

# ASX Announcement

13 December 2021



## Senex enters into binding scheme implementation agreement with POSCO INTERNATIONAL Corporation

### Key points

- PIC to acquire 100% of Senex shares for a cash offer price of A\$4.60 per share, via a scheme of arrangement ("Scheme")
- Cash offer price represents a 25% premium to the 30-day VWAP<sup>1</sup> and a 34% premium to the 90-day VWAP up to 15 October 2021, the trading day prior to the first public announcement of takeover discussions
- In addition, Senex's current intention is to pay a dividend of up to A\$0.05 per share for the half year ending 31 December 2021 in the ordinary course, subject to review by the Board at that time
- Senex Board unanimously recommends that shareholders vote in favour of the Scheme (subject to the conditions below)
- Key conditions of the Scheme include Senex shareholder approval and FIRB approval
- If approved, the Scheme is expected to complete in late March 2022

### Senex and PIC enter into a binding scheme implementation agreement

Senex Energy Limited (Senex, ASX:SXY) announces that it has entered into a binding Scheme Implementation Agreement ("SIA") with POSCO INTERNATIONAL Corporation ("PIC"), whereby PIC will acquire 100% of Senex's shares for a cash offer price of A\$4.60 per share. The SIA is enclosed with this announcement.

In addition to the cash offer price, Senex's current intention is to pay a dividend of up to A\$0.05 per share for the half year ending 31 December 2021 in the ordinary course, subject to review by the Board at that time. This dividend will not be conditional on the implementation of the Scheme and remains subject to review by the Senex Board at the time. Senex's dividend reinvestment program will not apply to this interim dividend.

The Senex Board unanimously recommends that shareholders vote in favour of the Scheme, in the absence of a Superior Proposal and the Independent Expert concluding (and continuing to conclude) that the Scheme is fair and reasonable and therefore in the best interests of shareholders. Senex Directors intend to vote all shares they hold or control in favour of the Scheme, subject to these same conditions.

Commenting on today's announcement Senex Chairman Trevor Bourne said:

"Throughout our discussions with PIC, the Senex Board has been focused on maximising value for our shareholders.

"The offer announced today, which is recommended by the Board, reflects an attractive value for Senex and the opportunity for our shareholders to realise a certain cash price for their shares," Mr Bourne said.

<sup>1</sup> VWAP means the volume weighted average share price of Senex on ASX

The Scheme is conditional upon a Senex shareholder approval, Court approval, Foreign Investment Review Board (“FIRB”) approval, Korean foreign exchange approval, completion of the proposed acquisition of natural gas fields PL 209 and PL 445 and other customary conditions for a transaction of this nature.

A Scheme Booklet containing information in relation to the transaction, the reasons for the Senex Board of Directors’ recommendation, an independent expert’s report and details of the Scheme will be sent to Senex shareholders in early 2022. Senex has appointed Lonergan Edwards & Associates as the Independent Expert.

Senex expects a Scheme Meeting to occur in March 2022 and, if approved, the transaction is expected to complete in late March 2022.

Senex notes that, whilst PIC has announced its intention that Hancock Energy Corporation will acquire a 49.9% indirect interest in Senex should the Scheme be successful, this is not a condition to the Scheme proceeding.

Senex has appointed Macquarie Capital and Rothschild & Co as financial advisers and Clayton Utz as legal adviser. Senex will continue to keep investors updated on the transaction in line with its continuous disclosure obligations.

#### Approved for release by the Senex Board

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#### About Senex

Senex is an established, rapidly growing low-carbon Australian natural gas producer. Our long-life Surat Basin assets contribute around 20 petajoules of natural gas per year into the east coast gas market to support our customers. Senex is focused on sustainably delivering balance sheet strength, resilient cashflows, growing dividends to support Australia’s energy needs as it transitions to a lower carbon future.

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# Scheme Implementation Agreement

**Senex Energy Limited**

Target

**POSCO INTERNATIONAL Corporation**

Bidder

**Contents**

**1. Definitions and interpretation ..... 1**

1.1 Definitions ..... 1

1.2 Best and reasonable endeavours ..... 11

1.3 Business Day ..... 12

1.4 Interpretation ..... 12

**2. Agreement to propose Scheme ..... 13**

**3. Conditions precedent ..... 13**

3.1 Conditions ..... 13

3.2 General obligations in relation to Conditions ..... 16

3.3 Obligations in relation to regulatory approvals ..... 16

3.4 Notice in relation to satisfaction of Conditions ..... 17

3.5 Waiver of Conditions ..... 17

3.6 Termination on failure of Conditions ..... 18

**4. Implementation of Scheme ..... 19**

4.1 Scheme ..... 19

4.2 Timetable ..... 19

4.3 Appointment of nominee and guarantee ..... 19

4.4 Target's obligations ..... 20

4.5 Bidder's obligations ..... 23

4.6 Dispute as to Explanatory Memorandum ..... 25

4.7 Reconstitution of Target Board ..... 25

4.8 Responsibility statement ..... 25

4.9 Removal of Target from official list of ASX ..... 26

4.10 Court representation ..... 26

**5. Scheme Consideration ..... 26**

5.1 Scheme Consideration ..... 26

5.2 Bidder undertakings in relation to Scheme Consideration ..... 26

5.3 Rounding up ..... 27

**6. Conduct of business ..... 27**

6.1 Conduct of Target's business ..... 27

6.2 Access ..... 31

6.3 Payment of Target HY22 Dividend ..... 31

6.4 Target Incentives ..... 31

6.5 Facilities ..... 32

**7. Recommendation, intentions and announcements ..... 32**

7.1 Target Board Recommendation and Voting Intention ..... 32

7.2 Announcements ..... 33

**8. Exclusivity arrangements ..... 34**

8.1 Existing discussions ..... 34

8.2 No shop ..... 34

8.3 No talk ..... 34

8.4 No due diligence ..... 35

8.5 Limitation to no talk and no due diligence ..... 35

8.6 Notification obligation ..... 35

8.7 Matching right ..... 36

8.8 Compliance with law ..... 37

8.9 Normal provision of information ..... 37

**9. Reimbursement of Costs ..... 38**

9.1 Background to Target Payment ..... 38

9.2 Target Payment ..... 38

9.3	Timing .....	39
9.4	Basis of Target Payment .....	39
9.5	No payment if Scheme becomes Effective .....	39
9.6	Target Payment payable once .....	39
9.7	Exclusive Remedy .....	40
9.8	Compliance with law .....	40
<b>10.</b>	<b>Expense Reimbursement Fee .....</b>	<b>40</b>
10.1	Background to Expense Reimbursement Fee .....	40
10.2	Expense Reimbursement Fee .....	40
10.3	Timing .....	40
10.4	Basis of Expense Reimbursement Fee .....	41
10.5	No payment if Scheme becomes Effective .....	41
10.6	Expense Reimbursement Fee payable once .....	41
10.7	Compliance with law .....	41
<b>11.</b>	<b>Liability of directors, officers and employees .....</b>	<b>42</b>
11.1	Liability of directors, officers and employees .....	42
11.2	Directors and officers insurance .....	42
11.3	Obligations in relation to directors and officers insurance .....	43
11.4	Directors and officers indemnities .....	43
11.5	Compliance with law and benefit .....	43
<b>12.</b>	<b>Representations, warranties and indemnities .....</b>	<b>43</b>
12.1	Representations and warranties by Bidder .....	43
12.2	Reliance on Bidder Warranties .....	45
12.3	Representations and warranties by Target .....	45
12.4	Qualification of Target Warranties .....	47
12.5	Reliance on Target Warranties .....	48
12.6	Notifications .....	48
12.7	Status of representations and warranties .....	48
12.8	Status and enforcement of indemnities .....	48
12.9	Timing of representations and warranties .....	48
<b>13.</b>	<b>Confidentiality and communications .....</b>	<b>48</b>
13.1	Confidentiality Deed .....	48
13.2	Survival of obligations .....	49
13.3	Disclosure on termination of agreement .....	49
<b>14.</b>	<b>Termination and remedies .....</b>	<b>49</b>
14.1	Limited termination events .....	49
14.2	Termination by Bidder .....	49
14.3	Termination by Target .....	49
14.4	Termination by written agreement .....	50
14.5	Effect of termination .....	50
14.6	Notice of termination .....	50
14.7	Remedies .....	50
14.8	Target's limitation of liability .....	50
<b>15.</b>	<b>Notices .....</b>	<b>51</b>
15.1	How notice to be given .....	51
15.2	When notice taken to be received .....	51
15.3	Notices sent by more than one method of communication .....	52
<b>16.</b>	<b>GST .....</b>	<b>52</b>
16.1	Interpretation .....	52
16.2	Reimbursements and similar payments .....	53
16.3	GST payable .....	53
<b>17.</b>	<b>General .....</b>	<b>53</b>
17.1	No representation or reliance .....	53

17.2	Entire agreement .....	53
17.3	Amendments.....	54
17.4	Assignment.....	54
17.5	Consents.....	54
17.6	Costs.....	54
17.7	Counterparts .....	54
17.8	Further acts and documents.....	54
17.9	No merger.....	54
17.10	Severance.....	54
17.11	Stamp duties.....	54
17.12	Waivers.....	55
<b>18.</b>	<b>Governing law, jurisdiction and service of process.....</b>	<b>55</b>
18.1	Governing law.....	55
18.2	Jurisdiction.....	55
	<b>Schedule 1 Timetable.....</b>	<b>56</b>
	<b>Annexure A Scheme.....</b>	<b>59</b>
	<b>Annexure B Deed Poll.....</b>	<b>60</b>

# Scheme implementation agreement

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**Date** 11 December 2021

**Parties** **Senex Energy Limited ACN 008 942 827** of Level 30, 180 Ann Street, Brisbane, Queensland 4000 (**Target**)

**POSCO INTERNATIONAL Corporation** of 165, Convensia-daero, Yeonsu-gu Incheon, Republic of Korea (**Bidder**)

## Background

- A. Bidder proposes that it will acquire all of the Target Shares pursuant to a scheme of arrangement under section 411 of the Corporations Act between Target and the holders of Target Shares.
- B. Target has agreed to propose the Scheme and issue the Explanatory Memorandum, and Target and Bidder have agreed to implement the Scheme on the terms and conditions of this agreement.

## Operative provisions

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### 1. Definitions and interpretation

#### 1.1 Definitions

In this agreement:

**ACCC** means the Australian Competition and Consumer Commission.

**ANZ Facility Agreement** means the senior secured multi-currency syndicated facility agreement between, among others, the Australia and New Zealand Banking Group, BNP Paribas, Australia Branch, Export Finance Australia, the Export Credit Agency of the Government of the Commonwealth of Australia, the Target and certain Subsidiaries of the Target dated on or around 26 October 2018, and as amended by agreement dated on or around 20 December 2019 and as further amended from time to time.

**Approved Budgets** means the budget at Attachment 2 to the Target Disclosure Letter.

**Artemis Exploration Permit** means ATP 2042.

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

**Associate** has the meaning given in section 12 of the Corporations Act.

**ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

**ATO** means the Australian Taxation Office.

**ATP** means an Authority to Prospect issued under the Petroleum and Gas (Production and Safety) Act 2004 (Qld).

**Bidder Announcement** means, if applicable, an announcement by Bidder, a draft of which has been provided to Target on or before the date of this agreement.

**Bidder Board** means the board of directors of Bidder.

**Bidder Group** means Bidder and each of its Subsidiaries.

**Bidder Indemnified Parties** means Bidder and its Related Bodies Corporate and their respective directors, officers and employees.

**Bidder Information** means such information regarding Bidder Group and the Scheme Consideration that is provided by or on behalf of the Bidder Group to Target or the Independent Expert:

- (a) to enable the Explanatory Memorandum to be prepared and completed in compliance with all applicable laws;
- (b) to enable applications for regulatory approvals to be made; and
- (c) otherwise in compliance with Bidder's obligations under clause 4.5(a).

**Bidder Nominee** has the meaning given in clause 4.3(a).

**Bidder Warranties** means the warranties made by Bidder set out in clause 12.1.

**Business Day** means a day which is a "Business Day" within the meaning given in the Listing Rules.

**Competing Proposal** means any offer, proposal, agreement, arrangement or transaction, (whether or not such proposal is stated to be subject to any pre-conditions) which, if entered into or completed, would mean that a Third Party (either alone or with any Associates) would:

- (a) directly or indirectly acquire a Relevant Interest in or acquire, or have a right to acquire, a legal, beneficial or economic interest in, or control of, 20% or more of the securities in any Target Group Member or Voting Power of 20% or more of any Target Group Member;
- (b) acquire Control of any Target Group Member;
- (c) directly or indirectly acquire or become the holder of, or otherwise acquire or have a right to acquire a legal, beneficial or economic interest in, or control of, all or substantially all or a material part of the business or assets of any Target Group Member; or
- (d) otherwise directly or indirectly acquire, be stapled with or merge with the Target.

**Condition** means each condition specified in clause 3.1.

**Confidentiality Agreement** means confidentiality agreement between Target and Bidder dated 18 August 2021.

**Control** has the meaning given in section 50AA of the Corporations Act.

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

**Court** means the Sydney Registry of the Federal Court or such other court of competent jurisdiction as Target and Bidder agree in writing.

**COVID-19 Event** means an event, matter or circumstance arising from the Coronavirus or Covid-19 pandemic (or any mutation, variation or derivative), including:



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- (a) any governmental, regulatory, statutory, policy or administrative direction, ordinance, instruction, advice or guidance issued in connection with COVID-19, whether precautionary, preventative or remedial;
  - (b) physical transborder restrictions imposed in respect of travel to or from Australia or any other country or jurisdiction (or to or from any areas or localities within any country or jurisdiction);
  - (c) quarantine or isolation requirements or practices, office closures or re-locations, remote working activities or other social distancing practices implemented in relation to any part of any workforce(s) or population, whether temporary or extended; and
  - (d) the withdrawal, cancellation, delayed issuance or rejection of travel visas or other entry or departure permits or authorisations

**DAWE** means the Commonwealth Department of Agriculture, Water and the Environment.

**Deed Poll** means a deed poll to be executed by Bidder in favour of the Scheme Shareholders, substantially in the form set out in Annexure B or in such other form as Target and Bidder agree in writing.

**DES** means the Queensland Department of Environment and Science.

**DOR** means the Queensland Department of Resources.

**EBITDA** means the consolidated earnings of the Target Group, before interest, abnormals, taxes, depreciation and amortisation, calculated in accordance with the accounting policies and practices of the Target Group on the date of this agreement.

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

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

**Employee Performance Rights Plan** means the employee performance rights plan of Target relating to the grant of Target Performance Rights in existence as at the date of this agreement.

**Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

**End Date** means 30 June 2022 or such other date agreed in writing between Target and Bidder.

**Exclusivity Period** means the period commencing on the date of this agreement and ending on the earliest of:

- (a) the End Date;
- (b) the date this agreement is terminated in accordance with its terms; and
- (c) the Implementation Date.

**Expense Reimbursement Fee** means \$8,520,000.

**Explanatory Memorandum** means the explanatory memorandum to be prepared by Target pursuant to section 412 of the Corporations Act in respect of the Scheme in accordance with the terms of this agreement and to be dispatched to the Target Shareholders.

**Fairly Disclosed** has the meaning given in clause 1.4(j).

**Financial Indebtedness** means any debt or other monetary liability (whether actual or contingent) in respect of moneys borrowed or raised or any financial accommodation including under or in respect of any:

- (a) bill, bond, debenture, note or similar instrument;
- (b) acceptance, endorsement or discounting arrangement;
- (c) guarantee in respect of finance debt;
- (d) finance or capital lease;
- (e) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service for more than 90 days; or
- (f) obligation to deliver goods or provide services paid in advance by any financier, other than in the ordinary course of business.

**FIRB** means Foreign Investment Review Board.

**First Court Date** means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**FATA** means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

**GSA** means a gas sales agreement.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as Target and Bidder agree in writing.

**Impugned Amount** has the meaning given in clause 9.8.

**Independent Expert** means the independent expert engaged by Target to express an opinion on whether the Scheme is fair and reasonable and therefore in the best interests of the Target Shareholders.

**Independent Expert's Report** means the report (including the initial report and any update, revision, amendment, addendum or supplementary reports to it) prepared by and from the Independent Expert for inclusion in the Explanatory Memorandum, stating whether or not, in the opinion of the Independent Expert, the Scheme is fair and reasonable and therefore in the best interests of the Target Shareholders and setting out the reasons for that opinion.

**Insolvency Event** means in relation to an entity:

- (a) the entity resolving that it be wound up or the making of an application or order for the winding up or dissolution of the entity, other than where the application or order (as the case may be) is set aside within 14 days;
- (b) the entity entering into an arrangement, compromise or composition with, or assignment for the benefit of, its creditors or a class of them;
- (c) a liquidator or provisional liquidator of the entity being appointed;

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- (d) a court making an order for the winding up of the entity;
  - (e) an administrator, controller or similar officer of the entity being appointed;
  - (f) the entity ceasing, or threatening to cease, to carry on a substantial part of the business which is material to it and its Related Body Corporates, taken as a whole, as at the date of this agreement;
  - (g) the entity being or becoming unable to pay its debts when they fall due, or otherwise being, or being presumed or taken to be, insolvent;
  - (h) the entity executing a deed of company arrangement; or
  - (i) a receiver, or a receiver and manager, being appointed in relation to the entity, or a substantial part, of the property of the entity.

**Key Permits** means each of the following tenements or potential commercial area declarations (as applicable):

- (a) (Atlas): ATP 2059, PPL 2038 and PL 1037;
- (b) (Roma North): ATP 771 (including PCAs 125, 126 and 127), ATP 593 (including PCA 249), ATP 767 (including PCA 184), PL 1022, PL 1023 and PL 1024; and
- (c) (Louisiana): PL 445 and PL 209.

