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**SARACEN MINERAL HOLDINGS LIMITED**  
(ACN 009 215 347)

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 9.30am (WST)

**DATE:** Thursday, 22 November 2018

**PLACE:** Duxton Hotel  
1 St Georges Terrace  
PERTH WA 6000  
Australia

***This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.***

***Should you wish to discuss the matters in this Notice of Meeting please contact the Company Secretary on (08) 6229 9100.***

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

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The Annual General Meeting of the Shareholders will be held at 9.30am (WST) on Thursday, 22 November 2018 at:

Duxton Hotel  
1 St Georges Terrace  
PERTH WA 6000

### YOUR VOTE IS IMPORTANT

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### VOTING IN PERSON

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### VOTING BY PROXY

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To vote by proxy, please complete and sign the enclosed Proxy Form.

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at an address given below by 9.30am (WST) on 20 November 2018. Any proxy form received after that time will not be valid for the scheduled meeting:

<b>Online</b>	At <a href="http://www.investorvote.com.au">www.investorvote.com.au</a>
<b>By mail</b>	Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne Victoria 3001, Australia
<b>By fax</b>	1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)
<b>By mobile</b>	Scan the QR Code on your proxy form and follow the prompts
<b>Custodian voting</b>	For Intermediary Online subscribers only (custodians) please visit <a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a> to submit your voting intentions

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint a proxy;
- (b) the proxy need not be a Shareholder of the Company; and
- (c) a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half.

Sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act as they apply to this Meeting. Broadly, the changes mean that:

- (a) if proxy holders vote, they must cast all directed proxies as directed; and
- (b) any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

#### ***Proxy vote if appointment specifies way to vote***

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- (c) if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- (d) if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

#### ***Transfer of non-chair proxy to chair in certain circumstances***

Section 250BC of the Corporations Act provides that, if:

- (a) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- (b) the appointed proxy is not the Chair of the meeting; and
- (c) at the meeting, a poll is duly demanded on the resolution; and
- (d) either of the following applies:
  - i. the proxy is not recorded as attending the meeting;
  - ii. the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Shareholders of Saracen Mineral Holdings Limited will be held at Duxton Hotel, 1 St Georges Terrace, PERTH WA 6000 at 9.30am (WST) on Thursday, 22 November 2018.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 4:00 pm WST on Tuesday, 20 November 2018.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

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#### ANNUAL REPORT

To receive and consider the Annual Report of the Company, and its controlled entities, for the financial year ended 30 June 2018, together with the Financial Report, the Directors' Report and the Auditor's Report.

**Note:** Section 317 of the *Corporations Act 2001* requires the Directors to present to the meeting the annual financial report, the Declaration of the Directors, the Directors' Report and the Auditor's Report. There is no requirement for a resolution to approve these reports. Shareholders will be given the opportunity to raise questions and make comments on these reports.

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#### 1. RESOLUTION 1 – ELECTION OF DIRECTOR – ANTHONY (TONY) KIERNAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of article 56 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Anthony (Tony) Kiernan, a Director who was appointed by the Board during the year and, being eligible, is hereby elected as a Director.”*

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#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GEOFFREY CLIFFORD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of article 57 of the Constitution, Listing Rule 14.4 and for all other purposes, Mr Geoffrey Clifford, a Director, retires by rotation and, being eligible, is hereby re-elected as a Director.”*

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### 3. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

*“That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Report for the financial year ended 30 June 2018.”*

**Note: Section 250R(3) of the Corporations Act provides that the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

**Note:** The Directors will consider the outcome of the vote and comments made by members on the Remuneration Report at the Annual General Meeting when reviewing the Company’s remuneration policies. If at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the relevant financial year are against its adoption at two consecutive annual general meetings, members will be required to vote at the second of these annual general meetings on a resolution (Spill Resolution) that another meeting be held within 90 days at which all of the Directors of the Company (other than the Managing Director) must come up for re-election.

#### **Voting Prohibition**

In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such member.

A vote may be cast by such person as a proxy if the vote is not cast on behalf of a person who is excluded from voting on this Resolution, and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the person is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution, but expressly authorises the Chair to exercise the proxy even if this Resolution is connected with the remuneration of a member of the Key Management Personnel.

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### 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 160,412 Shares (**Employee Shares**), on the terms and conditions set out in the Explanatory Statement accompanying this notice.”*

#### **Voting Exclusion**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue of the Employee Shares, or an associate of that person.

However, the Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 5. RESOLUTION 5 – APPROVAL OF THE COMPANY’S EMPLOYEE INCENTIVE SHARE PLAN

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.2, Exception 9, and for all other purposes, Shareholders approve the adoption of the incentive share plan of the Company known as the "Employee Incentive Share Plan" and the issue of securities under that plan, on the terms and conditions in the Explanatory Statement.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director (except one who is ineligible to participate in any employee incentive scheme in relation to the Company) or their respective associates.

The Company will not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - i. a member of the Key Management Personnel; or
  - ii. a Closely Related Party of a member of the Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO MR RALEIGH FINLAYSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 305,000 Performance Rights to Mr Raleigh Finlayson (or his nominee) under the terms and conditions of the Company’s Long Term Incentive Plan.”*

### **Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the Company’s Long Term Incentive Plan in respect of which the approval is sought, or any associates of those Directors and any nominee of Mr Raleigh Finlayson (**Resolution 6 Excluded Party**).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - i. member of the Key Management Personnel; or
  - ii. a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**7. RESOLUTION 7 – ISSUE OF “ONE OFF” RETENTION PERFORMANCE RIGHTS TO MR RALEIGH FINLAYSON**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 1,500,000 Performance Rights (in three tranches of 500,000) to Mr Raleigh Finlayson (or his nominee) under the terms and conditions of the Company's Long Term Incentive Plan.”*

**Voting Exclusion**

The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the Company's Long Term Incentive Plan in respect of which the approval is sought, or any associates of those Directors and any nominee of Mr Raleigh Finlayson (**Resolution 7 Excluded Party**).

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) provided the Chair is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - i. member of the Key Management Personnel; or
  - ii. a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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**Dated: 19 October 2018**

**By order of the Board**

**Jeremy Ryan  
Company Secretary**



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## **EXPLANATORY STATEMENT**

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This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the Duxton Hotel, 1 St Georges Terrace, PERTH WA 6000 at 9.30am (WST) on Thursday, 22 November 2018.

