

## ASX ANNOUNCEMENT

24 November 2020

### Recommended Takeover Offer for Primero Group Limited

#### Highlights of the Offer for Primero Shareholders

- **NRW announces an unanimously recommended conditional off-market takeover offer of \$0.275 cash plus 0.106 NRW shares for each Primero share**
- **Offer price values Primero at \$0.55 per Primero share<sup>1</sup>, or a total equity value of ~\$100M<sup>2</sup>**
- **Offer represents a:**
  - **14.6% premium to the closing price on 23 November 2020;**
  - **30.1% premium to 30 trading day VWAP of Primero shares<sup>3</sup>; and**
  - **50.5% premium to 60 trading day VWAP of Primero shares<sup>3</sup>.**
- **Primero Directors unanimously recommend that Primero shareholders accept the Offer, and have agreed to accept the Offer in respect of all Primero shares they own and control<sup>4</sup> as soon as practicable on the day that is 21 days after the Offer has opened, in each case in the absence of a superior proposal**
- **Experienced Primero management team, lead by Cameron Henry to remain with the business under NRW ownership**
- **Offer represents value for both NRW and Primero shareholders**
  - **NRW: Primero adds significant Engineering, Procurement and Construction (EPC) capability to NRW's renamed "*Minerals, Energy & Technologies*" business pillar**
  - **Primero: delivers a meaningful premium to recent market trading levels and avoids the need for a potential significantly dilutive capital raising to fund working capital required to deliver its FY21/22 contracted order book, including the continued non-payment by Wartsila on the residual Barker Inlet Power Station contract monies. Scrip consideration provides ongoing exposure to an ASX 200 company with higher liquidity, a unique and growing platform of diversified services and a balance sheet able to fund further growth**
- **NRW to make available to Primero an interim funding facility for up to \$10M, to be available to fund working capital requirements through the Offer Period**

<sup>1</sup> Based on NRW's closing price of \$2.59 on 23 November 2020. The implied value of the Offer will change with fluctuations in the NRW share price.

<sup>2</sup> Based on NRW closing share price on 23 November 2020 and Primero on a fully diluted basis. The implied value of the Offer will change with fluctuations in the NRW share price.

<sup>3</sup> VWAP of Primero shares is calculated for the period up to and including the 23 November 2020, the last trading day prior to NRW announcing its intention to make the Offer.

<sup>4</sup> Primero directors have confirmed their intention to accept the Offer (in the absence of a superior proposal) for any new Primero shares issued upon exercise/vesting of their Primero options.

## Overview of Transaction

NRW Holdings Limited (ASX: NWH) ("**NRW**") and Primero Group Limited (ASX:PGX) ("**Primero**") are pleased to announce they have entered into a Bid Implementation Agreement ("**BIA**") for a recommended conditional off-market takeover offer ("**Offer**") pursuant to which NRW will offer to acquire all of the fully paid ordinary shares on issue in Primero.

The Offer will extend to all Primero shares issued on exercise of Primero options during the offer period (with offers to be made to acquire any outstanding Primero options prior to the end of the offer period).

## Offer Consideration

Under the Offer, Primero shareholders will receive:

- \$0.275 cash; plus
- 0.106 NRW shares per Primero share.

The Offer values the Primero shares at \$0.55 each<sup>1</sup> or approximately \$100 million<sup>2</sup> equity value and delivers a premium to Primero shareholders of:

- 14.6% premium to the closing price on 23 November 2020;
- 30.1% premium to 30 trading day VWAP of Primero shares<sup>3</sup>; and
- 50.5% premium to 60 trading day VWAP of Primero shares<sup>3</sup>.

## Unanimously Recommended by the Primero Board

An Independent Board Committee, comprising the non-executive directors of Primero, was formed to consider the Offer and manage all matters ancillary to, or in connection with, the Offer.

The Independent Board Committee and the Board of Primero have carefully considered the Offer and unanimously recommended that all Primero shareholders accept the Offer, in the absence of a superior proposal.

Primero's directors, who collectively own or control approximately 30% of Primero shares<sup>5</sup> have confirmed they will each accept the Offer in respect of all Primero shares they own and control as soon as practicable on the day that is 21 days after the Offer has opened in the absence of a superior proposal. This intention extends to any new Primero shares issued upon exercise of Primero options owned or controlled by each of them (which they intend to immediately exercise should those Primero Options vest in accordance with their terms).

## Consideration Funding

NRW intends to fund the cash component of the Offer using available cash on balance sheet and an acquisition facility of \$50M provided by Bankwest. NRW has elected to offer partial scrip consideration to maintain flexibility in relation to its capital management initiatives and ensure sufficient capacity is retained to pursue further growth options for the benefit of all shareholders.

If the Offer is successful, Primero shareholders will own approximately 4.4%<sup>6</sup> of the pro forma shares of NRW.

In addition, NRW is making available to Primero an interim funding facility, to be available through the Offer Period to support working capital requirements.

<sup>5</sup> Based on current shares on issue and excludes any new Primero shares to be issued upon exercise/vesting of Primero options.

<sup>6</sup> Primero - fully diluted basis.

## Strategic Rationale for the Transaction

NRW is a leading, diversified provider of contract services to the resources and infrastructure sectors in Australia, with extensive operations in Western Australia, Queensland, New South Wales, South Australia, Northern Territory and Victoria.

NRW's geographical diversification is complemented by its delivery of a wide range of services across four business pillars.

### NRW OPERATING DIVISIONS – FY2020 REVENUE<sup>7</sup>



Primero Group is a vertically integrated business that provides engineering design, construction and operational services to the minerals, energy and infrastructure sectors. Primero has world class specialist engineering design expertise in multiple commodities and emerging energy sectors and is highly skilled in in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions. Primero provides these services to a diverse client base, ranging from mid-sized companies through to international mining and energy houses on a global footprint.

### PRIMERO BUSINESS OVERVIEW



<sup>7</sup> NRW figures include share of revenue from associates.

NRW's Offer will provide Primero shareholders with the opportunity to receive both an attractive price and consideration comprising both cash and NRW shares. Importantly, Primero shareholders avoid a potential significantly dilutive capital raising to fund working capital required to deliver its FY21/22 contracted order book given the continued non-payment by Wartsila on the residual Barker Inlet Power Station contract monies.

As a NRW shareholder, Primero shareholders will be investing in a profitable and financially secure company with diversified revenue streams, attractive growth opportunities and a proven management team which the Primero management team will become a part of. Moreover, Primero shareholders will benefit from the higher liquidity of NRW shares, dividends (if declared) and may be eligible for partial CGT roll-over relief.

The acquisition of Primero aligns with NRW's strategic growth plan as its core competencies are complementary to NRW's strategic renamed Minerals, Energy & Technologies platform.

Primero currently has a contracted order book for FY21 of ~A\$285M and holds preferred EPC contractor status across multiple projects totalling ~A\$900M.

## PRIMERO ACQUISITION ALIGNS WITH NRW STRATEGIC GROWTH PLAN



Managing Director of NRW, Jules Pemberton, commented:

*The acquisition of Primero will provide NRW with the opportunity to expand its Minerals, Energy & Technologies specialised capability and to leverage the combined expertise of both companies to pursue new business initiatives across a large pipeline of opportunities.*

*It builds on NRW's recent acquisitions of DIAB Engineering and RCR Mining Technologies and represents a further diversification of our strategic platform to offer clients continuity of services across the whole lifecycle of resource projects – from early planning, design, development, construction to operations and maintenance.*

*In addition, Primero is also well positioned to future focused energy solutions, including lithium and hydrogen technologies.*

*NRW and Primero have already been working together on a number of projects and we look forward to continuing to work with the Primero team to build out Primero's design, construction and operations capabilities through NRW's client network, and expect that the combined operations of NRW and Primero will present clients, employees and shareholders with compelling outcomes".*

Primero Managing Director, Cameron Henry, said the transaction is compelling for Primero shareholders:

*NRW's Offer provides an attractive outcome to Primero shareholders, allowing shareholders to both crystallise value today at a meaningful premium to recent market trading levels whilst also maintaining continuing exposure through their holding in NRW, one of Australia's leading and diversified provider of contract services to the resources and infrastructure sectors in Australia. Importantly, the NRW Offer allows Primero to avoid the need for a potential significantly dilutive capital raising to fund working capital required to deliver on our FY21/22 contracted order book, including the continued non-payment by Wartsila on the residual Barker Inlet Power Station contract monies. Primero shareholders will continue to have exposure to Primero's engineering design, construction and operational services expertise, through the stronger balance sheet of the NRW group. NRW is strongly supportive of the Primero management team's growth strategy which aligns with NRW's existing Minerals, Energy & Technologies division and will assist with the transformation and growth of their fourth pillar into a formidable services, technology and operational business unit.*

*The combination of NRW's diversified delivery model coupled with the Primero capabilities will provide our client base with a unique end to end delivery model that will differentiate within the current market and will rapidly accelerate Primero's growth strategy. Our teams have been working well at multiple levels together over the past 12 months and have several projects currently approaching delivery stage that will showcase the model. The combined experienced management teams and strong balance sheet with Primero's EPC capability provides for a promising future for the combined entity and its shareholders."*

## **Bid Implementation Agreement and Conditions to the Offer**

The Bid Implementation Agreement ("BIA") between NRW and Primero (which is attached to this announcement) contains certain terms that are customary for a transaction of this nature.

These terms include deal protection mechanisms including "no shop", "no talk" and "no due diligence" restrictions as well as notification and matching rights in the event of a competing proposal. A break fee may also be payable in certain circumstances.

The Offer remains subject to certain conditions, the full list of which is set out in the BIA, and includes:

- 90% minimum acceptance condition
- no material adverse change or prescribed occurrences in relation to Primero
- no adverse regulatory event affecting Primero
- no litigation
- acquisition agreements entered into in respect of Primero options
- other customary conditions for a transaction of this type



## Interim Funding

NRW and Primero have entered into a binding term sheet pursuant to which NRW has agreed to provide Primero with a \$10 million second ranking secured loan facility to assist Primero fund its short-term working capital needs during the Offer period (if required).

Interest is payable from day 61 post draw on amounts drawn down under the loan facility at an interest rate reflecting the prevailing one month bank bill swap rate (as published on the ASX website) plus 6.5% per cent per annum. The facility includes a draw fee of 2.3% on the total of each drawing which includes the first 61 days of Interest.

Any amounts advanced under the loan facility are repayable on the date that is 12 months from the date of entry into the BIA although there is an obligation to repay those amounts in full in certain prescribed circumstances including:

- a majority of the Primero Directors recommending Primero shareholders accept a competing proposal (repayment within 5 business days of that recommendation);
- any of the bid conditions under the BIA fail or are not satisfied by the relevant date and NRW has not declared the bid unconditional prior to the closing date of the Offer (repayment within 3 months of the close of the offer);
- the BIA is terminated by NRW because the Primero directors fail to recommend the Offer, Primero is in material breach of the BIA or a representation by Primero becomes untrue and it is material in the context of the bid or the Primero terminates the BIA on the basis of the directors receiving a superior proposal subject to certain conditions (repayment within 14 business days of termination); or
- the BIA is terminated by NRW because a governmental agency's actions permanently restrict or prohibit the takeover bid (repayment within 3 months of the date of termination).

The facility otherwise contains terms and conditions customary for an arrangement of this type. Drawdown under the facility remains subject to Primero granting security (with confirmation from ASX that it will not apply or will waive the operation of listing rule 10.1 or receipt of Primero shareholder approval), no event of defaults and other customary draw down requirements. NRW and NAB are required to agree the terms of a priority deed in respect of payments under the facility.

Further details will be set out in NRW's Bidder's Statement.

## Timetable

Detailed information relating to the Offer will be set out in the Bidder's Statement and Target's Statement, which are expected to be dispatched to Primero shareholders in late November and early December 2020, respectively.

## Advisers to the Transaction

Longreach Capital is acting as corporate advisor and Corrs Chambers Westgarth as legal advisor to NRW.

Sternship Advisers is acting as corporate advisor and Thomson Geer as legal advisor to Primero.

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This ASX Announcement has been approved for release by the respective boards of NRW Holdings Limited and Primero Group Limited as well as the Independent Board Committee of Primero.

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### About NRW Holdings Limited:

NRW is a Leading, diversified provider of contract services to the resources and infrastructure sectors in Australia. With extensive operations in Western Australia, South Australia, New South Wales, Queensland and Victoria. NRW's geographical diversification is complemented by its delivery of a wide range of operations. These encompass civil expertise including bulk earthworks and concrete installation; contract mining and drill and blast. NRW also offers a leading original equipment manufacturing (OEM), specialist maintenance (shutdown services and onsite maintenance), industrial engineering and innovative materials handling design capability with comprehensive additional experience for refurbishment and rebuild service for earthmoving equipment and machinery. NRW has a workforce of around 7,000 people supporting more than one hundred projects around Australia supporting clients across the infrastructure, resources, industrial engineering, maintenance and urban sectors.

