AUSTRALIAN SHAREHOLDERS' ASSOCIATION

# Gold price buoyancy masks delivery weakness and management change

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| **Company/ASX Code** | **Northern Star Resources Limited/NST** |
| **AGM time and date** | **1:30 pm AWST Wednesday, 18 November 2026** |
| **Location** | DoubleTree by Hilton Waterfront, Waterside Function Room, 1 Barrack Street, Perth WA 6000 |
| **Registry** | Automic |
| **Type of Meeting** | Hybrid |
| **Monitor** | David Brooke |
| **Pre-AGM Meeting** | Yes; with NST Chairman (Michael Chaney) and incoming Chairman (Michael Ashforth) on 11 November 2026 |

*Monitor Shareholding: The individual involved in the preparation of this voting intention has no shareholding in this company.*

## 1. How we intend to vote

| No. | Resolution description | Vote |
|---|---|---|
| 1 | Adoption of Remuneration Report | Against |
| 2 | Approval of the issue of 213,903 FY27 First LTI Performance Rights to Managing Director & Chief Executive Officer, Mr Suresh Vadnagra | For |
| 3 | Approval of the issue of 213,903 FY27 Second LTI Performance Rights to Managing Director & Chief Executive Officer, Mr Suresh Vadnagra | Against |
| 4 | Approval of the issue of 110,350 FY27 STI Performance Rights to Managing Director & Chief Executive Officer, Mr Suresh Vadnagra | For |
| 5 | Approval of the issue of 194,457 FY27 Sign-on Rights to Managing Director & Chief Executive Officer, Suresh Vadnagra | For |
| 6 | Election of Director – Mr Jeff Quartermaine | For |
| 7 | Election of Director – Mr Terry Bowen | For |
| 8 | Election of Director – Mr Mark Cutifani CBE | For |
| 9 | Election of Director – Mr Peter Rozenauers | For |
| 10 | Re-election of Director – Ms Sally Langer | For |
| 11 | Approval of increase in Directors' Fee Pool | For |
| 12 | Renewal of the Company's proportional takeover approval provisions | For |

## 2. Summary of Issues

- Gold Fields have made an unsolicited, predominantly scrip-based proposal valuing NST at approximately A$38.7bn, which NST rejected. Whilst diluting risk, such a takeover would also dilute “upside” from KCGM plant renewal and Hemi, increase sovereign risk and potential loss of franked dividends. Gold Fields are now actively pursuing NST shareholders, and a revised proposal is a realistic possibility;
- Elliott Investment Management L.P. (“Elliott”), a US-based activist investment manager with a 6.24% interest in NST, issued a report on NST performance in June 2026. The Elliott report identified:
    - Project (KCGM plant renewal and Hemi) time and cost overruns raise questions about NST management's ability to forecast operating performance and execute capital projects to time and budget;
    - NST failure to communicate the full capital required to achieve the benefits of the expanded KCGM operation, which then overran their initial budget;
    - Seven guidance misses (or downward revisions) over 4 years; these misses failed to correlate with some STI and/or LTI (including LTI-2) incentive awards. The FY26 awards were particularly contentious - production and cost issues contributed only 3% to the 46% STI vesting. Management STI awards still received 23 out of 25 available points, despite KCGM cost overruns and Hemi development delays. FY25 reduced STI incentive exposure for operational failure from 70% to 55% in FY26;
    - High management turnover; the Managing Director (Stuart Tonkin), Company Secretary and Chief Legal Officer (Hilary MacDonnald) have left and the Chairman (Michael Chaney), Lead Independent Director (John Fitzgerald after 14 years’ service) and CFO (Ryan Gurner) are about to leave (in the case of the CFO despite NST facing substantial investment commitments). It is also noted that the former CEO (Stuart Tonkin) has been replaced by an external candidate (Suresh Vadnagra). The current COO (Simon Jessop) is currently remaining;
    - Advocated new CEO appointment, changed board composition, strategic review and potential company sale; NST negotiations subsequently took place with Elliott resulting in the nomination of directors: Mark Cutifani, Peter Rozenauers. Jeff Quartermaine and Terry Bowen were appointed through its Board succession-planning process.