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

**Material Adverse Change** means an event, matter or circumstance that occurs on or after the date of this agreement, or which occurs before the date of this agreement but is only announced or becomes known (in each case whether or not it becomes public) to Bidder or Target on or after the date of this agreement, which has or could reasonably be expected to have, individually or when aggregated with all such events, matters or circumstances, the effect of:

- (a) diminishing the consolidated net assets of the Target Group by 5% or more (as compared to the Target Group's consolidated net assets set out in its consolidated balance sheet as at 30 June 2021) to the extent such diminution is not caused by the costs of the Transaction;
- (b) reducing the EBITDA of the Target Group for the financial year ending 30 June 2022 by 10% or more as compared against the EBITDA of the Target Group for the financial year ended 30 June 2021;
- (c) a downgrade of 10% or more of the 2P gas reserves of the Target Group as set out in Target's 2021 Annual Report as adjusted to include the 2P gas reserves attributable to PL 445 and PL 209 set out in the NSAI Report and adjusted so as not to include in the calculation of any reduction in reserves due to the production of gas; or
- (d) the suspension, cancellation, revocation, or termination, other than due to the effluxion of time, of, or a material adverse change to the terms of, any of the Key Permits,

in each case other than an event, matter or circumstance:

- (e) contemplated, permitted or required by this agreement;
- (f) Fairly Disclosed in:

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- (i) the Target Due Diligence Materials;
  - (ii) in an announcement made by Target to ASX in the 3 years prior to the date of this agreement; or
  - (iii) a publicly available document lodged by a Target Group Member with ASIC prior to the date of this agreement;
- (g) agreed to in writing by Bidder;
- (h) that is within the actual knowledge of Senior Vice President, Head of E&P Business Division, Jhoon Soo Jho, Head, New venture department, Nam Dae Jo, Leader, Upstream Asset Team, Won Jae Lee or Leader, Asset/Corp Acquisition Team, Dong Kyoon Kim prior to date of this agreement;
- (i) arising out of, or in connection with the introduction of any new law, regulation, applicable government policy, emissions/carbon/greenhouse gases reporting, reduction or abatement scheme or the imposition of any limit or restriction on the emission of carbon or other greenhouse gases;
- (j) arising out of, or in connection with:
- (i) The Gas Inquiry; or
  - (ii) The ACCC's "Review of upstream competition and the timeliness of supply";
- (k) (in respect of a reduction in EBITDA or net assets) that is reasonably expected, in due course, to be off-set by business interruption or other insurance payments;
- (l) arising out of, or in connection with, a COVID-19 Event;
- (m) resulting from changes:
- (i) in industry, regulatory, political, market or economic conditions;
  - (ii) in oil, gas or LNG prices, foreign exchange rates, interest rates or commodity prices, or any act of terrorism, war or natural disaster or the like;
  - (iii) in any law, regulation or applicable government policy, including to the National Gas Law, the National Energy Retail Law, the regulations made for the purposes of the NGL in the National Gas (South Australia) Regulations 2008 (SA) (Regulations), and the National Gas Rules (NGR or Rules);
  - (iv) in the judicial or administrative interpretation of any law, regulation or applicable government policy;
  - (v) in any emissions/carbon/greenhouse gases reporting, reduction or abatement scheme; or
  - (vi) generally accepted accounting principles or their interpretation.

**NSAI Report** means the letter report to Target from Netherland, Sewell & Associates, Inc. dated 17 August 2021 for certain properties located in PL 445 and PL 209 which is contained in the online data room established by Target with document number 15.01.02.01.

**PCA** means potential commercial area under the Petroleum and Gas (Production and Safety) Act 2004 (Qld).

**Permitted Dividend** means a dividend of not more than \$0.05 per Target Share declared and paid by Target for the period ending 31 December 2021, to which no dividend reinvestment plan will apply.

**Permitted Encumbrance** means:

- (a) any Encumbrance where a Target Group Member is the secured party;
- (b) any Encumbrance created under or in connection with this agreement;
- (c) any Encumbrance arising in favour of a Regulatory Authority by operation of law;
- (d) any Encumbrance arising in connection with any retention of title arrangement arising in the ordinary course of the business;
- (e) any Encumbrance for money payable for work performed by suppliers, mechanics, workmen, repairmen, similar service providers or employees, or other like lien, in each case, arising in the ordinary course of the business;
- (f) any Encumbrance arising as a consequence of any finance lease, capital lease, hire purchase arrangement or any other purchase money security interest (as that term is defined in the PPSA) that is permitted to be entered into under clause 6.1;
- (g) any Encumbrance over cash deposits made in favour of landlords to secure performance under leases of a Target Group Member with that landlord where required under the terms of that lease and that lease is permitted to be entered into under clause 6.1;
- (h) any rights of set-off arising under commercial contracts entered into by Target Group Member in the ordinary course of the business that are permitted to be entered into under clause 6.1;
- (i) any Encumbrance that is a security interest solely by virtue of section 12(3) of the PPSA arising as a result of arrangements arising as a result of arrangements that are permitted to be entered into under clause 6.1;
- (j) any of the following Encumbrances in respect of the business premises;
  - (i) the reservations, exceptions and conditions in the Crown grant;
  - (ii) Encumbrances that are on the titles to the business premises;
  - (iii) the property leases (including any subleases);
  - (iv) statutory rights related to services (including water supply, sewerage, drainage, electricity and telephone), whether or not registered;
  - (v) unregistered dealings that are permitted to be entered into under clause 6.1; or
- (k) any other Encumbrance approved by Bidder.

**Petroleum Authority** means has the meaning given in the *Petroleum and Gas (Production and Safety) Act 2004* (Qld).

**PL** means a Petroleum Lease issued under the Petroleum and Gas (Production and Safety) Act 2004 (Qld).

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

**PPSR** means the register of security interests maintained in accordance with the *Personal Property Securities Act 2009* (Cth).

**Recommendation** has the meaning given in clause 7.1(a)(i).

**Record Date** means 7.00 pm (Sydney time) on the date which is 5 Business Days after the Effective Date or such other time and date agreed in writing between Bidder and Target.

**Regulator's Draft** has the meaning given in clause 4.4(i).

**Regulatory Authorisations** means any approval, authorisation, consent, declaration, licence, exemption, authorisation, notarisation, permit or waiver, however it is described, issued or granted by a Regulatory Authority, including any renewal or amendment and any condition imposed by a Regulatory Authority, and includes in the case of Target, the Key Permits.

**Regulatory Authority** means:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute; and
- (d) in particular, FIRB, ASX, ASIC, ACCC, ATO, DAWE, DES, DOR or WHSQ.

**Regulatory Guides** means all regulatory guides published by ASIC and in force at the date of this agreement.

**Regulatory Review Period** means the period from the date on which Target provides the Regulator's Draft to ASIC in accordance with clause 4.4(i) to the date on which ASIC provides a letter indicating whether or not it proposes to appear to make submissions, or will intervene to oppose the Scheme, when the application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting to consider the Scheme is heard.

**Related Body Corporate** has the meaning given in section 50 of the Corporations Act.

**Relevant Interest** has the meaning given in the Corporations Act.

**Representatives** means, in relation to a party, all directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate.

**Rockybar Exploration Permit** means any interest arising under, in connection or as result of the Target's application for ATP 2058 under the *Petroleum and Gas (Production and Safety) Act 2004* (QLD).

**Run Off Cover** has the meaning given to it in clause 11.2.

**Scheme** means a scheme of arrangement under Part 5.1 of the Corporations Act between Target and the Scheme Shareholders substantially in the form set out in Annexure A or in such other form as Target and Bidder agree in writing.

**Scheme Consideration** means an amount of \$4.60 for each Scheme Share.

**Scheme Meeting** means the meeting of Target Shareholders to be convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

**Scheme Share** means a Target Share on issue as at the Record Date.

**Scheme Shareholder** means each person registered in the Target Share Register as the holder of one or more Scheme Shares as at the Record Date.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Security Interest** has the meaning given in section 12 of the PPSA.

**Share Appreciation Rights Plan** means the employee share appreciation rights plan of Target relating to the grant of Target SARs in existence as at the date of this agreement.

**Share Registry** means Computershare Investor Services Pty Limited of Level 1, 200 Mary Street, Brisbane, Queensland 4000.

**Subsidiary** has the meaning given to that term in the Corporations Act.

**Superior Proposal** means a bona fide Competing Proposal which the Target Board, acting in good faith in the interests of Target and its shareholders, and after taking advice from its legal and financial advisers, determines:

- (a) is reasonably capable of being completed taking into account all aspects of the Competing Proposal, including its conditions, the identity, reputation and financial condition of the person making such proposal; and
- (b) would be more favourable to Target Shareholders than the Transaction, taking into account all aspects of the Competing Proposal, including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and financial matters, certainty and any other matters affecting the probability of the relevant proposal being completed in accordance with its terms.

**Target Announcement** means an announcement by Target in the form approved by Bidder.

**Target Board** means the board of directors of Target.

**Target Disclosure Letter** means the letter executed by Target and given to Bidder on or around the date of this agreement.

**Target Due Diligence Material** means

- (a) all information and documents provided to Bidder by or on behalf of Target in the online data room established by Target prior to 8:00 pm on 7 November 2021, the index of which has been initialled for identification by, or on behalf of Target and Bidder, on or before the date of this agreement;
- (b) all information and documents provided to Bidder by or on behalf of Target via remote access to the physical data room established by the Target prior to 8:00 pm on 7 November 2021;
- (c) the questions raised by Bidder during the due diligence process and the responses given to those questions given by or on behalf of Target prior to 8:00 pm on 7 November 2021 (as included in the online data room established by Target); and
- (d) the Target Disclosure Letter.

**Target Group** means Target and each of its Subsidiaries and a reference to a **Target Group Member** is to Target or any of its Subsidiaries.

**Target Indemnified Parties** means Target and its Related Bodies Corporate and their respective directors, officers and employees.

**Target Information** means all information included in the Explanatory Memorandum, other than Bidder Information, the Independent Expert's Report and any other report or letter issued by a Third Party.

**Target Payment** means \$8,520,000.

**Target Performance Rights** means the 6,126,350 performance rights granted, or proposed to be granted, under the Employee Performance Rights Plan.

**Target Plan Rules** means the rules of the Employee Performance Rights Plan or Share Appreciation Rights Plan, as the case may require.

**Target Prescribed Occurrence** means the occurrence of any of the following events:

- (a) Target converts all or any of the Target Shares into a larger or smaller number of shares;
- (b) a Target Group Member resolves to reduce its capital in any way;
- (c) a Target Group Member:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) a Target Group Member issues shares or grants an option over its shares, or agrees to make such an issue or grant such an option (other than to any other Target Group Member);
- (e) a Target Group Member issues, or agrees to issue, convertible notes;
- (f) a Target Group Member disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) a Target Group Member grants, or agrees to grant, a security interest (as defined in section 51A of the Corporations Act) in the whole, or a substantial part, of its business or property other than a Permitted Encumbrance;
- (h) a Target Group Member resolves to be wound up;
- (i) a liquidator or provisional liquidator of a Target Group Member is appointed;
- (j) a court makes an order for the winding up of a Target Group Member;
- (k) an administrator of a Target Group Member, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) a Target Group Member executes a deed of company arrangement; or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of a Target Group Member,

provided that a Target Prescribed Occurrence will not include:

- (n) any matter contemplated, permitted or required to be done by Target pursuant to the agreement or the Scheme (including clause 6.4);



- (o) in the case of (g) above, as Fairly Disclosed in Item 12 of the Disclosure Letter; or
- (p) any matter approved by Bidder in writing.

**Target SARs** means the 1,042,438 share appreciation rights granted under the Share Appreciation Rights Plan.

**Target Share Register** means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

**Target Shareholder** means a person who is registered in the Target Share Register as a holder of Target Shares.

**Target Shares** means fully paid ordinary shares in the capital of Target.

**Target Warranties** means the warranties made by Target set out in clause 12.3.

**Tax** means any tax, levy, excise, duty, charge, surcharge, contribution, withholding tax (including royalty withholding tax), impost or withholding obligation of whatever nature, whether direct or indirect, (including any tax payable under a country's foreign source income attribution or anti-tax-deferral rules) by whatever method collected or recovered, together with any fees, penalties, fines, interest or statutory charges in any country or jurisdiction but excluding any stamp duty payable on any transfer of the Scheme Shares pursuant to the Scheme.

**Taxation Condition** means a condition imposed by the Treasurer under section 74(2) of the Foreign Acquisitions and Takeovers Act in the form of any one or more the conditions in the list of tax conditions set out in items 1 to 6 (inclusive) in Section D of FIRB Guidance Note 12 - Tax Conditions (as last updated on 9 July 2021).

**Third Party** means a person other than Bidder, Target, and their respective Related Bodies Corporate.

**Timetable** means the indicative timetable in relation to the Scheme set out in Schedule 1, or such other indicative timetable as Target and Bidder agree in writing.

**Transaction** means the acquisition by Bidder of the Scheme Shares for the Scheme Consideration pursuant to the Scheme.

**Transaction Documents** means:

- (a) this agreement;
- (b) the Scheme; and
- (c) the Deed Poll.

**Treasurer** means the Treasurer of the Commonwealth of Australia.

**Voting Intention** has the meaning given in clause 7.1(a)(ii).

**Voting Power** has the meaning given in the Corporations Act.

**WHSQ** means Workplace Health and Safety Queensland.

## 1.2 Best and reasonable endeavours

Any provision of this agreement which requires a party to use best endeavours, reasonable endeavours or all reasonable endeavours to procure that something is performed or occurs or does not occur does not include any obligation to:

(a) pay any money or to provide any financial compensation, or any other incentive to or for the benefit of any person in the form of an inducement or consideration except for payment of:

(i) any applicable fee for the lodgement or filing of any relevant application with any Regulatory Authority; or

(ii) immaterial expenses or costs, including costs of advisers,

to procure the relevant thing (except, in each case, in circumstances that are commercially onerous or unreasonable in the context of this agreement); or

(b) commence or defend any legal action or proceeding against any person,

except, in each case, where that provision expressly specifies otherwise and, for the avoidance of doubt, that party will not breach the relevant provision requiring the use of best or all reasonable endeavours where the party does not procure that the thing is performed or occurs or does not occur as a result of matters outside the control or influence of the party.

### 1.3 Business Day

If the day on which any act to be done under this agreement is a day other than a Business Day, that act must be done on the immediately preceding Business Day except where this agreement expressly specifies otherwise.

### 1.4 Interpretation

In this agreement headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

(a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;

(b) the word **including** or any other form of that word is not a word of limitation;

(c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;

(d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;

(e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;

(f) a reference to a document (including this agreement) is to that document as varied, novated, ratified or replaced from time to time;

(g) a reference to a party, clause, schedule, exhibit, attachment, or annexure is a reference to a party, clause, schedule, exhibit, attachment, or annexure to or of this agreement, and a reference to this agreement includes all schedules, exhibits, attachments, and annexures to it;

(h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;

- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) a reference to an event, matter or circumstance being **Fairly Disclosed** to a party means disclosed to that party or any of its Representatives in good faith and in sufficient detail so as to enable a reasonable and sophisticated party or any of its Representatives experienced in transactions similar to the Transaction and experienced in business similar to any business conducted by the Target Group (if disclosed by Target) to identify the nature, scope and significance of the relevant event, matter or circumstance;
- (k) a reference to **\$** or **dollar** is to Australian currency;
- (l) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this agreement;
- (m) a reference to a date or time is to that date or time in Sydney, Australia; and
- (n) this agreement (including any term or condition of it) must not be construed adversely to a party solely on the basis that the party prepared it or caused it to be prepared.

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## 2. Agreement to propose Scheme

- (a) Target agrees to propose the Scheme on and subject to the terms and conditions of this agreement.
- (b) Bidder agrees to assist Target to propose the Scheme on and subject to the terms and conditions of this agreement.

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## 3. Conditions precedent

### 3.1 Conditions

Subject to this clause 3, the Scheme will not become Effective until each of the conditions listed in the first column of the following table are either satisfied or waived in accordance with clause 3.5:

Condition	Right to benefit & waive	Responsibility to satisfy
<p>(a) <b>(FIRB Approval)</b> before 8.00 am on the Second Court Date, the Treasurer (or the Treasurer's delegate) has either:</p> <p>(i) provided written notice that there is no objection under the FATA to the Transaction, with the notice of no objection being either unconditional or subject only to the Taxation Conditions and/or other conditions which are reasonably acceptable to Bidder; or</p>	None	Bidder

<p>(ii) become precluded from exercising any power to make an order under the FATA in relation to the Scheme,</p> <p>and in the case of 3.1(a)(i), the written notice has not been varied on terms not acceptable to Bidder or withdrawn on or before 8.00 am on the Second Court Date.</p>		
<p>(b) <b>(Other Regulatory Approvals)</b> before 8.00 am on the Second Court Date, Bidder has filed a foreign investment report in relation to the Transaction pursuant to Article 18 of the Republic of Korea's Foreign Exchange Transaction Act, and either:</p> <p>(i) the relevant Regulatory Authority providing approval for such transaction (either without conditions, or on conditions acceptable to Bidder and Target acting reasonably); or</p> <p>(ii) any required waiting periods, including any extensions thereof, have expired without the relevant Regulatory Authority objecting to such transactions.</p>	None	Bidder
<p>(c) <b>(No restraint)</b> as at 8.00 am on the Second Court Date there is not in effect:</p> <p>(i) any temporary restraining order, preliminary or permanent injunction or other order or prohibition issued by a court of competent jurisdiction or Regulatory Authority other legal restraint; or</p> <p>(ii) action or investigation which has been commenced by a Regulatory Authority,</p> <p>which delays, restrains, prohibits or prevents, or could reasonably be expected to result in the delay, restraint, prohibition or prevention of, the implementation of the Scheme. For the avoidance of doubt, this condition does not include a matter that would result in a breach of any other condition of this agreement.</p>	Target and Bidder	Target and Bidder
<p>(d) <b>(ASIC and ASX)</b> before 8.00 am on the Second Court Date, ASIC and ASX issue all consents, approvals, declarations, modifications, waivers or authorisations as are necessary, or which the parties agree are reasonably necessary or desirable, to implement the Scheme, and none of those consents, approvals, declarations, modifications, waivers or authorisations have been withdrawn, cancelled or revoked on or before 8.00 am on the Second Court Date.</p>	Target and Bidder	Target and Bidder

(e)	<b>(Target Prescribed Occurrence)</b> no Target Prescribed Occurrence occurs between the date of this agreement and 8.00 am on the Second Court Date (each inclusive).	Bidder	Target
(f)	<b>(Target Shareholder approval)</b> Target Shareholders approve the Scheme by the majorities required under section 411(4)(a)(ii) of the Corporations Act.	None	Target and Bidder
(g)	<b>(Court approval)</b> the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.	None	Target and Bidder
(h)	<b>(Target Warranties)</b> at all times on and before 8.00 am on the Second Court Date, the Target Warranties are true and correct in all material respects as at the time they are given.	Bidder	Target
(i)	<b>(Bidder Warranties)</b> at all times on and before 8.00 am on the Second Court date, the Bidder Warranties are true and correct in all material respects as at the time they are given;	Target	Bidder
(j)	<b>(APLNG Acquisition)</b> before 8:00 am on the Second Court Date, the acquisition of Petroleum Leases PL 209 and PL 445 from Australia Pacific LNG Pty Ltd has completed in accordance with the terms of the agreement for that acquisition included in the Target Due Diligence Material.	Bidder	Target
(k)	<b>(Independent Expert)</b> the Independent Expert: <ul style="list-style-type: none"> <li>(i) concludes in the Independent Expert's Report that in its opinion the Scheme is fair and reasonable and therefore in the best interests of Target Shareholders on or before the date on which the Explanatory Memorandum is registered by ASIC under the Corporations Act; and</li> <li>(ii) has not in any written update, revision, amendment, addendum or supplementary report to the Independent Expert's Report concluded that the Scheme is not fair and reasonable to the Target Shareholders prior to 8.00 am on the Second Court Date.</li> </ul>	Target	-
(l)	<b>(No Material Adverse Change)</b> Between the date of this agreement and 8.00 am on the Second Court Date (each inclusive) no Material Adverse Change occurring.	Bidder	Target

## 3.2 General obligations in relation to Conditions

Without prejudice to any other obligations of the parties under this agreement, in respect of any given Condition:

- (a) if one party is specified in the third column of the table in clause 3.1 opposite that Condition, that party must use its best endeavours to procure that that Condition is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times up until the last time it is to be satisfied (as the case may require);
- (b) if both parties are specified in the third column of the table in clause 3.1 opposite that Condition, both parties must, to the extent that it is within their respective control or influence, use their best endeavours to procure that that Condition is satisfied as soon as practicable after the date of this agreement and continues to be satisfied at all times up until the last time it is to be satisfied (as the case may require); and
- (c) each party must, to the extent that it is within its respective control or influence, use its best endeavours to procure that there is no occurrence that would prevent the Condition being satisfied.