### About Primero

Primero provides engineering design, construction and operational services to the minerals, energy and infrastructure sectors. Primero has specialist expertise in project implementation and delivery with a complementary service offering comprising civil, structural, mechanical and electrical solutions. Primero provides these services to a diverse client base, ranging from midsize companies through to international mining and energy houses.

## Disclaimer

### SUMMARY INFORMATION

This joint announcement has been prepared by NRW Holdings Limited (**NRW**) and Primero Group Limited (**Primero**) and includes information regarding the conditional takeover offer by NRW to acquire all of the shares on issue in Primero (the **Transaction**).

The information in this joint announcement concerning Primero has been prepared by Primero and information concerning NRW by NRW. Neither party make any representation or warranty, express or implied, as to the accuracy or completeness of the information prepared by the other. This announcement should also be read in conjunction with NRW and Primero's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au) and also available on NRW's website at [www.nrw.com.au](http://www.nrw.com.au) and on Primero's website at [www.primero.com.au](http://www.primero.com.au).

### NO OFFER OR RECOMMENDATION

This joint announcement is not a bidder's statement or disclosure document under Australian law or under any other law. It is for information purposes only and is not an invitation nor an offer of NRW securities. It does not provide or constitute legal, financial or investment advice, nor is it a recommendation to acquire NRW or Primero shares. This joint announcement does not purport to contain all the information that a prospective investor may require in evaluating a possible investment in NRW by accepting the Offer nor does it contain all the information which would be required in a bidder's statement prepared in accordance with the requirements of the Corporations Act.

### NO INVESTMENT ADVICE

This joint announcement has been prepared without taking into account the investment objectives, financial situation, taxation considerations or particular needs of any person. Before making an investment decision, prospective investors should consider the appropriateness of the information contained in, or referred to in, this joint announcement having regard to their own investment objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

### US RESTRICTIONS

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

### FUTURE AND PAST PERFORMANCE

To the extent this joint announcement contains certain "forward-looking statements" and comments about future events (including projections, guidance on future earnings and estimates) these statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

Certain statements in this joint announcement are forward looking statements. Forward looking statements can generally be identified by the use of words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume" and words of similar import. These forward-looking statements speak only as at the date of this joint announcement. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements. Indications of, and guidance on, future earnings and financial position and performance, including forecast financial information for the combined NRW and Primero merged group, are forward-looking statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, not to put undue reliance on such statements.

Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by NRW and Primero as at the date of this joint announcement, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. NRW and Primero disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or otherwise, except to the extent required by law.

### DISCLAIMER

No representation or warranty, express or implied, is made by NRW, Primero or any of their related bodies corporate, or respective officers, directors, employees, agents or advisers (together the **Limited Parties**), as to the accuracy, reliability, completeness or fairness of the information, opinions and conclusions contained in this joint announcement.

To the maximum extent permitted by law, the Limited Parties expressly disclaim any and all liability, including, without limitation, any liability arising out of fault or negligence, for any direct, indirect, consequential or contingent loss, damage, expenses or costs arising from the use of information contained in this joint announcement.

--ENDS--



Execution Version

NRW Holdings Limited

Primero Group Limited

# Bid Implementation Agreement

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Date 24 November 2020

## Parties

**NRW Holdings Limited** ABN 95 118 300 217 of 181 Great Eastern Highway Belmont, WA 6104 (NRW)

**Primero Group Limited** ABN 96 149 964 045 of 78 Hasler Road, Osborne Park, WA 6017 (Primero)

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## Background

- A NRW is proposing to make a Takeover Bid for all Primero Shares and the Primero Directors are proposing to recommend the Takeover Bid in the absence of a Superior Proposal.
- B The parties have agreed to implement the Takeover Bid on the terms and conditions set out in this agreement.
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## Agreed terms

### 1 Definitions

#### 1.1 Definitions

In this document these terms have the following meanings:

**2020 Annual General Meeting** The annual general meeting of Primero to be held on 25 November 2020.

**Agreed Bid Terms** The terms and conditions set out in **schedule 2**.

**Announcement Date** The date on which the Takeover Bid is publicly announced pursuant to **clause 3** below.

**Approved Financing** Has the meaning in **clause 4.16**.

**ASIC** The Australian Securities and Investments Commission.

**Associate** Has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of the Corporations Act included a reference to this agreement and Primero was the designated body and **Associated** has a corresponding meaning.

**ASX** ASX Limited ABN 98 008 624 691.



<b>Bid Conditions</b>	The conditions to the Takeover Bid included in <b>section 3</b> of the Agreed Bid Terms.
<b>Bidder's Statement</b>	The bidder's statement to be prepared by NRW in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
<b>Business Day</b>	A day on which banks are open for business in Perth, other than a Saturday, Sunday or public holiday.
<b>Cash Incentive Payments</b>	The specific employee incentive cash payments totalling \$905,523 to be made by Primero to specified Primero employees as disclosed in the Data Room..
<b>Claim</b>	<p>Any claim, demand, legal proceedings or cause of action including any claim, demand, legal proceedings or cause of action:</p> <ul style="list-style-type: none"><li>(a) based in contract (including breach of any warranty);</li><li>(b) based in tort (including misrepresentation or negligence);</li><li>(c) under common law or equity; or</li><li>(d) under statute (including the Australian Consumer Law (being <b>schedule 2</b> of the <i>Competition and Consumer Act 2010</i> (Cth) (<b>CCA</b>)) or Part VI of the CCA, or like provisions in any state or territory legislation),</li></ul> <p>in any way relating to this agreement, the transactions contemplated by it, the Takeover Bid or the Offer and includes a claim, demand, legal proceedings or cause of action arising under an indemnity in this agreement.</p>
<b>Competing Proposal</b>	<p>Any proposal, offer, agreement or transaction by a party (other than NRW or any NRW Group Member or any of their Associates) that, if completed, would mean:</p> <ul style="list-style-type: none"><li>(a) a Third Party (either alone or together with any Associate) would directly or indirectly:<ul style="list-style-type: none"><li>(i) acquire a relevant interest, or an economic interest under a cash settled equity swap or similar derivative or right to acquire either a legal, beneficial or economic interest, in more than 10% of Primero Shares on issue;</li><li>(ii) acquire or obtain an interest (including an economic interest) in all or the majority of the business conducted by, or assets or property of, the Primero Group;</li></ul></li></ul>

- (iii) acquire Control of Primero or any Primero Group Member;
- (iv) a person may otherwise directly or indirectly acquire, merge with Primero or any Primero Group Member; or
- (b) that the Takeover Bid could not be implemented or implementation of the Takeover Bid would be materially adversely affected,

in each case whether by way of takeover bid, capital reduction, sale of assets, sale of securities, strategic alliance, dual listed company structure, joint venture or partnership, or other transaction or arrangement with a similar outcome.

For the avoidance of doubt, each successive material modification or variation of any proposal, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal.

**Confidentiality Agreement**

The confidentiality agreement between NRW and Primero dated 23 October 2020.

**Control**

Has the meaning given in section 50AA of the Corporations Act.

**Corporations Act**

The *Corporations Act 2001* (Cth).

**Data Room**

The data room maintained by Primero in relation to the potential transactions contemplated by the Takeover Bid, subject to such additions or exclusions of documents as the parties have agreed.

**Debt**

Any present or future actual or contingent debt or other monetary liability in respect of money borrowed or raised or any financial accommodation, including in respect of any:

- (a) bill, bond, debenture, note or similar financial instrument (whether or not negotiable);
- (b) indemnity obligation to the issuer of a guarantee, indemnity, bank guarantee, bond, letter of credit or similar instrument;
- (c) lease or hire purchase entered into primarily as a method of raising finance or financing the acquisition of the asset leased or hired (including any sale and lease back transaction);
- (d) obligation to deliver goods or other property or provide services paid for in advance by any

	financier or in relation to another financing transaction;
	(e) redeemable shares where the holder has the right (conditional or not) to require redemption;
	(f) receivables sold (other than to the extent they are sold on a non-recourse basis);
	(g) Hedge Transaction; or
	(h) Guarantee of other Debt described above.
<b>Designated Executives</b>	Those executives of Primero identified in writing by NRW prior to the date of this agreement.
<b>Employee Incentive Plan</b>	Primero's Employee Incentive Plan adopted by the Primero Board on 24 May 2018 and to be approved at the 2020 Annual General Meeting.
<b>Excluded Claims</b>	Those claims agreed in writing by Primero and NRW prior to the date of this agreement.
<b>Exclusivity Period</b>	The period from the date of this agreement until: <ul style="list-style-type: none"> <li>(a) the date of termination of this agreement;</li> <li>(b) the end of the Offer Period, and</li> <li>(c) the date that is 6 months after the date of this document,</li> </ul> whichever is earliest.
<b>Government Agency</b>	Any foreign or Australian government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, department, commission, authority, tribunal, agency or entity or any minister of the Crown in right of the Commonwealth of Australia or any State, any other federal, state, provincial, or local government, and including any self-regulatory organisation established under statute or otherwise discharging substantially public or regulatory functions, and the ASX or any other stock exchange.
<b>Guarantee</b>	A guarantee, indemnity, letter of credit, legally binding letter of comfort or other obligation of any kind: <ul style="list-style-type: none"> <li>(a) to provide funds (whether by the advance or payment of money, the purchase of or subscription for shares or other securities, the purchase of assets or services, or otherwise) for the payment or discharge of;</li> <li>(b) to indemnify any person against the consequences of default in the payment of; or</li> </ul>

	(c) to be responsible for, an obligation or monetary liability of another person or the assumption of any responsibility or obligation in respect of the solvency or financial condition of another person.
<b>Hedge Transaction</b>	Any derivative, swap, forward contract, futures contract, financial option or other hedging or risk management transaction.
<b>Implementation Period</b>	The period from the date of this agreement until the end of the Offer Period (inclusive of those dates).
<b>Insolvency Event</b>	Means in relation to any entity: <ul style="list-style-type: none"> <li>(a) the entity resolving that it be wound up or a court making an order for the winding up or dissolution of the entity;</li> <li>(b) a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other insolvency official being appointed to the entity or in relation to the whole, or a substantial part, of its assets;</li> <li>(c) the entity executing a deed of company arrangement;</li> <li>(d) the entity ceases, or threatens to cease to, carry on substantially all the business conducted by it as at the date of this deed;</li> <li>(e) the entity is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act (or if appropriate, legislation of its place of incorporation) or is otherwise presumed to be insolvent under the Corporations Act unless the entity has, or has access to, committed financial support from its parent entity such that it is able to pay its debts; or</li> <li>(f) the entity being deregistered as a company or otherwise dissolved.</li> </ul>
<b>Listing Rules</b>	The official listing rules of ASX.
<b>Loss</b>	Any liability, loss, damage, costs (including legal costs on a full indemnity basis), charge, expense, outgoing or payment.
<b>Material Contracts</b>	Those contracts identified in writing by NRW prior to the date of this agreement.
<b>NRW Board</b>	The board of directors of NRW.

<b>NRW Counterproposal</b>	Has the meaning given in <b>clause 6.4(a)(v)</b> .
<b>NRW Group</b>	<p>(a) NRW;</p> <p>(b) each entity that is a Subsidiary of NRW; and</p> <p>(c) any entity that, directly or indirectly through one or more intermediaries, is Controlled by, NRW from time to time,</p> <p>and a reference to a <b>NRW Group Member</b> is to any of them.</p>
<b>NRW Loan Agreement</b>	The binding working capital facility term sheet entered into between Primero and NRW on the date of this agreement pursuant to which NRW has agreed to loan Primero up to \$10,000,000 and any facility agreement which supersedes that agreement.
<b>Offer</b>	Each offer to acquire Primero Shares made in connection with the Takeover Bid.
<b>Offer Period</b>	The period that the Offer is open for acceptance.
<b>Officer</b>	Has the meaning given in section 9 of the Corporations Act.
<b>Option Cancellation Deed</b>	Means a deed facilitating the cancellation of Primero Options or the transfer of the Primero Options to NRW for the consideration set out in the Primero Options List.
<b>Other Option Holders</b>	The holders of: (i) 1,000,000 Primero Options expiring 9 July 2021 and exercisable at \$0.50; and (ii) 1,000,000 Primero Options expiring 9 July 2021 and exercisable at \$0.60.
<b>Permitted Buyback</b>	Means the proposed buyback of 913,750 Primero Shares as detailed in the notice of the 2020 Annual General Meeting announced to the market on 23 October 2020.
<b>Permitted Indebtedness</b>	<p>(a) Any financial indebtedness, including any Debt, under the financial accommodation available to the Primero Group from its financiers as at the date of this agreement, a facility agreement or credit approved term sheet (as such financial accommodation, agreement or term sheet may be amended to reflect the terms of any consent provided by the relevant financiers) existing as at the date of this agreement, provided that the relevant facility agreements, credit approved term sheet, any applicable consent and any amendments or proposed amendments to an</p>



agreement or term sheet were fairly disclosed to NRW in the Data Room on or before the date of this agreement;

- (b) any financial indebtedness under any new or amended facility provided by NAB to the Primero Group after the date of this agreement up to a maximum of \$5,000,000;
- (c) any financial indebtedness incurred to finance the acquisition of a MAC25 mobile crane from Terex Australia Pty Ltd;
- (d) any financial indebtedness under equipment finance leases entered into by the Primero Group in the ordinary course of business after the date of this agreement up to a maximum amount of \$200,000; and
- (e) any financial indebtedness under the NRW Loan Agreement or such other financial accommodation as may be provided by NRW to Primero from time to time.

