

14 October 2019

## EXECUTIVE REMUNERATION ARRANGEMENTS

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Northern Star Resources Limited (ASX: NST) is pleased to advise that the FY20 remuneration for Executive Chairman Bill Beament and Chief Executive Officer Stuart Tonkin has been finalised.

Details of these arrangements are set out in the Appendix below.

Nick Cernotta, Chairperson of the Company's Remuneration Committee, said the skills and leadership of Mr Beament and Mr Tonkin had been instrumental in the Company's enviable record of creating value for shareholders while also ensuring it adhered to the highest safety, environmental, social and governance standards.

"We are confident that we have struck the right balance between ensuring that Bill and Stuart have remuneration packages which are competitive in the market and which also deliver value for shareholders," Mr Cernotta said.

"In line with these objectives, the remuneration packages comprise an 'at-risk' component of 81 per cent for Bill and 74 per cent for Stuart. This further ensures that their remuneration is firmly aligned with shareholders' interests."

The FY20 Share Plan, under which the performance rights contemplated by the STI and LTI components of Mr Beament's and Mr Tonkin's variable remuneration would be offered, will be put to the Company's Shareholders for approval at the 14 November 2019 Annual General Meeting. Details of the FY20 Share Plan (and the applicable performance criteria) are included in the notice of meeting.

Further details about the Company's FY20 remuneration framework and overall approach are provided in the Remuneration Report<sup>1</sup>.

Yours faithfully



**JOHN FITZGERALD**  
 Lead Independent Director  
 Northern Star Resources Limited



**NICK CERNOTTA**  
 Chairperson, Remuneration Committee  
 Northern Star Resources Limited

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<sup>1</sup> See in particular pages 58 to 62 of the Annual Report.

## APPENDIX

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Further to the discussion included in the Company's [2019 Remuneration Report](#):

- The Non-Executive Directors commissioned an independent remuneration consultant to assist them to assess various criteria in determining the appropriate structure and quantum of the revised remuneration arrangement, and to ensure that the Company's approach was consistent with best practice and market expectations.
- That assessment process included industry benchmarking analysis undertaken against ASX-listed resource companies and the ASX50-100 companies. Consideration was also given to the remuneration arrangements of internationally listed companies in the gold sector with similar market capitalisations and complexity.
- The Board considered it appropriate, and in the best interests of the Company, to undertake a salary review across the business to ensure that salaries remain competitive in the market and that the retention and incentivisation of the Company's leadership group is supported in a manner that aligns with the broader strategic objectives of the Company and the interests of all Shareholders.
- The fixed and variable remuneration of all Northern Star Executive KMP (and other senior management) has not changed since 2016.
- Since that time, the Company has undergone a transformative period of growth, with the scale and complexity of the Company's operations (as well as their geographic reach) having increased considerably. Page 49 of the 2019 Annual Report in particular highlights the financial performance of Northern Star in recent years under the leadership of Mr Beament and Mr Tonkin.
- The increase in the proportion of performance-based remuneration for each of Mr Beament and Mr Tonkin means most of their overall remuneration will be at risk, with a view to better incentivising the achievement of the Company's strategy.

### **FY20 remuneration for Bill Beament, Executive Chairman**

- FAR<sup>2</sup>: \$1,400,000;
- STI maximum opportunity of 113.75% of FAR (delivered as 50% cash and 50% Performance Rights, or 100% in Performance Rights at the employee's election), and
- LTI maximum opportunity of 300% of FAR (delivered as 100% Performance Rights).

Mr Beament has elected to take 100% of his STI in Performance Rights.

### **FY20 remuneration for Stuart Tonkin, Chief Executive Officer**

- FAR<sup>2</sup>: \$1,100,000;
- STI maximum opportunity of 113.75% of FAR (delivered as 50% cash and 50% Performance Rights, or 100% in Performance Rights at the employee's election), and
- LTI maximum opportunity of 173% of FAR (delivered as 100% Performance Rights).

Mr Tonkin has elected to take 100% of his STI in Performance Rights.

Vesting of the Performance Rights only occurs if performance measures aligned with the Company's long term strategy are met.

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<sup>2</sup> FAR means fixed annual remuneration, comprising base salary and \$25,000 superannuation.