The purpose of this Explanatory Statement is to provide information that the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

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## **ANNUAL REPORT**

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In accordance with section 317 of the Corporations Act and the Constitution, the business of the Annual General Meeting will include receipt and consideration of the Annual Report of the Company for the financial year ended 30 June 2018. There is no requirement for Shareholders to approve the Annual Report.

At the Meeting, Shareholders will be offered the opportunity to:

- (a) discuss the Annual Report which is available online at **[www.saracen.com.au](http://www.saracen.com.au)**;
- (b) ask questions about, or comment on, the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Meeting, written questions to the Chair about the management of the Company, or to the Company's auditor about:

- (a) the preparation and content of the Auditor's Report;
- (b) the conduct of the audit;
- (c) accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

In accordance with amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. Whilst the Company no longer provides a hard copy of the Annual Report unless specifically requested to do so, Shareholders may view and download a copy of the Company's Annual Report from its website at **[www.saracen.com.au](http://www.saracen.com.au)**.

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### **1. RESOLUTION 1 – ELECTION OF DIRECTOR – ANTHONY (TONY) KIERNAN**

Article 56 of the Constitution provides that the Directors may appoint a person to be a Director of the Company either to fill a casual vacancy or as an addition to the Board. Any Director so appointed may only hold office until the next general meeting of the Company at which they must then come up for election.

Additionally, Listing Rule 14.4 provides that a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the entity. The rule does not apply to a Managing Director.

Therefore, Mr Kiernan, who was appointed to the Board as a Non-executive Director on 13 September 2018, now retires in accordance with article 56 of the Constitution and Listing Rule 14.4 and seeks election. Details regarding Mr Kiernan are set out below:-

### **1.1 Director Experience and Qualifications and Other Directorships**

Mr Kiernan is a highly experienced public company Director and former Lawyer with over 35 years' experience in the management and operation of public listed companies with a particular focus on public companies in the mining sector.

He is currently the Non-executive Chair of ASX200 lithium miner Pilbara Minerals Limited and also exploration company, Venturex Resources Limited. During the past three (3) years Mr Kiernan has been a Non-executive Director of Danakali Limited, Non-executive Chair of Chalice Gold Mines Limited and Non-executive Chair of BC Iron Limited, of which Mr Kiernan was the founding Chair.

### **1.2 Directors' Recommendation**

**The other Directors of the Company recommend that Shareholders support the election of Mr Kiernan. The Board considers Mr Kiernan to be an independent Director.**

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## **2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – GEOFFREY CLIFFORD**

Article 57 of the Constitution provides that one-third of the Directors (which pursuant to article 61 of the Constitution is subject to the Managing Director not being taken into account in determining the retirement by rotation of the Directors) or, if their number is not a multiple of 3, then the number nearest to but not exceeding one-third, shall retire from office at each annual general meeting, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is longer, without submitting himself for re-election. A retiring Director is eligible for re-election.

The Company currently has 4 Directors who are subject to rotation under the Constitution and, accordingly, 1 must retire.

Mr Clifford is the Director who has served the longest period since he was last elected and hence now retires and seeks re-election in accordance with article 57 of the Constitution and Listing Rule 14.4.

Mr Clifford was appointed a Director on 1 October 2013 and has continuously served as a Director since his appointment.

## 2.1 Director Experience and Qualifications and Other Directorships

Mr Clifford is an accountant with more than 35 years' experience in senior accounting, finance and company secretarial roles. He holds a Bachelor of Business degree from Curtin University and is a FCPA, FCIS and FAICD. Mr Clifford is a professional company director, currently serving as a non-executive director on the Boards of Independence Group NL and Tyranna Resources Limited. From 2007 to 2011, he was a non-executive Director (including as Chair for the period 2008 to 2011) of Atlas Iron Limited. Prior to this, he spent eight years as the General Manager Administration and Company Secretary of Portman Limited.

Mr Clifford assumed the role of Non-Executive Chair of the Company upon the retirement of the then Chair, Mr Staltari, at the conclusion of the annual general meeting held on 26 November 2014. Mr Clifford stepped down as Chair of the Company as of 13 September 2018 following the appointment of Mr Kiernan as Chair.

During the past three (3) years Mr Clifford has held two other directorships being at Independence Group NL since December 2012 and Tyranna Resources Limited since January 2018.

## 2.2 Directors' Recommendation

**The other Directors of the Company recommend that Shareholders support the re-election of Mr Clifford. The Board considers Mr Clifford to be an independent Director.**

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## 3. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

### 3.1 General

The Remuneration Report to Shareholders forms part of the Directors' Report for the year ended 30 June 2018 and is set out in the Company's 2018 Annual Report. The Corporations Act requires the Remuneration Report be submitted to Shareholders for consideration and adoption. This Resolution is advisory only and does not bind the Company or the Directors of the Company.

The Remuneration Report sets out the remuneration arrangements for the Company's Directors and senior management of the Company.

The Chair of the meeting must allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report at the Annual General Meeting.

### 3.2 Voting consequences

Under the Corporations Act, if 25% or more of the votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders at the second annual general meeting will be required to vote on a resolution proposing the calling of another general meeting of shareholders at which all Directors of the Company (excluding the Managing Director) who were in office at the time of approval of the Director's Report for the most recent financial year must stand for re-election (**Spill Resolution**).

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a Shareholder meeting (**Spill Meeting**) within 90 days of the passing of the Spill Resolution.

All of the Directors of the Company who were in office when the Directors' Report as included in the Company's annual report for the year of the Spill Resolution was approved (other than the Managing Director of the Company), will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

### 3.3 Previous voting results

At the Company's previous annual general meeting votes cast for the adoption of the remuneration report were 98.98% and accordingly the votes against the remuneration report considered at that annual general meeting were less than 25%. Therefore, a Spill Resolution is not relevant for this Annual General Meeting.