<b>Primero Board</b>	The board of directors of Primero.
<b>Primero Broker Options</b>	Means those Primero Options identified as such in <b>schedule 4</b> which are held by third parties not associated with Primero.
<b>Primero Director</b>	Any director on the Primero Board.
<b>Primero Employee Incentive Options</b>	Means those Primero Options identified as such in <b>schedule 4</b> which are held by employees and Officers of Primero.
<b>Primero Group</b>	<ul style="list-style-type: none"> <li>(a) Primero;</li> <li>(b) each entity that is a Subsidiary of Primero;</li> <li>(c) any entity that, directly or indirectly through one or more intermediaries, is Controlled by, Primero from time to time; and</li> <li>(d) Whittens Primero Pty Ltd;</li> </ul> <p>and a reference to a <b>Primero Group Member</b> is to any of them.</p>
<b>Primero Indemnified Persons</b>	Each member of the Primero Group and their respective directors, officers and employees.
<b>Primero Material Adverse Change</b>	Any event referred to in paragraph 3.4 of <b>schedule 2</b> .
<b>Primero Option</b>	An unlisted option issued by Primero to acquire a Primero Share, details of which are set out in

**schedule 4** and includes the Primero Broker Options, the Primero Employee Incentive Options and the Unissued Primero Employee Incentive Options.

**Primero Options List** A list in agreed form between the parties setting out the identity of each Primero Optionholder, together with:

- (a) the current address of the Primero Optionholder to which the Primero Options Offer should be sent;
- (b) the number of Primero Options held (broken down by tranche);
- (c) the expiry date of such Primero Options (broken down by tranche); and
- (d) the consideration proposed to be offered by NRW for the Primero Options.

**Primero Options Offer** An offer by NRW to each Primero Optionholder in respect of the Primero Options held by them.

**Primero Optionholder** A registered holder of a Primero Option.

**Primero Prescribed Occurrence** Any event referred to in paragraph 3.5 of **schedule 2**.

**Primero Register** The registers of members of Primero maintained in accordance with the Corporations Act and **Register** has the same meaning.

**Primero Reimbursement Fee** \$1,000,000.

**Primero Share** A fully paid ordinary share in Primero.

**Primero Shareholder** Each person who is registered as the holder of a Primero Share in Primero Register.

**Record Date** The date set by NRW pursuant to section 633(2) of the Corporations Act.

**Register** Primero's register of Primero Shareholders and **Registry** is the entity responsible for maintaining the Register.

**Related Person** In respect of Primero:

- (a) each Primero Group Member; and
- (b) each Representative of any Primero Group Member.

**relevant interest** Has the meaning given in sections 608 and 609 of the Corporations Act.

<b>Representative</b>	In relation to a party, its directors, employees, Officers, agents and advisers.
<b>Right</b>	All accretions, rights or benefits of whatever kind attaching or arising from <b>Primero Shares</b> directly or indirectly at or after the date of this agreement (including, all dividends and distributions and all rights to receive them or rights to receive or subscribe for securities, notes, bonds, options or other securities declared, paid or issued by <b>Primero Group Members</b> ).
<b>Security Interest</b>	Has the meaning given in section 51A of the Corporations Act.
<b>Subsidiary</b>	Has the meaning given in the Corporations Act.
<b>Superior Proposal</b>	<p>A bona fide Competing Proposal:</p> <ul style="list-style-type: none"><li>(a) of the kind referred to in any of paragraphs of the definition of Competing Proposal; and</li><li>(b) not resulting from a breach by <b>Primero</b> of any of its obligations under <b>clause 6</b> of this agreement (it being understood that any actions by <b>Related Persons</b> of <b>Primero</b> not permitted by <b>clause 6</b> will be deemed to be a breach by <b>Primero</b> for these purposes),</li></ul> <p>that in the unanimous determination of the <b>Primero Board</b>, acting in good faith, and after receiving written advice from their external legal adviser and financial advisers, determine:</p> <ul style="list-style-type: none"><li>(c) is reasonably capable of being completed substantially in accordance with its terms;</li><li>(d) would, if completed substantially in accordance with its terms, be reasonably likely to be more favourable to <b>Primero Shareholders</b> (as a whole) than the <b>Takeover Bid</b> (as completed),</li></ul> <p>in each case taking into account all terms and conditions and other aspects of the Competing Proposal (including any timing considerations, any conditions precedent, whether the Competing Proposal remains subject to due diligence and/or finance, regulatory conditions and associated material delays, the identity of the proponent or other matters affecting the probability of the Competing Proposal being completed and being completed in a timely manner) and of the <b>Takeover Bid</b>.</p>

<b>Takeover Bid</b>	A takeover bid by NRW that satisfies the requirements in <b>clause 2.1</b> .
<b>Takeovers Panel</b>	The Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
<b>Target's Statement</b>	The target's statement to be prepared by Primero in relation to the Takeover Bid in compliance with Part 6.5 of the Corporations Act.
<b>Tax</b>	Means any tax, levy, impost, charge or duty (including stamp duty) imposed by a Government Agency.
<b>Third Party</b>	A person other than NRW, any other NRW Group Member and any Associate of any NRW Group Member.
<b>Third Party Consents</b>	The consents, approvals, waivers or acknowledgements required from Third Parties in any way linked to the change of control of Primero resulting from the Takeover Bid under the Material Contracts.
<b>Timetable</b>	The timetable set out in <b>schedule 3</b> or as otherwise agreed between the parties in writing.
<b>Unissued Primero Employee Incentive Options</b>	Means those Primero Options identified as such in <b>schedule 4</b> being those that are subject to approval by Primero Shareholders at the 2020 Annual General Meeting or are otherwise being issued to Primero employees contemporaneously with those Primero Options.
<b>Voting Power</b>	The meaning given in section 610 of the Corporations Act.

## 1.2 Interpretation

In this agreement:

- (a) Headings and bold type are for convenience only and do not affect the interpretation of this agreement.
- (b) The singular includes the plural and the plural includes the singular.
- (c) Other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning.
- (d) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual.
- (e) A reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement.

- (f) A reference to any thing (including any right) includes a part of that thing, but nothing in this **clause 1.2(f)** implies that performance of part of an obligation constitutes performance of the obligation.
- (g) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (h) A reference to a document includes all amendments or supplements to, or replacements or novations of, that document.
- (i) A matter, fact or circumstance is '**fairly disclosed**' if and only if sufficient information has been disclosed in writing and with sufficient specificity so that a sophisticated investor who is experienced in transactions of the nature of the Takeover Bid and familiar with the nature of the business sector in which Primero operates would reasonably be expected to be aware of the nature, import and significance of the fact, matter or circumstance disclosed or recorded.
- (j) A reference to 'agreed form' means a form agreed to by the parties in writing prior to the date of this document.
- (k) A reference to a party to a document includes that party's successors and permitted assignees.
- (l) A reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing.
- (m) A reference to '\$' or 'dollars' is to Australian currency unless denominated otherwise.
- (n) A reference to any time is a reference to the time in Perth.
- (o) Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

### **1.3 Interpretation of inclusive expressions**

Specifying anything in this agreement after the words 'including', 'includes', 'for example' or similar expression does not limit what else is included unless there is express wording to the contrary.

### **1.4 Business Day**

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

### **1.5 Agreement components**

This agreement includes any schedule.



## 2 The Takeover Bid

### 2.1 Making the Takeover Bid

Subject to **clause 2.2**, NRW agrees to:

- (a) make offers pursuant to an off-market takeover bid under Chapter 6 of the Corporations Act to acquire all Primero Shares (including any Primero Shares that are issued during the Offer Period as result of the exercise of Primero Options (subject to receipt of an ASIC modification to enable the Offer to be extended to Primero Shares that are issued in respect of Primero Options that are not in existence as at the Record Date)) on terms and conditions no less favourable to Primero Shareholders than the Agreed Bid Terms; and
- (b) without limiting this **clause 2.1**, publicly announce a proposal to make offers under the Takeover Bid, in accordance with **clause 3**, immediately after both parties have executed this agreement.

### 2.2 NRW may use a wholly-owned subsidiary

- (a) Subject to **clause 2.2(b)**, NRW may satisfy its obligations under **clause 2.1** by causing a Subsidiary that is wholly-owned (directly or indirectly) by NRW (**NRW Sub**) to perform the obligations referred to in **clause 2.1**, in which case references to:
  - (i) the Takeover Bid are references to the takeover bid by NRW Sub; and
  - (ii) NRW making the Takeover Bid are references to NRW causing NRW Sub to make the Takeover Bid.
- (b) NRW acknowledges and agrees that if, pursuant to **clause 2.2(a)**, it elects to cause NRW Sub to perform its obligations under **clause 2.1**, NRW remains liable to Primero for the due performance of those obligations and NRW irrevocably guarantees (as a principal obligation) the due and punctual performance by the NRW Sub of all of its obligations under or in connection with this agreement. If NRW Sub commits any default or breach of this agreement, NRW will, immediately on written demand by Primero, perform all obligations of NRW Sub in accordance with the terms of this agreement.
- (c) Nothing in this agreement will relieve NRW of the obligation to issue NRW Shares as consideration in accordance with the Agreed Bid Terms.

### 2.3 Directors' recommendation and acceptance

- (a) Primero represents and warrants that:
  - (i) the Primero Board has met and considered the possibility of NRW agreeing to make the Takeover Bid; and
  - (ii) all of the Primero Directors have informed Primero that, if NRW complies with **clause 2.1**, they will:

- (A) on the Announcement Date, unanimously recommend that Primero Shareholders accept the Offer to be made to them under the Takeover Bid;
- (B) accept, or procure the acceptance of, the Offer in respect of any Primero Shares that they own or control as soon as practicable on the day that is 21 days after the Offer has opened; and
- (C) accept, or procure the acceptance of, the Offer in respect of any Primero Shares that are issued on the exercise of any Primero Options that they own or control (which they intend to immediately exercise should those Primero Options vest in accordance with their terms) as soon as practicable on exercise of those Primero Options and in any event no earlier than the day which is 21 days after the Offer has opened,

in each case in the absence of a Superior Proposal.

- (b) Subject to NRW complying with **clause 2.1**, in the absence of the Primero Board publicly recommending a Superior Proposal, Primero agrees to:
  - (i) procure that Primero Directors publicly state the recommendation in **clause 2.3(a)(ii)(A)**, subject to the express qualification stated in **clause 2.3(a)(ii)**, in all material public announcements in relation to the Takeover Bid; and
  - (ii) use all reasonable endeavours to procure that the Primero Directors do not withdraw, revise, revoke or qualify, or make any public statement inconsistent with such recommendation.
- (c) Despite anything to the contrary in this agreement and subject at all times to compliance with **clause 6** of this agreement, a statement made by Primero or the Primero Board to the effect that:
  - (i) whilst Primero Directors continue to support the Offer which is current and capable of acceptance, no action should be taken by Primero Shareholders pending the assessment of a Competing Proposal by the Primero Board and its advisers; and
  - (ii) this agreement contains a process whereby the Primero Directors will consider the Competing Proposal and NRW has the right to match any such offer should it be considered to be a Superior Proposal which if it does the Primero Directors have agreed to support,

shall not contravene this agreement and shall not give rise to a termination right or obligation to pay the Primero Reimbursement Fee under this agreement.

### 3 Public announcement of Takeover Bid

Immediately after the execution and exchange of this agreement, NRW and Primero must issue a joint public announcement concerning the Takeover Bid in the form agreed by the parties prior to execution of this agreement.

### 4 Facilitating the Offer

#### 4.1 General obligations to implement Takeover Bid

In the absence of the Primero Board publicly recommending a Superior Proposal, Primero and NRW must each:

- (a) use all reasonable endeavours and commit necessary resources (including management and corporate relations and external advisers); and
- (b) procure that its Representatives work in good faith and in a timely and co-operative fashion with the other party (including by attending meetings and by providing the necessary records and information reasonably required),

to implement the Takeover Bid. However, Primero will not be in breach of this **clause 4.1**, if Primero or any of its Related Persons takes any action in relation to a Competing Proposal which is expressly permitted under **clause 6**, or any other action, including changing Primero Directors' recommendation, expressly permitted under this agreement.

