

## Heads of agreement

The parties intend for this document to set out the legally binding terms to give effect to the transition of the voluntary administration of the Group from the Grant Thornton Appointees to the KordaMentha Appointees in an expeditious and efficient manner. The parties agree that, if requested by any other party, they will work together in good faith to agree and finalise a full form deed of transition and indemnity reflecting the terms of this heads of agreement.

Item	Terms
1. <b>Parties</b>	Grant Thornton Appointees KordaMentha Appointees
2. <b>Date</b>	12 April 2016
3. <b>Resignation of Grant Thornton Appointees</b>	The Grant Thornton Appointees have agreed to resign as, and the KordaMentha Appointees have agreed to consent to becoming, joint and several administrators of the Group in reliance of the mutual promises and covenants contained in this heads of agreement.
4. <b>Costs and expenses</b>	<p>(a) The KordaMentha Appointees shall indemnify the Grant Thornton Appointees for:</p> <p>(i) debts for which the Grant Thornton Appointees are liable under Subdivision A of Division 9 of the Corporations Act or a remittance provision as defined in subsection 443BA(2) of the Corporations Act;</p> <p>(ii) any other debts or liabilities incurred, or damages or losses sustained, in good faith and without negligence, by the Grant Thornton Appointees in the performance or exercise, or purported performance or exercise, of any of their functions or powers (exercised either jointly or severally) as administrators,</p> <p>(together the <b>GT Costs and Expenses</b>) and such indemnity shall be an expense of the voluntary administration of the Group and be a personal liability of the KordaMentha Appointees in accordance with section 443A of the Corporations Act.</p> <p>(b) The KordaMentha Appointees shall from time to time pay (or, if already paid, shall reimburse) to the Grant Thornton Appointees in respect of the indemnity in paragraph (a) on demand by the Grant Thornton Appointees.</p>
5. <b>Remuneration</b>	<p>(a) Subject to paragraphs (b) to (d) below, the KordaMentha Appointees shall indemnify the Grant Thornton appointees in respect of the Grant Thornton Appointees' remuneration that has been fixed in accordance with section 449E of the Corporations Act, which shall be:</p> <p>(i) an expense of the voluntary administration of the Group and be a personal liability of the KordaMentha Appointees in accordance with section</p>

Item	Terms
	<p>443A of the Corporations Act; and</p> <p>(ii) paid by the KordaMentha Appointees within 7 days of so being determined or approved (unless otherwise satisfied in accordance with item 6 below).</p> <p>(b) The KordaMentha Appointees shall use their reasonable endeavours procure determination or approval of payment of the Grant Thornton Appointees' remuneration in connection with the voluntary administration of the Group.</p> <p>(c) If the approval sought in paragraph (b) above is not granted, the KordaMentha Appointees will confer in good faith with the Grant Thornton Appointees in respect of the Grant Thornton Appointees' remuneration with a view to seeking approval of a revised remuneration report in accordance with paragraph (b).</p> <p>(d) If, following the process outlined in paragraph (c) above, the Grant Thornton Appointees' remuneration is not fixed then the parties acknowledge and agree that the Grant Thornton Appointees shall apply to the Court to have their remuneration fixed and all costs and expenses of such application shall be costs and expenses of the administration of the Group and be a personal liability of the KordaMentha Appointees in accordance with section 443A of the Corporations Act.</p>
<b>6. Retention sum</b>	<p>(a) The Grant Thornton Appointees will retain in an interest bearing trust account the sum of A\$5,000,000 on account of the KordaMentha Appointees' obligations under this agreement (<b>Retention Sum</b>).</p> <p>(b) The Grant Thornton Appointees shall be entitled to satisfy the KordaMentha Appointees' obligations from time to time under this agreement below from the Retention Sum, subject (in the case of the obligations under item 4 above and item 7 below only) to the Grant Thornton Appointees first obtaining the prior consent of the KordaMentha Appointees (such consent not to be unreasonably withheld and to be notified within 7 days of request by the Grant Thornton Appointees) or a Court order.</p> <p>(c) This item 6 is in addition to and does not reduce or impair in any way the KordaMentha Appointees' obligations under items 4, 5 and 7 of this document. For the avoidance of doubt, if the Retention Sum is insufficient to satisfy any amount payable to the Grant Thornton Appointees, then the KordaMentha Appointees shall be liable to satisfy those obligations as set out in this document.</p>
<b>7. Transitional services</b>	<p>(a) The KordaMentha Appointees will retain Grant Thornton Australia (and any necessary foreign Grant Thornton entities) for such work as the KordaMentha Appointees in their sole and absolute discretion deem necessary and appropriate to assist in the orderly transition of the voluntary administration of the Group between Grant</p>