  ASA agrees with Elliott’s emphasis on operating forecasts, capital allocation and independent scrutiny, while recognising that KCGM mill construction cost and schedule performance were comparatively favourable. In the pre-AGM meeting, Chairman Michael Chaney argued that the KCGM mill construction programme had been delivered on schedule with a relatively modest cost overrun compared with major Australian engineering projects. ASA accepts the Chairman’s views on the new KCGM plant.
- NST’s FY26 2Moz annual production ambition, initially announced in 2021 and reaffirmed during 2024, was a strategic target rather than formal FY26 guidance. The target excluded the new KCGM mill. Actual FY26 gold sold was approximately 1.543Moz (gold produced was 1.552Moz). The shortfall, together with a record of guidance revisions, warrants continuing scrutiny of forecasting assumptions. The company acknowledged known risks in the ageing Fimiston plant and the impact of unplanned failures; the 27Mtpa FY29 ramp-up and associated production expectations remain to be demonstrated.

- NST has substantial brownfield operating and development experience, but not on the scale and metallurgical complexity of Hemi which would be a first for NST. The company is aware that specialist refractory-processing and project expertise will need to be employed. The original Hemi feasibility budget was prepared by De Grey, not NST. Our concern is therefore the independent validation of the revised mine plan, POX design, capital cost and economics before FID.
- NST revenue was up by 18.8% driven by an unprecedented 25.6% increase in realised gold price (the A$ market price actually increased by 42%) despite a (5.5%) decrease in gold sold. The Q1/FY27 quarter has generated negative underlying group free cash flow of A$31m outflow;
- The company's gold hedging policy of FY22 added 295,000oz to gold hedges at A$2,731/oz, which in the event, has been costly. Estimated revenue foregone to FY26 is around A$1.97bn, with an estimated A$1.51bn of potential future revenue foregone at today's gold price. The estimates are before tax; 30% tax would have been payable, which would also have increased NST's franking credit balance.
- Independent market benchmarking was cited for FY26 fixed pay and incentive opportunities. Former CEO Stuart Tonkin's maximum STI opportunity rose from 100% to 140% of fixed remuneration, while other executive KMP opportunities rose from 100% to 125%. Tonkin retained approximately 88% of unvested LTI rights, but these remain subject to their original performance tests, malus and clawback. We question the incentive design rather than alleging that the FY26 hurdles were changed.
- A second stage of KCGM expansion (but still within FY29 - 27Mtpa) will consolidate processing at NST's Fimiston plant and integrate work previously undertaken at their Gidji refractory gold facility; this is scheduled to begin commissioning in FY27 and expected to lift gold recovery by 1-2 per cent and eliminate concentrate haulage between KCGM and Gidji.
- New CEO Suresh Vadnagra brings senior operational and major-project experience, including service as Chief Technical and Projects Officer at Newcrest. The appointment, together with the strengthened board and planned use of external specialists, improves the prospects for rigorous KCGM and Hemi oversight.
- The company completed a A$300m share buyback at an average cost of A$11.04/share in May 2025. A new A$500m share buyback facility was announced in April 2026 to run until April 2027 (NST is not obliged to spend all this money and did not do any purchases in Q1/FY27).
- NST has significant committed bank facilities and other financing arrangements to support its A$2.55–2.94bn FY27 capital programme.
- In its 9 November update, NST acknowledged continuing commissioning difficulties at the expanded KCGM plant, with October production below plan and FY27 production now tracking towards the lower end of guidance. However, plant performance improved during November, and overall FY27 Group guidance remains unchanged. The company also confirmed that Hemi had received its primary Federal and State environmental approvals, although further approvals are still required.