#### 4.2 Bidder's Statement and Target's Statement

- (a) NRW will give Primero a reasonable opportunity to review an advanced draft of the Bidder's Statement at least 3 Business Days before NRW proposes to lodge the Bidder's Statement with ASIC, and will consult in good faith with Primero with respect to any comments Primero may have.
- (b) Primero will give NRW a reasonable opportunity to review an advanced draft of the Target's Statement at least 3 Business Days before Primero proposes to lodge the Target's Statement with ASIC, and will consult in good faith with NRW in relation to any comments NRW may have.
- (c) Primero must provide any assistance and information reasonably requested by NRW to enable NRW to prepare and finalise the Bidder's Statement.
- (d) NRW must provide any assistance and information reasonably requested by Primero to enable Primero to prepare and finalise the Target's Statement.
- (e) Primero consents to the inclusion by NRW in the Bidder's Statement of all information in respect of Primero and the Primero Group that NRW is required to disclose pursuant to section 636 of the Corporations Act and Takeovers Panel guidance, including any non-public information about the business or affairs of the Primero Group that Primero has

provided to NRW, or approved in writing, for inclusion in the Bidder's Statement.

- (f) Primero will take responsibility for all information in respect of Primero and the Primero Group included in the Bidder's Statement pursuant to this clause, and where necessary approved by Primero in accordance with **clause 4.2(e)**, and Primero acknowledges that the Bidder's Statement will include a statement to that effect.
- (g) NRW consents to the inclusion by Primero in the Target's Statement of all information in respect of NRW and the NRW Group that Primero is required to disclose pursuant to section 638 of the Corporations Act and Takeovers Panel guidance.
- (h) NRW will take responsibility for all information in respect of NRW and the NRW Group included in the Target's Statement pursuant to this clause and NRW acknowledges that the Target's Statement will include a statement to that effect.

#### **4.3 Dispatch of Offers**

- (a) Primero agrees that the Offer and accompanying documents to be sent by NRW under item 6 of section 633(1) of the Corporations Act may be sent on a date nominated by NRW that is earlier than the date prescribed by item 6 of section 633(1) of the Corporations Act, in order to enable the Offer to be sent by NRW as contemplated by the Timetable.
- (b) Primero agrees to use its best endeavours to ensure that the Target's Statement is dispatched to Primero Shareholders together with the Bidder's Statement or as soon as practicably possible after that date unless prevented from doing so by prevailing law or regulations or despite using best efforts it is not able to practically do so.
- (c) Provided that a Superior Proposal has not been received by Primero in the interim each party agrees to use reasonable endeavours to implement the Takeover Bid in accordance with the Timetable.

#### **4.4 Access to information for NRW's Bidder's Statement and Primero's Target's Statement**

Each party agrees to provide the other party, on a timely basis, with information that may be reasonably required to assist in the preparation of the Bidder's Statement or Target's Statement (as applicable).

#### **4.5 Promoting the Takeover Bid**

During the Offer Period, in the absence of a Superior Proposal, the Primero Board will support the Takeover Bid and participate in efforts reasonably required by NRW to promote the merits of the Takeover Bid, including meeting with key Primero Shareholders, analysts, management, customers and press if requested to do so by NRW.

#### 4.6 Access to Primero

During the Implementation Period, Primero must:

- (a) provide NRW and its Representatives as soon as is reasonably practicable with any documents, records, and other information (subject to any existing confidentiality obligations owed to third parties or applicable privacy laws) reasonably requested by them; and
- (b) provide NRW and its Representatives with reasonable access within normal business hours to Primero's senior management (provided that this access does not impose an unreasonable burden on Primero), for the purposes of:
  - (c) further understanding Primero's financial and operational position;
  - (d) implementing the Takeover Bid;
  - (e) preparing for and carrying on the business of Primero following implementation of the Takeover Bid including the integration of Primero with NRW and the other members of NRW Group, on the terms and subject the conditions in this agreement; and
  - (f) any other purpose agreed in writing between the parties,provided that:
- (g) nothing in this **clause 4.6** will require Primero to provide, or procure the provision of, information concerning:
  - (i) Primero Directors' and Primero management's consideration of the Takeover Bid; or
  - (ii) any actual, proposed or potential Competing Proposal (including Primero Directors' and Primero management's consideration of any actual, proposed or potential Competing Proposal) except as required by **clause 6.2**;
- (h) providing or procuring the provision of information or access to NRW or its Representatives pursuant to this **clause 4.6** does not result in unreasonable disruptions to, or interference with, the Primero Group's business;
- (i) NRW must:
  - (i) keep all information obtained by it under this **clause 4.6** confidential;
  - (ii) provide Primero with reasonable notice of any request for information or access; and
  - (iii) comply with the reasonable requirements of Primero in relation to any access granted;
- (j) nothing in this **clause 4.6** gives NRW any rights as to the decision making of any Primero Group Member or its business;



- (k) Primero may provide to NRW its records at a place other than Primero's business premises; and
- (l) nothing in this **clause 4.6** will require Primero to provide, or procure the provision of, information if to do so would or would be reasonably likely to result in a waiver of legal professional privilege.

#### **4.7 Registry and Primero Shareholder information**

Primero must promptly:

- (a) provide to NRW all information about the Register including a copy of the Register and details regarding the holders of Primero Options in an electronic form requested by NRW promptly after a request by NRW to do so (including any request made by NRW under section 641 of the Corporations Act) to assist NRW to implement the Takeover Bid including by NRW or its Representatives soliciting acceptances under the Takeover Bid;
- (b) provide all necessary directions to the Registry to provide any information contained in the Register that NRW reasonably requests, including any sub-register, and, where requested by NRW, Primero must procure the information to be provided to NRW in electronic form on the day that Primero receives a copy from its Registry each time a copy is obtained; and
- (c) provide to NRW all information in relation to beneficial ownership of Primero Shares that Primero has received under section 672A of the Corporations Act, and separately undertake beneficial securityholder analysis at the request and cost of NRW, and promptly exercise its powers under section 672A of the Corporations Act if requested to so do by, and at the cost of, NRW, acting reasonably.

#### **4.8 Third Party Consents**

In the absence of the Primero Board publicly recommending a Superior Proposal, to the extent that any Third Party Consents have not already been obtained on terms acceptable to NRW (acting reasonably), at NRW's request:

- (a) Primero must, to the extent it has not already done so, in conjunction with NRW, apply to the counterparties from which these Third Party Consents are required;
- (b) Primero must use, and must procure that each relevant Related Person of Primero uses, in conjunction with NRW, reasonable endeavours to obtain the Third Party Consents as expeditiously as possible; and
- (c) Primero must work, and must procure that each relevant Related Person of Primero works, co-operatively with NRW in seeking to obtain those Third Party Consents.

#### **4.9 Conduct of Company**

During the Implementation Period:

- (a) Primero must, and must procure that each of Primero Group Members:

- (i) conducts its business in the usual and ordinary course and on a basis consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency;
  - (ii) promptly provides to NRW, upon reasonable request, reports including in relation to the financial affairs and operations of the Primero Group, and consults with NRW on any matters that may have a material adverse impact on the integration of the businesses of NRW and the Primero Group following implementation of the Takeover Bid; and
  - (iii) makes all reasonable efforts to preserve and maintain the value of its business and assets and its relationships with customers, suppliers, employees and others with whom it has business dealings and to keep available the services of its key employees and contractors;
- (b) Primero must, as soon as practicable after obtaining the requisite shareholder approval at the 2020 Annual General Meeting:
  - (i) buy-back and cancel the 913,750 Primero Shares under the Permitted Buyback; and
  - (ii) issue the Unissued Primero Employee Incentive Options; and
- (c) other than with the prior approval of NRW (not to be unreasonably withheld), Primero must not, and must procure that each Primero Group Member does not:
  - (i) in the case of Primero and other than in respect of Primero Shares issued as a result of the exercise of Primero Options, issue any Primero Shares;
  - (ii) in the case of a Primero Group Member (other than Primero), issue any securities, other than to Primero or to another Primero Group Member that is directly or indirectly wholly-owned by Primero;
  - (iii) in the case of Primero, announce, determine as payable, declare or pay any dividend or distribution;
  - (iv) in the case of a Primero Group Member (other than Primero), announce, determine as payable, declare or pay any dividend or distribution, other than to Primero or to another Primero Group Member that is directly or indirectly wholly-owned by Primero;
  - (v) other than in respect of the Unissued Primero Employee Incentive Options, issue or grant any incentives, option, performance rights or other incentive instruments that are convertible into Primero Shares;
  - (vi) increase the remuneration of or pay any bonus (including under any existing or proposed employee performance bonus policy or retention bonus policy) other than:

- (A) increases or any bonuses provided for in an existing employment contract in place as at the date of this agreement;
- (B) increases in remuneration to apply for the financial year commencing 1 July 2020 (and subsequent financial years if applicable) which increases are notified to relevant employees after the date of this document; or
- (C) any bonuses paid in the ordinary course after the date of this agreement,

or issue or agree to issue any securities or options (other than the issue of the Unissued Primero Employee Incentive contemplated by this agreement) to, or otherwise vary the employment agreements with, any of its Officers or employees;

- (vii) amend or vary the terms of the Employee Incentive Plan (or exercise any discretion in a way that has the effect of amending or varying the application of the Employee Incentive Plan), other than as contemplated or permitted under this agreement;
- (viii) pay a director or executive a termination payment, other than as provided for in an existing employment contract or other agreement in place as at the date of this agreement and provided that a copy of which has previously been fairly disclosed to NRW; or
- (ix) take any action which is, or would reasonably be expected to give rise to, a Primero Prescribed Occurrence or Primero Material Adverse Change;
- (x) borrow or agree to borrow any money from any person other than in respect of Permitted Indebtedness;
- (xi) enter into any lines of business or other activities in which it is not engaged as at the date of this document;
- (xii) commence proceedings or settle, waive, compromise or release any claims where the liability or value exceeds \$5,000,000; or
- (xiii) agree to do any of the matters set out above.

However, nothing in this **clause 4.9** restricts the ability of any Primero Group Member to take any action:

- (d) to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property);
- (e) which is expressly required or expressly permitted by this agreement or the NRW Loan Agreement;
- (f) which has been agreed to in writing by NRW (which agreement must not be unreasonably withheld or delayed);

- (g) which is required to be done or procured by Primero pursuant to, or which is otherwise contemplated by, this agreement or the Offer;
- (h) which has been fairly disclosed in the Data Room or to the ASX or ASIC by Primero;
- (i) in relation to an Approved Financing;
- (j) in relation to the Cash Incentive Payments; or
- (k) which is required by any legal or contractual obligations arising before, and which have been fairly disclosed in the Data Room or to the ASX or ASIC by Primero prior to, the date of this agreement, or required by any applicable law or by a Court or Government Agency.

#### **4.10 Bid Conditions**

- (a) Each party agrees not to do, or omit to do, anything which will, or is likely to, result in any of the Bid Conditions being breached.
- (b) Each party must keep the other promptly and reasonably informed of the steps it has taken and its progress towards satisfaction of the Bid Conditions, and promptly notify the other if it becomes aware that any Bid Condition has been fulfilled or breached.
- (c) If any event occurs or becomes apparent which would cause any of the Bid Conditions to be breached or cause satisfaction of them to be unreasonably delayed, each party must, to the extent that the party is actually aware of such information, immediately notify the other party of that event.
- (d) A reference in this **clause 4.10** to a Bid Condition being breached includes a reference to the Bid Condition not being, or not being capable of being, satisfied.
- (e) Subject to the Corporations Act, NRW alone is entitled to the benefit of the Bid Conditions, or to rely on any non-fulfilment of any of them.
- (f) Each Bid Condition is a separate, several and distinct condition. No Bid Condition will be taken to limit the meaning or effect of any other Bid Condition.

#### **4.11 Appointment of directors**

- (a) As soon as practicable after NRW has paid the consideration payable under the Offer for, and becomes the registered holder of, at least 50.1% of all Primero Shares (on a fully diluted basis), if requested in writing to do so by NRW, Primero must use its best endeavours to procure resignation and the appointment of directors to the Primero Board and to the boards of each Primero Group Members designated by NRW (subject to those persons having provided a consent to act as directors) of such number of persons such that a majority of the directors of the Primero Board and boards of each Primero Group Member are directors nominated by NRW in writing.

- (b) As soon as practicable after the Offer Period has ended and NRW has paid the consideration payable under the Offer to Primero Shareholders who accepted the Offer, and for so long as NRW and its Associates together have relevant interests in more than 90% of all of Primero Shares (on a fully diluted basis), Primero must use reasonable endeavours to:
- (i) procure that each director of the Primero Board designated by NRW in writing and each director of any Primero Group Member designated by NRW in writing resigns; and
  - (ii) cause the appointment to the Primero Board, and to the boards of each Primero Group Member, of such persons as nominated by NRW in writing, subject to those persons having provided a consent to act as directors of the relevant company or companies.