### 3.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following restrictions placed on certain proxies:

Proxy being appointed	Directed Votes	Undirected Votes
Key Management Personnel (other than the Chair) <sup>1</sup>	Can vote directed votes	Cannot vote undirected votes <sup>3</sup>
Chair <sup>2</sup>	Can vote directed votes	Can vote at discretion of Proxy <sup>4</sup>
Other third party	Can vote directed votes	Can vote at discretion of Proxy

**Notes:**

- 1) Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
- 2) Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
- 3) Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
- 4) The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions. The Proxy Form states that by appointing the Chair as a proxy (or where the Chair becomes proxy by default) the Shareholder gives the Chair express authority to exercise the proxy on Resolution 3 (except where indicated differently) even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

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## 4. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF SHARES

### 4.1 General

In 2018, the Company introduced the internal 'Think and Act Like Owners' program across the business. This program provides an avenue for employees to think of and suggest cost saving, production enhancement and business improvement initiatives. Through this program, the Company seeks to actively engage employees and encourages employees to recommend ways in which the business can be improved via enhanced cashflow margins.

As part of the 'Think and Act Like Owners' program, the Board and executive committee initiated the Employee Incentive Share Plan which provides every eligible employee with a grant of the equivalent of \$1,000 in Company Shares.

The purpose of this grant was to encourage all Saracen employees to think and act like shareholders ("Owners") of the Company.

The Board and Key Management Personnel of the Company did not receive any Employee Shares.

The Company has issued 160,412 Employee Shares to 337 employees (ie: 476 shares to each eligible employee) of the Company during the past 12 months under the terms of the Company's Employee Incentive Share Plan. The Employee Shares, the subject of Resolution 4, were issued in accordance with Listing Rule 7.1.

Subject to certain exceptions, Listing Rule 7.1 prevents a company from issuing or agreeing to issue new securities, or other securities with rights to conversion to equity (such as an option), in any 12 month period which amount to more than 15% of the company's ordinary securities on issue without shareholder approval.

Listing Rule 7.4 permits the ratification of the previous issue of securities made without prior shareholder approval under Listing Rule 7.1 provided the issue did not breach Listing Rule 7.1. The effect of this Resolution 4 is to restore the Company's maximum discretionary power to issue further securities up to the limit imposed by Listing Rule 7.1. The Company confirms the issue of the Employee Shares did not breach Listing Rule 7.1.

The Company wishes to ratify the issue of the Employees Shares pursuant to Listing Rule 7.4, in order to allow the Company to have the right to issue up to a further 15% of the issued capital of the Company under Listing Rule 7.1.

The following information is provided to the Shareholders for the purpose of Listing Rule 7.5:

(a) the details of the Employee Shares issued are set out in the table below:

Date of Issue	Number of Employee Shares Issued	Deemed Issue Price	Number of Recipients	Shares per Employee
8 June 2018	160,412	\$2.10	337	476

- (b) the Employee Shares were issued for nil consideration;
- (c) the Employee Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares, and are subject to restrictions on disposal until the earlier of:
- i. the 3 year anniversary of the relevant Grant Date (as that term is defined in the Employee Incentive Share Plan) or such other date as may be determined by the Board in its discretion so as to satisfy the Reduction Conditions (as that term is defined in the Employee Incentive Share Plan); or
  - ii. the business day after the employee's final day in the Company workforce (whether an employee, officer or otherwise);
- (d) the Shares were issued to 337 employees and these employees are not related parties, or associates, of the Company;
- (e) no funds were raised from the issue of the Employee Shares and the Employee Shares were issued to employees as part of the 'Think and Act Like Owners' program; and

- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 4.

If this Resolution 4 is passed, the 15% limit imposed by the Listing Rule 7.1 will be renewed to the extent of the ratification.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

**The Chair intends to vote all available proxies in favour of this Resolution 4.**

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## **5. RESOLUTION 5 – APPROVAL OF THE COMPANY’S EMPLOYEE INCENTIVE SHARE PLAN**

Resolution 5 seeks Shareholder approval of the Employee Incentive Share Plan for all purposes, including Listing Rule 7.2 (Exception 9(b)), and the issue of securities under the Employee Incentive Share Plan (and for all other purposes).

Listing Rule 7.1 prohibits an entity from issuing more than 15% of its securities in any 12 month period, without obtaining shareholder approval (unless an exception applies). Listing Rule 7.2, Exception 9, provides that an issue of securities under an employee incentive scheme will not count towards the 15% placement capacity if, within 3 years before the date of the issue, holders of ordinary securities have approved the issue of securities under the scheme as an exception to Listing Rule 7.1.

In 2018, the Company introduced the internal 'Think and Act Like Owners' program across the business. This program provides an avenue for employees to think of and suggest cost saving, production enhancement and business improvement initiatives. Through the program, the Company seeks to actively engage employees and encourages employees to recommend ways in which the business can be improved via enhanced cashflow margins.

As part of the 'Think and Act Like Owners' program, the Board and executive committee initiated the Employee Incentive Share Plan which provides every eligible employee with a grant of the equivalent of \$1,000 in Company Shares. The Board and the Key Management Personnel of the Company did not receive any Employee Shares (outlined in Section 4 of the Explanatory Statement).

Shares issued to an employee under the Employee Incentive Share Plan, unless otherwise permitted by the Board, cannot be transferred, encumbered, or otherwise disposed of, until the earlier of:

- (a) the 3 year anniversary of the relevant Grant Date (as that term is defined in the Employee Incentive Share Plan) or such other date as may be determined by the Board in its discretion so as to satisfy the Reduction Conditions (as that term is defined in the Employee Incentive Share Plan); or
- (b) the business day after the employee's final day in the Company workforce (whether an employee, officer or otherwise).

A summary of the key terms and conditions of the Employee Incentive Share Plan is set out in Schedule 1. A copy of the Employee Incentive Share Plan is also available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Employee Incentive Share Plan can also be sent to Shareholders upon request to the Company Secretary. Shareholders are invited to contact the Company Secretary if they have any queries or concerns. So far, 160,412 Employee Shares have been issued to employees (ie: 476 shares per employee in FY2018) under the Employee Incentive Share Plan as set out in Section 4 of the Explanatory Statement.

A voting exclusion statement in relation to this Resolution is set out in the Notice.