## 3. Matters Considered

The following are interrelated issues that warrant execution-risk concerns:

1. A sustained record of optimistic production forecasts and operational reliability failures, despite favourable gold prices; separately, the KCGM mill construction schedule and cost outcome deserves credit relative to comparable large engineering projects.
2. A major change in executive and board leadership occurring during KCGM commissioning and before the final investment decision (FID) on Hemi. The simultaneous departure of experienced personnel also introduces organisational and institutional-knowledge risk.
3. Hemi is a technically demanding greenfield, low-grade sulphide-associated gold development involving flotation and pressure oxidation. NST has not previously constructed a comparable operation from scratch, but specialist project and metallurgical expertise can be recruited and independently engaged.
4. NST has demonstrated underground and open-pit mining competence and has strengthened its board and CEO capability. The key risk is successful integration of experienced owner-side metallurgical and construction teams, independently validated process design and capital discipline at Hemi. The original De Grey capital estimate should not be characterised as a cost commitment made by NST. At KCGM, the principal remaining question is sustained ramp-up to 27Mtpa and associated cash returns, not whether the mill was constructed on time and budget.

## 4. Accounts and reports

Higher gold prices supported FY26 profit despite lower gold sales and rising unit costs. The record is mixed: new KCGM mill construction performance was respectable against the scale and complexity of the engineering project, whereas persistent production-guidance disappointments and legacy plant reliability issues remain concerns. The Fimiston FY26 throughput shortfall of approximately 14.4% is a throughput-equivalent deficit, not a verified number of days of mechanical downtime.

Disappointing Shareholder Returns — Simple FY26 TSR was approximately 5.1%, substantially below the performance investors might have expected during such a strong gold market. Both TSR components of the FY23 LTI award also failed to vest, as the four-year shareholder returns fell short of the relevant performance hurdles.

Rising All-in Sustaining Costs — Group FY26 AISC reached A$2,698/oz, approximately 25% above FY25. Some increase reflects gold-linked royalties, inflation and lower output; not all should be attributed to controllable operational failure. FY26 AISC remained within original guidance.

Weak Free Cash Flow Conversion — Despite substantial earnings, FY26 underlying free cash flow was approximately A$190m, reflecting the group's exceptionally large capital commitments. This has been further exacerbated by negative cash flow of A$31m in Q1/FY27.

Gold Hedging Reduced Revenue and Margins — An estimated A$1.97bn of potential revenue has been foregone from FY22 hedge contracts; with an estimated A$1.51bn of potential future revenue foregone at current gold prices. This is an indicative revenue loss, not a separately recognised accounting loss.

## Financial Performance

| (As at FYE) | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| NPAT (A$m) | 1,664.3 | 1,339.7 | 638.5 | 585.2 | 452.1 |
| Share price (A$) – 30 June | 18.95 | 18.55 | 13.00 | 12.08 | 6.84 |
| Dividend (cents) | 55[+] | 55 | 40 | 26.5 | 21.5 |
| Simple TSR (%) | 5.1% | 46.9% | 10.9% | 80.8% | -28.6% |
| EPS (cents) | 116.5 | 112.6 | 55.6 | 50.8 | 38.9 |
| CEO total remuneration, actual (A$m) | 5.887 | 10.26 | 7.117 | 6.3 | 2.375 |

[+] final dividend for FY26 was fully franked
The latest Remuneration represents that the former CEO earned 52 times Australian Full-Time Adult Average Weekly Total Earnings (A$2,160 based on May 2026 data from the Australian Bureau of Statistics).

# 5. Focus Issues

### Governance and Culture

Persistent production guidance shortcomings, the legacy KCGM plant's reliability issues and Hemi's revised development assumptions warrant stronger accountability and technical oversight. The new KCGM mill was constructed on schedule with a cost overrun which was comparatively favourable for a large engineering project. FY26 strategic STI achievement of 91.8% nevertheless raises questions about rewarding construction milestones before economic performance is established. Continuing leadership change and high capital requirements reinforce the need for disciplined forecasts.

