terminated in accordance with its terms, unless Northern Star and Saracen otherwise agree in writing (and, if required, as approved by the Court).
- (b) If this Deed Poll is terminated pursuant to clause 3.2(a) then:
 - (i) Northern Star is released from its obligations under this Deed Poll; and
 - (ii) each Scheme Shareholder retains any rights it has against Northern Star in respect of any breach of this Deed Poll which occurred before it was terminated.

4. **SCHEME OBLIGATIONS**

4.1 **Undertaking to provide Scheme Consideration**

Subject to clause 3, in consideration of the transfer of each Scheme Share to Northern Star in accordance with the Scheme, Northern Star covenants in favour of each Scheme Shareholder that it will:

- (a) provide the Scheme Consideration to each Scheme Shareholder on the Implementation Date; and
- (b) undertake all other actions, and give each covenant, attributed to it under the Scheme, as if named as a party to the Scheme,

in each case, subject to and in accordance with the terms of the Scheme.

4.2 **Consideration Shares to rank equally**

Northern Star covenants in favour of each Scheme Shareholder that each Consideration Share will, upon issue:

- (a) be duly issued and fully paid;

- (b) be free from any Encumbrances and interests of third parties of any kind, whether legal or otherwise, or restriction on transfer of any kind, other than as provided for in the constitution of Northern Star or as contemplated by clause 7 of the Merger Implementation Deed; and
- (c) rank equally in all respects, including for future dividends, with all existing Northern Star Shares then on issue.

5. REPRESENTATIONS AND WARRANTIES

Northern Star represents and warrants in favour of each Scheme Shareholder that:

- (a) **(status)** it is a validly existing company limited by shares under the Corporations Act;
- (b) **(power)** it has full legal capacity and power to enter into this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (c) **(corporate authority)** it has taken all corporate action that is necessary to authorise it to enter into this Deed Poll and it has taken or will take all corporate action that is necessary to authorise it to carry out the transactions contemplated by this Deed Poll;
- (d) **(Deed Poll effective)** this Deed Poll constitutes legal, valid and binding obligations on it, enforceable against it in accordance with its terms; and
- (e) **(no contravention)** neither its execution of this Deed Poll nor the carrying out by it of the transactions contemplated by this Deed Poll contravenes or will contravene:
 - (i) any law to which it is subject;
 - (ii) any order of any Government Agency that is binding on it;
 - (iii) any undertaking or instrument binding on it; or
 - (iv) its constitution.

6. CONTINUING OBLIGATIONS

This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) Northern Star having fully performed its obligations under this Deed Poll; and
- (b) termination of this Deed Poll pursuant to clause 3.2.

7. NOTICES

7.1 How to give a notice

A notice, consent or other communication under this Deed Poll is only effective if it is:

- (a) in writing, legible and in English, signed by or on behalf of the person giving it;
- (b) addressed to the person to whom it is to be given; and
- (c) either:
 - (i) delivered or sent by pre-paid mail (by airmail, if the addressee is overseas) to that person's address; or

- (ii) sent in electronic form (such as email).

7.2 **When a notice is given**

A notice, consent or other communication that complies with this clause 7 is regarded as given and received upon:

- (a) if sent by mail:
 - (i) within Australia – three Business Days after posting; or
 - (ii) to or from a place outside Australia – seven Business Day after posting;
- (b) if sent in electronic form:
 - (i) if it is transmitted by 5.00 pm (Perth time) on a Business Day – when sent; or
 - (ii) if it is transmitted after 5.00 pm (Perth time) on a Business Day, or at any time on a day that is not a Business Day – on the next Business Day,

provided that no notice of failure of transmission or other error message is received by the sender.

7.3 **Address for notices**

Northern Star's mail address and email address are those set out below, or as Northern Star otherwise notifies.

Northern Star

Address: Level 1, 388 Hay Street
Subiaco WA 6008

Email Address: compliance@nsrltd.com

Attention: Company Secretary

8. **GENERAL**

8.1 **Assignment**

- (a) The rights created by this Deed Poll are personal to Northern Star and each Scheme Shareholder and, except with the prior written consent of Northern Star, cannot and must not be assigned, encumbered, charged or otherwise dealt with at law or in equity by a Scheme Shareholder.
- (b) Any purported dealing in contravention of clause 8.1(a) is invalid.