## 3.3 Obligations in relation to regulatory approvals

Without limiting clause 3.2, to the extent that clause 3.2 requires a party to use best endeavours to procure that a regulatory approval is obtained, that party must:

- (a) as soon as practicable prepare and lodge, each notice or application required to be given by that party for the purposes of procuring that the regulatory approval is obtained and take all procedural steps it is responsible for as part of such approval process, including responding to requests for information at the earliest practicable time, and use best endeavours to obtain such approvals as soon as practicable;
- (b) to the extent applicable, consult with the other party in advance, in relation to all material written communications with any Regulatory Authority relating to such regulatory approval;
- (c) keep the other party informed of progress in relation to each such regulatory approval and of any material matters raised by, or conditions or other arrangements proposed by, or to, any Regulatory Authority which relate to any such regulatory approval; and
- (d) provide copies of all material documents provided to and received from each relevant Regulatory Authority in relation to each such regulatory approval (including before the date of this agreement), on a confidential basis, to the other party,

provided that:

- (e) in relation to clause 3.3(d), the party applying for the approval may withhold or redact information or documents if and to the extent that they are confidential to a third party;
- (f) nothing in this clause 3.3 or any other provision of this agreement requires a party to disclose materially commercially sensitive information to the other party;
- (g) where any information or document is withheld or redacted for the reasons set out in subparagraph 3.3(e) and 3.3(f), the party applying for

the approval must provide the other party with as much detail about the relevant information or document (and any other relevant circumstances) as is reasonably possible without disclosing information or documents that are confidential to a third party or materially commercially sensitive to the disclosing party; and

- (h) the party applying for the approval will not be prevented from taking procedural steps or communicating with or providing documents to a Regulatory Authority if the other party has not responded promptly under clause 3.3(b).

The other party must provide the applicant for a regulatory approval with all assistance and information reasonably requested by the applicant in connection with the application for and obtaining the approval.

### **3.4 Notice in relation to satisfaction of Conditions**

Each party must:

- (a) keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions in respect of which it is specified in the third column of the table in clause 3.1;
- (b) in relation to any Condition, promptly notify the other party in writing upon becoming aware of the satisfaction of that Condition, in which case the notifying party must also provide reasonable evidence that the Condition has been satisfied; and
- (c) in relation to any Condition, promptly notify the other party in writing of a breach or non-fulfilment of a Condition or any occurrence or event that will prevent, or is reasonably likely to prevent, a Condition from being satisfied.

### **3.5 Waiver of Conditions**

- (a) A Condition is only for the benefit of:
  - (i) if one party is specified in the second column of the table in clause 3.1 opposite that Condition, that party; or
  - (ii) if both parties are specified in the second column of the table in clause 3.1 opposite that Condition, both parties.
- (b) A Condition may be waived and may only be waived:
  - (i) if one party is specified in the second column of the table in clause 3.1 opposite that Condition, by that party by written notice to the other party; or
  - (ii) if both parties are specified in the second column of the table in clause 3.1 opposite that Condition, by written agreement between the parties.
- (c) The Conditions in clauses 3.1(a) (FIRB Approval), 3.1(b) (Other Regulatory Approvals), 3.1(f) (Target Shareholder Approval) and 3.1(g) (Court Approval) cannot be waived.

- (d) A party entitled to waive or to agree to waive a Condition under this clause 3.5 may do so in its absolute discretion subject to the provision of written notice to the other party.
- (e) Any waiver of a Condition by a party who is entitled to do so pursuant to clause 3.5(b) is only effective if such waiver is given on or prior to 8.00 am on the Second Court Date.
- (f) A party that waives or agrees to waive a Condition is not prevented from bringing a claim against any other party in respect of any breach of this agreement that caused that Condition not to be satisfied.
- (g) Waiver of a breach or non-fulfilment in respect of one Condition does not constitute:
  - (i) a waiver of breach or non-fulfilment of any other Condition resulting from the same event; or
  - (ii) a waiver of breach or non-fulfilment of that Condition resulting from any other event.

### **3.6 Termination on failure of Conditions**

- (a) If any event occurs which would, or in fact does, prevent a Condition being satisfied by the date specified for its satisfaction in this agreement and that Condition is not waived by Target or Bidder or both (as applicable) in accordance with clause 3.5, the parties must consult in good faith to:
  - (i) determine whether the Transaction may proceed by way of alternative means or method;
  - (ii) change the date of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by Target and Bidder (being a date no later than 5 Business Days before the End Date);
  - (iii) extend the relevant date to a date no later than 5 Business Days before the End Date; and/or
  - (iv) extend the End Date.
- (b) If the parties are unable to reach an agreement under clause 3.6(a), within 5 Business Days of becoming aware of the relevant occurrence or relevant date or by the End Date, then unless that Condition is waived by Target or Bidder or both (as applicable) in accordance with clause 3.5, either party may terminate this agreement without liability (except under clause 9 or clause 10, if applicable) to the other party because of that termination, unless the relevant occurrence or the failure of the Condition to be satisfied, or of the Scheme to become Effective, arises out of a breach by the terminating party.
- (c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination, on termination of this agreement, no party shall have any rights against or obligations to any other party under this agreement except for those rights and obligations which accrued prior to termination.



- (d) If the Condition in clause 3.1(f) (Target Shareholder approval) is not satisfied only because of a failure to obtain the majority required by section 411(4)(a)(ii)(A) of the Corporations Act, then either party may by written notice within 3 Business Days after the date of the conclusion of the Scheme Meeting require the approval of the Court to be sought, pursuant to the Court's discretion in that section, provided the party has in good faith formed the view that the prospect of the Court exercising its discretion in that way is reasonable. If the Court's approval is given, the Condition in clause 3.1(f) (Target Shareholder approval) is deemed to be satisfied for all purposes.

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## 4. Implementation of Scheme

### 4.1 Scheme

- (a) Target must propose a scheme of arrangement to Target Shareholders, pursuant to which all of the Scheme Shares will be transferred to Bidder and the Scheme Shareholders will be entitled to receive the Scheme Consideration subject to and on the terms and conditions set out in the Scheme.
- (b) Target must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of Bidder (such consent not to be unreasonably withheld or delayed).

### 4.2 Timetable

Each party must:

- (a) use its best endeavours;
- (b) commit reasonably necessary resources; and
- (c) procure that its officers, employees and advisers work in good faith and in a timely and cooperative fashion with the other party,

to perform its obligations as set out in this clause 4 in accordance with the Timetable.

### 4.3 Appointment of nominee and guarantee

- (a) Bidder may by written notice, no later than 20 Business Days after the date of this agreement, nominate a subsidiary of Bidder (**Bidder Nominee**) to acquire all of the Target Shares held by Scheme Shareholders instead of Bidder. If any such nomination is made and unless the context otherwise requires, all references in this agreement to Bidder acquiring all of the Target Shares held by Scheme Shareholders or taking any other action under or in respect of the Scheme are to be read as references to Bidder Nominee doing so.
- (b) Bidder irrevocably and unconditionally guarantees to Target the due and punctual performance by Bidder Nominee of all of its obligations under or in connection with each Transaction Document. If Bidder Nominee commits any default or breach of any Transaction Document, Bidder will, on demand by Target, perform all obligations (if any) of Bidder Nominee in accordance with the provisions of the relevant Transaction Document.
- (c) As a separate and independent obligation from that contained in clause 4.3(b), Bidder must pay to Target on demand all losses, costs, damages,

expenses and other liabilities suffered or incurred by Target as a result of any failure of Bidder Nominee to perform any obligation under any Transaction Document by the required date or time.

- (d) Bidder acknowledges and agrees that each of its obligations under clauses 4.3(b) and 4.3(c) is a principal and continuing obligation and will not be affected by any principle of law or equity which might otherwise reduce or limit in any way the liability of Bidder under clause 4.3(b) or 4.3(c).

#### 4.4 Target's obligations

Target must take all steps reasonably necessary to implement the Scheme as soon as is reasonably practicable after the date of this agreement in accordance with the Timetable and, in particular, Target must:

- (a) **(Explanatory Memorandum)** as soon as practicable after the date of this agreement, prepare the Explanatory Memorandum (excluding the Bidder Information and the Independent Expert's Report) in accordance with all applicable laws and in particular the requirements of the Corporations Act, the Listing Rules and the Regulatory Guides;
- (b) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Explanatory Memorandum (other than the Bidder Information and the Independent Expert's Report);
- (c) **(Directors' Recommendation)** include a statement in the Explanatory Memorandum and the Target Announcement setting out the Recommendation and Voting Intention of each of the Target directors in accordance with clause 7.1 unless there has been a change of recommendation permitted by 7.1(b);
- (d) **(Review of Bidder Information)** as soon as practicable after receiving a draft of the Bidder Information pursuant to clause 4.5(a), review and provide comments on the form and content of the Bidder Information to Bidder and liaise with Bidder to finalise the Bidder Information for inclusion in the Explanatory Memorandum;
- (e) **(Independent Expert)** promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Memorandum (including any updates to such report) and any other materials to be prepared by the Independent Expert for inclusion in the Explanatory Memorandum (including updates thereto);
- (f) **(Provide draft Explanatory Memorandum to Bidder)** provide drafts of the Explanatory Memorandum to Bidder including, by no later than 1 clear Business Day prior to provision of the Regulator's Draft to ASIC, a near final draft of the Explanatory Memorandum, and consult with Bidder in relation to the content of those drafts (acting reasonably and in good faith), take into account any comments from Bidder and its Representatives on those drafts and obtain approval from Bidder for the form and content in which the Bidder Information appears in the Explanatory Memorandum;
- (g) **(review of Independent Expert's Report)** on receipt from the Independent Expert provide Bidder with the draft Independent Expert's Report (and any update to it) for factual accuracy review, and promptly give to the Independent Expert any comments which Bidder and its

Representatives provide to Target in relation to the Independent Expert's Report;

- (h) **(Approval of draft Explanatory Memorandum)** procure that a meeting of the Target Board is convened to approve the draft Explanatory Memorandum to be provided to ASIC for its review;
- (i) **(ASIC review)** as soon as reasonably practicable provide an advanced draft of the Explanatory Memorandum (**Regulator's Draft**) to ASIC, for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (j) **(Keep Bidder informed)** keep Bidder reasonably informed and consult with Bidder in relation to any material matters raised by ASIC or ASX in relation to the Explanatory Memorandum or the Transaction, and consult with Bidder in relation to the making of any material submissions to ASIC or ASX in connection with such matters;
- (k) **(Section 411(17)(b) statement)** apply to ASIC for the production of:
  - (i) a letter stating that ASIC does not intend to appear before the Court on the First Court Date; and
  - (ii) a statement in writing pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (l) **(Court documents)** prepare and consult with Bidder in relation to the content of the documents required for the purposes of the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme and consider in good faith comments on, and suggested amendments to, those documents from Bidder and its Representatives;
- (m) **(First Court hearing)** lodge all documents with the Court and take all other reasonable steps to ensure that an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Target to convene the Scheme Meeting;
- (n) **(Approval of Explanatory Memorandum)** procure that a meeting of the Target Board is convened to approve the Explanatory Memorandum for registration with ASIC and dispatch to Target Shareholders;
- (o) **(Register Explanatory Memorandum)** request that ASIC register the explanatory statement included in the Explanatory Memorandum in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (p) **(Dispatch and compliance with Court orders)** take all reasonable steps necessary to comply with the orders of the Court including, as required, dispatching the Explanatory Memorandum to Target Shareholders, provided that, before dispatch, Target must obtain the written consent of Bidder to the inclusion of Bidder Information in the Explanatory Memorandum, in the form and context in which it appears (such consent not to be unreasonably withheld or delayed);
- (q) **(Promote the Scheme)** in consultation with Bidder, promote to Target Shareholders the merits of the Scheme and encourage Target Shareholders to vote on the Scheme in accordance with the Recommendation of the Target Directors, including soliciting proxy votes

in favour of the Scheme, and, engaging a proxy solicitation firm to assist in soliciting proxy votes;

- (r) **(Update Explanatory Memorandum)** until the date of the Scheme Meeting, promptly update the Explanatory Memorandum if it becomes aware of:
- (i) any information that is required to be disclosed to Target Shareholders in the Explanatory Memorandum under any applicable law, which has not already been disclosed to Target Shareholders; or
  - (ii) any information included in the Explanatory Memorandum that is or has become misleading or deceptive in any material respect or contains any material omission,

and provide such further or new information as is required to ensure that the information is no longer misleading or deceptive in any material respect or contains any material omissions, after consulting with Bidder and taking into account, in good faith any comments of Bidder and its Representatives in respect of the form and content of that disclosure (and obtaining Bidder's prior written consent, to the extent that information is Bidder Information);

- (s) **(Convene Scheme Meeting)** convene and hold the Scheme Meeting in accordance with the orders made by the Court pursuant to section 411(1) of the Corporations Act;
- (t) **(Court approval application)** if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act and subject to all other Conditions (other than the Condition in clause 3.1(g)) being satisfied or waived in accordance with this agreement, apply to the Court for orders approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;
- (u) **(Representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(1) and section 411(4)(b) of the Corporations Act;
- (v) **(Certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1(g)) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to Bidder by 5.00 pm on the Business Day prior to the Second Court Date;
- (w) **(Lodge copy of Court order)** if the Scheme is approved by the Court, lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act before 5:00 pm on the Business Day after which such office copy is received (or such later date as is agreed between the parties in writing);
- (x) **(ASX listing)** use its reasonable endeavours to ensure that Target continues to be admitted to the ASX, and that the Target Shares continue to be quoted for trading (and not permanently suspended) on ASX, until the close of business on the Business Day after the Implementation Date;
- (y) **(Other things necessary)** promptly do all other things contemplated by, or reasonably necessary to give effect to, the Scheme and the orders of

the Court approving the Scheme in accordance with all applicable laws and regulations; and

- (z) **(Implementation of Scheme)** if the Scheme becomes Effective:
- (i) apply to ASX to suspend trading in Target Shares with effect from the close of trading on the Effective Date;
  - (ii) close the Target Share Register as at the Record Date and determine entitlements to the Scheme Consideration in accordance with the Scheme;
  - (iii) provide to Bidder, or procure that the Share Registry provides to Bidder, all necessary information about the Scheme and the Scheme Shareholders that Bidder reasonably requires in order for Bidder to provide, or procure the provision of, the Scheme Consideration in accordance with the Scheme;
  - (iv) execute proper instruments of transfer and subject to Bidder paying the Scheme Consideration in accordance with its obligations under clause 5, on the Implementation Date register all transfers of Scheme Shares to Bidder in accordance with the Scheme; and
  - (v) promptly do all other things contemplated by, or necessary to give effect to, the Scheme and the orders of the Court approving the Scheme, in accordance with all applicable laws and regulations.

#### 4.5 Bidder's obligations

Bidder must take all steps reasonably necessary to assist Target to implement the Scheme as soon as is reasonably practicable after the date of this agreement in accordance with the Timetable and, in particular, Bidder must:

- (a) **(draft of Bidder Information)** prepare and provide to Target a draft of the Bidder Information as soon as reasonably practicable after the date of this agreement and consult with Target in relation to the content of drafts of Bidder Information and (acting reasonably and in good faith) take into account any comments from Target and its Representatives on those drafts;
- (b) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the Bidder Information;
- (c) **(final form of Bidder Information)** provide to Target the Bidder Information in a form appropriate for inclusion in the Explanatory Memorandum;
- (d) **(Independent Expert)** promptly provide all assistance and information reasonably requested by Target or the Independent Expert in connection with the preparation of the Independent Expert's Report for inclusion in the Explanatory Memorandum (including any updates to such report) and any other materials to be prepared by the Independent Expert for inclusion in the Explanatory Memorandum;
- (e) **(assistance with Explanatory Memorandum and Court documents)** promptly provide all assistance and information reasonably requested by Target or its Representatives in connection with the preparation of the Explanatory Memorandum (including any supplementary disclosure to

Target Shareholders) and any documents required to be filed with the Court in respect of the Scheme and promptly review and provide comments on those documents in a timely manner and in good faith;

- (f) **(review Explanatory Memorandum)** review the draft Explanatory Memorandum provided by Target and provide comments on that draft as soon as reasonably practicable and in good faith;
- (g) **(Approval of Bidder Information)** as soon as reasonably practicable after receipt of the draft Explanatory Memorandum from Target which Target proposes to lodge with ASIC, provide, Bidder's consent to the inclusion of the Bidder Information in the Explanatory Memorandum in the form and context in which it appears in the Explanatory Memorandum (such consent not to be unreasonably withheld or delayed);
- (h) **(Update the Bidder Information)** until the date of the Scheme Meeting, promptly inform Target if it becomes aware of:
  - (i) any information that is required to be disclosed to Target Shareholders in the Bidder Information under any applicable law, which has not already been disclosed to Target Shareholders; or
  - (ii) any information included in the Explanatory Memorandum that is or has become misleading or deceptive in any material respect or contains any material omission,

and provide such further or new information as is required to ensure that the information is no longer misleading or deceptive in any material respect or contains any material omissions;

- (i) **(promote merits of Transaction)** participate in efforts reasonably requested by Target to promote the merits of the Transaction and the Scheme Consideration, including meeting with key Target Shareholders at the reasonable request of Target;
- (j) **(Deed Poll)** by no later than the Business Day prior to the First Court Date, execute the Deed Poll and deliver the executed Deed Poll to Target;
- (k) **(Representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(1) and section 411(4)(b) of the Corporations Act at which, through its counsel and, if requested by the Court, Bidder will undertake to do all such things and take all such steps within its power as may be reasonably necessary in order to ensure the fulfilment of its obligations under this agreement and the Scheme;
- (l) **(Certificate)** at the hearing on the Second Court Date, provide to the Court a certificate confirming (in respect of matters within its knowledge) whether or not the Conditions (other than the Condition in clause 3.1(g)) have been satisfied or waived in accordance with this agreement and provide a draft of that certificate to Target by 5.00 pm on the Business Day prior to the Second Court Date;
- (m) **(Scheme Consideration)** if the Scheme becomes Effective, provide, or procure the provision of, the Scheme Consideration in accordance with clause 5 and the terms of the Scheme and Deed Poll;

- (n) **(Share transfer)** if the Scheme becomes Effective, accept the transfer of the Scheme Shares as contemplated by this agreement and execute any instruments of transfer required to effect the transfer of the Scheme Shares; and
- (o) **(Other things necessary)** promptly do all other things contemplated by, or reasonably necessary to give effect to, the Scheme and the orders of the Court approving the Scheme in accordance with all applicable laws and regulations.

#### **4.6 Dispute as to Explanatory Memorandum**

If, after a reasonable period of consultation, the parties, each acting reasonably and in good faith, are unable to agree on the form or content of the Explanatory Memorandum, then:

- (a) if the disagreement relates to the form or content of Bidder Information (or any information solely derived from, or prepared solely in reliance on, Bidder Information), Target will, acting in good faith, make such amendments to that information in the Explanatory Memorandum as Bidder may require (acting reasonably and in good faith); and
- (b) if the disagreement relates to the form or content of the Target Information (or any information solely derived from, or prepared solely in reliance on, information provided by or on behalf of Target, or extracted from announcements made by Target to ASX regarding the Target Group), Target will, acting reasonably and in good faith, decide the final form of that information in the Explanatory Memorandum.