The appointment of experienced directors, a new CEO and stronger technical oversight is encouraging, but improved forecasting, capital discipline, transparency and remuneration accountability remain essential.

### Building better oversight - directors and boards

The old KCGM plant's interruptions and repeated forecast revisions raise concerns over operating risk allowance and board oversight, rather than establishing a systemic failure to construct the new mill efficiently. The appointment of Jeff Quartermaine, Terry Bowen, Mark Cutifani and Peter Rozenauers strengthens relevant technical and investment experience. The Technical & Investment Committee should independently scrutinise KCGM ramp-up, Hemi economics and capital allocation, using external assurance where warranted.

### Driving sustainable practices and improving ESG strategy

NST has established safety and emissions-reduction objectives within executive remuneration, demonstrating a commitment to ESG principles; environmental and safety performance should be independently verified and supported by measurable improvements. Hemi's development introduces significant challenges involving water management, energy consumption, tailings disposal and refractory gold processing. The board should ensure these risks are adequately assessed before approving major capital expenditure. While ESG objectives are important, executive incentives should maintain an appropriate balance

between sustainability, operational reliability, capital discipline and shareholder returns. Stronger transparency and independent technical oversight are essential to achieving sustainable long-term performance.

## 6. Rationale for Voting Intentions

### Resolution 1 - Adoption of Remuneration Report – Against

ASA acknowledges the new Fimiston mill was completed on schedule after a three-year construction programme, with a cost overrun of approximately 15% on the board's stated measurement basis; we accept this is a comparatively strong cost-and-schedule result for a large engineering project. Our vote AGAINST does not rest on claiming that construction execution was poor. Our concern is instead persistent production guidance failures and the design of incentives that can reward project construction before sustained commercial performance and investment returns are established.

The KCGM component received a 95.4% achievement score and Hemi 80%; these were components of the strategic measure, not overall STI vesting. FY26 overall STI vested at 46%, with zero contribution from production and three percentage points from AISC. The board neither revised those operational hurdles retrospectively nor ignored poor operating performance. Nevertheless, the strategic measure carried 25% weight when project economic outcomes remained unproven. At Hemi, the original project feasibility budget belonged to De Grey, and NST's work to reassess the technical basis deserves recognition.

ASA maintains its vote AGAINST Resolution 1, reflecting the long record of guidance disappointments and the failure of the 2Moz FY26 strategic ambition (which excluded the new KCGM mill). We welcome the FY27 incentive improvements, but favour stronger linkage between project remuneration, sustained operating performance and risk-adjusted returns on capital.

### Resolution 2 - Approval of the issue of 213,903 FY27 First LTI Performance Rights to Managing Director & Chief Executive Officer, Mr Suresh Vadnagra - For

Our key issue is that the incoming CEO's remuneration reflects genuine operational improvement and shareholder returns rather than simply rising gold price and a strong market. We would prefer full vesting to require a more substantial degree of outperformance, especially given NST's recent operational difficulties.

### Resolution 3 - Approval of the issue of 213,903 FY27 Second LTI Performance Rights to Managing Director & Chief Executive Officer, Mr Suresh Vadnagra – Against

ASA welcomes the substantial relative-TSR component and the move to four-year Hemi milestones. However, the resource-per-share measure permits partial vesting despite resource depletion, while the Hemi component rewards FID, construction progress and first ore commissioning without explicit hurdles for realised project economics or sustained metallurgical performance. We prefer economic Ore Reserves and project returns alongside resource growth and retain an AGAINST recommendation.

### Resolution 4 - Approval of the issue of 110,350 FY27 STI Performance Rights to Managing Director & Chief Executive Officer, Mr Suresh Vadnagra – For

Our issue is whether the CEO should receive an incentive for meeting reduced production expectations and substantially higher cost targets, or whether he should be given a realistic opportunity to improve an inherited operation.