### **Director's recommendation**

**Because Resolution 5 deals with potential remuneration of Key Management Personnel (although it is not intended that they participate in the Employee Incentive Share Plan and they did not participate in the FY2018 issue), and in light of the provisions in the Corporations Act relating to voting by Key Management Personnel and their Closely Related Parties on such remuneration related resolutions, the Directors have abstained from making a recommendation to Shareholders about how to vote on Resolution 5.**

**The Chair intends to vote all available proxies in favour of this Resolution 5.**

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## **6. RESOLUTION 6 – ISSUE OF PERFORMANCE RIGHTS TO MR RALEIGH FINLAYSON**

### **6.1 General**

The Company has agreed, subject to Shareholder approval, to issue a total of 305,000 Performance Rights to Mr Raleigh Finlayson (or his nominee) (**Performance Rights**), comprising:

- (a) 76,250 Class A Performance Rights;
- (b) 76,250 Class B Performance Rights;
- (c) 76,250 Class C Performance Rights; and
- (d) 76,250 Class D Performance Rights,

under, and in accordance with, the Long Term Incentive Plan which is located on the Company's website at **www.saracen.com.au**.

**6.2** The Performance Rights are being issued to Mr Finlayson (or his nominee), as an incentive to seek the satisfaction of the market and operational vesting conditions, which the Company intends will be aligned with the interests of Shareholders. In addition, it is intended that the issue of the Performance Rights will serve to reward and motivate Mr Finlayson in relation to his service to the Company.

### **6.3 Quantum Calculation**

Mr Raleigh Finlayson is the Managing Director and the most senior executive of the Company.

The Remuneration and Nomination Committee and the Board has determined that the quantum of Performance Rights proposed to be issued to Mr Finlayson is appropriate (it is comparable with Saracen peer companies and in line with broader market metrics) and is designed to provide incentive to Mr Finlayson to deliver above-average performance relative to Saracen's peers (as detailed in Schedule 2).

The proposed issue of Performance Rights strikes a balance between rewarding Mr Finlayson for performance while aligning his interests with those of Saracen Shareholders.

Performance measures in relation to the issue of the 305,000 Performance Rights are both market and operational focussed and set out in Section 6.6.

The maximum number of Shares that could be issued to Mr Finlayson is 305,000 Shares if all performance criteria are fully met for each class of Performance Rights over the three year period 1 July 2018 and by 30 June 2021.

The Company's long term incentive for the Managing Director has been determined to be equivalent to approximately up to 100% of Mr Finlayson's FY2019 base salary and statutory superannuation.

In relation to this Resolution 6 and Resolution 7 (below), as part of determining the quantum of annual Performance Rights (Resolution 6) and the issue of "One off" Retention Performance Rights (Resolution 7), Mr Finlayson offered to take a reduction in his base salary from \$675,000 per annum in FY2018 to \$600,000 per annum in FY2019. This was accepted by the Board noting that it increases the "at risk" component of Mr Finlayson's total remuneration which better aligns with shareholder interests.

Therefore, in relation to Resolution 6, the relevant monetary value was determined to equate to \$657,000 being 100% of his base salary and statutory superannuation which is \$600,000 and 9.5% superannuation of \$57,000. The Share price applicable to the allocation is \$2.16 being Saracen's 30 day VWAP up to 30 June 2018.

The number of Performance Rights to be allocated was  $\$657,000/\$2.16 = 304,167$ . The Board resolved to round the number to 305,000.

The maximum number of Shares that could be issued is 305,000 if all performance criteria are fully met for each of the 3 Classes over the three year period 1 July 2018 to 30 June 2021.

#### **6.4 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Performance Rights constitutes giving a financial benefit and Mr Finlayson is a related party of the Company by virtue of him being a Director.

The Directors (other than Mr Finlayson, given his material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Performance Rights because they are being issued as part of Mr Finlayson's remuneration package and have been negotiated on an arm's length basis.

#### **6.5 Listing Rule 10.14**

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.



If this Resolution 6 is passed, the Performance Rights will be issued to Mr Finlayson (or his nominee). Therefore, the Company requires Shareholder approval to issue the Performance Rights to Mr Finlayson (or his nominee).

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Performance Rights as approval is being obtained under Listing Rule 10.14 and has been obtained under Exception 9(b) of Listing Rule 7.2.

## 6.6 Vesting Conditions of the Performance Rights

As stated in section 6.1 above, the Company has agreed to grant Performance Rights to Mr Finlayson (or his nominee). The market and operational conditions that must be met in order for the Performance Rights to vest are as follows.

Category	Split	Percentage to Vest	Comment
Relative TSR	25%	Below 50 <sup>th</sup> percentile – 0% At 50 <sup>th</sup> percentile – 50% Between 50 <sup>th</sup> & 75 <sup>th</sup> percentile – pro rata between 50% and 100% 75 <sup>th</sup> percentile and above – 100%	Measured against Peer Group below and based upon 30 day VWAP at the relative measurement points
Increase in Ore Reserves	25%	Negative growth – 0% Depletion replaced – 50% Between depletion replaced & 20% increase – pro rata between 50% and 100% 20% increase or greater – 100%	Measured based on Reserve Statement as reported in the relevant Annual Report
EPS Growth	25%	Negative growth – 0% 5% per annum growth – 50% Between 5% per annum growth and 10% per annum growth – pro rata between 50% and 100% 10% per annum or greater – 100%	EPS calculation should exclude Non-Recurring items and be measured as the cumulative annual growth rate over the 3 year period
Increase in Share Price	25%	Below 10% – 0% Between 10% & 20% – pro rata between 50% and 100% More than 20% – 100%	Measured by comparing 30 day VWAP at 30 June 2018 to 30 day VWAP at 30 June 2021

## 6.7 Technical information required Listing Rule 10.15

Pursuant to, and in accordance with, Listing Rule 10.15, the following information is provided in relation to the proposed issue of Performance Rights to Mr Finlayson (or his nominee) under the Long Term Incentive Plan (subject to approval under Resolution 6):

- (a) the Performance Rights are being issued to Mr Finlayson (or his nominee). Mr Finlayson has not notified a nominee at this time;
- (b) the maximum number of Performance Rights to be issued is 305,000 Performance Rights comprising of 76,250 Class A Performance Rights, 76,250 Class B Performance Rights, 76,250 Class C Performance Rights and 76,250 Class D Performance Rights;