#### **4.7 Reconstitution of Target Board**

With effect on and from the Implementation Date, but subject to Bidder having provided the Scheme Consideration in accordance with this agreement, Target must:

- (a) cause the appointment to the Target Board and to the boards of each Subsidiary of Target those persons nominated by Bidder in writing to Target, subject to those persons being appointed having provided to Target duly executed consents to act as directors of the relevant companies; and
- (b) procure that the directors of Target and each Subsidiary of Target (other than, in each case, those appointed pursuant to clause 4.7(a)) resign from the board of each relevant entity, and each unconditionally and irrevocably release each Target Group Member from any claims they may have against the Target Group Member in their capacity as a director (without prejudice to any rights they may have under any deed of indemnity, access or insurance or policy of directors and officers insurance),

in each case, in accordance with Target's constitution (or constitution of the relevant Subsidiary of Target, as the case may be), the Corporations Act and the Listing Rules.

#### **4.8 Responsibility statement**

The Explanatory Memorandum will contain a responsibility statement to the effect that:

- (a) Bidder is responsible for the Bidder Information contained in the Explanatory Memorandum and, to the maximum extent permitted by law, none of the Target Indemnified Parties will be responsible for any Bidder Information and will disclaim any liability for Bidder Information appearing in the Explanatory Memorandum; and
- (b) Target is responsible for the Target Information contained in the Explanatory Memorandum and, to the maximum extent permitted by law, none of the Bidder Indemnified Parties will be responsible for any Target Information contained in the Explanatory Memorandum.

#### **4.9 Removal of Target from official list of ASX**

If directed by Bidder in writing, Target must take all steps necessary for Target to be removed from the official list of ASX on the day immediately following the Implementation Date, including by lodging a request for removal with ASX prior to the Implementation Date.

#### **4.10 Court representation**

Without limiting clause 4.5(k) above:

- (a) Bidder is entitled to separate representation at all Court proceedings relating to the Scheme at its own cost.
- (b) Target must support any application by Bidder for leave of the Court to be represented, or the separate representation of Bidder, at any hearing held by the Court in relation to the Scheme whether following a request by Target or otherwise.
- (c) nothing in this agreement gives Target or Bidder any right or power to give undertakings to the Court for and on behalf of the other party without that party's written consent.

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### **5. Scheme Consideration**

#### **5.1 Scheme Consideration**

Subject to the Scheme becoming Effective, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder at the Record Date, subject to and in accordance with the terms of this agreement and the Scheme.

#### **5.2 Bidder undertakings in relation to Scheme Consideration**

- (a) Bidder undertakes and warrants to Target (in Target's own right and separately as trustee for each of the Scheme Shareholders) that, if the Scheme becomes Effective, in consideration for the transfer to Bidder of all of the Scheme Shares held by Scheme Shareholders under the terms of the Scheme, Bidder will:
  - (i) accept that transfer on the Implementation Date; and
  - (ii) pay, or procure the payment, into a trust account operated by Target as trustee for the Scheme Shareholders (**Trust Account**) of an amount in cleared funds equal to the aggregate amount of the Scheme Consideration for all Scheme Shares, by no later than the Business Day before the Implementation Date (provided that any interest on the



amount so deposited (less bank fees and other charges) will accrue for the benefit of Bidder) (subject to any withholdings permitted by the Scheme).

- (b) If the Scheme lapses after some or all of the aggregate amount of the Scheme Consideration for all Scheme Shares has been paid into the Trust Account, but prior to Bidder being registered as the holder of the Scheme Shares, then Target must refund (or procure the refund) to Bidder of the amount which has been received into the Trust Account (together with any interest thereon, but less any bank fees and charges), within 5 Business Days.

### **5.3 Rounding up**

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up to the nearest whole cent.

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## **6. Conduct of business**

### **6.1 Conduct of Target's business**

From the date of this agreement up to and including the Implementation Date, Target must:

- (a) procure that each Target Group Member conducts its business and operations in the ordinary and usual course and substantially consistent with the manner in which it is conducted prior to the date of this agreement;
- (b) ensure that no Target Group Member does any of the following (or announces an intention, offers, commits or agrees to do any of the following, whether conditionally or otherwise):
  - (i) acquires, disposes or leases one or more businesses, assets (other than gas under a GSA existing as at the date of this agreement), entities or undertakings (or an interest in one or more such businesses, assets, entities or undertakings) for an amount greater than \$25 million (individually or in aggregate, with all other Target Group Members);
  - (ii) disposes of or leases out a Key Permit, the Artemis Exploration Permit or the Rockybar Exploration Permit (or an interest in a Key Permit, the Artemis Exploration Permit or the Rockybar Exploration Permit), including by granting exploration, appraisal, development or production rights in respect of a Key Permit, the Artemis Exploration Permit or the Rockybar Exploration Permit;
  - (iii) enters into any joint venture, asset or profit sharing arrangement or partnership in relation to a Key Permit, the Artemis Exploration Permit or the Rockybar Exploration Permit (or an interest in a Key Permit, the Artemis Exploration Permit or the Rockybar Exploration Permit);
  - (iv) incurs or commits to, or grants another person a right the exercise of which would involve, or be reasonably likely to involve, payments, capital or other expenditure, the incurring of liabilities or the foregoing of revenue of greater than \$10

million (individually or in aggregate, with all other Target Group Members);

- (v) incurs or commits to, or brings forward the time for incurring or committing to any additional Financial Indebtedness (other than draw-downs on or utilisations of bank facilities existing at the date of this agreement) of greater than \$10 million (individually or in aggregate, with all other Target Group Members);
- (vi) does anything which would, or would be reasonably likely to give rise to a financier (or a person acting on its behalf) having the right to accelerate the repayment of, or that would pose a risk to the continuity of, any Financial Indebtedness of a Target Group Member;
- (vii) enters into, breaches or terminates any contract or commitment having a value of, or renews or varies a contract or commitment where the renewal of variation has a value of, or where the contract or commitment involves a Target Group Member incurring a liability, capital or other expenditure or foregoing revenue of or being entitled to revenue of, greater than \$15 million;
- (viii) enters into a contract or commitment other than on arm's length terms in the ordinary course of business;
- (ix) guarantees or provides security for the obligations of any person other than a Target Group Member;
- (x) provides a loan or other financial accommodation by way of Financial Indebtedness other than to:
  - A. Target Group Members; or
  - B. DOR, DES or other government authority in relation to the Key Permits, the Artemis Exploration Permit, the Rockybar Exploration Permit, PSL2053, any other Petroleum Authority granted to a Target Group Member or any of their associated environmental authorities,(regardless of what form of Financial Indebtedness that accommodation takes);
- (xi) commences, settles, admits to fault or liability, or accepts a compromise for less than full compensation, in relation to any claim, legal proceedings or litigation involving, or which is reasonably expected to involve a claim or expenditure of an amount in excess of \$10 million;
- (xii) admits to DOR, DES, WHSQ or DAWE any fault or liability or settles any claim or legal proceedings by DOR, DES, WHSQ or DAWE that would materially adversely impact the ability of any Target Group Member to conduct its business in the ordinary course;
- (xiii) writes down any of its material assets;

- (xiv) creates any Encumbrance, other than a Permitted Encumbrance, over, or declares itself the trustee of, any part of its business or assets;
- (xv) enters into any agreement, arrangement or transaction with respect to derivative instruments, including swaps, futures contracts, forward commitments, commodity derivatives or options or similar instruments;
- (xvi) makes any material tax elections or changes to any material tax methodologies applied by a Target Group Member in the 12 months prior to the date of this agreement, other than any change in methodology required by a change in law;
- (xvii) enters into or resolves to enter into a transaction with any related party of Target (other than a related party which is a Target Group Member) as defined in section 228 of the Corporations Act;
- (xviii) changes any accounting policy applied by a Target Group Member to report their financial position other than any change in policy required by a change in accounting standards;
- (xix) agrees to pay, make or declare any distribution (whether by way of dividend, capital reduction, bonus issue and whether in cash or in specie) (other than the Permitted Dividend);
- (xx) issues securities or other instruments convertible into shares or other securities;
- (xxi) ceases, or threatens to cease, to carry on the business it conducts at the date of this agreement;
- (xxii) is deregistered as a company or otherwise be dissolved, unless it does not carry on any business and has no assets or liabilities;
- (xxiii) disposes of securities, including shares, of a Target Group Member, other than to a Target Group Member;
- (xxiv) makes any change to its constitution or convenes a meeting to consider a resolution to change a constitution of any Target Group Member;
- (xxv) agrees to, or makes, any variation to the terms on which an advisor is engaged in relation to the Transaction, or pays any fee, incurs, agrees to or enters commitments to any adviser engaged in relation to the Transaction, other than as Fairly Disclosed to Bidder in the Disclosure Material;
- (xxvi) hires any employee or engages any contractor for total annual fixed remuneration (**Total Annual Remuneration**) of more than \$230,000 on a full-time equivalent basis, pro-rated if the relevant contract is for less than one year (**Key Person**), other than to replace an existing employee or in relation to field personnel, or increases the fixed remuneration of or makes any material changes to the terms of employment or engagement of any Key Person other than pursuant to existing contractual arrangements Fairly Disclosed to Bidder in the Disclosure Material;

- (xxvii) enters into any enterprise bargaining agreement or similar collective employment agreement other than pursuant to existing contractual arrangements Fairly Disclosed to Bidder in the Disclosure Material;
- (xxviii) increases any employee's or contractor's Total Annual Remuneration or engages new employees or contractors where this would result in the Total Annual Remuneration for all employees and contractors exceeding the amount set out in the Approved Budgets;
- (xxix) pays or agrees to pay to any of its officers, directors, executives or other employees a bonus, severance, termination or retention payment or benefit other than in accordance with the terms of service agreements existing as at the date of this agreement;
- (xxx) accelerates the rights of any employees or contractors to receive compensation or benefits of any kind (including under any incentive plan);
- (xxxi) terminates or encourages the resignation of any Key Person, except in accordance with current personnel practices;
- (xxxii) amends the terms of any option, performance right, other convertible security or incentive plan;
- (xxxiii) cancels, terminates, materially amends or reduces the level of cover under, fails to comply with the terms of, fails to renew, or fails to pay any premium on time in respect of, any material insurance policy maintained by the Target Group as at the date of this Agreement,

except to the extent that any action undertaken by Target relates to any matter or event:

- (c) contemplated, permitted or required to be done by a party pursuant to this agreement or the Scheme;
- (d) Fairly Disclosed as an action that the Target Group may take between the date of the agreement and the Second Court Date in the Approved Budgets or the Target Disclosure Letter;
- (e) Fairly Disclosed in
  - (i) the Target Due Diligence Materials;
  - (ii) in an announcement made by Target to ASX in the 3 years prior to the date of this agreement; or
  - (iii) a publicly available document lodged by Target or a Target Group Member with ASIC;
- (f) which arises as a result of a Regulatory Authority order, injunction or undertaking (unless it is the result of a material breach or material failure to comply with any applicable law, regulation or Regulatory Authorisation that would, in each case materially adversely impact the ability of a Target Group Member to conduct its business in the ordinary course) or is otherwise required in order to comply with any applicable law or regulation (including accounting standards); or

- (g) approved by Bidder in writing.

## **6.2 Access**

- (a) Between the date of this agreement and the Implementation Date, Target must use reasonable endeavours to provide, on reasonable notice, Bidder and its Representatives with reasonable non-disruptive access during normal business hours to Target's senior executives and to records of the Target Group which Bidder reasonably requires for the purposes of:
  - (i) implementation of the Scheme;
  - (ii) understanding the Target's operations, trading performance and management control systems (including information technology and data) required to facilitate the smooth implementation of the plans for the business following Implementation of Scheme.
- (b) Nothing in this clause 6.2(b) requires Target to provide:
  - (i) Bidder or its Representatives with any document, record or information concerning Target's directors' consideration of the Transaction or which would breach any obligation of confidentiality to any Third Party or any applicable privacy law;
  - (ii) any document, record or information that is different or in addition to the documents, records or information Target provides to its Board and senior executive in the usual and ordinary course; or
  - (iii) access to its people, documentation or information or to take any other action which would significantly disrupt the usual and ordinary course of Target's business and operations.

## **6.3 Payment of Target HY22 Dividend**

- (a) Notwithstanding any other provision of this agreement, Target may, subject to compliance with applicable law, in its discretion declare and pay the Permitted Dividend to Target Shareholders provided that the record date for the Permitted Dividend occurs on or before the Record Date.
- (b) The Permitted Dividend will not reduce the amount of the Scheme Consideration.

## **6.4 Target Incentives**

Target will:

- (a) vest all unvested Target Performance Rights and Target SARs unless the Target Board decides otherwise under the applicable Target Plan Rules; and
- (b) ensure that:
  - (i) all holders of Target Performance Rights and Target SARs that are vested or will vest (or are deemed to vest) and are exercised (or are deemed to be exercised) whether in

connection with Transaction or otherwise are issued their Target Shares by the Record Date; and

- (ii) all Target Performance Rights and Target SARs in respect of which Target Shares have not been issued by the Record Date lapse, so that by the Record Date there are no outstanding Target Performance Rights or Target SARs and no other rights or securities outstanding that may convert into, or give the holder the right to be issued or transferred Target Shares or other securities in Target.

## 6.5 Facilities

Target must in consultation with Bidder, use reasonable endeavours in the period between the date of this agreement and the Implementation Date:

- (a) to reach an arrangement with the “Agent” (as that term is defined in the ANZ Facility Agreement) in respect of any “Review Event” which occurs, or may occur in connection with the Transaction on terms acceptable to the Bidder (acting reasonably); and
- (b) to the extent the Transaction constitutes, or may constitute a mandatory prepayment event, event of default or review event (or similar) under the financing facility used, or proposed to be used, to pay some or all of the purchase price for Petroleum Leases PL 209 and PPL 445, to reach an arrangement with the relevant lender(s) in respect of the Transaction on terms acceptable to Bidder (acting reasonably).

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## 7. Recommendation, intentions and announcements

### 7.1 Target Board Recommendation and Voting Intention

- (a) Target must ensure that the Target Announcement and the Explanatory Memorandum and every other material public announcement by Target about the Scheme state that each Target director:
  - (i) recommends that Target Shareholders vote in favour of the resolution to approve the Scheme (**Recommendation**); and
  - (ii) intends to cause any Target Shares in which they have a Relevant Interest to be voted in favour of the resolution to approve the Scheme (**Voting Intention**),

which statements must not be qualified in any way other than by words to the effect of “in the absence of a Superior Proposal” and “subject to the Independent Expert concluding and continuing to conclude that the Scheme is fair and reasonable and therefore in the best interests of Target Shareholders”.

- (b) Subject to clause 7.1(c) of this agreement, Target must use reasonable endeavours to ensure that no Target director publicly (or otherwise) withdraws, changes or in any way qualifies their Recommendation or Voting Intention unless:
  - (i) there is a Superior Proposal and Target has complied with its obligations under clause 8.7 (if applicable) in respect of such Superior Proposal; or
  - (ii) the Independent Expert concludes in the Independent Expert’s Report (either in the initial report or any update,

revision, amendment, addendum or supplementary reports to it) that the Scheme is not fair and reasonable to the Target Shareholders.

- (c) Bidder acknowledges that, notwithstanding any other term of this agreement:
- (i) a Target director may publicly (or otherwise) change or withdraw his or her Recommendation, or not make a Recommendation, to the extent that the Target director reasonably determines in good faith, after first having obtained written advice from independent Senior or Queen's Counsel of the New South Wales bar, that:
    - A. the director has an interest in the Scheme that renders it inappropriate for him or her to make or maintain such Recommendation; and
    - B. unless the Target director changes or withdraws his or her Recommendation, or does not make a Recommendation, the Court would be unlikely to grant an order:
      - 1) under section 411(1) of the Corporations Act directing Target to convene the Scheme Meeting; or
      - 2) under section 411(4)(b) and 411(6) of the Corporations Act approving the Scheme; and
  - (ii) Target will not be in breach of any term of this agreement, and will not be liable to Bidder under this agreement, solely as a result of a Target director publicly (or otherwise) withdrawing his or her Recommendation, or not making a Recommendation, as permitted by clause 7.1(c)(i),

provided, in each case, the Target director does not otherwise adversely change or adversely qualify his or her Recommendation or recommend, endorse or support a Competing Proposal, whether publicly or otherwise.

- (d) As at the date of this agreement Target represents and warrants to Bidder that each Target director has confirmed that he or she intends to make the Recommendation and the Voting Intention and his or her agreement not to do anything inconsistent with their Recommendation or Voting Intention (including withdrawing, changing or in any way qualifying their Recommendation or Voting Intention) other than in the circumstances referred to in this agreement.

## 7.2 Announcements

- (a) Immediately after the execution of this agreement:
- (i) Target must issue the Target Announcement to the ASX; and
  - (ii) Bidder must issue the Bidder Announcement.
- (b) Subject to clause 7.2(c), any further public announcement or public disclosure made by Target or Bidder in relation to the Transaction or any other transaction the subject of this agreement, the Deed Poll or the

Scheme, may only be made in a form approved by Target and Bidder in writing (acting reasonably). Such approval must not be unreasonably withheld, conditioned or delayed.

- (c) Where Target or Bidder is required by applicable law, Listing Rules or the requirements of any Regulatory Authority to make any announcement or to make any disclosure in relation to the Transaction or any other transaction the subject of this agreement, the Deed Poll or the Scheme, it may do so to the extent legally required and only then after it has used all reasonable endeavours, to the extent practicable in the circumstances, to notify and consult with the other party prior to making the relevant announcement or disclosure and take account of any reasonable comments received from the other party in relation to the form and content of the announcement or disclosure.

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## **8. Exclusivity arrangements**

### **8.1 Existing discussions**

Target represents and warrants to Bidder that, as at the date of this agreement:

- (a) none of Target, nor any of its Related Bodies Corporate or Representatives is party to any agreement or arrangement with any Third Party entered into in relation to, or for the purposes of facilitating a Competing Proposal;
- (b) none of Target, nor any of its Related Bodies Corporate or Representatives, is directly or indirectly participating in any discussions or negotiations with a Third Party in relation to, with a view to, or that may be reasonably expected to encourage or lead to, a Competing Proposal; and
- (c) any due diligence access granted to a Third Party for the purposes of such Third Party making, formulating, developing or finalising, or assisting in the making, formulation, development or finalisation of, a Competing Proposal has been terminated.

### **8.2 No shop**

During the Exclusivity Period, Target must ensure that neither it nor any of its Related Bodies Corporate or Representatives directly or indirectly:

- (a) solicits, invites, encourages or initiates any enquiries, expressions of interest, offers, proposals, negotiations or discussions; or
- (b) communicates any intention to do any of these things,

in relation to, or with a view to, or that may be reasonably expected to encourage or lead to, a Competing Proposal.

### **8.3 No talk**

Subject to clause 8.5, during the Exclusivity Period, Target must ensure that neither it nor any of its Related Bodies Corporate or Representatives:

- (a) negotiates or enters into; or
- (b) continues or participates in negotiations or discussions with any other person regarding,



a Competing Proposal or any agreement, understanding or arrangement in relation to, or that may be reasonably expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Target or any of its Related Bodies Corporate or Representatives or the person has publicly announced the Competing Proposal.