Item	Terms
	<p>Thornton and KordaMentha.</p> <p>(b) Grant Thornton will be paid at its usual rates in respect of any services it provides under the transitional services arrangements. For the avoidance of doubt, the services rendered by Grant Thornton in respect of the transitional services arrangements will be a cost and expense of the voluntary administration of the Group and a personal liability of the KordaMentha Appointees pursuant to section 443A of the Corporations Act.</p>
8. <b>Court orders</b>	On the appointment of the KordaMentha Appointees, the KordaMentha Appointees shall forthwith seek orders to the same effect as the draft orders set out in Schedule 1 in order to give effect to the arrangements contemplated in this document immediately.
9. <b>Ancillary matters</b>	<p>(a) Each party agrees not to disparage each other.</p> <p>(b) The parties shall agree the contents of a joint press release following entry of Court orders contemplated in item 8 above.</p> <p>(c) If there is any dispute in relation to these arrangement the parties agree to mediate them in good faith.</p>
10. <b>Defined terms</b>	<p><b>Corporations Act</b> means the <i>Corporations Act 2001</i> (Cth)</p> <p><b>Grant Thornton Appointees</b> means Paul Billingham, Said Jahani, Matthew Byrnes and Michael McCann (each of Grant Thornton Australia) in their capacity as joint and several voluntary administrators of the Group.</p> <p><b>Group</b> means Arrium Limited and each of the entities identified in Schedule 2.</p> <p><b>KordaMentha Appointees</b> means Mark Mentha, Bryan Webster Martin Madden and Cassandra Mathews (each of KordaMentha).</p>
11. <b>Governing law</b>	This document shall be governed by the laws in place in the State of New South Wales.
12. <b>Authority to execute</b>	<p>This document is executed by:</p> <p>(a) Paul Andrew Billingham on behalf of the Grant Thornton Appointees; and</p> <p>(b) Mark Francis Xavier Mentha on behalf of the KordaMentha Appointees,</p> <p>both of whom undertake to each other to the degree necessary to have the Grant Thornton Appointees and the KordaMentha Appointees (respectively) execute a document on substantially the same terms as this heads of agreement.</p>
13. <b>Counterparts</b>	This document may be signed in counterparts and shall only be effective once each party to it has executed a counterpart. Counterparts may be exchanged by email.

## **Schedule 1**

### **Court order**

1. An order under s447A Corporations Act 2001, that Part 5.3A of the Corporations Act 2001, operates in relation to the voluntary administrations of the [Group] as if:
  - (a) the debts mentioned in s443A Corporations Act 2001 incurred by the [Grant Thornton Appointees] during the course of the administration of the [Group];
  - (b) the remuneration of the [Grant Thornton Appointees] determined in accordance with s449E Corporations Act 2001; and
  - (c) any costs and expenses incurred by the [Grant Thornton Appointees] in relation to or in connection with seeking Court approval for their remuneration in accordance with s449E,be debts of [Korda Mentha Appointees] as if such debts have been incurred by the [Korda Mentha Appointees] as administrators of the [Group] in accordance with s 443A Corporations Act 2001.