- (c) the Performance Rights are being issued for nil cash consideration under the terms of the Long Term Incentive Plan;
- (d) Mr Finlayson has previously been issued (under the Shareholder approved Performance Rights plans):
  - i. 1,500,000 Performance Rights, for nil cash consideration, following approval by Shareholders at the annual general meeting in November 2013. Of these Performance Rights, 1,200,000 Performance Rights have vested and 1,200,000 Shares were issued to Mr Finlayson's nominee in August 2016;
  - ii. 735,000 Performance Rights, for nil consideration, following approval by Shareholders at the annual general meeting in November 2014. Of these Performance Rights, 735,000 Performance Rights have vested and 735,000 Shares were issued to Mr Finlayson's nominee in August 2017;
  - iii. 10,000,000 Performance Rights, for nil consideration, following approval by Shareholders at the annual general meeting in November 2015. Of these Performance Rights:
    - (A) 2,000,000 Performance Rights vested and 2,000,000 Shares were issued to Mr Finlayson's nominee in August 2016; and
    - (B) 3,000,000 Performance Rights vested and 3,000,000 Shares were issued to Mr Finlayson's nominee in May 2017;
    - (C) 5,000,000 Performance Rights vested and 5,000,000 Shares were issued to Mr Finlayson's nominee in March 2018.
  - iv. 185,000 Performance Rights, for nil consideration, following approval by Shareholders at the annual general meeting in November 2016; and
  - v. 660,000 Performance Rights, for nil consideration, following approval by Shareholders at the annual general meeting in November 2017.

No other Director or person or entity associated with a Director has been issued any Performance Rights under a Shareholder approved Performance Rights plan;

- (e) as at the date of this Notice of Meeting, the only related party of the Company who is entitled to participate in the Performance Rights plan is Mr Raleigh Finlayson (or his nominee);
- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 6;
- (g) no loans have been provided to Mr Finlayson in relation to the acquisition of the Performance Rights; and
- (h) the Performance Rights will be issued to Mr Finlayson (or his nominee) no later than 12 months after the date of the Meeting.

## **6.8 Recommendation**

**The Directors of the Company (excluding Mr Finlayson) recommend that Shareholders vote in favour of this Resolution 6.**

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## **7. RESOLUTION 7 – ISSUE OF “ONE OFF” RETENTION PERFORMANCE RIGHTS TO MR RALEIGH FINLAYSON**

### **7.1 General**

The Company has agreed, subject to Shareholder approval, to issue a total of 1,500,000 longer dated, “one off” Retention Performance Rights to Mr Raleigh Finlayson (or his nominee) (**Retention Performance Rights**), comprising of three tranches of 500,000 Performance Rights to be issued in relation to the following performance periods:

- (a) Tranche 1 – three year performance period to 30 June 2021;
- (b) Tranche 2 – four year performance period to 30 June 2022; and
- (c) Tranche 3 – five year performance period to 30 June 2023,

under, and in accordance with, the Long Term Incentive Plan which is located on the Company's website at **[www.saracen.com.au](http://www.saracen.com.au)**.

**7.2** These long dated Retention Performance Rights are proposed to be issued to Mr Finlayson (or his nominee) on a “one off” basis as an incentive to retain Mr Finlayson in the Company and to seek the satisfaction of the vesting conditions, which the Company intends will be aligned with the interests of Shareholders. The performance periods associated with these Retention Performance Rights are longer than the market standard whilst the performance measures are comparable with Saracen peer companies and in line with broader market metrics. It is intended that the issue of the Retention Performance Rights will serve to reward, retain and motivate Mr Finlayson in relation to his ongoing service to the Company.

As noted above, in conjunction with the granting of these “one off” Retention Performance Rights, Mr Finlayson has offered to take a reduction in his base salary from \$675,000 per annum in FY2018 to \$600,000 per annum in FY2019 and this has been accepted by the Board. This reflects one of the Company's key remuneration principles whereby its senior management increase the “at risk” portion of their total remuneration. This principle was also reflected in FY2018 when Mr Finlayson also proposed and the Board accepted, a base salary reduction from FY2017 (\$700,000 per annum) to FY2018 (\$675,000 per annum).

### **7.3 Quantum Calculation**

Mr Finlayson is the Managing Director and the most senior executive of the Company.

The Board has determined that the quantum of Retention Performance Rights proposed to be issued to Mr Finlayson is appropriate and is designed to support the longer term retention of Mr Finlayson (given that these Retention Performance Rights include longer than market standard performance periods of up to five (5) years) and to provide incentive to Mr Finlayson to deliver an above-average performance relative to Saracen's peers (as detailed in Schedule 2).

The proposed issue of the Retention Performance Rights strikes a balance between supporting the longer term retention of Mr Finlayson and rewarding Mr Finlayson for performance while aligning his interests with those of the Shareholders.

Performance measures in relation to the issue of the Retention Performance Rights are set out in Section 7.6.

Based on an independent third party calculation, the value of the Retention Performance Rights was determined to equate to:

<b>Tranche</b>	<b>Measure</b>	<b>Number of Rights</b>	<b>Rights Value</b>	<b>Total Value</b>
<b>Tranche 1</b>	Relative TSR	125,000	\$0.783	\$97,875
	Ore Reserves	125,000	\$1.705	\$213,125
	EPS Growth	125,000	\$1.705	\$213,125
	Share Price	125,000	\$0.921	\$115,125
<b>Tranche 2</b>	Relative TSR	125,000	\$0.829	\$103,625
	Ore Reserves	125,000	\$1.688	\$211,000
	EPS Growth	125,000	\$1.688	\$211,000
	Share Price	125,000	\$1.003	\$125,375
<b>Tranche 3</b>	Relative TSR	125,000	\$0.870	\$108,750
	Ore Reserves	125,000	\$1.671	\$208,875
	EPS Growth	125,000	\$1.671	\$208,875
	Share Price	125,000	\$1.070	\$133,750
<b>Total</b>		<b>1,500,000</b>		<b>\$1,950,500</b>

If all conditions are met and Mr Finlayson remains an employee of Saracen for the five year performance period, then the maximum value of the Retention Performance Rights is \$1,950,500. The maximum number of Shares that could be issued to Mr Finlayson upon conversion of the Retention Performance Rights is 1,500,000 Shares if all performance criteria are fully met for each of the three tranche's over each of the longer dated performance periods set out at Section 7.1.

#### **7.4 Chapter 2E of the Corporations Act**

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Retention Performance Rights constitutes giving a financial benefit and Mr Finlayson is a related party of the Company by virtue of him being a Director.