#### **8.4 No due diligence**

Subject to clause 8.5, during the Exclusivity Period, Target must ensure that neither it nor any of its Related Bodies Corporate or Representatives:

- (a) provides to any person other than Bidder and its Representatives any non-public information relating to any member of Target Group; or
- (b) otherwise facilitates or permits any person other than Bidder and its Representatives to undertake due diligence investigations in relation to any member of Target Group,

in connection with that person formulating, developing or finalising, or assisting in the formulation, development or finalisation, of a Competing Proposal or any agreement, understanding or arrangement in relation to, or that may be reasonably expected to lead to a Competing Proposal, even if that person's Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Target or any of its Related Bodies Corporate or Representatives or the person has publicly announced the Competing Proposal.

#### **8.5 Limitation to no talk and no due diligence**

Each of clauses 8.3 and 8.4 do not apply to the extent that it restricts Target or its directors from taking or refusing to take any action with respect to a genuine Competing Proposal (in relation to which there has been no contravention of this clause 8) provided that the Target Board has determined, in good faith that:

- (a) after consultation with its financial advisors, the genuine Competing Proposal is, or could reasonably be considered to become, a Superior Proposal; and
- (b) after receiving written legal advice from its external legal advisers (who must be experienced in transactions of this nature) that failing to respond to the genuine Competing Proposal would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of any member of the Target Board.

#### **8.6 Notification obligation**

Target must promptly, and in any event within 48 hours of it or any of its Related Bodies Corporate or Representatives, receiving a written proposal during the Exclusivity Period with respect to any Competing Proposal inform Bidder in writing, of:

- (a) the fact that Target has been approached;
- (b) the identity of the person making the approach (and if different, the identity of the proposed bidder or acquirer), unless the Target Board has determined in good faith after receiving written legal advice from its external legal advisers that disclosing the identity would be reasonably likely to constitute a breach of the fiduciary or statutory obligations of any member of the Board; and

- (c) the material terms of the Competing Proposal (to the extent known) and to the extent received during the Exclusivity Period any material updates to the Competing Proposal.

## 8.7 Matching right

- (a) In respect of any Competing Proposal made, announced or received during the Exclusivity Period which the Target Board determines before the end of the Exclusivity Period is a Superior Proposal, Target must:
- (i) not enter into any agreement to give effect to, or consent to, accept or give support in any way to the Competing Proposal; and
  - (ii) procure that no Target director publicly recommends or otherwise publicly supports the Competing Proposal,
- unless:
- (iii) the identity of the relevant person making or proposing the Competing Proposal, together with all material terms and conditions (including price) of the Competing Proposal and that the Board has determined that the Competing Proposal is a Superior Proposal has been notified to Bidder in writing;
  - (iv) Bidder's rights under clause 8.7(b) have been fully complied with; and
  - (v) if Bidder makes a Counter Proposal in accordance with clause 8.7(b), the Board determines, having consulted with their external legal and financial advisors, that the Counter Proposal is not equally as favourable to, or more favourable to Target Shareholders as a whole than the Competing Proposal.
- (b) If Target gives notice to Bidder under clause 8.7(a)(iii), Bidder may by the date which falls 5 Business Days after that notification provide a revised proposal in writing to Target (**Counter Proposal**), and if it does so then the Target Board must review the Counter Proposal in good faith to determine whether, having consulted their external legal and financial advisors, the Counter Proposal is equally favourable to, or more favourable to, Target Shareholders as a whole compared to the Competing Proposal notified to Bidder. Following that determination, Target must promptly and in any event within 1 Business Day of making that determination notify Bidder in writing and the reasons for that determination.
- (a) For the purposes of this clause 8.7, any material modification of a Competing Proposal will constitute a new Competing Proposal in respect of which Target must comply with its obligations and the procedures set out in this clause 8.7 again.
- (b) Despite any other provision of this agreement, any public announcement or other statement by Target, the Target Board or any director of Target to the effect that:
- (i) the Target Board has determined that a Competing Proposal is a Superior Proposal and has commenced the matching right process set out in this clause 8.7; or

- (ii) Target Shareholders should take no action pending the completion of the matching right process set out in this clause 8.7,

does not of itself:

- (iii) constitute a failure to make, or an adverse change, withdrawal, adverse modification or adverse qualification of, a Recommendation or Voting Intention or an endorsement of a Competing Proposal;
- (iv) contravene clause 7 or any other provision of this agreement;
- (v) give rise to an obligation to pay the Target Payment under clause 9; or
- (vi) give rise to a termination right under clause 14 or any other provision of this agreement.

## **8.8 Compliance with law**

- (a) If it is finally determined by a court, or the Takeovers Panel (to the extent applicable), that the agreement by the parties under this clause 8 or any part of it:
- (i) constituted, or constitutes, or would constitute, a breach of the fiduciary or statutory duties of the directors of Target;
- (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) Target will not be obliged to comply with that provision of this clause 8.
- (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 8.8.

## **8.9 Normal provision of information**

Nothing in this clause 8 prevents Target from:

- (a) engaging with its shareholders (in their capacity as a shareholders of Target) in relation to the Target Group, in the ordinary course, provided that such engagement does not relate to soliciting, inviting, encouraging, initiating or supporting an actual, proposed or potential Competing Proposal;
- (b) continuing to make presentations to, and to respond to enquiries from, brokers, portfolio investors, analysts and institutional lenders in the ordinary course in relation to its business generally; or
- (c) fulfilling its continuous disclosure requirements or otherwise complying with law.

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## 9. Reimbursement of Costs

### 9.1 Background to Target Payment

- (a) The parties each acknowledge that, if they enter into this agreement and the Transaction is subsequently not implemented, Bidder will incur significant costs as set out in clause 9.4.
- (b) Target and Bidder acknowledge that in the circumstances referred to in 9.1(a), Bidder has requested that provision be made for the payment outlined in clause 9.2, without which Bidder would not have entered into this agreement or otherwise agreed to implement the Scheme.
- (c) Target and the Target Board believe, having taken advice from their advisers, that the implementation of the Transaction will provide significant benefits to Target Shareholders and that it is appropriate for Target to agree to the payment referred to in clause 9.2 in order to secure Bidder's participation in the Transaction.

### 9.2 Target Payment

Target must pay the Target Payment to Bidder if

- (a) during the Exclusivity Period (even if permitted by this agreement) subject to clause 9.2(d), any of the Target's directors fails to make, withdraws, adversely changes or adversely revises their Recommendation or Voting Intention or recommends, supports or endorses a Competing Proposal unless:
  - (i) the Independent Expert concludes in the Independent Expert's Report (including the initial report or any update, revision, amendment, addendum or supplementary reports to it) that the Scheme is not fair and reasonable to Target Shareholders, except where the Independent Expert reached such conclusion as a result (in whole or in part) of a Competing Proposal; or
  - (ii) Target is entitled to terminate this agreement pursuant to clause 14.3(b)(i) and has given the appropriate termination notice to Bidder;
- (b) a Competing Proposal is announced or made on or before the Second Court Date and, within 12 months of the date of such announcement, the Third Party making such proposal or an Associate of that Third Party:
  - (i) completes in all material respects a transaction of the kind referred to in paragraphs (b), (c) or (d) of the definition of Competing Proposal; or
  - (ii) directly or indirectly acquires a Relevant Interest in, or have, or have a right to acquire, a legal, beneficial or economic interest in or control of, 50% or more of the securities of the Target or Voting Power of 50% or more in the Target; or
- (c) Bidder becomes entitled to terminate this agreement under clause 14.2(b)(i) and Bidder terminates this agreement on the basis of such entitlement.
- (d) Notwithstanding clause 9.2(a), the Target is not required to pay the Target Payment to Bidder as a result of one or more Target director's abstaining from making a Recommendation or withdrawing their Recommendation and then abstaining from making a recommendation as to whether Target Shareholders should vote for or against the Scheme, if this is required by a court of competent jurisdiction or Regulatory Authority due to an interest the Target director has in the Scheme that renders it inappropriate for him or her to make or maintain such Recommendation.

### 9.3 Timing

- (a) A demand by Bidder for payment of the Target Payment under clause 9.2 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 into which the party is to pay the Target Payment.
- (b) Target must pay the Target Payment into the account nominated by Bidder, without set-off or withholding, within 5 Business Days after receiving a demand for payment where Bidder is entitled under clause 9.2 to the Target Payment.

### 9.4 Basis of Target Payment

The Target Payment has been calculated to reimburse Bidder for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction incurred (excluding success fees);
- (b) costs of management and directors' time in planning and implementing the Transaction;
- (c) out of pocket expenses incurred by Bidder and Bidder's employees, advisors and agents in planning and implementing the Transaction; and
- (d) reasonable opportunity costs incurred in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives which could have been developed to further business and objectives,

in each case, incurred by Bidder directly or indirectly as a result of having entered into this agreement and pursuing the Transaction and the parties agree that:

- (e) the costs actually incurred by Bidder will be of such a nature that they cannot all be accurately ascertained;
- (f) the Target Payment is a genuine and reasonable pre-estimate of those costs; and
- (g) both parties have received advice from their respective legal advisors on the operation of this clause 9.4.

### 9.5 No payment if Scheme becomes Effective

No Target Payment is payable if the Scheme becomes Effective. To the extent that any amount has already been paid under this clause 9 and the Scheme becomes Effective, such amount must be refunded to Target within 5 Business Days.

### 9.6 Target Payment payable once

Where the Target Payment becomes payable to Bidder under clause 9.2 and is actually paid to Bidder, Bidder cannot make any claim against Target for payment of any subsequent Target Payment.

## 9.7 Exclusive Remedy

Notwithstanding any other provision under this agreement, where the Target Payment is actually paid to Bidder under clause 9.2, Bidder cannot make any claim (other than a claim under this clause 9) against Target which relates to the event that gave rise to the right to make a demand under clause 9.3, other than in the case of fraud or wilful misconduct.

## 9.8 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the Target Payment required to be paid under clause 9.2 (**Impugned Amount**):

- (a) is unlawful;
  - (b) involves a breach of directors' duties; or
  - (c) constitutes unacceptable circumstances or breaches an order of the Takeovers Panel,
- then,
- (d) the requirement to pay the Target Payment does not apply to the extent of the Impugned Amount; and
  - (e) if Bidder has received the Impugned Amount, it must refund it within five Business Days of the final determination being made.

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## 10. Expense Reimbursement Fee

### 10.1 Background to Expense Reimbursement Fee

- (a) The parties each acknowledge that, if they enter into this agreement and the Transaction is subsequently not implemented, Target will incur significant costs as set out in clause 10.4.
- (b) Target and Bidder acknowledge that in the circumstances referred to in 10.1(a), Target has requested that provision be made for the payment outlined in clause 10.2, without which Target would not have entered into this agreement or otherwise agreed to implement the Scheme.
- (c) Bidder believes, having taken advice from its advisers, that the implementation of the Transaction will provide significant benefits to Bidder and that it is appropriate for Bidder to agree to the payment referred to in clause 10.2 in order to secure Target's participation in the Transaction.

### 10.2 Expense Reimbursement Fee

Bidder must pay the Expense Reimbursement Fee to Target if the Condition in clause 3.1(b) (Other Regulatory Approvals) becomes incapable of satisfaction or is not satisfied by the End Date.

### 10.3 Timing

- (a) A demand by Target for payment of the Expense Reimbursement Fee under clause 10.2 must:
  - (i) be in writing;

- For personal use only
- (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 into which the party is to pay the Expense Reimbursement Fee.
- (b) Bidder must pay the Expense Reimbursement Fee into the account nominated by Target, without set-off or withholding, within 5 Business Days after receiving a demand for payment where Target is entitled under clause 10.2 to the Expense Reimbursement Fee.

#### **10.4 Basis of Expense Reimbursement Fee**

The Expense Reimbursement Fee has been calculated to reimburse Target for costs including the following:

- (a) fees for legal, financial and other professional advice in planning and implementing the Transaction incurred (excluding success fees);
- (b) costs of management and directors' time in planning and implementing the Transaction;
- (c) out of pocket expenses incurred by Target and Target's employees, advisors and agents in planning and implementing the Transaction; and
- (d) reasonable opportunity costs incurred in pursuing the Transaction or in not pursuing other alternative acquisitions or strategic initiatives which could have been developed to further business and objectives,

in each case, incurred by the Target directly or indirectly as a result of having entered into this agreement and pursuing the Transaction and the parties agree that:

- (e) the costs actually incurred by Target will be of such a nature that they cannot all be accurately ascertained;
- (f) the Expense Reimbursement Fee is a genuine and reasonable pre-estimate of those costs; and
- (g) both parties have received advice from their respective legal advisors on the operation of this clause 10.4.

#### **10.5 No payment if Scheme becomes Effective**

No Expense Reimbursement Fee is payable if the Scheme becomes Effective. To the extent that any amount has already been paid under this clause 10 and the Scheme becomes Effective, such amount must be refunded to Bidder within 5 Business Days.

#### **10.6 Expense Reimbursement Fee payable once**

Where the Expense Reimbursement Fee becomes payable to Target under clause 10.2 and is actually paid to Target, Target cannot make any claim against Bidder for payment of any subsequent Expense Reimbursement Fee.

#### **10.7 Compliance with law**

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a court that all or any part of the Expense Reimbursement Fee required to be paid under clause 10.2 (**Impugned Amount**):

- (a) is unlawful;
- (b) involves a breach of directors' duties; or
- (c) constitutes unacceptable circumstances or breaches an order of the Takeovers Panel,
- then,
- (d) the requirement to pay the Expense Reimbursement Fee does not apply to the extent of the Impugned Amount; and
- (e) if Target has received the Impugned Amount, it must refund it within five Business Days of the final determination being made.

If the Target Payment is reduced by an amount (including under clause 9.8), the Expense Reimbursement Fee will be reduced by the same amount.

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## 11. Liability of directors, officers and employees

### 11.1 Liability of directors, officers and employees

To the maximum extent permitted by law, each party releases all rights against, and agrees that it will not make any claim against, the other party's past or present Representatives in respect of any matter arising in connection with this agreement or the Transaction, including:

- (a) any breach of any representation or warranty;
- (b) any disclosure containing any statement which is false or misleading (whether by omission or otherwise);
- (c) any failure to provide information; or
- (d) whether current, future, known or unknown, arising at common law, in equity, under statute or otherwise,

except to the extent arising from the fraud or wilful misconduct of the relevant Representative.

### 11.2 Directors and officers insurance

- (a) Bidder acknowledges and agrees that prior to the Implementation Date, the Target will engage the Target's insurance broker to run a process to secure run off directors' and officers' liability insurance cover (**Run Off Cover**) for the benefit of each director and officer (and relevant former directors and officers) of the Target Group, seeking at least 3 proposals from reputable insurers to provide Run Off Cover covering claims made up to 7 years after the Implementation Date in respect of matters occurring on or before the Implementation Date, so far as reasonably practicable on the following basis:
- (i) the same amount of coverage;
- (ii) the same deductible or excess; and
- (iii) otherwise on terms (including as to limits of liability) no less favourable than under the directors and officers insurance policy in effect at the date of this agreement.
- (b) The Target must keep Bidder reasonably informed of all material developments in relation to the process to obtain Run Off Cover and provide Bidder with all



information reasonably requested in connection with the pricing placing, or progress of, the process.

- (c) Prior to the Implementation Date the Target may enter into the Run Off Cover which has the lowest cost (inclusive of costs of brokerage, stamp duty and other transaction costs in relation thereto) of the proposals received under the process in clause 11.2(a).
- (d) For the avoidance of doubt, any actions taken to facilitate the Run Off Cover or in connection with that insurance will not, by themselves, be a Target Prescribed Occurrence or a breach of any provision of this agreement or give rise to any right to terminate this agreement and will be disregarded when assessing the operation of any other part of this agreement.

### **11.3 Obligations in relation to directors and officers insurance**

From the Implementation Date, Bidder must procure that Target does not:

- (a) vary or cancel the Run Off Cover; or
- (b) unless required under the Run Off Cover, commit any act or omission that may prejudice any claim under the Run Off Cover.

### **11.4 Directors and officers indemnities**

Without limiting any other term of this agreement, Bidder undertakes that it will from the Implementation Date and in respect of each deed of indemnity, access and insurance entered into prior to the date of this Agreement (**Relevant Deed**) by a Target Group Member (**Relevant Entity**) in favour of a director, officer or employee of any Target Group Member, whether past or present, (**Indemnified Person**) from time to time procure that:

- (a) the Relevant Entity complies with the Relevant Deed; and
- (b) to the extent that the Relevant Entity ceases to exist after the Implementation Date, each Indemnified Person has the benefit of an indemnity from another Target Group Member of good financial standing (at the Indemnified Person's election) on terms no less favourable to the Indemnified Person than those contained in the Relevant Deed as at the Implementation Date.

### **11.5 Compliance with law and benefit**

- (a) Clause 11.1 and clause 11.4 is subject to any restriction under the Corporations Act and will (if and to the extent required) be read down accordingly.
- (b) Bidder acknowledges and agrees that the Target holds the benefit of this clause 11 to the extent it relates to each Target Indemnified Party as trustee for them, and, as such, each such Target Indemnified Party may enforce this clause 11 against Bidder.

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## **12. Representations, warranties and indemnities**

### **12.1 Representations and warranties by Bidder**

Bidder (and if applicable, Bidder Nominee) represents and warrants to Target that:

- (a) on each date from the date of this agreement until the Second Court Date:
  - (i) it is a company properly incorporated and validly existing under the laws of its place of incorporation;

- (ii) the execution and delivery by Bidder (and if applicable, Bidder Nominee) of the Transaction Documents to which Bidder or Bidder Nominee is party has been properly authorised by all necessary corporate action and Bidder or Bidder Nominee has full corporate power and lawful authority to execute and deliver such Transaction Documents and to perform or cause to be performed its obligations under such Transaction Documents;
  - (iii) the Transaction Documents to which Bidder and Bidder Nominee are party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms, and do not conflict with or result in a breach of or default under:
    - A. the constitution or equivalent constituent documents of Bidder or any of its Subsidiaries; or
    - B. any writ, order or injunction, judgment, law, rule, obligation or regulation to which Bidder or any of its Subsidiaries is party, or by which Bidder or any of its Subsidiaries is bound; and
  - (iv) other than as expressly contemplated by clause 3, no shareholder or Regulatory Authority approvals are required to be obtained by the Bidder Group in order for it to execute and perform the Transaction Documents to which it is a party;
- (b) on each date from the date of this agreement until the Implementation Date, no Insolvency Event has occurred in relation to:
- (i) Bidder; or
  - (ii) any other member of the Bidder Group that would affect Bidder's ability to comply with its obligations under this agreement;
- (c) on the First Court Date, the date of dispatch of the Explanatory Memorandum, the date of the Explanatory Memorandum and the Second Court Date:
- (i) the Bidder Information has been prepared and included in the Explanatory Memorandum in good faith and on the understanding that Target and the Target Indemnified Parties have relied on that information for the purposes of considering and approving the Target Information in the Explanatory Memorandum and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;
  - (ii) the Bidder Information complies in all material respects with relevant laws (including the Corporations Act, Listing Rules and relevant Regulatory Guides), and includes all information regarding Bidder, Bidder Nominee (if applicable), their Related Bodies Corporate and the Scheme Consideration that is required by the Corporations Act, Regulatory Guides and Listing Rules to be included in the Explanatory Memorandum;
  - (iii) the Bidder Information in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive in any material respect and does not contain any material omission;
  - (iv) Bidder has complied with its obligations under clause 4.5(h); and
  - (v) all information provided by or on behalf of Bidder to the Independent Expert is not misleading or deceptive in any material respect and does

not contain any material omission and has been prepared and provided in good faith and on the understanding that the Independent Expert have relied on the information for the purposes of preparing the Independent Expert's Report;

- (d) on each date from the date of this agreement until the Implementation Date, neither Bidder nor any of its Associates has any agreement, arrangement or understanding with any Target Shareholder under which that Target Shareholder (or an Associate of that Target Shareholder) would be entitled to receive consideration for their Target Shares different from the Scheme Consideration or under which the Target Shareholder agrees to vote in favour of the Scheme or against any Competing Proposal other than in respect of voting intention statements with prior written consent of the Target;
- (e) on each date from the date of this agreement until the Implementation Date, neither Bidder nor any of its Associates has any agreement, arrangement or understanding with any director, officer or employee of Target relating in any way to the Transaction or operations of Target after the Effective Date;
- (f) as at 8:00 am on the Second Court Date, Bidder (or if applicable, Bidder Nominee) will have sufficient cash amounts (whether from internal cash resources or external financial commitments, or a combination of both) available to it on an unconditional basis (other than conditions relating to the approval of the Court and related procedural matters or documentary requirements which, by their terms or nature, can only be satisfied or performed after the Second Court Date), to ensure that the Scheme Consideration is paid to Scheme Shareholders in accordance with the terms of this agreement, the Scheme and the Deed Poll; and
- (g) any statement of opinion or belief contained in the Bidder Information is honestly held and there are reasonable grounds for holding the opinion or belief.