8.2 **Waiver of rights**

A right may only be waived in writing, signed by the party giving the waiver, and:

- (a) no other conduct of a party (including a failure to exercise, or delay in exercising, the right) operates as a waiver of the right or otherwise prevents the exercise of that right;

- (b) a waiver of a right on one or more occasions does not operate as a waiver of that right if it arises again; and
- (c) the exercise, or partial exercise, of a right does not prevent any further exercise of that right or of any other right;

8.3 **Operation of this Deed Poll**

- (a) The rights, powers and remedies of Northern Star and the Scheme Shareholders under this Deed Poll are in addition to, and do not replace, exclude or limit, any other rights, powers or remedies provided by law independently of this Deed Poll.
- (b) Any provision of this Deed Poll that is void, illegal or unenforceable:
 - (i) in a particular jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this Deed Poll in that or any other jurisdiction; and
 - (ii) is, where possible, to be severed to the extent necessary to make this Deed Poll valid, legal or enforceable, unless this would materially change the intended effect of this Deed Poll.

8.4 **Duty**

Northern Star must:

- (a) pay all stamp duty payable or assessed as being payable in connection with this Deed Poll, the Scheme, or the transfer by the Scheme Shareholders of the Scheme Shares pursuant to the Scheme (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnify each Scheme Shareholder against any liability arising from any failure by Northern Star to comply with clause 8.4(a).

8.5 **Consent**

Northern Star consents to Saracen producing this Deed Poll to the Court.

8.6 **Further acts**

Northern Star must, at its own expense, promptly do all things and execute all documents reasonably necessary to give full effect to this Deed Poll and all transactions contemplated by it.

8.7 **Governing law**

- (a) This Deed Poll and any dispute arising out of or in connection with the subject matter of this Deed Poll is governed by the laws of Western Australia.
- (b) Northern Star irrevocably submits to the non-exclusive jurisdiction of the courts of Western Australia and of the courts competent to determine appeals from those courts with respect to any proceedings that may be brought at any time arising out of or in connection with the subject matter of this Deed Poll.

EXECUTED as a deed poll.

EXECUTED by **NORTHERN STAR RESOURCES LTD** ABN 43 092 832 892 in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director

Signature of director/secretary

Name (print)

Name (print)

SCHEDULE 5

Treatment of Saracen Unlisted Securities

Name	Class / description	Performance Period	Number of Saracen Performance Rights	Number of Saracen Shares to be issued on vesting and exercise
Saracen Performance Rights to automatically vest upon Saracen Shareholder Approval being obtained				
Saracen Vesting Performance Rights	FY19 LTIP Performance Rights	3 years	3,697,500	3,697,500
	FY20 LTIP Performance Rights	3 years	2,724,920	2,724,920
	FY21 LTIP Performance Rights	3 years	550,400	550,400
Saracen Vesting Retention Rights	FY19 Retention Rights (Tranche 1)	3 years	1,741,667	1,741,667
	FY19 Retention Rights (Tranche 2)	4 years	1,306,250	1,306,250
	FY19 Retention Rights (Tranche 3)	5 years	1,045,000	1,045,000
Saracen Vesting RF Retention Rights	FY19 Retention Rights (Tranche 1)	3 years	500,000	500,000
	FY19 Retention Rights (Tranche 2)	4 years	500,000	500,000
	FY19 Retention Rights (Tranche 3)	5 years	500,000	500,000
Saracen Performance Rights to vest at the discretion of the Saracen Board prior to the Scheme Record Date				

Saracen Discretionary Retention Rights	FY19 Retention Rights (Tranche 1)	3 years	158,333	158,333
	FY19 Retention Rights (Tranche 2)	4 years	593,750	593,750
	FY19 Retention Rights (Tranche 3)	5 years	855,000	855,000
Saracen Performance Rights to be cancelled prior to the Scheme Record Date				
Saracen Cancelling Performance Rights	FY21 LTIP Performance Rights	3 years	1,651,200	1,651,200

EXECUTED as a Deed.

EXECUTED by **NORTHERN STAR RESOURCES LTD ABN 43 092 832 892** in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director

Name

Signature of director/secretary

Name

EXECUTED by **SARACEN MINERAL HOLDINGS LIMITED ABN 52 009 215 347** in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of director

Name

Signature of director/secretary

Name