The Directors (other than Mr Finlayson, given his material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of Retention Performance Rights because they are being issued as part of Mr Finlayson's remuneration package and have been negotiated on an arm's length basis.

## 7.5 Listing Rule 10.14

Listing Rule 10.14 requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

If this Resolution 7 is passed, the Retention Performance Rights will be issued to Mr Finlayson (or his nominee). Therefore, the Company requires Shareholder approval to issue the Retention Performance Rights to Mr Finlayson (or his nominee).

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Retention Performance Rights as approval is being obtained under Listing Rule 10.14 and has been obtained under Exception 9(b) of Listing Rule 7.2.

## 7.6 Vesting Conditions of the Retention Performance Rights

As stated in section 7.1 above, the Company has agreed, subject to Shareholder approval, to grant Retention Performance Rights to Mr Finlayson (or his nominee). The conditions that must be met in order for the Retention Performance Rights to vest are as follows:

(a) Tranche 1 – three year performance period to 30 June 2021

Category	Split	Percentage to Vest	Comment
Relative TSR	25%	Below 50 <sup>th</sup> percentile – 0% At 50 <sup>th</sup> percentile – 50% Between 50 <sup>th</sup> & 75 <sup>th</sup> percentile – pro rata between 50% and 100% 75 <sup>th</sup> percentile and above – 100%	Measured against Peer Group below and based upon 30 day VWAP at the measurement points
Increase in Ore Reserves	25%	Negative growth – 0% Depletion replaced – 50% Between depletion replaced & 20% increase – pro rata between 50% and 100% 20% increase or greater – 100%	Measured based on Reserve Statement as reported in the relevant annual report
EPS Growth	25%	Negative growth – 0% 5% per annum growth – 50% Between 5% per annum growth and 10% per annum growth – pro rata between 50% and 100% 10% per annum or greater – 100%	EPS calculation should exclude non-recurring items and be measured as the cumulative annual growth rate over the 3 year period
Increase in Share Price	25%	Below 10% – 0% Between 10% & 20% – pro rata between 50% and 100% More than 20% – 100%	Measured by comparing 30 day VWAP at 30 June 2018 to 30 day VWAP at 30 June 2021

(b) Tranche 2 – four year performance period to 30 June 2022

Category	Split	Percentage to Vest	Comment
Relative TSR	25%	Below 50 <sup>th</sup> percentile – 0% At 50 <sup>th</sup> percentile – 50% Between 50 <sup>th</sup> & 75 <sup>th</sup> percentile – pro rata between 50% and 100% 75 <sup>th</sup> percentile and above – 100%	Measured against Peer Group below and based upon 30 day VWAP at the measurement points
Increase in Ore Reserves	25%	Negative growth – 0% Depletion replaced – 50% Between depletion replaced & 20% increase – pro rata between 50% and 100% 20% increase or greater – 100%	Measured based on Reserve Statement as reported in the relevant Annual Report
EPS Growth	25%	Negative growth – 0% 5% per annum growth – 50% Between 5% per annum growth and 10% per annum growth – pro rata between 50% and 100% 10% per annum or greater – 100%	EPS calculation should exclude non-recurring items and be measured as the cumulative annual growth rate over the 4 year period
Increase in Share Price	25%	Below 10% – 0% Between 10% & 20% – pro rata between 50% and 100% More than 20% – 100%	Measured by comparing 30 day VWAP at 30 June 2018 to 30 day VWAP at 30 June 2022

(c) Tranche 3 – five year performance period to 30 June 2023

Relative TSR	25%	Below 50 <sup>th</sup> percentile – 0% At 50 <sup>th</sup> percentile – 50% Between 50 <sup>th</sup> & 75 <sup>th</sup> percentile – pro rata between 50% and 100% 75 <sup>th</sup> percentile and above – 100%	Measured against Peer Group below and based upon 30 day VWAP at the measurement points
Increase in Ore Reserves	25%	Negative growth – 0% Depletion replaced – 50% Between depletion replaced & 20% increase – pro rata between 50% and 100% 20% increase or greater – 100%	Measured based on Reserve Statement as reported in the relevant Annual Report
EPS Growth	25%	Negative growth – 0% 5% per annum growth – 50% Between 5% per annum growth and 10% per annum growth – pro rata between 50% and 100% 10% per annum or greater – 100%	EPS calculation should exclude Non-Recurring items and be measured as the cumulative annual growth rate over the 5 year period
Increase in Share Price	25%	Below 10% – 0% Between 10% & 20% – pro rata between 50% and 100% More than 20% – 100%	Measured by comparing 30 day VWAP at 30 June 2018 to 30 day VWAP at 30 June 2023

## 7.7 Technical information required Listing Rule 10.15

Pursuant to, and in accordance with, Listing Rule 10.15, the following information is provided in relation to the proposed issue of Retention Performance Rights to Mr Finlayson (or his nominee) under the Long Term Incentive Plan (subject to approval under Resolution 7):

- (a) the Retention Performance Rights are being issued to Mr Finlayson (or his nominee). Mr Finlayson has not notified a nominee at this time;
- (b) the maximum number of Retention Performance Rights to be issued is 1,500,000 Retention Performance Rights being 500,000 tranche 1 Retention Performance Rights for the three year performance period to 30 June 2021, 500,000 tranche 2 Retention Performance Rights for the four year performance period to 30 June 2022 and 500,000 tranche 3 Retention Performance Rights for the five year performance period to 30 June 2023;
- (c) the Retention Performance Rights are being issued for nil cash consideration under the terms of the Long Term Incentive Plan;
- (d) Mr Finlayson has previously been issued (under the Shareholder approved Performance Rights plans):
  - i. 1,500,000 Performance Rights, for nil cash consideration, following approval by Shareholders at the annual general meeting held in November 2013. Of these 1,500,000 Performance Rights, 1,200,000 Performance Rights have vested and 1,200,000 Shares were issued to Mr Finlayson's nominee in August 2016; and
  - ii. 735,000 Performance Rights, for nil consideration, following approval by Shareholders at the annual general meeting held in November 2014. All of these 735,000 Performance Rights have vested and 735,000 Shares were issued to Mr Finlayson's nominee in August 2017;
  - iii. 10,000,000 Performance Rights, for nil consideration, following approval by Shareholders at the annual general meeting in November 2015. Of these 10,000,000 Performance Rights:
    - (A) 2,000,000 Performance Rights have vested and 2,000,000 Shares were issued to Mr Finlayson's nominee in August 2016; and
    - (B) 3,000,000 Performance Rights vested and 3,000,000 Shares were issued to Mr Finlayson's nominee in May 2017;
    - (C) 5,000,000 Performance Rights vested and 5,000,000 Shares were issued to Mr Finlayson's nominee in March 2018.
  - iv. 185,000 Performance Rights, for nil consideration, following approval by Shareholders at the annual general meeting in November 2016; and
  - v. 660,000 Performance Rights, for nil consideration, following approval by Shareholders at the annual general meeting in November 2017.