## **12.2 Reliance on Bidder Warranties**

- (a) Bidder acknowledges and agrees that in entering into this agreement Target has relied on the Bidder Warranties.
- (b) Bidder indemnifies Target against any claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising, which may be suffered or incurred by reason of any breach of any of the Bidder Warranties.

## **12.3 Representations and warranties by Target**

Target represents and warrants to Bidder that:

- (a) on each date from the date of this agreement until the Second Court Date:
  - (i) it is a company properly incorporated and validly existing under the laws of its place of incorporation;
  - (ii) the execution and delivery by Target of the Transaction Documents to which Target is party has been properly authorised by all necessary corporate action and Target has full corporate power and lawful authority to execute and deliver such Transaction Documents and to perform or cause to be performed its obligations under such Transaction Documents;
  - (iii) the Transaction Documents to which Target is party constitute legal, valid and binding obligations on it, enforceable in accordance with their terms, and do not conflict with or result in a breach of or default under:

- A. the constitution or equivalent constituent documents of Target or any of its Subsidiaries; or
  - B. any Regulatory Authorisation (other than as Fairly Disclosed by the Target), writ, order or injunction, judgment, law, rule, obligation or regulation to which Target or any of its Subsidiaries is party, or by which Target or any of its Subsidiaries is bound; and
- (iv) other than as expressly contemplated by clause 3, no shareholder or Regulatory Authorisations are required to be obtained by the Target Group in order for Target to execute and perform the Transaction Documents to which it is a party;
  - (v) the Target has complied in all material respects with its continuous disclosure obligations under Listing Rule 3.1 and as at the date of this agreement is not withholding any information (other than the fact of its discussions and negotiations with Bidder relating to the Transaction and the subject matter of this agreement) from ASX under Listing Rule 3.1A that has not been Fairly Disclosed in the Target Due Diligence Material;
  - (vi) the Target Group has all material licences, permits, authorisations and approvals necessary for it to conduct its business in the manner in which it is conducted as at the date of this agreement, and as far as the Target is aware, no Target Group Member is in breach of, or default under, a material provision of any such licence, permit, authorisation or approval, including any of the Key Permits, nor has any Target Group Member received any notice in respect of the termination, revocation, variation or non-renewal of any such licence, permit, authorisation or approval, including the Key Permits;
  - (vii) as at the date of this agreement there are 185,267,605 Target Shares on issue, and Target has not issued (and is not required to issue and may not become required to issue) any other securities or instruments or rights which are still outstanding (or may become outstanding) and which may convert to Target Shares other than the Target Performance Rights and the Target SARs;
  - (viii) Target has prepared, compiled and made available to Bidder and its Representatives the Target Due Diligence Material in good faith in response to Bidder's requests for information and questions and as far as the Target is aware, Target has not:
    - A. omitted anything from such information that makes any part of that information materially false or misleading; or
    - B. included anything materially false or misleading in such information,however the Target does not make any representation or warranty as to the accuracy or adequacy of a forecast, prediction or projection, budget, business plan or other forward looking statement in respect of the future financial position of the Target.
- (b) on the First Court Date, the date of dispatch of the Explanatory Memorandum, the date of the Scheme Meeting and the Second Court Date:
    - (i) the Target Information has been prepared and included in the Explanatory Memorandum in good faith and on the understanding that Bidder and the Bidder Indemnified Parties have relied on that information for the purposes of considering and approving the Bidder Information in

the Explanatory Memorandum and that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report;

- (ii) the Target Information (as well as any Bidder Information to the extent that it consists of information relating to the Target Group that was provided to Bidder by or on behalf of Target, or has been extracted from announcements made by Target to the ASX regarding the Target Group) does not contain a statement which is misleading or deceptive in any material respect and does not contain any material omission; and
  - (iii) the Target Information complies in all material respects with relevant laws (including the Corporations Act, Listing Rules and relevant Regulatory Guides);
  - (iv) the Target Information in the form and context in which it appears in the Explanatory Memorandum is not misleading or deceptive in any material respect and does not contain any material omission;
  - (v) Target has complied with its obligations under clause 4.4(r);
  - (vi) all information provided by or on behalf of the Target to the Independent Expert (other than information which has been provided to the Target by or on behalf of Bidder) is not misleading or deceptive in any material respect and does not contain any material omission and on the understanding that the Independent Expert has relied on the information for the purposes of preparing the Independent Expert's Report.
- (c) on the date of this agreement Target is not aware of any circumstances that would reasonably be expected to give rise to a Material Adverse Change;
  - (d) on each date from the date of this agreement until the Implementation Date, no Insolvency Event has occurred in relation to any Target Group Member; and
  - (e) any statement of opinion or belief contained in Target Information is honestly held and there are reasonable grounds for holding the opinion or belief.

#### **12.4 Qualification of Target Warranties**

- (a) The Target Warranties and the indemnity under clause 12.5(b), are subject to matters which:
  - (i) are expressly required or permitted by this agreement or the Scheme;
  - (ii) are within the actual knowledge of the Senior Vice President, Head of E&P Business Division, Jhoon Soo Jho, Head, New venture department, Nam Dae Jo, Leader, Upstream Asset Team, Won Jae Lee or Leader, Asset/Corp Acquisition Team, Dong Kyoon Kim prior to date of this agreement;
  - (iii) have been Fairly Disclosed in the Target Due Diligence Material or Target's announcements to the ASX regarding the Target Group in the 3 year period prior to the date of this agreement; or
  - (iv) would be Fairly Disclosed in a search of ASIC records in relation to Target Group prior to the date of this agreement.
- (b) Any representations and warranties given pursuant to clause 12.3, subject to Target's awareness, knowledge or belief are given by reference to the actual

awareness, knowledge or belief of the CEO, CFO, EGM Surat Basin, and company secretary of the Target.

## **12.5 Reliance on Target Warranties**

- (a) Target acknowledges and agrees that in entering into this agreement Bidder and the Bidder Indemnified Parties have relied on the Target Warranties.
- (b) Target indemnifies Bidder (on its own behalf and separately as trustee for each of the Bidder Indemnified Parties) against any claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising, which may be suffered or incurred by reason of any breach of any of the Target Warranties.

## **12.6 Notifications**

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or is reasonably likely to constitute a breach of any of the representations or warranties given by it under this clause 12.

## **12.7 Status of representations and warranties**

Each representation and warranty in this clause 12:

- (a) is severable;
- (b) will survive the termination of this agreement; and
- (c) is given with the intent that liability thereunder will not be confined to breaches which are discovered prior to the date of termination of this agreement.

## **12.8 Status and enforcement of indemnities**

- (a) Each indemnity in this agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this agreement.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this agreement.

## **12.9 Timing of representations and warranties**

Each representation and warranty made or given under clauses 12.1 or 12.3 is given at the date of this agreement, the date the Explanatory Memorandum is dispatched to Target Shareholders and as at 8.00 am on the Second Court Date, unless that representation or warranty is expressed to be given only at a particular time, in which case, it is given only at that time.

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# **13. Confidentiality and communications**

## **13.1 Confidentiality Deed**

- (a) Each party acknowledges and agrees that they continue to be bound by the Confidentiality Deed after the date of this agreement in respect of all information received by it from the other party on, before or after the date of this agreement and that the terms of this agreement will prevail over the terms of the Confidentiality Deed to the extent of any inconsistency.

- (b) With the Target's prior written consent (which must not be unreasonably withheld or delayed), Target releases Bidder from its obligations under the Confidentiality Deed, to the extent necessary to allow the Bidder (or its Representatives) to discuss the Transaction with Target Shareholders.

### **13.2 Survival of obligations**

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

### **13.3 Disclosure on termination of agreement**

The parties agree that, if this agreement is terminated under clause 14, any party may disclose:

- (a) the fact that this agreement has been terminated, where such disclosure is required by the Listing Rules or is in the reasonable opinion of that party required to ensure that the market in its securities is properly informed; and
- (b) the fact that this agreement has been terminated to ASIC.

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## **14. Termination and remedies**

### **14.1 Limited termination events**

This agreement may only be terminated by either party in the circumstances contemplated by clauses 14.2 and 14.3, or if the parties agree in writing to terminate this agreement.

### **14.2 Termination by Bidder**

Bidder may terminate this agreement at any time before 8.00 am on the Second Court Date:

- (a) in accordance with clause 3.6; or
- (b) by notice in writing to Target if:
- (i) Target is in material breach of any of clause of this agreement, (including the Target Warranties where that breach is material in the context of the Transaction as a whole), provided that Bidder is only entitled to terminate if it has given notice to Target setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the Business Day before the Second Court Date) from the time such notice is received by Target;
  - (ii) any of the Target directors publicly change, withdraw or adversely revises their Recommendation or Voting Intention or publicly recommend, support or endorse a Competing Proposal, for any reason, whether or not permitted to do so under this agreement; or
  - (iii) any Target Group Member accepts or enters into any agreement, arrangement or understanding to give effect to or implement a Competing Proposal, whether or not permitted to do so under this agreement.

### **14.3 Termination by Target**

Target may terminate this agreement at any time before 8.00 am on the Second Court Date:

- (a) in accordance with clause 3.6; or
- (b) by notice in writing to Bidder if:
- (i) as at the time before 8.00 am on the Second Court Date, Bidder is in material breach of any clause of this agreement (including the Bidder Warranties, where that breach is material in the context of the transaction as a whole) provided that Target is only entitled to terminate if it has given notice to Bidder setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist 5 Business Days (or any shorter period ending at 5.00 pm on the Business Day before the Second Court Date) from the time such notice is received by Bidder; or
  - (ii) a majority of Target directors publicly change or withdraw their Recommendation or Voting Intention or publicly recommend a Competing Proposal, in each case where permitted to do so under this agreement.

#### **14.4 Termination by written agreement**

The parties may terminate this agreement by another written agreement between them.

#### **14.5 Effect of termination**

If this agreement is terminated:

- (a) the provisions of this agreement shall cease to have effect except for the provisions of clauses 1, 9, 10, 12.7, 12.8, 13, 14.5, 15, 16, 17.1 to 17.7 (inclusive), 17.9 to 17.12 (inclusive) and 18 which will survive termination; and
- (b) subject to any rights or obligations arising under or pursuant to those clauses referred to in clause 14.5(a) which will survive termination, no party shall have any rights against or obligations to any other party under this agreement, except for those rights and obligations accrued prior to termination of the agreement.

#### **14.6 Notice of termination**

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

#### **14.7 Remedies**

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

#### **14.8 Target's limitation of liability**

Notwithstanding any other provision of this agreement and other than in the case of fraud or wilful misconduct, the maximum liability of Target to Bidder under or in connection with this agreement will be the amount of the Target Payment and no further damages, fees, expenses or reimbursements of any kind will be payable by Target under or in connection with this agreement.



## 15. Notices

### 15.1 How notice to be given

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) must be given to a party:
  - (i) by hand delivery, courier service, prepaid express post or email; and
  - (ii) using the address or other details for the party set out in the below table (or as otherwise notified by that party to each other party from time to time under this clause 15):

Party name	Attention	Address	Email address
Target	Company Secretary Senex Energy Limited	Level 30, 180 Ann Street Brisbane, Queensland 4000	[REDACTED]
Bidder	Leader, Asset/Corp Acquisition Team, Dong Kyoon Kim	165, Convensia-daero, Yeonsu-gu, Incheon, 21998, Korea	[REDACTED]

- (b) must be in legible writing and in English;
- (c) (in the case of communications other than email) must be signed by the sending party or by a person duly authorised by the sending party;
- (d) (in the case of email) must:
  - (i) state the name of the sending party or a person duly authorised by the sending party and state that the email is a communication under or in connection with this deed; and
  - (ii) if the email contains attachments, ensure the attachments are in PDF or other non-modifiable format the receiving party can open, view and download at no additional cost,

and communications sent by email are taken to be signed by the named sender.

### 15.2 When notice taken to be received

Without limiting the ability of a party to prove that a notice has been given and received at an earlier time, each communication (including each notice, consent, approval, request and demand) under or in connection with this deed: is taken to be given by the sender and received by the recipient:

- (a) (in the case of delivery by hand or courier service) on delivery;
- (b) (in the case of prepaid express post sent to an address in the same country) on the fourth Business Day after the date of posting;

- (c) (in the case of prepaid express post sent to an address in another country) on the tenth Business Day after the date of posting;
- (d) (in the case of email, whether or not containing attachments) the earlier of:
- (i) the time sent (as recorded on the device from which the sender sent the email) unless, within 4 hours of sending the email, the party sending the email receives an automated message that the email has not been delivered;
  - (ii) receipt by the sender of an automated message confirming delivery; and
  - (iii) the time of receipt as acknowledged by the recipient (either orally or in writing),

provided that:

- (e) the communication will be taken to be so given by the sender and received by the recipient regardless of whether:
- (i) the recipient is absent from the place at which the communication is delivered or sent;
  - (ii) the communication is returned unclaimed; and
  - (iii) (in the case of email) the email or any of its attachments is opened by the recipient;
- (f) if the communication specifies a later time as the time of delivery then that later time will be taken to be the time of delivery of the communication; and
- (g) if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is delivered or sent).

### **15.3 Notices sent by more than one method of communication**

If a communication delivered or sent under this clause 15 is delivered or sent by more than one method, the communication is taken to be given by the sender and received by the recipient whenever it is taken to be first received in accordance with clause 15.2.

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## **16. GST**

### **16.1 Interpretation**

- (a) Except where the context suggests otherwise, and subject to clause 16.1(b), terms used in this clause have the meanings given to those terms by the A New Tax System (Goods and Services Tax) Act 1999 (as amended from time to time).
- (b) A reference to an input tax credit entitlement of an entity includes an input tax credit for an acquisition made by that entity but to which the representative member of any GST group to which that entity may belong is entitled. A reference to the GST payable by an entity includes GST payable by the representative member of any GST group to which that entity may belong.
- (c) Any part of a supply that is treated as a separate supply for GST purposes (including attributing GST payable to tax periods) will be treated as a separate supply for the purposes of this clause.

- (d) Any consideration for a supply that is specified to be inclusive of GST must not be taken into account in calculating the GST payable in relation to that supply for the purpose of this clause.

## 16.2 Reimbursements and similar payments

Any payment or reimbursement required to be made under this agreement that is calculated by reference to a cost, expense, or other amount paid or incurred will be limited to the total cost, expense or amount less the amount of any input tax credit to which an entity is entitled for the acquisition to which the cost, expense or amount relates.

## 16.3 GST payable

- (a) If GST is payable by a party (**Supplier**) in relation to a taxable supply the Supplier has made under or in connection with this agreement, then the party (**Recipient**) that is required to provide consideration for that supply must, subject to clause 16.1(d), pay an additional amount to the Supplier equal to the amount of that GST at the same times as other consideration is to be provided for that supply.
- (b) No payment of any amount pursuant to clause 16.3(a) is required until the Supplier has provided a valid tax invoice to the Recipient.
- (c) Where additional amounts are payable between parties to this agreement pursuant to clause 16.3(a), amounts so payable, to the extent they are equivalent in amount, shall be set off against each other as if paid and each party shall be obliged only to provide the tax invoice referred to in clause 16.3(b) no later than the time at which any consideration is to be first provided for that supply.
- (d) If the GST payable in relation to a supply made under or in connection with this agreement varies from the additional amount paid by the Recipient under clause 16.3(a) then the Supplier will provide a corresponding refund or credit to, or will be entitled to receive the amount of that variation from, the Recipient. Any payment, credit or refund under this paragraph is deemed to be a payment, credit or refund of the additional amount payable under clause 16.3(a). Where there is an adjustment event, the Supplier must promptly issue an adjustment note to the Recipient.

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## 17. General

### 17.1 No representation or reliance

- (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 and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this agreement, the circumstances surrounding the parties' entry into it and the transactions contemplated by it are expressly excluded.
- (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.

### 17.2 Entire agreement

The Transaction Documents and the Confidentiality Deed constitute the entire agreement between the parties in relation to their subject matter and supersede all previous agreements and understandings between the parties in relation to their subject matter.

### **17.3 Amendments**

This agreement may only be varied by a document signed by or on behalf of each party.

### **17.4 Assignment**

- (a) Subject to clause 17.4(b) below, a party may not assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of the other party.
- (b) Bidder may assign, grant a security interest over, novate or otherwise transfer by way of security, any of its rights or obligations under this agreement to a financier or financiers (or a security agent or security trustee thereof) without the prior written consent of Target solely for the purpose of obtaining finance or providing security in connection with the Transaction.

### **17.5 Consents**

Unless this agreement expressly provides otherwise, a consent under this agreement may be given or withheld in the absolute discretion of the party entitled to give the consent and to be effective must be given in writing.

### **17.6 Costs**

Except as otherwise provided in this agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing each Transaction Document.

### **17.7 Counterparts**

This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes an original of this agreement, and all together constitute one agreement.

### **17.8 Further acts and documents**

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by another party to give effect to this agreement.

### **17.9 No merger**

A party's rights and obligations do not merge on completion of any transaction contemplated by this agreement.

### **17.10 Severance**

If any provision or part of a provision of this agreement is held or found to be void, invalid or otherwise unenforceable (whether in respect of a particular party or generally), it will be deemed to be severed to the extent that it is void or to the extent of violability, invalidity or unenforceability, but the remainder of that provision will remain in full force and effect.

### **17.11 Stamp duties**

Bidder must pay all stamp duties and any related fines and penalties in respect of this agreement, the performance of this agreement and each transaction effected by or made under this agreement and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause 17.11.

## 17.12 Waivers

Without limiting any other provision of this agreement, the parties agree that:

- (a) failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this agreement;
- (b) a waiver given by a party under this agreement is only effective and binding on that party if it is given or confirmed in writing by that party; and
- (c) no waiver of a breach of a term of this agreement operates as a waiver of another breach of that term or of a breach of any other term of this agreement.