#### **4.12 Excluded Information**

Notwithstanding **clauses 4.6 and 4.11** and save as required under **clause 6.2**, neither NRW nor its Representatives (including any directors appointed by NRW under **clause 4.11**) are entitled to copies of any documents, records or information, access to Primero Group's employees, or to be present at Primero Board meetings, where the subject matter relates to Primero's consideration of the Takeover Bid or any Competing Proposal.

#### **4.13 Independent Expert not required**

- (a) Primero acknowledges that an expert's report for the Target Statement is not required under section 640 of the Corporations Act or otherwise.
- (b) Primero agrees that it will not commission a report under section 640 of the Corporations Act or otherwise in connection with the Offer.

#### **4.14 Primero Options**

- (a) Before the end of the Offer Period and to the extent that the Primero Options have not already been exercised by the relevant holder, NRW will make the Primero Options Offers to the persons set out in the Primero Options List to acquire or have cancelled the Primero Options in exchange for the relevant consideration set out in the Primero Options List and conditional only on (unless NRW otherwise determines or waives the condition):
  - (i) NRW being entitled to compulsorily acquire all Primero Shares;
  - (ii) the Offer made in relation to Primero Shares becoming unconditional or is declared by NRW to be free of all Bid Conditions; and
  - (iii) any necessary or desirable Listing Rule waivers being granted to facilitate the Primero Options Offer.
- (b) Primero undertakes to consent to any transfer or cause the cancellation of Primero Options under the Primero Options Offers and agrees to use its best endeavours to facilitate the exercise of any Primero Options that

vest or otherwise become exercisable by the holder prior to the end of the Offer Period.

- (c) Primero must promptly after the date of this agreement apply to the ASX for:
  - (i) a waiver of ASX Listing Rule 6.23;
  - (ii) a release of any applicable transfer restrictions that apply to any of the Primero Options or pass resolutions for their cancellation; and
  - (iii) any other ASX waiver necessary,so as to facilitate the Primero Options Offers.
- (d) If the Primero Options Offers become or are declared unconditional, Primero agrees to:
  - (i) ensure the transfer or cancellation of each Primero Option held by an Primero Optionholder who has accepted an Primero Options Offer (the **Accepted Options**); and
  - (ii) update the register of option holders to show that the relevant Primero Optionholder is no longer the holder of Accepted Options and that they have either been cancelled or to show that NRW is the new holder of those Accepted Options.

#### **4.15 Escrow**

Primero must as soon as possible after the Announcement Date procure that the Designated Executives who hold Primero Shares execute voluntary escrow deeds in an agreed form.

#### **4.16 Approved Financing**

- (a) If at any time after the date which is 3 months after the anniversary of the opening of the Offer the Primero Board acting in good faith forms the view that Primero requires additional debt or equity financing, Primero must provide NRW no less than 10 Business Days written notice (which notice must include details of the amount of finance required and any proposed terms and conditions of any intended raising (**Financing Notice**)).
- (b) If at any time during that notice period NRW formally provides to Primero an alternative financing proposal to the proposal set out in the Financing Notice, Primero must procure that the Primero Board considers that proposal and if the Primero Board, acting reasonably and in good faith, determines that the NRW proposal would provide an equivalent or superior outcome for Primero Shareholders as a whole having regard to both the terms of the Financing Notice and the status and likely impact of that financing on the Offer, then Primero and NRW must use reasonable endeavours to agree binding documentation for that alternative financing approval.
- (c) If NRW has either:

- (i) declined to provide an alternative financing proposal; or
  - (ii) not responded within the time period specified in **clause 4.16(a)**,
- then Primero may at any time enter into binding documentation in respect of the financing contemplated by the Financing Notice and such financing is referred to in this agreement as an **Approved Financing**.

## **5 Takeover Bid – variation and waiver**

### **5.1 Variation**

Subject to **clause 5.2**, NRW may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act.

### **5.2 Wavier of Bid Conditions and extension**

Subject to the Corporations Act NRW may in its sole discretion declare the Takeover Bid to be free from any Bid Condition or extend the Offer Period at any time.

## **6 Exclusivity**

### **6.1 No shop and no talk**

During the Exclusivity Period, Primero must not, and must ensure that each of its Related Persons do not:

- (a) **(no shop)** directly or indirectly solicit, invite, encourage or initiate any inquiry, expression of interest, offer proposal, negotiations or discussions by any person in relation to, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal or communicate to any person an intention to do anything referred to in this **clause 6.1(a)**; or
- (b) **(no talk)** subject to **clause 6.3**:
  - (i) facilitate, participate in or continue any negotiations or discussions with respect to any inquiry, expression of interest, offer or proposal by any person to make, or which would reasonably be expected to encourage or lead to the making of, a Competing Proposal or participate in or continue any negotiations or discussions with respect to any Competing Proposal;
  - (ii) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal;
  - (iii) disclose or otherwise provide or make available any non-public information about the business or affairs of the Primero Group to a Third Party (other than a Government Agency that has the right to obtain that information and has sought it) in connection with, with a view to obtaining, or which would reasonably be expected to

encourage or lead to the formulation, receipt or announcement of, a Competing Proposal (including providing such information for the purposes of the conduct of due diligence investigations in respect of the Primero Group) whether by that Third Party or another person; or

- (iv) communicate to any person an intention to do anything referred to in the preceding paragraphs of this **clause 6.1(b)**.

## **6.2 Notification of approaches**

- (a) During the Exclusivity Period, Primero must promptly notify NRW in writing if Primero or any of its Related Persons becomes aware of any:
  - (i) written approach or written attempt to initiate any negotiations or discussions in respect of any inquiry, expression of interest, offer, proposal or discussion in relation to an actual, proposed or potential Competing Proposal;
  - (ii) written proposal made to Primero or any of its Related Persons in connection with, or in respect of any exploration or completion of, an actual, proposed or potential Competing Proposal; or
  - (iii) provision by Primero or any of its Related Persons of any non-public information concerning the business or operations of Primero or the Primero Group to any Third Party (other than a Government Agency) in connection with an actual, proposed or potential Competing Proposal,whether direct or indirect, solicited or unsolicited, and in writing or otherwise.
- (b) A notification given under **clause 6.2(a)** must include:
  - (i) the identity of the relevant person making or proposing the relevant Competing Proposal; and
  - (ii) all material terms and conditions of the Competing Proposal (including the implied offer price per Primero Share).

## **6.3 Fiduciary exception**

**Clauses 6.1(b)** and **6.2** (only to the extent it requires disclosure of information referred to in **clause 6.2(b)(i)**) do not prohibit any action or inaction by Primero or any of its Related Persons in relation to an actual, proposed or potential Competing Proposal if, in the opinion of the Primero Board, formed in good faith after receiving written advice from its external legal adviser and financial advisers, the Competing Proposal is or may reasonably be expected to lead to a Superior Proposal and, compliance with those provisions would constitute, or would be reasonably likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of Primero, provided that the Competing Proposal was not directly or indirectly brought about by, or facilitated by, a breach of **clause 6.1(a)**.



#### 6.4 Matching right

(a) Without limiting any other clause in this document, during the Exclusivity Period, Primero:

- (i) must not, and must procure that each Primero Group Member does not, enter into any legally binding agreement (whether or not in writing) pursuant to which one or more of a Third Party, Primero or any Primero Group Member proposes or propose to undertake or give effect to a Competing Proposal; and
- (ii) must procure that none of its directors change their recommendation in favour of the Takeover Bid, publicly recommend a Competing Proposal (or recommend against the Takeover Bid) or make any public statement to the effect that they may do so at a future point (provided that a statement that no action should be taken by Primero Shareholders pending the assessment of a Competing Proposal by the Primero Board and its advisers shall not contravene this clause),

unless:

- (iii) the Primero Board, acting in good faith and in order to satisfy what the Primero Directors consider to be their statutory or fiduciary duties (having receiving written advice from its external legal adviser), determine that the Competing Proposal would be or would be reasonably likely to be a Superior Proposal;
- (iv) Primero has provided NRW with the material terms and conditions of the Competing Proposal, including price and the identity of the Third Party making the Competing Proposal;
- (v) Primero has given NRW at least five Business Days after the date of the provision of the information referred to in **clause 6.4(a)(iv)** to announce or formally provide to Primero proposed amendments to the Agreed Bid Terms or a new proposal (**NRW Counterproposal**); and
- (vi) either:
  - (A) NRW has not announced or otherwise formally provided to Primero a NRW Counterproposal by the expiry of the five Business Day period in **clause 6.4(a)(v)**; or
  - (B) NRW has announced or otherwise formally provided to Primero a NRW Counterproposal by the expiry of the five Business Day period in **clause 6.4(a)(v)** and the Primero Board has reviewed the NRW Counterproposal in accordance with **clause 6.4(b)** and concluded that the NRW Counterproposal does not constitute a Matching or Superior Proposal (as defined in **clause 6.4(b)**).

(b) If NRW formally provides to Primero, or announces, a NRW Counterproposal that constitutes a superior proposal to the terms of the

Competing Proposal by the expiry of the five Business Day period in **clause 6.4(a)(v)**, Primero must procure that the Primero Board considers the NRW Counterproposal and if the Primero Board, acting reasonably and in good faith, determines that the NRW Counterproposal would provide an equivalent or superior outcome for Primero Shareholders as a whole (other than those Associated with NRW) compared with the Competing Proposal (**Matching or Superior Proposal**), taking into account all of the terms and conditions of NRW Counterproposal; then Primero and NRW must use reasonable endeavours to agree the amendments to this agreement and the Takeover Bid (as applicable) that are reasonably necessary to reflect the NRW Counterproposal and to implement the NRW Counterproposal, in each case as soon as reasonably practicable, and Primero must use reasonable endeavours to procure that each of the directors of Primero continues to recommend the Takeover Bid (as modified by the NRW Counterproposal) to Primero Shareholders.

- (c) For the avoidance of doubt, **clauses 6.4(a)** and **6.4(b)** have repeat application so that if any further proposal is made after NRW has made an NRW Counterproposal, NRW will again have the right to match the further proposal.

#### **6.5 No discussions**

Primero represents and warrants that, as at the date of this agreement:

- (a) no Primero Group Member is participating in any discussions or negotiations relating to any actual, proposed or potential Competing Proposal; and
- (b) no person proposing any Competing Proposal to Primero's knowledge has access to Primero's confidential information.

#### **6.6 Provision of information**

During the Exclusivity Period, Primero must as soon as possible (and, in any event, within two Business Days) give NRW:

- (a) in the case of written materials, a copy of; and
- (b) in any other case, a written statement of,

any non-public information about the business or affairs of Primero or the Primero Group disclosed or otherwise provided by Primero or any of its Related Persons to any Third Party in connection with a Competing Proposal that has not previously been provided to NRW. For the avoidance of doubt, any such provision of information to a Third Party may only be undertaken if permitted by **clause 6.3**.

#### **6.7 Legal advice**

Primero represents and warrants to NRW that:

- (a) prior to entering into this agreement it has received legal advice on this agreement and the operation of this **clause 6**; and

- (b) it and the Primero Board consider this **clause 6** to be fair and reasonable and appropriate to agree in order to secure the significant benefits to it and Primero Shareholders resulting from the transactions contemplated hereby.

## **6.8 Compliance with law**

- (a) If it is determined by a court, or the Takeovers Panel, that the agreement by the parties under this **clause 6** or any part of it:
  - (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the Primero Board;
  - (ii) constituted, or constitutes, or would constitute, 'unacceptable circumstances' within the meaning of the Corporations Act; or
  - (iii) was, or is, or would be, unlawful for any other reason,then, to that extent (and only to that extent) Primero will not be obliged to comply with that provision of **clause 6**.
- (b) The parties must not make or cause or permit to be made, any application to a court or the Takeovers Panel for or in relation to a determination referred to in this **clause 6.8**.

## **7 Primero Reimbursement Fee**

### **7.1 Background to Primero Reimbursement Fee**

- (a) Primero acknowledges that, if NRW enters into this agreement and the Takeover Bid is subsequently not implemented, NRW will incur significant costs, including those set out in **clause 7.4**.
- (b) In these circumstances, NRW has requested that provision be made for the payments outlined in **clause 7.2**, without which NRW would not have entered into this agreement or otherwise agreed to implement the Takeover Bid.
- (c) The Primero Board believes, having taken advice from their external legal adviser and financial advisers, that the implementation of the Takeover Bid will provide benefits to Primero and that it is appropriate for Primero to agree to the payments referred to in **clause 7.2** in order to secure the Takeover Bid.