In our view a new CEO should be judged against realistic forward-looking operational targets, but the board should not relax those targets further if results disappoint. We look for stronger free-cashflow and capital-efficiency measures in future STI schemes. The scheme still awards 25% of the production component at 1.50Moz and 50% of the AISC component at A$3,450/oz. These are relatively generous thresholds in the context of NST's history.

**Resolution 5 - CEO sign-on rights – For**

We support the sign-on rights as compensation for genuine service-based entitlements forfeited on leaving Glencore. NST has explained that, if the equity issue is not approved, equivalent contractual compensation would still be payable, probably in cash. Equity is therefore preferable provided appropriate service, forfeiture and valuation terms are maintained. Our support does not constitute endorsement of unnecessarily large executive packages.

The board has provided additional explanation of independent remuneration benchmarking. We encourage transparent disclosure of the valuation and remaining service conditions of the forfeited and replacement entitlements.

**Resolution 6 - Election of Director – Mr Jeff Quartermaine – For**

Mr Quartermaine brings proven gold mine development, engineering and financial expertise. As Chair of the Technical and Investment Committee, he should strengthen oversight of KCGM, Hemi, capital discipline, project execution and management accountability.

**Resolution 7 - Election of Director – Mr Terry Bowen – For**

Mr Bowen brings extensive financial, audit and risk-management expertise from Wesfarmers and BHP. As Audit and Risk Committee Chair, he should strengthen capital allocation, financial discipline, risk oversight and accountability for KCGM and Hemi investments.

**Resolution 8 - Election of Director – Mr Mark Cutifani CBE – For**

Mr Cutifani brings extensive international mining, operational turnaround and major project experience as former CEO of AngloGold Ashanti and Anglo American. He should strengthen oversight of KCGM reliability, Hemi development, cost control and management accountability.

**Resolution 9 - Election of Director – Mr Peter Rozenauers – For**

Mr Rozenauers brings extensive mining engineering, investment and capital allocation expertise from Orion Resource Partners. He should strengthen scrutiny of KCGM and Hemi project economics, investment returns, portfolio strategy and management accountability.

**Resolution 10 - Re-election of Director – Ms Sally Langer – For**

At the pre-AGM meeting, Chairman Michael Chaney explained that Ms Langer had actively advocated governance and organisational change and that her knowledge would provide valuable continuity through extensive board and management renewal. ASA accepts this explanation. Her experience in executive talent, succession and organisational design is relevant to the transition; we support re-election while expecting continuing independent oversight and accountability.

## Resolution 11 - Approval of increase in Directors' Fee Pool – For

Increasing the directors' fee pool from A$3m to A$4m supports a larger, more experienced board. Additional costs are justified by the need for stronger technical, financial and capital investment oversight of KCGM and Hemi.

## Resolution 12 - Renewal of the Company's proportional takeover approval provisions - For

Renewing proportional takeover provisions protects shareholders from a bidder acquiring control without offering to purchase all shares. It preserves shareholder voting rights, encourages fair treatment and does not prevent a full takeover offer.

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## Appendix 1: CEO Remuneration framework detail

| CEO remuneration framework (FY27) | **Target A$m** | **% of Total** | **Max. Opportunity A$m** | **% of Total** |
|---|---|---|---|---|
| Fixed Remuneration | 1.621 | 22.7% | 1.621 | 12.8% |
| STI – Cash | 0.567 | 7.9% | 1.135 | 8.9% |
| STI – Equity | 0.567 | 7.9% | 1.135 | 8.9% |
| LTI (first and second) | 4.4 | 61.5% | 8.800 | 69.3% |
| Total | 7.155 | 100% | 12.691 | 100% |

Notes:

1. The STI may alternatively be received entirely in equity, in which case the STI Cash row becomes zero and the full A$2.270m maximum is allocated to STI Equity. Dividend-equivalent benefits are payable in cash on rights that vest but are excluded from the figures above.
2. Target remuneration includes deferred amounts subject to performance and vesting conditions in subsequent years.