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## 18. Governing law, jurisdiction and service of process

### 18.1 Governing law

This agreement is governed by the law applying in New South Wales, Australia.

### 18.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this agreement; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 18.2(a).

**Schedule 1 Timetable**

<b>Event</b>	<b>Date</b>
Send Explanatory Memorandum to ASIC	Mid-January 2022
First Court Date	Early February 2022
Scheme Meeting	Early - Mid March 2022
Second Court Date	Early - Mid March 2022
Effective Date	Mid-March 2022
Record Date	Mid - Late March 2022
Implementation Date	Late March 2022

For personal use only

**Executed** as an agreement.

**Executed by Senex Energy Limited** in accordance with section 127 of the Corporations Act 2001 (Cth):



\_\_\_\_\_  
Signature of director

Ian Davies

\_\_\_\_\_  
Full name of director



\_\_\_\_\_  
Signature of company secretary/director

David Pegg

\_\_\_\_\_  
Full name of company secretary/director

For personal use only

Executed by POSCO INTERNATIONAL Corporation



\_\_\_\_\_  
Signature of President/CEO

**Si-Bo Joo**

\_\_\_\_\_  
Full name of President/CEO

For personal use only



**Annexure A Scheme**

For personal use only

# Scheme of arrangement made under section 411 of the Corporations Act

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## Date

**Parties** Senex Energy Limited ACN 008 942 827 of Level 30, 180 Ann Street, Brisbane, Queensland 4000 (**Target**)

Each person registered as a holder of fully paid ordinary shares in the capital of Target on the Record Date.

## Background

- A. Target and Bidder have entered into the Implementation Agreement, pursuant to which, amongst other things, Target agreed to propose this Scheme to Target Shareholders and each of Target and Bidder agreed to take certain steps to give effect to this Scheme.
- B. If the Scheme becomes Effective, Bidder will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the provisions of this Scheme, and Bidder will acquire all Scheme Shares and Target will enter Bidder in Target Share Register as the holder of the Scheme Shares.

## Operative provisions

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### 1. Definitions and interpretation

#### 1.1 Definitions

Unless the context requires otherwise, in this Scheme:

**Aggregate Scheme Consideration** means the aggregate amount of the Scheme Consideration payable to Scheme Shareholders for all Scheme Shares under the Scheme.

**ACCC** means the Australian Competition and Consumer Commission.

**ATO** means the Australian Tax Office.

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

**ASX** means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

**Bidder** means POSCO INTERNATIONAL Corporation of 165, Convensia-daero, Yeonsu-gu Incheon, Republic of Korea.

**Bidder Nominee** has the meaning given in clause 4.3 of the Implementation Agreement.

**Business Day** means a day which is a "Business Day" within the meaning given in the Listing Rules.

**CHESS** means the Clearing House Electronic Subregister System for the electronic transfer of securities, operated by ASX Settlement Pty Limited, a wholly-owned subsidiary of ASX.

**Condition** means each condition specified in clause 3.1 of the Implementation Agreement.

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

**Court** means the Sydney Registry of the Federal Court of Australia or such other court of competent jurisdiction as Target and Bidder agree in writing.

**DAWE** means the Commonwealth Department of Agriculture, Water and the Environment.

**Deed Poll** means a deed poll to be executed by Bidder in favour of the Scheme Shareholders, substantially in the form set out in Annexure B to the Implementation Agreement or in such other form as Target and Bidder agree in writing.

**DES** means the Queensland Department of Environment and Science.

**DOR** means the Queensland Department of Resources.

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

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

**Encumbrance** means a mortgage, charge, pledge, lien, encumbrance, security interest, title retention, preferential right, trust arrangement, contractual right of set-off, or any other security agreement or arrangement in favour of any person, whether registered or unregistered, including any Security Interest.

**End Date** means 30 June 2022 or such other date agreed in writing between Target and Bidder.

**FIRB** means Foreign Investment Review Board.

**Implementation Agreement** means the scheme implementation agreement between Target, and Bidder, dated [●] December 2021.

**Implementation Date** means the date which is 5 Business Days after the Record Date or such other date as Target and Bidder agree in writing.

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

**Marketable Parcel** has the meaning given to that term in the Listing Rules.

**Record Date** means 7.00 pm (Sydney time) on the date which is 5 Business Days after the Effective Date or such other time and date agreed in writing between Bidder and Target.

**Registered Addresses** means in relation to a Scheme Shareholder, the address of the Scheme Shareholder as recorded in Target Share Register.

**Regulatory Authority** means:

- (a) a government or governmental, semi-governmental, administrative, fiscal or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, tribunal, agency, board, authority or organisation of any government;
- (c) any regulatory organisation established under statute; and
- (d) in particular, FIRB, ASX, ASIC, ACCC, ATO, DAWE, DES, DOR or WHSQ.

**Related Body Corporate** has the meaning given to it in section 50 of the Corporations Act.

**Relevant Amount** has the meaning given in clause 5.6(a).

**Representatives** means, in relation to a party, all directors, officers, employees, professional advisers (including financiers, financial advisers, corporate advisers, legal advisers or technical or other expert advisers or consultants) and agents of the party or of its Related Bodies Corporate.

**Scheme** means this scheme of arrangement under Part 5.1 of the Corporations Act, subject to any alterations or conditions that are made or required by Court under section 411(6) of the Corporations Act and agreed to in writing by Bidder and Target.

**Scheme Consideration** means the amount of \$4.60 per Scheme Share.

**Scheme Meeting** means the meeting of Target Shareholders convened by the Court in relation to the Scheme pursuant to section 411(1) of the Corporations Act.

**Scheme Share** means a Target Share on issue as at the Record Date.

**Scheme Shareholder** means each person registered in the Target Share Register as the holder of one or more Scheme Shares as at the Record Date.

**Scheme Transfer** means one or more proper instruments of transfer in respect of the Scheme Shares for the purposes of section 1071B of the Corporations Act, which may be or include a master transfer of all or part of the Scheme Shares.

**Second Court Date** means the first day of hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

**Security Interest** has the meaning given in section 12 of the Personal Property Securities Act 2009 (Cth).

**Separate Account** has the meaning given in clause 5.2(d).

**Share Registry** means Computershare Investor Services Pty Limited of Level 1, 200 Mary Street, Brisbane, Queensland 4000.

**Target Performance Rights** has the same meaning given in the Implementation Agreement.

**Target SARs** has the meaning given in the Implementation Agreement.

**Target Share Register** means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

**Target Shareholder** means a person who is registered in the Target Share Register as a holder of Target Shares.

**Target Shares** means fully paid ordinary shares in the capital of Target.

**Trust Account** means an Australian dollar denominated trust account which is operated by or on behalf of Target as trustee for the Scheme Shareholders, details of which Target must notify to Bidder no later than 10 Business Days before the Implementation Date.

**WHSQ** means Workplace Health and Safety Queensland.

**Withholding Amount** has the meaning given in clause 5.6(a).

## 1.2 Business Day

If the day on which any act to be done under this Scheme is a day other than a Business Day, that act must be done on the immediately preceding Business Day except where this Scheme expressly specifies otherwise.

### 1.3 Listing rules are law

A Listing Rule or business rule of a financial market or securities exchange will be regarded as a law for the purposes of this Scheme and a reference to legislation (as appropriate).

### 1.4 Interpretation

In this Scheme headings are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes any substituted or additional trustee;
- (f) a reference to a document (including this Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (g) a reference to a party, clause, schedule, exhibit, attachment, or annexure is a reference to a party, clause, schedule, exhibit, attachment, or annexure to or of this Scheme, and a reference to this Scheme includes all schedules, exhibits, attachments, and annexures to it;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (**obsolete body**), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (**delegated legislation**) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) a reference to **\$** or **dollar** is to Australian currency;
- (k) if a word or phrase is not given a defined meaning in clause 1.1 but is defined in or for the purposes of the Corporations Act, it has the same meaning when used in this Scheme;
- (l) a reference to a date or time is to that date or time in Sydney, Australia; and
- (m) this Scheme (including any term or condition of it) must not be construed adversely to a party solely on the basis that the party prepared it or caused it to be prepared.

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## 2. Preliminary matters

### 2.1 Target

- (a) Target is a public company limited by shares, incorporated in Australia and registered in the State of Western Australia.

- (b) Target is admitted to the official list of ASX and Target Shares are officially quoted on the ASX.
- (c) As at the date of the Implementation Agreement the following securities were on issue in Target:
- (i) 185,267,605 Target Shares;
  - (ii) Target Performance Rights; and
  - (iii) Target SARs.

## 2.2 Bidder

- (a) Bidder is a public company listed on the Korea Stock Exchange, incorporated and validly existing under the laws of the Republic of Korea.
- (b) Pursuant to clause 4.3 of the Implementation Agreement, Bidder may nominate a subsidiary of Bidder (**Bidder Nominee**) to pay the Scheme Consideration and to which the Scheme Shares are to be transferred in accordance with this Scheme.

## 2.3 Implementation Agreement

Bidder and Target have agreed, by executing the Implementation Agreement, to implement this Scheme (among other things). In particular, Target and Bidder have agreed that each of them will perform their respective obligations under the Scheme which relate to each of them respectively and have agreed to take certain steps to give effect to the Scheme (and if Bidder nominates a Bidder Nominee, then Bidder guarantees the performance by Bidder Nominee of all its obligations).

## 2.4 Deed Poll

Bidder and Bidder Nominee have agreed, by executing the Deed Poll, to perform their respective obligations under this Scheme, including the obligation to provide or procure the provision of the Scheme Consideration to the Scheme Shareholders in accordance with the terms of the Scheme.

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## 3. Conditions precedent

### 3.1 Conditions

- (a) The Scheme is conditional on, and will have no force or effect unless and until, each of the following conditions precedent is satisfied:
- (i) all of the Conditions in clause 3.1 of the Implementation Agreement (other than the condition in clause 3.1(g) (Court Approval)) are satisfied or waived in accordance with the terms of the Implementation Agreement by no later than 8.00am on the Second Court Date;
  - (ii) neither the Implementation Agreement nor Deed Poll is terminated in accordance with their respective terms before 8.00am on the Second Court Date;
  - (iii) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Target and Bidder (such agreement not to be unreasonably withheld or delayed);
  - (iv) such other conditions made or required by the Court under section 411(6) of the Corporations Act, as are agreed to by Target and Bidder

(such agreement not to be unreasonably withheld or delayed) are satisfied; and

- (v) the orders of the Court made under section 411(4)(b) (and, if applicable section 411(6)) of the Corporations Act approving the Scheme coming into effect, under section 411(10) of the Corporations Act, on or before the End Date.

### **3.2 Certificates**

- (a) On the Second Court Date, Target and Bidder must each provide to the Court a certificate, or such other evidence as the Court may require or request, confirming (in respect of matters within their knowledge) whether or not as at 8.00am on the Second Court Date all of the Conditions in clause 3.1 of the Implementation Agreement (other than the conditions in clause 3.1(g) (**Court Approval**) of the Implementation Agreement) have been satisfied or waived.
- (b) The certificates given by Target and Bidder under clause 3.2(a) constitute conclusive evidence that the Conditions in clause 3.1 of the Implementation Agreement (other than the conditions in clause 3.1(g) (**Court Approval**) of the Implementation Agreement) have been satisfied or waived.

### **3.3 End Date**

Without limiting any rights under the Implementation Agreement, this Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Implementation Agreement or the Deed Poll is terminated in accordance with its terms,

unless Target and Bidder otherwise agree in writing (and, if required, as approved by the Court).

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## **4. Implementation of the Scheme**

### **4.1 Lodgement of Court orders**

for the purposes of section 411(10) of the Corporations Act, Target must lodge with ASIC an office copy of the orders made by the Court under section 411(4)(b) of the Corporations Act approving this Scheme as soon as possible following such approval and, in any event, by no later than 5.00pm on the first Business Day after the Court approves this Scheme (or such later date as is agreed between the parties in writing).

### **4.2 Consequences of this Scheme becoming Effective**

If this Scheme becomes Effective:

- (a) in consideration for the transfer of each Scheme Share to Bidder (or Bidder Nominee), Bidder (or Bidder Nominee) will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll;
- (b) subject to Bidder (or Bidder Nominee) fulfilling its obligations under clauses 4.2(a) and 5.2(a), all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to Bidder (or Bidder Nominee); and

- (c) Target will enter, or procure the entry of, the name of Bidder (or Bidder Nominee) in the Target Share Register in respect of all the Scheme Shares in accordance with this Scheme.

### **4.3 Transfer of Scheme Shares**

On the Implementation Date:

- (a) subject to Bidder providing or procuring the provision of the Scheme Consideration in the manner contemplated by clause 5.2(a) of this Scheme and the Deed Poll, all of the Scheme Shares, together with all rights and entitlements attaching to them at the Implementation Date, must be transferred to Bidder (or Bidder Nominee), without the need for any further act by any Scheme Shareholder (other than acts performed by Target or its officers as agent and attorney of the Scheme Shareholders under clause 8.5 of this Scheme or otherwise) by:
- (i) Target delivering to Bidder a duly completed and executed Scheme Transfer to transfer all of the Scheme Shares to Bidder (or Bidder Nominee), executed on behalf of the Scheme Shareholders by Target (or any of its officers) as their agent and attorney; and
  - (ii) Bidder (or Bidder Nominee) duly executing such Scheme Transfer and delivering the executed and, if necessary, stamped, Scheme Transfer to Target for registration; and
- (b) immediately following receipt of the Scheme Transfer in accordance with clause 4.3(a)(ii), Target entering, or procuring the entry of, the name of Bidder (or Bidder Nominee) in the Target Share Register in respect of all the Scheme Shares.

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## **5. Scheme Consideration**

### **5.1 Entitlement to Scheme Consideration**

Each Scheme Shareholder will be entitled to the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder in accordance with the terms of this Scheme.

### **5.2 Provision of Scheme Consideration**

- (a) Subject to clause 5.6, the obligation of Bidder to provide, or procure the provision of, the Scheme Consideration to Scheme Shareholders in accordance with this Scheme and the Deed Poll will be satisfied by Bidder (or Bidder Nominee):
- (i) paying, or procuring the payment, into the Trust Account, of an amount in cleared funds equal to the Aggregate Scheme Consideration by no later than one Business Day before the Implementation Date to be held by or on behalf of Target on trust for the Scheme Shareholders (except that any interest on the amount deposited less bank fees and other charges will be for the account of Bidder); and
  - (ii) providing Target with written confirmation that payment has been made in accordance with clause 5.2(a)(i) above.
- (b) Subject to Bidder (or Bidder Nominee) complying with its obligations under clause 5.2(a), Target must on the Implementation Date pay, or procure the payment, from the Trust Account to each Scheme Shareholder an amount equal to the Scheme Consideration in respect of each Scheme Share held by that Scheme Shareholder as set out in the Target Register on the Record Date, less any amount retained by Target under clause 5.5 or Bidder under clause 5.6.
- (c) Target's obligations under clause 5.2(b) will be satisfied by Target:



- (i) where a Scheme Shareholder has, on or before the Record Date, made an election in accordance with the requirements of the Share Registry to receive dividend payments from Target by electronic funds transfer to a bank account nominated by the Scheme Shareholder, paying, or procuring the payment of, the relevant amount to that Scheme Shareholder in Australian currency by electronic means in accordance with that election; or
  - (ii) whether or not a Scheme Shareholder has made an election referred to in clause 5.2(c)(i), dispatching, or procuring the dispatch of, a cheque in Australian currency for the relevant amount to that Scheme Shareholder by prepaid post to the Registered Address of that Scheme Shareholder, such cheque being drawn in the name of the Scheme Shareholder (or in the case of joint holders, in accordance with clause 5.7).
- (d) If either:
- (i) a Scheme Shareholder does not have a Registered Address and no account has been notified in accordance with clause 5.2(c)(i) or a deposit into such an account is rejected or refunded; or
  - (ii) a cheque issued under this clause 5 has been cancelled in accordance with clause 5.3(a),

**(Unclaimed Consideration),**

Target as the trustee for the Scheme Shareholders may credit the amount payable to the relevant Scheme Shareholder to a separate bank account of Target (**Separate Account**) to be held until the Scheme Shareholder claims the amount or the amount is dealt with as Unclaimed Consideration in accordance with clause 5.3. To avoid doubt, if the amount is not credited to a Separate Account, the amount will continue to be held in the Trust Account until the Scheme Shareholder claims the amount or the amount is dealt with as Unclaimed Consideration in accordance with clause 5.3. Until such time as the amount is dealt with as Unclaimed Consideration in accordance with clause 5.3, the Target must hold the amount on trust for the relevant Scheme Shareholder but any interest or other benefit accruing from the amount will be to the benefit of the Bidder. The Target must maintain records of the amounts paid, the people who are entitled to the amount and any transfers of the amount(s).

- (e) If this Scheme lapses after Bidder has provided some or all of the Scheme Consideration in accordance with clause 5.2(a), but prior to Bidder being entered into the Target Share Register as the holder of the Scheme Shares in accordance with clause 4.3(b), Target must refund (or procure the refund) to Bidder of the amount deposited into the Trust Account in accordance with 5.2(a), together with any interest thereon (less bank fees and charges).

**5.3 Unclaimed, returned and other dealings with Scheme Consideration**

- (a) To the extent that a cheque properly despatched by or on behalf of Target pursuant to clause 5.2(c) is returned to Target (or its agents) as undelivered or the cheque is not presented by a Scheme Shareholder earlier than six months after the Implementation Date Target may cancel (or procure the cancellation of) a cheque sent under clause 5.2(c)(ii).
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Target (or the Share Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Target must reissue a cheque that was previously cancelled under clause 5.3(b).

- For personal use only
- (c) Target must deal with the Unclaimed Consideration in accordance with any applicable unclaimed moneys legislation.
  - (d) Any interest or other benefit accruing from Unclaimed Consideration (less bank fees and other charges) will be to the benefit of Bidder.
  - (e) Subject to Target complying with its obligations under clause 5.3(b), Target is discharged from liability to any Scheme Shareholder in respect of the Unclaimed Consideration.

#### 5.4 Treatment of surplus amounts

To the extent that there is a surplus in the amount held by Target as the trustee for the Scheme Shareholders in the Trust Account, that surplus may, at the election of Bidder, either remain with Target or be paid by Target as trustee for the Scheme Shareholders to Bidder (or Bidder Nominee) following the satisfaction of Target's obligation as the trustee for the Scheme Shareholders under this clause 5.

#### 5.5 Amounts to be withheld or retained

If written notice is given to Target (or the Share Registry) or Bidder (or Bidder Nominee) of an order or direction made by a court of competent jurisdiction or another Regulatory Authority that:

- (a) requires payment to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which amount would otherwise be payable to that Scheme Shareholder by Target in accordance with clause 5, then Target will be entitled to make that payment (or procure that it is made) in accordance with that order or direction; or
- (b) prevents Target from making a payment to a particular Scheme Shareholder in accordance with clause 5, or such payment is otherwise prohibited by applicable law, Target will be entitled to retain an amount, in Australian dollars, equal to the amount of the relevant payment until such time as payment in accordance with clause 5 is permitted by that order or direction or otherwise by law,

and the payment or retention by or on behalf of Target will constitute the full discharge of Target's obligations under this Scheme with respect to the amount so paid or retained until, in the case of clause 5.5(b), it is no longer required to be retained.