### **7.2 Primero Reimbursement Fee triggers**

Subject to this **clause 7**, Primero must pay the Primero Reimbursement Fee to NRW if:

- (a) during the Exclusivity Period, any Primero Director:
  - (i) fails to recommend that Primero Shareholders accept the Takeover Bid in the manner described in **clause 2.3**;

- (ii) withdraws, adversely revises or adversely qualifies their recommendation that Primero Shareholders accept the Takeover Bid; or
- (iii) recommends that Primero Shareholders accept or vote in favour of, or otherwise supports or endorses (including support by way of accepting or voting, or by way of stating an intention to accept or vote, in respect of any Primero Shares that they own or control), a Competing Proposal of any kind that is announced (whether or not such proposal is stated to be subject to any pre-conditions) during the Exclusivity Period,

unless prior to that breach Primero has validly terminated this agreement and that termination has become effective;

- (b) a Competing Proposal of any kind is announced during the Exclusivity Period (whether or not such proposal is stated to be subject to any pre-conditions) and, within 12 months of the date of such announcement, the Third Party or any Associate of that Third Party:
  - (i) completes a Competing Proposal of a kind referred to in paragraphs (a)(ii) to (iv) and (b) of the definition of Competing Proposal;
  - (ii) enters into a binding agreement, arrangement or understanding with Primero or another Primero Group Member to undertake or give effect to a Competing Proposal; or
  - (iii) without limiting **clause 7.2(b)(i)** or **clause 7.2(b)(ii)**, acquires (either alone or in aggregate) a relevant interest in, and an unconditional right to acquire, more than 50% of Primero Shares or acquires (either alone or in aggregate) Control of Primero; or
- (c) NRW has validly terminated this deed pursuant to **clause 8.1(a)(ii)** or **8.1(a)(iii)**.

### **7.3 Payment of Primero Reimbursement Fee**

- (a) A demand by NRW for payment of the Primero Reimbursement Fee under **clause 7.2** must:
  - (i) be in writing;
  - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (iii) state the circumstances which give rise to the demand; and
  - (iv) nominate an account in the name of NRW into which Primero is to pay the Primero Reimbursement Fee.
- (b) Primero must pay the Primero Reimbursement Fee into the account nominated by NRW, without set-off or withholding, within five Business Days after receiving a demand for payment in accordance with **clause 7.3(a)** where NRW is entitled under **clause 7.2** to the Primero Reimbursement Fee.

#### **7.4 Basis of Primero Reimbursement Fee**

The Primero Reimbursement Fee has been calculated to reimburse NRW for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Takeover Bid (excluding success fees);
- (b) reasonable opportunity costs incurred in engaging in the Takeover Bid or in not engaging in other alternative acquisitions or strategic initiatives;
- (c) costs of management and directors' time in planning and implementing the Takeover Bid; and
- (d) out of pocket expenses incurred by NRW and NRW's employees, advisers and agents in planning and implementing the Takeover Bid,

and the parties agree that:

- (e) the costs actually incurred by NRW will be of such a nature that they cannot all be accurately ascertained; and
- (f) the Primero Reimbursement Fee is a genuine and reasonable pre-estimate of those costs,

and Primero represents and warrants that it has received written legal advice from its legal adviser in relation to the operation of this **clause 7**.

#### **7.5 Compliance with law**

- (a) This **clause 7** does not impose an obligation on Primero to pay the Primero Reimbursement Fee to the extent (and only to the extent) that the obligation to pay the Primero Reimbursement Fee:

- (i) is declared by the Takeovers Panel to constitute 'unacceptable circumstances'; or

- (ii) is determined to be unenforceable or unlawful by a court,

and NRW will refund to Primero, within five Business Days any amount in excess of its obligation under this clause that has already been paid when that declaration or determination is made. For the avoidance of doubt, any part of the Primero Reimbursement Fee that would not constitute unacceptable circumstances or that is not unenforceable or unlawful (as applicable) must be paid.

- (b) The parties must not make or cause or permit to be made, any application to the Takeovers Panel or a court for or in relation to a declaration or determination referred to in **clause 7.5(a)**.

#### **7.6 Fees payable only once**

Where the Primero Reimbursement Fee becomes payable to NRW under **clause 7.2** and is actually paid to NRW, NRW cannot make any claim against Primero for payment of any subsequent Primero Reimbursement Fee.

## **7.7 No fee if NRW successful**

Despite anything to the contrary in this agreement, the Primero Reimbursement Fee will not be payable to NRW if NRW acquires a relevant interest in at least 50.1% of all Primero Shares (on a fully diluted basis) as a result of the Takeover Bid and the Takeover Bid becomes free of all Bid Conditions, notwithstanding the occurrence of any event in **clause 7.2**.

## **7.8 Other Claims**

Despite anything to the contrary in this agreement:

- (a) the maximum liability of Primero to NRW under or in connection with this agreement, including in respect of any breach of this agreement, is the Primero Reimbursement Fee; and
- (b) a payment made by Primero in accordance with this **clause 7** represents the sole and absolute liability of Primero to NRW under or in connection with this agreement and no further damages fees, expenses or reimbursements of any kind will be payable by Primero to NRW in connection with this agreement, other than in respect of any fraud or dishonesty by or on behalf of any Primero Group Member or any fraud or dishonesty by any director or officer of any Primero Group Member acting in their capacity as a director or officer of such Primero Group Member,

save that this clause does not apply in respect of, and does not limit the liability of Primero in connection with any breach of clause 6 (which for the avoidance of doubt does not include an action taken by Primero or the Primero Directors in accordance with the exception in clause 6.3) or where Primero has (whether in breach of clause 6 or otherwise) agreed to pay a third party a break fee or similar cost reimbursement commitment in connection with any actual, proposed or potential Competing Proposal.

# **8 Termination**

## **8.1 Termination rights**

- (a) NRW may terminate this agreement by written notice to Primero if at any time after the date on which the Offer is announced under **clause 3** and before the end of the Offer Period:
  - (i) any Primero Director fails to recommend that Primero Shareholders accept the Offer, or having recommended the Offer, withdraws, revises, revokes or qualifies their recommendation in relation to the Takeover Bid;
  - (ii) other than in respect of a breach of a representation or warranty provided by Primero, Primero is in material breach of this agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by Primero within 5 Business Days of it receiving notice from NRW of the details of the breach and NRW's intention to terminate;

- (iii) a representation or warranty given by Primero under **clause 9** is or becomes untrue, has not been remedied within 5 Business Days of notice of the breach and this is material in the context of the Takeover Bid taken as a whole;
- (iv) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits the Takeover Bid, and the action is final and cannot be appealed or reviewed or NRW, acting reasonably, believes that there is no realistic prospect of a successful appeal or review; or
- (v) NRW withdraws the Takeover Bid or the Takeover Bid lapses for any reason, including non-satisfaction of a condition to the Takeover Bid.
- (b) Primero may terminate this agreement by written notice to NRW if at any time after the date on which the Offer is announced under **clause 3** and before the end of the Offer Period:
- (i) Any Primero Director fails to recommend that Primero Shareholders accept the Offer, or having recommended the Offer, withdraws, revises, revokes or qualifies their recommendation in relation to the Takeover Bid, in either case as a result of the Primero Board having determined that Primero has received a Superior Proposal, provided that:
- (A) the Superior Proposal did not emanate from a breach by Primero of any of its obligations under **clause 6**;
- (B) no NRW Counterproposal has arisen either because of the operation of **clause 6.4(a)(vi)(A)** or Primero being in compliance with **clause 6.4(a)(vi)(B)** and **6.4(b)**; and
- (C) Primero has paid NRW the Primero Reimbursement Fee (as if the trigger in **clause 7.2(a)** has occurred and with the requirement of a demand under **clause 7.3** being deemed to be waived in these circumstances) prior to exercising its termination right under this clause;
- (ii) other than in respect of a breach of a representation or warranty provided by NRW, NRW is in material breach of this agreement and, to the extent that the breach is capable of remedy, that breach is not remedied by NRW within 5 Business Days of it receiving notice from Primero of the details of the breach and Primero's intention to terminate;
- (iii) a representation or warranty given by NRW under **clause 9** is or becomes untrue, has not been remedied within 5 Business Days of notice of the breach and this is material in the context of the Takeover Bid taken as a whole;
- (iv) a court or Government Agency has issued an order, decree or ruling, or taken other action, that permanently restrains or prohibits

the Takeover Bid, and the action is final and cannot be appealed or reviewed or Primero, acting reasonably, believes that there is no realistic prospect of a successful appeal or review; or

- (v) NRW withdraws the Takeover Bid or the Takeover Bid lapses for any reason, including non-satisfaction of a condition to the Takeover Bid.

## 8.2 Effect of termination

If this agreement is terminated by a party under this **clause 8**:

- (a) each party will be released from its obligations under this agreement, except its respective obligations under **clauses 7, 10, 13 and 15**;
- (b) each party will retain the rights it has or may have against the other party in respect of any past breach of this agreement; and
- (c) in all other respects, all future obligations of the parties under this agreement will immediately terminate and be of no further force or effect, including any further obligations in respect of the Takeover Bid.

## 9 Warranties

### 9.1 Mutual warranties

Each party represents and warrants to the other that, as at the date of this agreement and until the end of the Offer Period:

- (a) **(validly existing)**: it is validly incorporated, organised and subsisting under the laws of the place of its incorporation;
- (b) **(power)**: it has full power and capacity to enter into and perform its obligations under this agreement;
- (c) **(authority)**: this agreement has been duly executed and all necessary authorisations for the execution, delivery and performance by it of this agreement in accordance with its terms have been obtained;
- (d) **(binding)**: this agreement is a legal, valid and binding agreement, enforceable against the relevant party in accordance with its terms;
- (e) **(no default)**: it is not bound by any agreement that would prevent or restrict it from entering into and performing its obligations under this agreement or the transaction contemplated by it;
- (f) **(no Insolvency Event)**: no Insolvency Event has occurred in relation to any group members; and
- (g) **(regulatory action)** no regulatory action of any nature has been taken that would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this agreement.



## 9.2 Primero warranties

In addition to the warranties set out in **clause 9.1**, Primero represents and warrants that, as at the date of this agreement and until the end of the Offer Period (except where a warranty is given as of a particular date, in which case Primero gives that warranty as of that particular date):

- (a) **(capital structure)** the information contained in **schedule 4** is complete and accurate, and there are no other securities on issue, or that might be issued as a result of the exercise of any options, convertible securities or other rights or in accordance with any letter of award or grant under the Employee Incentive Plan;
- (b) **(corporate structure)**: Primero has disclosed full details of any company, partnership, trust, joint venture or other enterprise in which Primero or another Primero Group Member owns or otherwise holds an interest;
- (c) **(financial statements)**: other than as fairly disclosed to NRW in the Data Room or fairly disclosed to ASX by Primero:
  - (i) Primero's financial statements as disclosed to ASX have been prepared in accordance with the accounting standards on a basis consistent with past practice;
  - (ii) there has been no material event, change, effect or development which would require Primero to restate its financial statements as disclosed to ASX; and
  - (iii) since the date of its last accounts disclosed to ASX, there has been any material adverse change in the financial condition, assets, liabilities, results of operations, profitability or prospects of the Primero Group and the Primero Group has carried on business in the ordinary and usual course consistent with its usual business practices;
- (d) **(litigation and disputes)** other than as fairly disclosed to NRW in the Data Room or fairly disclosed to ASX by Primero, there is no material litigation, action, arbitration, mediation, claim, investigation or other proceeding:
  - (i) currently on foot;
  - (ii) commenced; or
  - (iii) so far as Primero Directors and Primero's other Officers are aware, announced or threatened or likely to be instigated, by or against a Primero Group Member;
- (e) **(compliance)** no member of the Primero Group has failed to comply in a material respect with any law or regulation application to them or any order of any Government Agency having jurisdiction over it;
- (f) **(licences and permits)** other than as fairly disclosed to NRW in the Data Room, no member of the Primero Group does not hold any material

licence, authorisations or permit necessary for it to conduct the business of the Primero Group as it is presently being conducted as at the date of this document;

- (g) **(Primero assets)** other than as fairly disclosed to NRW in the Data Room, the Primero Group owns or has the right to use all of the assets which are material for the conduct of the Primero business and will continue to do so throughout the Offer Period;
- (h) **(material contracts)** in respect of the Material Contracts:
  - (i) Primero has included in the Data Room full copies of each Material Contract;
  - (ii) Primero has not received written notice from the counterparty to the Material Contract of a purported breach or default by a Primero Group Member of that Material Contract or notice of termination of that Material Contract;
  - (iii) save as fairly disclosed in the Data Room and so far as Primero Directors and Primero's other Officers are aware, as at the date of this agreement no Primero Group Member has reason to believe it is in default under any material contract nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default, prepayment event, challenge the validity of a progress or variation claim or give another party thereto a termination right or right to accelerate any right or obligation under the material contract;
- (i) **(employment)**: so far as Primero Directors and Primero's other Officers are aware, no Primero Group Member is in material breach of any applicable employment laws;
- (j) **(tax)**: Primero is not in breach of any laws that relate to the obligation to pay Tax;
- (k) **(continuous disclosure)** Primero is not in breach of its continuous disclosure obligations under the Listing Rules and the Corporations Act and as at the date of this agreement is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as fairly disclosed to NRW in the Data Room;
- (l) **(Data Room)**: so far as Primero Directors and Primero's other Officers are aware:
  - (i) the information contained in the Data Room has been prepared in good faith;
  - (ii) Primero has not withheld from the Data Room materially adverse information about the Primero Group and its business nor included any information that is false or misleading in respect of the business of Primero taken as a whole; and

- (iii) other than in respect of information that is not otherwise in the public domain, the Data Room contains all material information relating to the Primero Group or its respective businesses or operations as at the date of this document that is likely to be material to NRW's decision to proceed with the Offer;
- (m) **(Bid Conditions)**: so far as Primero Directors and Primero's other Officers are aware, as at the date of this agreement there are no circumstances that have, will, or would reasonably be expected to result, in any of the Bid Conditions not being satisfied.