## Schedule 2

### Arrium Group entities under voluntary administration

#	Company	ACN
1.	A.C.N. 006 769 035 PTY LTD	ACN 006 769 035
2.	AKKORD PTY LIMITED	ACN 060 486 991
3.	ANI CONSTRUCTION (W.A.) PTY. LIMITED	ACN 008 670 871
4.	ARRIUM FINANCE PTY LIMITED	ACN 093 954 940
5.	ARRIUM IRON ORE HOLDINGS PTY LIMITED	ACN 152 752 844
6.	ARRIUM LIMITED	ACN 004 410 833
7.	ATLAS GROUP EMPLOYEES SUPERANNUATION FUND PTY. LTD.	ACN 060 568 998
8.	ATLAS GROUP STAFF SUPERANNUATION FUND PTY. LTD.	ACN 059 654 241
9.	ATLAS GROUP SUPERANNUATION PLAN PTY LTD	ACN 065 649 050
10.	AUSTRALIAN NATIONAL INDUSTRIES PTY LTD	ACN 000 066 071
11.	AUSTRALIAN WIRE INDUSTRIES PTY LTD	ACN 064 267 456
12.	AUSTUBE MILLS HOLDINGS PTY LIMITED	ACN 123 160 172
13.	AUSTUBE MILLS PTY LTD	ACN 123 666 679
14.	AWI HOLDINGS PTY LIMITED	ACN 004 157 475
15.	B.G.J. HOLDINGS PROPRIETARY LIMITED	ACN 004 859 536
16.	BRADKEN CONSOLIDATED PTY LIMITED	ACN 000 011 932
17.	CENTRAL IRON PTY LTD	ACN 143 503 397
18.	COCKATOO DOCKYARD PTY LIMITED	ACN 000 025 918
19.	COMSTEEL PTY. LIMITED	ACN 006 218 524
20.	COOPER PEDY RESOURCES PTY LTD	ACN 151 599 905
21.	EAGLE & GLOBE PTY LIMITED	ACN 000 122 305
22.	EMAIL ACCUMULATION SUPERANNUATION PTY LTD	ACN 065 263 658
23.	EMAIL EXECUTIVE SUPERANNUATION PTY LTD	ACN 065 263 818

#	Company	ACN
24.	EMAIL HOLDINGS PTY LIMITED	ACN 092 348 555
25.	EMAIL MANAGEMENT SUPERANNUATION PTY LTD	ACN 065 263 710
26.	EMAIL METALS PTY. LTD.	ACN 004 574 681
27.	EMAIL PTY LTD	ACN 000 029 407
28.	EMAIL SUPERANNUATION PTY LIMITED	ACN 065 263 603
29.	EMWEST HOLDINGS PTY. LTD.	ACN 001 992 123
30.	EMWEST PROPERTIES PTY LIMITED	ACN 003 146 334
31.	GSF MANAGEMENT PTY LIMITED	ACN 064 116 874
32.	J. MURRAY-MORE (HOLDINGS) PTY LTD	ACN 000 158 412
33.	JOHN MCGRATH PTY LTD	ACN 000 004 937
34.	KELVINATOR AUSTRALIA PTY LTD	ACN 007 873 734
35.	LITESTEEL PRODUCTS PTY LTD	ACN 109 854 677
36.	LITESTEEL TECHNOLOGIES PTY LTD	ACN 113 101 054
37.	METALS PROPERTIES PTY. LTD.	ACN 000 040 040
38.	METALSTORES PTY LIMITED	ACN 000 267 112
39.	METPOL PTY LTD	ACN 000 927 373
40.	N.K.S. (HOLDINGS) PROPRIETARY LIMITED	ACN 004 321 313
41.	O DEE GEE CO. PTY. LTD.	ACN 004 208 191
42.	ONESTEEL AMERICAS HOLDINGS PTY LIMITED	ACN 147 067 016
43.	ONESTEEL BUILDING SUPPLIES PTY LIMITED	ACN 000 045 349
44.	ONESTEEL COIL COATERS PTY LTD	ACN 123 138 732
45.	ONESTEEL MANUFACTURING PTY LIMITED	ACN 004 651 325
46.	ONESTEEL MBS PTY LIMITED	ACN 096 273 979
47.	ONESTEEL NSW PTY LIMITED	ACN 003 312 892
48.	ONESTEEL QUEENSLAND PTY LIMITED	ACN 010 558 871