No other Director, or person or entity associated with a Director, has been issued any Performance Rights under a Shareholder approved Performance Rights plan;

- (e) as at the date of this Notice of Meeting, the only related parties of the Company who are entitled to participate in the Long Term Incentive Plan are Mr Raleigh Finlayson (or his nominee) and Directors (or their nominee) of the Company;
- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 7;
- (g) no loans have been provided to Mr Finlayson in relation to the acquisition of the Retention Performance Rights; and
- (h) the Retention Performance Rights will be issued to Mr Finlayson (or his nominee) no later than 12 months after the date of the Meeting.

## **7.8 Recommendation**

**The Directors of the Company (excluding Mr Finlayson) recommend that Shareholders vote in favour of Resolution 7.**

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## **8. ENQUIRIES**

Shareholders can contact the Company Secretary, Jeremy Ryan, on (08) 6229 9100 if they have any queries in respect of the matters set out in this Notice of Meeting.



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## GLOSSARY

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\$ means Australian dollars.

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**Annual Report** means the Directors' Report, the Financial Report, and Auditor's Report, in respect to the year ended 30 June 2018.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Auditor's Report** means the auditor's report on the Financial Report.

**Board** means the current Board of Directors of the Company.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** or **Saracen** means Saracen Mineral Holdings Limited (ACN 009 215 347).

**Constitution** means the constitution of the Company as at the date of the Meeting.

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended from time to time.

**Director** means a director of the Company.

**Directors' Report** means the annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Employee Incentive Share Plan** means the employee incentive share plan, outlined in Section 5, to be approved by Shareholders as part of Resolution 5 and headed "Saracen Mineral Holdings Limited Incentive Share Plan Rules".

**Employee Shares** has the meaning given in Resolution 4.

**EPS** means earnings per Share.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the official listing rules of the ASX.

**Long Term Incentive Plan** means the long term incentive plan approved by Shareholders at the annual general meeting of the Company held on 23 November 2017.

**Notice** or **Notice of Meeting** means this notice of annual general meeting including the Explanatory Statement and Proxy Form.

**Performance Right** means a conditional right which, upon satisfaction or waiver of the relevant vesting conditions and exercise conditions and the exercise of that right, entitles the holder to receive one ordinary share in the Company.

**Proxy Form** means the proxy form accompanying the Notice.

**Retention Performance Rights** has the meaning given in Section 7.1.

**Performance Rights** has the meaning given in Section 6.1.

**Remuneration Report** means the remuneration report of the Company contained in the Directors' Report.

**Resolution 6 Excluded Party** has the meaning given in Resolution 6.

**Resolution 7 Excluded Party** has the meaning given in Resolution 7.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means the relevant section of the Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Spill Meeting** has the meaning given in section 3.2 of the Explanatory Statement.

**Spill Resolution** has the meaning given in section 3.2 of the Explanatory Statement.

**TSR means** total shareholder return.

**VWAP** means volume weighted average price.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

## **SCHEDULE 1 – SUMMARY OF THE KEY TERMS OF THE COMPANY’S EMPLOYEE INCENTIVE SHARE PLAN**

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The key terms of the Company’s Employee Incentive Share Plan are set out below:

- (a) Eligibility: The Board may from time to time determine that a Qualifying Employee may participate in the Employee Incentive Share Plan.
- (b) Instruments: The Company may issue Plan Shares to one or more Participants under the Employee Incentive Share Plan.
- (c) Invitation: Following determination that a Qualifying Employee may participate in the Employee Incentive Share Plan, the Board may make an Invitation to the Qualifying Employee. An Invitation to a Qualifying Employee to apply for Plan Shares may be made on such terms and conditions as the Board decides from time to time, including the number of Plan Shares for which that Qualifying Employee may apply and Grant Date.

It is the intention of the Board that all issues of shares under the Employee Incentive Share Plan will be in accordance with the issue limits set out in ASIC Class Order 14/1000.

- (d) Acceptance of Application: The Board may accept an Application from a Qualifying Employee in whole or in part. The Company may not grant a Plan Share to a Qualifying Employee unless it has received the duly completed Application Form together with all applicable Ancillary Documentation from that Qualifying Employee.
- (e) Grant of Employee Incentive Share Plan Shares: Following receipt of the duly completed Application Form, the Ancillary Documentation and the Acquisition Price (if applicable) for the relevant Plan Shares, the Company will, to the extent that it has accepted such Application, procure that the relevant number of Plan Shares are issued to the Participant and / or Trustee.
- (f) Disposal restrictions: During the Holding Lock Period, unless otherwise permitted by the Board by express written notice (whether physical or electronic), the Participant will not transfer, encumber or otherwise dispose of, or have a Security Interest granted over the relevant Plan Shares.
- (g) Quotation of Plan Shares: Plan Shares that are the same class as those shares of the Company which are listed on the ASX, the Company will apply for quotation of the Plan Shares issued (or any unquoted Plan Shares transferred) within the time required by the Listing Rules after the Grant Date.
- (h) Forfeiture: Participants in the Plan will face no risk of forfeiting the Plan Shares (within the meaning of that expression in section 83A-35(7) of the ITAA 1997) acquired under the Plan.
- (i) Trust: The Board may, in its discretion, use an employee share trust or other mechanism for the purposes of holding and/or delivering any Plan Shares under these the Employee Incentive Share Plan rules on such terms and conditions as determined by the Board in its absolute discretion. For the avoidance of doubt, the Board may do all things necessary for the establishment, administration, operation and funding of an employee share trust.
- (j) Adjustment of Participant's Shares: The rules of the Employee Incentive Share Plan set out how a Participant's Shares will be adjusted on a bonus issue of Shares and a rights issue. All adjustments will be consistent with the requirements of the ASX Listing Rules.