### 9.3 NRW warranties

In addition to the warranties set out in **clause 9.1**, NRW represents and warrants that, as at the date of this agreement and until the end of the Offer Period (except where a warranty is given as of a particular date, in which case Primero gives that warranty as of that particular date):

- (a) **(cash consideration)**: it has sufficient cash amounts to enable it to perform its obligations to pay the total cash consideration payable to Primero Shareholders under the Takeover Bid;
- (b) **(NRW Share consideration)** the NRW Shares to be issued in connection with the Takeover Bid will be duly authorised and validly issued or transferred, fully paid and free of all security interests and third party rights and will rank equally with all other NRW Shares then on issue;
- (c) **(no approvals required)**: NRW does not require the approval of its shareholders or the approval or consent of any other Government Agency to enter into or perform any of its obligations under this document;
- (d) **(due diligence)**: the responses to Primero's due diligence questionnaire provided by NRW to Primero prior to the date of this agreement were prepared in good faith and are accurate and when read together with information fairly disclosed by NRW to ASX and ASIC are not false or misleading; and
- (e) **(continuous disclosure)**: NRW is not in breach of its continuous disclosure obligations under the Listing Rules and the Corporations Act and is not relying on Listing Rule 3.1A to withhold any information from disclosure other than as fairly disclosed to Primero prior to the date of this agreement.

### 9.4 Indemnities for breach of warranties

- (a) Primero indemnifies NRW against all Loss suffered or incurred by NRW or a NRW Group Member arising from or in connection with a breach of the warranties given by Primero set out in **clauses 9.1 and 9.2**.
- (b) NRW indemnifies Primero against all Loss suffered or incurred by Primero or a Primero Group Member arising from or in connection with a breach of the warranties given by NRW set out in **clauses 9.1 and 9.3**.

## **9.5 Reliance on representations and warranties**

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements expressly set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this agreement.
- (c) Each party acknowledges and confirms that **clauses 9.5(a) and 9.5(b)** do not prejudice any rights a party may have in relation to information which has been filed by the other party with ASIC or ASX.

## **9.6 Notification**

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance that constitutes or may constitute a breach of any of the representations and warranties given by it under this **clause 9**.

## **10 Releases**

### **10.1 Primero and Primero directors and officers**

- (a) NRW:
    - (i) releases its rights; and
    - (ii) agrees with Primero that it will not make, and, subject to acquiring Control of Primero, it will procure that each Primero Group Member does not make, any claim,  
  
against any Primero Indemnified Person (other than any Primero Group Member) as at the date of this agreement in connection with:
      - (iii) any breach of any representations and warranties of Primero or any other member of the Primero Group in this agreement or any breach of any covenant given by Primero in this agreement;
      - (iv) any disclosures made in connection with this agreement or the transactions contemplated by it, including the Takeover Bid, containing any statement which is false or misleading whether in content or by omission; or
      - (v) any failure to provide information in connection with this agreement or the transactions contemplated by it, including the Takeover Bid,
- whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Primero Indemnified Person has not acted in good faith or has engaged in wilful misconduct, wilful concealment, fraud or wilful breach of the covenants given by Primero in this agreement (including, for the avoidance of doubt

knowingly entering into an arrangement of the type contemplated by the final paragraph of **clause 7.8**).

- (b) Primero receives and holds the benefit of this **clause 10.1** to the extent it relates to each Primero Indemnified Person as trustee for each of them.

## **10.2 NRW and NRW directors and Officers**

- (a) Primero releases its rights, and agrees with NRW that it will not make a claim, against any NRW Indemnified Person (other than NRW Group Members) as at the date of this agreement in connection with:
  - (i) any breach of any representations and warranties of NRW or any other member of NRW Group in this agreement or any breach of any covenant given by NRW in this agreement;
  - (ii) any disclosure made in connection with this agreement or the transactions contemplated by it, including the Takeover Bid, containing any statement which is false or misleading whether in content or by omission; or
  - (iii) any failure to provide information in connection with this agreement or the transactions contemplated by it, including the Takeover Bid, whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where NRW Indemnified Person has not acted in good faith or has engaged in wilful misconduct, wilful concealment, fraud or wilful breach of the covenants given by NRW in this agreement. For the avoidance of doubt, nothing in this **clause 10.2(a)** limits Primero's rights to terminate this agreement under **clause 8**.
- (b) **Clause 10.2(a)** is subject to any Corporations Act restriction and will be read down accordingly.
- (c) NRW receives and holds the benefit of this **clause 10.2** to the extent it relates to each NRW Indemnified Person as trustee for each of them.

## **10.3 Deeds of indemnity and insurance**

- (a) Subject to NRW acquiring Control of Primero, NRW undertakes in favour of Primero and each other Primero Indemnified Person that it will:
  - (i) for a period of seven years from the date NRW acquires Control of Primero, ensure that the constitutions of Primero and each other Primero Group Member continue to contain such rules as are contained in those constitutions at the date of this agreement that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a Primero Group Member; and
  - (ii) procure that Primero and each other Primero Group Member complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from

time to time and, without limiting this, ensure that directors' and officers' run-off insurance cover for such directors and officers is maintained for a period of seven years from the retirement date of each director and officer.

- (b) NRW acknowledges that notwithstanding any other provision of this agreement, Primero may, before the end of the Offer Period, enter into arrangements, and incur costs, to secure directors and officers run-off insurance for up to such seven year period, and that any actions to facilitate that insurance or in connection with such insurance will not be a breach of any provision of this agreement.
- (c) Primero receives and holds the benefit of **clauses 10.1 and 10.3**, to the extent it relates to the other Primero Indemnified Persons, as trustee for each of them.

## **11 Confidentiality**

### **11.1 Confidentiality Agreement**

- (a) Primero releases NRW from its obligations under the Confidentiality Agreement to the extent necessary for NRW to make the Takeover Bid, satisfy the Bid Conditions and promote the merits of the Takeover Bid, and otherwise perform its obligations under, and undertake the transactions contemplated by, this agreement.
- (b) Each party acknowledges and agrees that, except as provided for in **clause 11.1(a)**, it continues to be bound by the obligations in the Confidentiality Agreement, including in respect of all information received by it from the other party before or after the date of this agreement.

### **11.2 Survival of obligations**

The rights and obligations of the parties under the Confidentiality Agreement survive termination of this agreement.

## **12 Duty, costs and expenses**

### **12.1 Stamp duty**

NRW:

- (a) must pay all stamp duties and any fines and penalties with respect to stamp duty in respect of this agreement or the Takeover Bid or the steps to be taken under this agreement or the Takeover Bid; and
- (b) indemnifies Primero against any liability arising from its failure to comply with **clause 12.1(a)**.

### **12.2 Costs and expenses**

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with the negotiation, preparation, execution,

delivery and performance of this agreement and the proposed, attempted or actual implementation of this agreement and the Takeover Bid.

## **13 GST**

### **13.1 Interpretation**

In this **clause 13**, a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act.

### **13.2 GST gross up**

- (a) Subject to **clause 13.2(b)**, if a party makes a supply under or in connection with this agreement in respect of which GST is payable, the consideration for the supply but for the application of this **clause 13.2 (GST exclusive consideration)** is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) **Clause 13.2(a)** does not apply to any consideration that is expressed in this agreement to be inclusive of GST.

### **13.3 Reimbursements and indemnifications**

If a party must reimburse or indemnify another party for a Loss, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the Loss, and then increased in accordance with **clause 13.2**.

### **13.4 Tax invoice**

A party need not make a payment for a taxable supply made under or in connection with this agreement until it receives a tax invoice for the supply to which the payment relates.

## **14 Notices**

### **14.1 Form of Notice**

A notice or other communication to a party under this agreement (**Notice**) must be:

- (a) in writing and in English; and
- (b) addressed to that party in accordance with the details nominated in **schedule 1** (or any alternative details nominated to the sending party by Notice).

### **14.2 How Notice must be given and when Notice is received**

- (a) A Notice must be given by one of the methods set out in the table below.
- (b) A Notice is regarded as given and received at the time set out in the table below.

However, if this means the Notice would be regarded as given and received outside the period between 9.00 am and 5.00 pm (addressee's time) on a Business Day (**business hours period**), then the Notice will instead be regarded as given and received at the start of the following business hours period.

Method of giving Notice	When Notice is regarded as given and received
By hand to the nominated address	When delivered to the nominated address
By pre-paid post to the nominated address	At 9.00 am (addressee's time) on the second Business Day after the date of posting
By email to the nominated email address	When the email (including any attachment) comes to the attention of the recipient party or a person acting on its behalf.

#### 14.3 Notice must not be given by electronic communication

A Notice must not be given by electronic means of communication (other than email as permitted in **clause 14.2**).

### 15 General

#### 15.1 Governing law and jurisdiction

- (a) This agreement is governed by the law in force in Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

#### 15.2 Invalidity and enforceability

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) **Clause 15.2(a)** does not apply where enforcement of the provision of this agreement in accordance with **clause 15.2(a)** would materially affect the nature or effect of the parties' obligations under this agreement.

#### 15.3 Waivers and variation

- (a) A provision of, or a right, discretion or authority created under, this agreement may not be:
  - (i) waived except in writing signed by the party granting the waiver; and



(ii) varied except in writing signed by the parties.

(b) A failure or delay in exercise, or partial exercise, of a power, right, authority, discretion or remedy arising from a breach of, or default under this agreement does not result in a waiver of that right, power, authority, discretion or remedy.

#### **15.4 Assignment of rights**

- (a) Rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of **clause 15.4(a)** by a party entitles the other parties to terminate this agreement.
- (c) **Clause 15.4(b)** does not affect the construction of any other part of this agreement.

#### **15.5 Further assurances**

Each party must do all things and execute all further documents necessary to give full effect to this agreement.

#### **15.6 Counterparts**

This agreement may be executed in any number of counterparts.

#### **15.7 Severability**

Any provision in this agreement that is invalid or unenforceable in any jurisdiction is to be read down for the purpose of that jurisdiction, if possible, so as to be valid and enforceable, and otherwise shall be severed to the extent of the invalidity or unenforceability, without affecting the remaining provisions of this agreement or affecting the validity or enforceability of that provision in any other jurisdiction.

#### **15.8 Attorneys**

Each of the attorneys executing this agreement (if any) states that the attorney has no notice of the revocation of the power of attorney appointing that attorney.

#### **15.9 Time of the essence**

Time is of the essence of this agreement.

## Schedule 1

### Notice details

**Primero**

Address

Attention

Email

With a copy to

**Primero Group Limited**

78 Hasler Road, OSBORNE PARK WA 6017

Managing Director and Chief Financial Officer

[Cameron.Henry@primero.com.au](mailto:Cameron.Henry@primero.com.au) /  
[Ryan.Mcfarlane@primero.com.au](mailto:Ryan.Mcfarlane@primero.com.au)

Marc Wilshaw and Hedley Roost, Thomson Geer  
([mwilshaw@tqlaw.com.au](mailto:mwilshaw@tqlaw.com.au) / [hroost@tqlaw.com.au](mailto:hroost@tqlaw.com.au))

**NRW**

Address

Attention

Email

With a copy to

**NRW Holdings Limited**

181 Great Eastern Highway, BELMONT WA 6104

Chief Financial Officer and Company Secretary

[andrew.walsh@nrw.com.au](mailto:andrew.walsh@nrw.com.au) / [kim.hyman@nrw.com.au](mailto:kim.hyman@nrw.com.au)

Christian Owen, Corrs Chambers Westgarth  
([christian.owen@corrs.com.au](mailto:christian.owen@corrs.com.au))

## Schedule 2

### Agreed Bid Terms

#### 1 Consideration

The consideration under the Offer is:

- (a) \$0.275 cash; plus
  - (b) 0.106 NRW Shares,
- for each Primero Share.