#### 5.6 Foreign resident capital gains withholdings

- (a) If Bidder, having regard to professional advice, is required by law to withhold any amount from a payment to a Scheme Shareholder or is liable to pay an amount to the Commissioner of Taxation under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) in respect of the acquisition of Scheme Shares from a Scheme Shareholder (the **Relevant Amount**), then Bidder shall be entitled to withhold an amount, in Australian dollars, equal to the amount of the Relevant Amount from the amount otherwise required to be paid into the Trust Account under clause 5.2(a) (**Withholding Amount**).
- (b) The Bidder must notify the Target at least 3 Business Days prior to the Implementation Date of each Scheme Shareholder which will be subject to a Withholding Amount and the Withholding Amount applying to each such Scheme Shareholder.
- (c) The payment of the reduced amount by Bidder into the Trust Account in accordance with clause 5.6(a) will constitute the full discharge of Bidder's obligations under clause 5.2(a) with respect to payment of Scheme Consideration to the relevant Scheme Shareholder, subject to Bidder paying the Withholding Amount to the relevant taxation authority and meeting its obligations under clause 5.6(b).

- (d) Bidder must pay any Withholding Amount so withheld to the relevant taxation authority, and, if requested in writing by the relevant Scheme Shareholder, provide a receipt or other appropriate evidence (or procure the provision of such receipt or other evidence) of such payment to the relevant Scheme Shareholder.

## **5.7 Joint holders**

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent at the sole discretion of Target, either to the holder whose name appears first in the Target Share Register as at the Record Date or to the joint holders (unless the joint holders have nominated a bank account under clause 5.2(c)(i), in which case the amount must be deposited directly to the nominated bank account of the joint holders);
- (b) any other document required to be sent under this Scheme will be forwarded at the sole discretion of Target, either to the holder whose name appears first in Target Share Register as at the Record Date or to the joint holders.

## **5.8 Rounding**

Where the calculation of the Scheme Consideration to be provided to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a cent, the fractional entitlement will be rounded up to the nearest whole cent.

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# **6. Dealings in Target Shares**

## **6.1 Dealings in Target Shares by Target Shareholders**

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

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Target Share Register as the holder of the relevant Target Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in respect of those dealings, or valid requests in respect of other alterations, are received on or before the Record Date at the place where the Target Share Register is kept,

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

## **6.2 Target Share Register**

- (a) Target must maintain the Target Share Register in accordance with the provisions of this clause 6.2 until the Scheme Consideration has been provided to the Scheme Shareholders and the Target Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) Target must register valid registrable transmission applications or transfers of the kind referred to in clause 6.1(b) by no later than the Record Date (provided that for the avoidance of doubt nothing in this clause 6.2(b) requires Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a Marketable Parcel).

- (c) Target will not accept for registration or recognise for any purpose any transmission application or transfer in respect of Target Shares received after the Record Date, other than to Bidder (or Bidder Nominee) in accordance with this Scheme.
- (d) If the Scheme becomes Effective, from the Record Date, no Scheme Shareholder may dispose of, purport or agree to dispose of, or otherwise deal with any Scheme Shares or any interest in them in any way except as set out in this Scheme and any attempt to do so will be void and have no effect and Target will be entitled to disregard any such disposal, purported disposal, agreement or other dealing.

### **6.3 Information made available to Bidder**

As soon as practicable after the Record Date and in any event at least 2 Business Days before the Implementation Date, Target will ensure that details of the names, Registered Addresses and holdings of Target Shares for each Scheme Shareholder as shown in the Target Share Register as at the Record Date are available to Bidder (or as it directs) in the form Bidder reasonably requires.

### **6.4 Effect of share certificates and holding statements**

- (a) Each entry which is current on the Target Share Register as at the Record Date is the sole evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.
- (b) All certificates and statements of holding for Target Shares (other than statements of holding in favour of Bidder and its successors in title) will cease to have effect after the Scheme Record Date as documents of title (or evidence thereof) in respect of those shares and, as from that date, each entry current at that date on the Target Share Register (other than entries in respect of Bidder or Bidder Nominee) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Target Shares relating to that entry.

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## **7. Quotation of Target Shares**

### **7.1 Suspension of trading**

Subject to the Scheme becoming Effective, Target will apply to the ASX to suspend trading in Target Shares with effect from the close of trading on the Effective Date.

### **7.2 Removal of Target from official list of ASX**

On a date after the Implementation Date to be determined by Bidder, Target will apply:

- (a) for termination of the official quotation of Target Shares on the ASX; and
- (b) to have itself removed from the official list of ASX.

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## **8. General Scheme provisions**

### **8.1 Consent to amendments to this Scheme**

If the Court proposes to approve this Scheme subject to any alterations or conditions:

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

## 8.2 Binding effect of the scheme

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

## 8.3 Agreement of Scheme Shareholders

Each Scheme Shareholder irrevocably:

- (a) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares, in accordance with terms of this Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) agrees to, on the direction of Bidder, destroy any share certificates or holding statements relating to their Scheme Shares;
- (d) acknowledges and agrees that this Scheme binds Target and all Scheme Shareholders (including those who did not attend the Scheme Meeting, those who did not vote at that Scheme Meeting, or voted against this Scheme at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of Target to the extent of any inconsistency; and
- (e) irrevocably consents to Bidder (or Bidder Nominee) and Target doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Scheme,

without the need for any further act by the Scheme Shareholder.

## 8.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to Target and Bidder (and if applicable, Bidder Nominee), and appointed and authorised Target as its attorney and agent to warrant to Bidder (and if applicable, Bidder Nominee) that:
  - (i) all Scheme Shares held by that Scheme Shareholder, together with all rights and entitlements attaching to those Scheme Shares, which are transferred to Bidder (or Bidder Nominee) under this Scheme will, at the time of transfer to Bidder (or Bidder Nominee), be:
    - A. fully paid;
    - B. free from all Encumbrances and third party rights or interests of any kind; and
    - C. free from all restrictions on transfer of any kind;
  - (ii) it has full power and capacity to sell and to transfer their Scheme Shares, together with all rights and entitlements attaching to their Scheme Shares, to Bidder; and
  - (iii) it has no existing right to be issued any Target Shares, options or rights exercisable into Target Shares, or any other form of Target security.
- (b) Target undertakes that it will provide such warranty to Bidder (and if applicable, Bidder Nominee) as agent and attorney for each Scheme Shareholder.

## 8.5 Authority given to Target

Upon this Scheme becoming Effective, each Scheme Shareholder without the need for any further act:

- (a) irrevocably appoints Target and each of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of:
  - (i) enforcing the Deed Poll against Bidder (or if applicable, Bidder Nominee);
  - (ii) doing and/or executing all acts, matters, things and documents necessary, desirable, incidental or expedient to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer,and Target accepts such appointment; and
- (b) will be deemed to have authorised Target to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary, desirable, incidental or expedient to give full effect to this Scheme and the transactions contemplated by it, including executing and delivering the Scheme Transfer as agent and attorney of each Scheme Shareholder.

## 8.6 Appointment of sole proxy

Upon the provision of the Scheme Consideration to the Scheme Shareholders and until Target registers Bidder (or Bidder Nominee) as the holder of all Scheme Shares in the Target Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed Bidder (or Bidder Nominee) as its attorney and agent (and directed Bidder (or Bidder Nominee) in such capacity) to appoint any director, officer, secretary or agent nominated by Bidder as its sole proxy and, where applicable, corporate representative to:
  - (i) attend shareholders' meetings of Target;
  - (ii) exercise the votes attaching to the Scheme Shares registered in their name; and
  - (iii) sign any Target Shareholders' resolutions, whether in person, by proxy or by corporate representative;
- (b) undertakes not to otherwise attend or vote at any of those meetings or sign or vote on any resolutions, whether in person, by proxy or by corporate representative, other than as pursuant to clause 8.6(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as Bidder (or Bidder Nominee) reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.6(a), Bidder and any director, officer, secretary or agent nominated by Bidder under clause 8.6(a) may act in the best interests of Bidder (or Bidder Nominee) as the intended registered holder of the Scheme Shares.

## 8.7 Title to Target Shares

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to them) will be transferred to the Bidder (or Bidder Nominee) free from all Encumbrances and third party rights or interests of any kind and free from all restrictions on transfer of any kind.

- (b) Upon the Scheme Consideration being provided to the Scheme Shareholders and until Target registers Bidder (or Bidder Nominee) as the holder of all Scheme Shares in the Target Share Register, Bidder (or Bidder Nominee) will be beneficially entitled to all of the Scheme Shares.

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## **9. General**

### **9.1 Stamp duties**

Bidder (or if applicable, Bidder Nominee) must pursuant to its obligations under the Deed Poll:

- (a) pay all stamp duties and any related fines and penalties in respect of the transfer of the Scheme Shares to Bidder (or Bidder Nominee) pursuant to this Scheme or the Deed Poll and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause; and
- (b) indemnify each Scheme Shareholder against any liability from a failure to comply with clause 9.1(a).

### **9.2 Notices**

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the registered office of the Target.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Target Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### **9.3 Further acts and documents**

Target must do all further acts and execute and deliver all further documents (on its own behalf and on behalf of each Scheme Shareholder) required by law or necessary to give effect to this Scheme and the transactions contemplated by it.

### **9.4 No liability when acting in good faith**

None of Target or Bidder, nor any of their respective directors, officers, secretaries, employees or Related Bodies Corporate, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

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## **10. Governing law and jurisdiction**

### **10.1 Governing law**

This Scheme is governed by the law applying in New South Wales, Australia.

### **10.2 Jurisdiction**

Each party irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of New South Wales, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Scheme; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings

have been brought in an inconvenient forum, if that venue falls within clause 10.2(a).

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**Annexure B Deed Poll**

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# Deed poll dated [●]

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**By** **POSCO INTERNATIONAL Corporation** of 165, Convensia-daero, Yeonsu-gu Incheon, Republic of Korea (**Bidder**)

[Bidder Nominee] (ACN [●]) of [●] (**Bidder Nominee**)

**In favour of** **Each person registered as a holder of fully paid ordinary shares in the capital Senex Energy Limited ACN 008 942 827** of Level 30, 180 Ann Street, Brisbane, Queensland 4000 (**Target**) on issue as at the Record Date (**Scheme Shareholders**)

## Background

- A. Target and Bidder have entered into the Implementation Agreement, pursuant to which, amongst other things, Bidder (or Bidder Nominee):
- (i) is to pay the Scheme Consideration to each Scheme Shareholder and acquire all Scheme Shares held by Scheme Shareholders under the Scheme; and
  - (ii) agreed to enter into this deed poll.
- B. Bidder and Bidder Nominee are entering into this deed poll for the purposes of covenanting in favour of the Scheme Shareholders to procure and undertake the actions attributed to them under the Scheme.

## It is declared as follows

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### 1. Definitions and interpretation

#### 1.1 Definitions

Unless the context requires otherwise, in this deed poll:

- (a) **First Court Date** means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.
- (b) **Implementation Agreement** means the scheme implementation agreement between Target and Bidder, dated [●] December 2021; and
- (c) **Scheme** means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between the Target and its shareholders, in substantially the same form as set out in Annexure A to the Implementation Agreement, subject to any alterations or conditions made or required by Court under section 411(6) of the Corporations Act and agreed to by Bidder and Target in writing.

#### 1.2 Terms defined in the Scheme

Capitalised words and phrases used but not defined in this deed poll have the meaning given to them in the Scheme, unless the context requires otherwise.

#### 1.3 Interpretation

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme form part of this deed poll as if set out in full in this deed poll, except that references to "Scheme" in those clauses will be taken to be references to "deed poll".

## 1.4 Nature of this deed poll

Each of Bidder and Bidder Nominee acknowledge and agree that:

- (a) this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it; and
- (b) under the Scheme, each Scheme Shareholder irrevocably appoints Target and all of its directors, secretaries and officers (jointly and severally) as its attorney and agents to enforce this deed poll against Bidder and Bidder Nominee.

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## 2. Condition Precedent

### 2.1 Condition

The obligations of Bidder and Bidder Nominee under this deed poll are subject to the Scheme becoming Effective.

### 2.2 Termination

The obligations of the Bidder and Bidder Nominee under this deed poll will automatically terminate and this deed poll will be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
  - (b) the Implementation Agreement is terminated in accordance with its terms,
- unless Target and Bidder otherwise agree in writing (and, if required, as approved by the Court).

### 2.3 Consequences of termination

If this deed poll terminates under clause 2.2, in addition to and without prejudice to any other rights, powers or remedies available to it:

- (a) Bidder and Bidder Nominee are released from their respective obligations to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights it has against Bidder and Bidder Nominee in respect of any breach of this deed poll which occurs before it was terminated.

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## 3. Scheme Obligations

Subject to clause 2, Bidder Nominee undertakes, and Bidder undertakes to procure Bidder Nominee, in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme; and
- (b) undertake all other actions attributed to it under the Scheme, as if named a party to the Scheme,

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

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## 4. Warranties

Each of Bidder and Bidder Nominee represents and warrants to each Scheme Shareholder that:

- (a) it is a company properly incorporated and validly existing under the laws of its place of incorporation;
- (b) it has the legal right and full corporate power to execute, deliver and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) it has taken all necessary corporate action to authorise its entry into this deed poll and has taken or will take all necessary corporate action to authorise the performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) this deed poll constitutes (or will when executed constitute) valid legal and binding obligations on it and is enforceable against it in accordance with its terms;
- (e) this deed poll does not conflict with or result in a breach of or default under:
- (i) the constitution or equivalent constituent documents of Bidder or any of its Subsidiaries; or
  - (ii) any writ, order or injunction, judgment, law, rule, obligation or regulation to which Bidder or any of its Subsidiaries is party, or by which Bidder or any of its Subsidiaries is bound.

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## 5. Continuing obligations

This deed poll is irrevocable and remains in full force and effect, subject to clause 2 of this deed poll, until the earlier of:

- (a) the time at which Bidder and Bidder Nominee have fully performed their obligations under this deed poll; and
- (b) the termination of this deed poll under clause 2.

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## 6. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this agreement:

- (a) must be given to a party:
  - (i) by hand delivery, courier service, prepaid express post or email; and
  - (ii) using the address or other details for the party set out in the below table (or as otherwise notified by that party to each other party from time to time under this clause 6):

Party name	Attention	Address	Email address
Target	Company Secretary  Senex Energy Limited	Level 30, 180 Ann Street Brisbane, Queensland 4000	[REDACTED]
Bidder and Bidder Nominee	Leader, Asset/Corp Acquisition Team, Dong Kyoon Kim	165, Convensia-daero, Yeonsu-gu, Incheon, 21998, Korea	[REDACTED]

- (b) must be in legible writing and in English;
- (c) (in the case of communications other than email) must be signed by the sending party or by a person duly authorised by the sending party;
- (d) (in the case of email) must:
- (i) state the name of the sending party or a person duly authorised by the sending party and state that the email is a communication under or in connection with this deed; and
  - (ii) if the email contains attachments, ensure the attachments are in PDF or other non-modifiable format the receiving party can open, view and download at no additional cost,

and communications sent by email are taken to be signed by the named sender.

## 6.2 When notice taken to be received

Without limiting the ability of a party to prove that a notice has been given and received at an earlier time, each communication (including each notice, consent, approval, request and demand) under or in connection with this deed: is taken to be given by the sender and received by the recipient:

- (a) (in the case of delivery by hand or courier service) on delivery;
- (b) (in the case of prepaid express post sent to an address in the same country) on the fourth Business Day after the date of posting;
- (c) (in the case of prepaid express post sent to an address in another country) on the tenth Business Day after the date of posting;
- (d) (in the case of email, whether or not containing attachments) the earlier of:
  - (i) the time sent (as recorded on the device from which the sender sent the email) unless, within 4 hours of sending the email, the party sending the email receives an automated message that the email has not been delivered;
  - (ii) receipt by the sender of an automated message confirming delivery; and
  - (iii) the time of receipt as acknowledged by the recipient (either orally or in writing),

provided that:

- (e) the communication will be taken to be so given by the sender and received by the recipient regardless of whether:
  - (i) the recipient is absent from the place at which the communication is delivered or sent;
  - (ii) the communication is returned unclaimed; and
  - (iii) (in the case of email) the email or any of its attachments is opened by the recipient;
- (f) if the communication specifies a later time as the time of delivery then that later time will be taken to be the time of delivery of the communication; and

- (g) if the communication would otherwise be taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally, in the place to which the communication is delivered or sent).

### **6.3 Notices sent by more than one method of communication**

If a communication delivered or sent under this clause 6 is delivered or sent by more than one method, the communication is taken to be given by the sender and received by the recipient whenever it is taken to be first received in accordance with clause 6.2.

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## **7. General**

### **7.1 Amendments**

This deed poll may only be amended by another deed poll entered into by Bidder and Bidder Nominee, and then only:

- (a) if before the First Court Date, if the amendment is agreed to by the Target in writing; and
- (b) if on or after the First Court Date, if the amendment is agreed to by the Target in writing and the Court indicates that the amendment would not preclude approval of the Scheme.

### **7.2 Assignment**

- (a) The rights of each Scheme Shareholder under this deed poll are personal and cannot be assigned, novated, transferred or otherwise dealt with without the prior written consent of Bidder or Bidder Nominee.
- (b) Any purported assignment, novation, transfer or other dealing in contravention of clause 7.2(a) of this deed poll is invalid.

### **7.3 Cumulative rights**

The rights, powers and remedies of Bidder, Bidder Nominee and each Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

### **7.4 Waiver**

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement of, a right, power or remedy provided by law or under this deed poll by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.
- (b) A waiver or consent given by a party under this deed poll is only effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of a term of this deed poll operates as a waiver of another breach of that term or of a breach of any other term of this deed poll.

### **7.5 Stamp Duty**

Bidder and Bidder nominee must:

- (a) pay all stamp duties and any related fines and penalties in respect of the transfer of the Scheme Shares to Bidder (or Bidder Nominee) pursuant to this Scheme or the Deed Poll and is authorised to apply for and retain the proceeds of any refund due in respect of stamp duty paid under this clause; and
- (b) indemnify each Scheme Shareholder against any liability from a failure to comply with clause 7.5(a) of this deed poll.

## **7.6 Further assurances**

Bidder and Bidder Nominee must, at their own expense, do all things and execute all documents necessary to give full effect to this deed poll and the transactions contemplated by it.

## **7.7 Counterparts**

This deed poll may be executed in counterparts, all of which taken together constitute one document.

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## **8. Governing law and jurisdiction**

### **8.1 Governing law**

This deed poll is governed by the law applying in New South Wales, Australia.

### **8.2 Jurisdiction**

Bidder and Bidder Nominee irrevocably:

- (a) submits to the non exclusive jurisdiction of the courts of New South Wales, Australia the courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this deed poll; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 8.2(a).

**Executed and delivered as a deed poll.**

**Executed by POSCO INTERNATIONAL Corporation**

\_\_\_\_\_  
Signature of President/CEO

\_\_\_\_\_  
Full name of President/CEO

**Executed by [Bidder Nominee]:**

\_\_\_\_\_  
Signature of director

\_\_\_\_\_  
Full name of director

\_\_\_\_\_  
Signature of company secretary/director

\_\_\_\_\_  
Full name of company secretary/director

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