#	Company	ACN
49.	ONESTEEL RECYCLING HOLDINGS PTY LTD	ACN 059 240 952
50.	ONESTEEL RECYCLING OVERSEAS PTY LIMITED	ACN 105 479 356
51.	ONESTEEL RECYCLING PTY LIMITED	ACN 002 707 262
52.	ONESTEEL REINFORCING PTY LIMITED	ACN 004 148 289
53.	ONESTEEL STAINLESS AUSTRALIA PTY LIMITED	ACN 004 610 851
54.	ONESTEEL STAINLESS PTY LIMITED	ACN 006 362 652
55.	ONESTEEL TECHNOLOGIES PTY LIMITED	ACN 096 380 219
56.	ONESTEEL TRADING PTY LIMITED	ACN 007 519 646
57.	ONESTEEL US INVESTMENTS 1 PTY LTD	ACN 131 211 606
58.	ONESTEEL US INVESTMENTS 2 PTY LTD	ACN 131 211 571
59.	ONESTEEL WIRE PTY LIMITED	ACN 000 010 873
60.	OVERSEAS CORPORATION (AUSTRALIA) PTY LTD	ACN 004 242 086
61.	P & T TUBE MILLS PTY LTD	ACN 010 469 977
62.	PALMER TUBE MILLS PTY LIMITED	ACN 010 469 879
63.	PIPELINE SUPPLIES OF AUSTRALIA PTY LIMITED	ACN 008 573 475
64.	REOSTEEL PTY. LTD.	ACN 000 142 094
65.	ROENTGEN RAY PTY LTD	ACN 000 028 106
66.	SOUTHERN IRON PTY LTD	ACN 119 611 068
67.	SSG INVESTMENTS PTY LTD	ACN 085 490 526
68.	SSG NO. 3 PTY LTD	ACN 087 840 515
69.	SSG NO.2 PTY LTD	ACN 087 840 720
70.	SSGL SHARE PLAN NOMINEES PTY LTD	ACN 085 943 540
71.	SSX ACQUISITIONS PTY LIMITED	ACN 090 574 520
72.	SSX EMPLOYEES SUPERANNUATION FUND PTY LTD	ACN 064 431 116
73.	SSX HOLDINGS PTY LIMITED	ACN 087 813 116

#	Company	ACN
74.	SSX INTERNATIONAL PTY LIMITED	ACN 084 990 947
75.	SSX PTY LIMITED	ACN 082 181 726
76.	SSX RETIREMENT FUND PTY LTD	ACN 064 431 303
77.	SSX SERVICES PTY LIMITED	ACN 083 090 831
78.	SSX STAFF SUPERANNUATION FUND PTY LTD	ACN 064 431 072
79.	TASCO SUPERANNUATION MANAGEMENT PTY LTD	ACN 071 901 712
80.	THE ANI CORPORATION PTY LIMITED	ACN 000 421 358
81.	THE AUSTRALIAN STEEL COMPANY (OPERATIONS) PTY LTD	ACN 069 426 955
82.	TUBE ESTATES PTY. LTD.	ACN 010 449 939
83.	TUBE STREET PTY LTD	ACN 004 785 157
84.	TUBE TECHNOLOGY PTY. LTD.	ACN 010 469 986
85.	TUBEMAKERS OF AUSTRALIA PTY LIMITED	ACN 000 005 498
86.	TUBEMAKERS SOMERTON PTY LIMITED	ACN 004 595 546
87.	WESTERN CONSOLIDATED INDUSTRIES PTY LTD	ACN 001 185 913
88.	WHYALLA PORTS PTY LTD	ACN 153 225 364
89.	X.C.E. PTY LTD	ACN 004 081 903
90.	XEM (AUST) PTY LIMITED	ACN 004 158 025
91.	XLA PTY LTD	ACN 004 239 392
92.	XLL PTY LTD	ACN 006 301 266
93.	XMS HOLDINGS PTY LIMITED	ACN 008 742 014
94.	ZINCTEK PTY. LTD.	ACN 010 474 790



**EXECUTED** as an **AGREEMENT**

**Grant Thornton Appointees**

**SIGNED** by **PAUL ANDREW BILLINGHAM** )  
in the presence of )  
)

  
\_\_\_\_\_  
Signature of witness

**NARI BAXTER**  
\_\_\_\_\_  
Name of witness (print)

  
\_\_\_\_\_  
**PAUL ANDREW BILLINGHAM**

**KordaMentha Appointees**

**SIGNED** by **MARK FRANCIS XAVIER** )  
**MENTHA** in the presence of )  
)

\_\_\_\_\_  
Signature of witness

\_\_\_\_\_  
**MARK FRANCIS XAVIER MENTHA**

\_\_\_\_\_  
Name of witness (print)