The Offer made in respect of Primero Shares will extend to Primero Shares that are issued during the Offer Period as a result of the exercise of Primero Options that are on issue as at the Record Date and, subject to receipt of an ASIC modification, Unissued Primero Employee Incentive Options to the extent that they are not in existence as at the date Record Date), subject always to any necessary ASIC modifications and/or ASX waivers being obtained to extend the Offer to those Primero Shares.

#### 2 Offer Period

The initial Offer Period will last for at least one month, subject to NRW's right to extend the period in accordance with the Corporations Act.

#### 3 Bid Conditions

The completion of this Offer and any contract that results from an acceptance of this Offer, are subject to the fulfilment of the conditions set out below:

##### 3.1 Minimum acceptance

At the end of the Offer Period, NRW has a relevant interest in at least 90.1% of all Primero Shares (on a fully diluted basis).

##### 3.2 Regulatory approvals

Before the end of the Offer Period, any approvals, consents, waivers, exemptions or declarations that are required by law, or by any Government Agency to permit:

- (a) the Offer to be lawfully made to an accepted by Primero Shareholders; and
- (b) the Takeover Bid to be completed,

are granted, given, made or obtained on an unconditional basis and remain in full force and effect in all respects, and do not become subject to any notice,

intimation or indication of intention to revoke, suspend, restrict, modify or not renew the same.

### 3.3 No regulatory action

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (a) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (b) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (c) no application is made to any Government Agency (other than by NRW or any Associate of NRW),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, or action or investigation by, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offer and the completion of the Takeover Bid or which requires the divestiture by NRW of any Primero Shares or any material assets of the Primero Group or any subsidiary of Primero.

### 3.4 No material adverse change

- (a) Subject to **paragraph 3.4(b)**, between the Announcement Date and the end of the Offer Period (each inclusive), none of the following occurs:
  - (i) an event, change, condition, matter or thing occurs or will or is reasonably likely to occur;
  - (ii) information is disclosed or announced by Primero concerning any event, change, condition, matter or thing that has occurred or will or is reasonably likely to occur; or
  - (iii) information concerning any event, change, condition, matter or thing that has occurred or will or is reasonably likely to occur becomes known to NRW (whether or not becoming public),(each of **paragraph 3.4(a)(i), (ii) and (iii)** being a **Specified Event**) which, whether individually or when aggregated with all such events, changes, conditions, matters or things of a like kind that have occurred, will occur or are reasonably likely to occur, has had or would be considered reasonably likely to have:
  - (iv) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Primero Group, taken as a whole,; or
  - (v) without limiting the generality of paragraph 3.5(a)(iv):
    - (A) the effect of a diminution in the value of the consolidated net assets of the Primero Group, taken as a whole, by at least

\$6,000,000 against Primero's most recent audited financial statements as at the date of this agreement (calculated in accordance with the accounting principles and practices applied by Primero in respect of the financial year ended 30 June 2020); or

- (B) the effect of a diminution in the consolidated earnings before interest, tax, depreciation and amortization (**EBITDA**), of the Primero Group, taken as a whole, to below \$15,000,000 for the financial year ending 30 June 2021 (calculated in accordance with the accounting principles and practices applied by Primero in respect of the financial year ended 30 June 2020),

provided that any events which have occurred after the date of this agreement which have a positive effect on the EBITDA and/or consolidated net assets of the Primero Group are taken into account in calculating whether the threshold in paragraphs (iv) and (v) have been reached.

- (b) **Paragraph 3.4(a)** will not apply to events, changes, conditions, matters, circumstances or things that:
- (i) have been fairly disclosed by Primero in its public filings with ASX and ASIC before the Announcement Date;
  - (ii) have been fairly disclosed in the Data Room before the Announcement Date;
  - (iii) are required to be done or procured by Primero to be done pursuant to this agreement or the Offer or the transactions contemplated by either;
  - (iv) arise as a result of any change in applicable law or governmental policy, Australian accounting standards, changes in interest rates, changes in foreign exchange rates' or commodity prices whether in Australia or elsewhere;
  - (v) comprise of result from general economic, political or business conditions, including material adverse changes in financial markets;
  - (vi) affect the resources construction industry in Australia generally;
  - (vii) relate to prospective contracts which are not the subject of binding agreements as at the date of this agreement;
  - (viii) comprise or resulting from acts of terrorism, war (whether or not declared), pandemic or natural disaster;
  - (ix) relate to the Excluded Claims;
  - (x) NRW has previously approved in writing.

### 3.5 No Prescribed Occurrences

Between the Announcement Date and the date which is three business days after the end of the Offer Period (each inclusive), none of the following happen:

- (a) Primero converting all or any of its shares (as applicable) into a larger or smaller number of shares;
- (b) other than in respect of the 2020 Permitted Buyback, Primero or any other Primero Group Member resolving to reduce its capital in any way;
- (c) other than in respect of the 2020 Permitted Buyback, Primero or any other Primero Group Member:
  - (i) entering into a buyback agreement; or
  - (ii) resolving to approve the terms of a buyback agreement;
- (d) Primero or any other Primero Group Member issuing securities (including Primero Shares), or granting an option over securities or a performance right convertible into securities, or agreeing to make such an issue or grant such an option or performance right, other than:
  - (i) the Unissued Primero Employee Incentive Options;
  - (ii) the issue of securities by one Primero Group Member to Primero or another Primero Group Member that is directly or indirectly wholly-owned by Primero; and
  - (iii) the issue of new Primero Shares on the exercise of a Primero Option;
- (e) Primero or any other Primero Group Member issuing, or agreeing to issue, convertible notes;
- (f) Primero or any other Primero Group Member disposing or agreeing to dispose, of the whole, or a substantial part, of the business or property of the Primero Group as a whole;
- (g) Primero or any other Primero Group Member granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of the business or property of the Primero Group as a whole;
- (h) Primero resolving that it be wound up or any other Primero Group Member resolving to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of Primero or any other Primero Group Member;
- (j) the making of an order by a court for the winding up of Primero or any other Primero Group Member; or
- (k) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Primero or any other Primero Group Member,

provided that a prescribed occurrence will not include a matter:

- (l) required to be done or procured by Primero to be done pursuant to this agreement or the Offer or the transactions contemplated by either;
- (m) required by law or by an order of a court of Government Agency;
- (n) fairly disclosed in the Data Room;
- (o) fairly disclosed by Primero in its public filings with ASX and ASIC before the Announcement Date;
- (p) relating to any Permitted Indebtedness or Approved Financing;
- (q) relating to the Cash Incentive Payments; or
- (r) NRW has previously approved in writing.

**3.6 No material acquisitions, disposals, capital expenditure or changes in the conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive), other than with the consent of NRW, neither Primero nor any other Primero Group Member:

- (a) acquires or disposes of, or enters into or announces any agreement for the acquisition or disposal of, any business, or enters into any corporate transaction, which would or would be likely to involve a material change in:
  - (i) the manner in which Primero or the Primero Group as a whole, conducts its business; or
  - (ii) the nature (including balance sheet classification), extent or value of the assets or liabilities of Primero or the Primero Group as a whole;
- (b) without limiting the generality of **paragraph 3.6(a)**, enters into or agrees to enter into or announces any transaction which would, or would be likely to, involve Primero or any other Primero Group Member:
  - (i) acquiring or disposing of, or agreeing to acquire or dispose of, one or more trusts, companies or businesses (or any interest therein) other than an acquisition or disposal of one or more trusts, companies or businesses in connection with the acquisition or disposal of an indirect interest in the underlying assets held by those trusts, companies or businesses and where the value of the gross assets held directly or indirectly by those trusts, companies or businesses is in aggregate less than \$1,000,000;
  - (ii) acquiring or disposing of, or agreeing to acquire or dispose of, any assets (including any real property, units in trusts or shares in companies) which have an aggregate value in excess of \$1,000,000;
  - (iii) entering into any contract or commitment that is not in the ordinary course of business, other than a contract or commitment in relation to a Competing Proposal where permitted under **clause 6** or a

contract or commitment entered into to reasonably and prudently respond to an emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property),

except for such acquisitions, disposals, agreements, waivers or compromises as have been fairly disclosed by Primero in its public filings with ASX, or in the Data Room, before the date of this agreement.

### **3.7 No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against any Primero Group Member which may reasonably result in a judgement of \$1,000,000 or more is commenced, is threatened and will or is reasonably likely to be commenced, is announced, or is made known to NRW (whether or not becoming public) or Primero, other than that which is fairly disclosed by Primero in its public filings with ASX, or is fairly disclosed in the Data Room as at the date of this agreement.

### **3.8 Financing**

Other than with the prior written consent of NRW, during the Implementation Period except for any transaction fairly disclosed by Primero in its public filings with the ASX, or in the Data Room, prior to the date of this agreement, no Primero Group Member:

- (a) incurs, increases or guarantees any financial indebtedness of any kind (including any Debt), other than incurring or increasing Permitted Indebtedness or in relation to an Approved Financing, or incurring or increasing any financial indebtedness to Primero or to a Primero Group Member that is directly or indirectly wholly-owned by Primero; or
- (b) provides any financial accommodation to any entity other than Primero or to a Primero Group Member that is directly or indirectly wholly-owned by Primero,

in either case, of an amount in excess of \$1,000,000.

### **3.9 No distributions**

Between the Announcement Date and the end of the Offer Period (each inclusive), Primero does not announce, make, declare or pay any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie).

### **3.10 No material breach of the Bid Implementation Deed**

Between the Announcement Date and the end of the Offer Period (each inclusive), NRW does not become entitled to terminate the Bid Implementation Deed under **clause 8** as a result of any of the representations and warranties given by Primero under the Bid Implementation Deed becoming untrue or incorrect in any material respect.

### **3.11 Option Cancellation**

Prior to the end of the Offer Period, each Primero Optionholder (other than the Other Option Holders) still holding Primero Options has accepted the Primero



Corrs Chambers Westgarth

Options Offer and each Primero Optionholder and Primero have executed and delivered to NRW Option Cancellation Deeds..

## Schedule 3

### Timetable

Event	Date
Joint announcement of Takeover Bid	24 November 2020
NRW lodges NRW's Bidder's Statement with ASIC and serves it on Primero and ASX	Approximately 30 November 2020
Dispatch of NRW's Bidder's Statement to Primero Shareholders	Approximately 30 November 2020
Offer Period commences	Approximately 30 November 2020
Dispatch of Primero's Target's Statement to Primero Shareholders	Approximately 2 December 2020

## Schedule 4

### Primero's capital structure as at the date of this agreement

Security	Total number	Total holders
Primero Shares on issue	171,687,315 (including 913,750 Primero Shares proposed to be bought back and cancelled under the Permitted Buyback)	N/A
Primero Broker Options (expiry date 9 July 2021, exercise price \$0.50)	1,000,000	1
Primero Broker Options (expiry date 9 July 2021, exercise price \$0.60)	1,000,000	1
Primero Employee Incentive Options (issued 19 August 2020, expiry date 19 August 2021, nil exercise price)	103,920	2
Primero Employee Incentive Options (issued 25 November 2019, expiry date 26 November 2020, nil exercise price)	52,632	1
Primero Employee Incentive Options (issued 25 November 2019, expiry date 25 November 2023, exercise price \$0.543)	738,816	2
Primero Employee Incentive Options (issued 25 November 2019, expiry date 25 November 2023, nil exercise price)	2,140,956	16

Security	Total number	Total holders
Primero Employee Incentive Options (issued 3 December 2018 expiry date 3 December 2022, exercise price \$0.558)	1,396,075	15
Primero Employee Incentive Options (issued 3 December 2018 expiry date 3 December 2023, nil exercise price)	721,075	13
Primero Employee Incentive Options (issued 3 December 2018 expiry date 3 December 2022, nil exercise price)	184,094	9
Unissued Primero Employee Incentive Options (to be issued on or about 25 November 2020, expiry date 30 November 2024, subject in part to Primero Shareholder approval)	7,128,293	32

## Execution

**Executed** as a deed.

**Executed by NRW Holdings Limited** )



.....  
Company Secretary/Director

**Kimberley William Hyman**

.....  
Name of Company Secretary/Director  
(print)

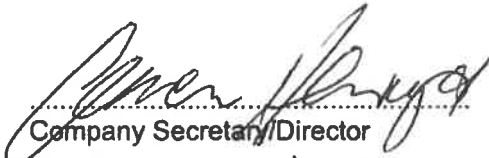


.....  
Director

**JULIAN ALEXANDER PEMBERTON**

.....  
Name of Director (print)

**Executed by Primero Group Limited** )



.....  
Company Secretary/Director

**cameron henry**

.....  
Name of Company Secretary/Director  
(print)



.....  
Director

**MARIE CONNELLY**

.....  
Name of Director (print)