- (k) **Amendment:** The Board has the ability to amend the Employee Incentive Share Plan rules at any time, including with retrospective effect, except if the amendment materially adversely affects the rights of a Participant as they existed before the date of the amendment, other than:
- i. an amendment which is primarily necessitated to ensure compliance with the Company's constitution or law;
  - ii. to correct manifest errors;
  - iii. to take into consideration possible adverse taxation implications in respect of the Employee Incentive Share Plan; or
  - iv. to allow the implementation of an employee share trust.

If the ASX or the ASX Listing Rules require that shareholder approval be obtained to amend the rules of the Employee Incentive Share Plan, shareholder approval will be sought at the relevant time.

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## SCHEDULE 1 - GLOSSARY

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**Acquisition Price** means, in respect of a Plan Share, the amount payable (if any) for that Plan Share.

**Ancillary Documentation** means all documentation which the Board specifies in an Invitation that a Qualifying Employee must enter into and / or provide in connection with an Application.

**Application** means, in respect of a Plan Share, an application for the grant of that Plan Share made physically or electronically by a Qualifying Employee or a person nominated by a Qualifying Employee under clause 3.8 of the Employee Incentive Share Plan in response to an Invitation.

**Application Form** means an application form (whether physical or electronic) attached to, or enclosed or otherwise made available with, an Invitation.

**Engagement Arrangement** means, in respect of:

- (a) an employee of a member of the Group, the terms under which the relevant Group member has employed that person;
- (b) a director of a member of the Group that is not also an employee, the terms under which the relevant Group member has appointed that director to their office; or

a contractor or consultant to a member of the Group, the terms under which the relevant Group member has engaged that contractor or consultant.

**Grant Date** means, in relation to a Plan Share, the date on which that Plan Share is issued, allocated or transferred to, or for the benefit of, a Participant under the Employee Incentive Share Plan. For the avoidance of doubt, this constitutes the date on which a Participant acquires the Plan Shares for the purposes of Division 83A of the ITAA 1997.

**Group** means the Company and its Subsidiaries.

**Holding Lock Period** means, in relation to a Plan Share, the period from the Grant Date until the earlier of:

- (a) the date three years after the relevant Grant Date of that Plan Share or such date as may be determined by the Board in its discretion so as to satisfy the Reduction Conditions; or
- (b) the day after the date on which the relevant Participant ceases to be employed by a member of the Group,  
  
and for the avoidance of doubt:
- (c) if there is a change in the employing entity of a Participant from one member of the Group to another member of the Group, that Participant will be considered, for the purposes of this Plan, as not having ceased to be employed by a member of the Group; or
- (d) if a Participant has been granted an approved leave of absence and that Participant exercises the right to return to work, under any applicable award, enterprise agreement, other agreement, statute or regulation, that Participant will be considered, for the purposes of this Plan, as not having ceased to be employed by a member of the Group.

**Invitation** means an invitation to a Qualifying Employee to apply for the grant of a Plan Share made in accordance with clause 3.2 of the Employee Incentive Share Plan.

**Listing Rules** means the listing rules, market rules and operating rules of a financial market in respect of which the Company's shares are quoted or are the subject of an application for quotation.

**Participant** means:

- (a) a Qualifying Employee who has been granted one or more Plan Shares under the Employee Incentive Share Plan; or
- (b) where a Qualifying Employee has made a nomination under clause 3.8 of the Employee Incentive Share:
  - i. the Qualifying Employee; or
  - ii. the nominee of the Qualifying Employee who has been granted a Plan Share under this Plan,

as the context requires.

**Plan Share** means a Share granted to a Participant pursuant to the Employee Incentive Share Plan.

**Qualifying Employee** means:

- (a) a full-time or part-time employee of a member of the Group (including an executive director), or
- (b) such other individual employed or engaged by a member of the Group and who falls, or whose Engagement Arrangement falls, within the “relationships similar to employment” categories under section 83A.325 of the ITAA 1997,

who is eligible to receive grants of Plan Shares under the Plan

**Reduction Conditions** means the reduction conditions set out in section 83A-35 of the ITAA 1997.

**Security Interest** means a mortgage, charge, pledge, lien, encumbrance or other third party interest of any nature.

**Share** means a fully paid ordinary share in the capital of the Company.

**Subsidiary** has the same meaning as in Division 6 of Part 1.2 of the Corporations Act.

**Trustee** means CPU Share Plans Pty Ltd (ABN 21 081 600 875) or any replacement trustee duly appointed under Trust Deed from time to time.

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**SCHEDULE 2 – PEER COMPANIES**

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<b>Company</b>	<b>Company</b>
Newcrest (ASX: NCM)	Evolution (ASX: EVN)
Northern Star (ASX: NST)	Regis (ASX: RRL)
St Barbara (ASX: SBM)	Oceana (ASX:OGC)
Ramelius (ASX: RMS)	Westgold (ASX: WGX)
Silver Lake (ASX: SLR)	Millennium (ASX: MOY)
Dacian (ASX: DCN)	Doray (ASX: DRM)
Pantoro (ASX: PNR)	Blackham (ASX: BLK)

The TSR performance of the Peer Companies will be adjusted/normalised by the Board in circumstances where one or more of those comparator companies cease to be listed on the ASX.



Saracen

SARACEN MINERAL HOLDINGS LIMITED  
ABN 52 009 215 347

## Lodge your vote:



Online:

[www.investorvote.com.au](http://www.investorvote.com.au)



By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



### Your access information that you will need to vote:

Control Number: 181963

SRN/HIN:

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 9:30am (WST) Tuesday, 20 November 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** →



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Saracen Mineral Holdings Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Saracen Mineral Holdings Limited to be held at the Duxton Hotel, 1 St Georges Terrace, Perth, Western Australia on Thursday, 22 November 2018 at 9:30am (WST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 3 and 5 - 7 (except where I/we have indicated a different voting intention below) even though Resolutions 3 and 5 - 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 3 and 5 - 7 by marking the appropriate box in step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Election of Director – Anthony (Tony) Kiernan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Geoffrey Clifford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of the Company's Employee Incentive Share Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issue of Performance Rights to Mr Raleigh Finlayson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issue of "One Off" Retention Performance Rights to Mr Raleigh Finlayson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /