

Each of the parties listed in Schedule 1

and

The Arrium Creditor Distribution Company Pty Limited (Formerly known as SSX Pty Limited) (Subject to Deed  
of Company Arrangement)  
ACN 082 181 726

and

Each Arrium Group Creditor as defined in the Deeds of Company Arrangement

## **Novation Deed**

Arrium Australia - Sale Entities

THIS DEED is made on

30 June

2017

## PARTIES

### **EACH OF THE PARTIES LISTED IN SCHEDULE 1**

(collectively "**Australian Sale Entities**", and each an "**Australian Sale Entity**")

and

### **THE ARRIUM CREDITOR DISTRIBUTION COMPANY PTY LIMITED (FORMERLY KNOWN AS SSX PTY LIMITED) (SUBJECT TO DEED OF COMPANY ARRANGEMENT)**

ACN 082 181 726

of KordaMentha, Level 5 Chifley Tower, 2 Chifley Square, Sydney, New South Wales  
("**AdminCo**")

and

### **EACH ARRIUM GROUP CREDITOR AS DEFINED IN THE DEEDS OF COMPANY ARRANGEMENT**

c/o KordaMentha, Level 5 Chifley Tower, 2 Chifley Square, Sydney, New South Wales  
("**Arrium Group Creditors**")

## BACKGROUND

- A On 7 April 2016, voluntary administrators were appointed to AdminCo and the Australian Sale Entities. Those voluntary administrators were replaced by the Deed Administrators as joint and several voluntary administrators of AdminCo and the Australian Sale Entities on 12 April 2016.
- B On 4 November 2016, the Deeds of Company Arrangement were executed and the Deed Administrators were appointed as joint and several deed administrators of AdminCo and the Australian Sale Entities.
- C Pursuant to the terms of clause 7.10 of the Deeds of Company Arrangement each Arrium Group Creditor has irrevocably consented to the novation of their Pre-Appointment Claims against each Australian Sale Entity to AdminCo (among other things).
- D Pursuant to the powers granted by the Deeds of Company Arrangement, each Arrium Group Creditor's Pre-Appointment Claims will be novated to AdminCo on and from the Novation Date, up to the Entitlement ultimately paid from the Arrium Distribution Fund to that Arrium Group Creditor, and the parties confirm such novation on the terms set out in this Deed.

## AGREED TERMS

### **1 Definitions and interpretation**

#### **1.1 Definitions**

In this Deed, unless the context requires otherwise:

**"Appointment Date"** means 7 April 2016.

**"Arrium Distribution Fund"** has the meaning given in the Deeds of Company Arrangement.

**"Business Contract"** means an agreement, arrangement or understanding to which an Australian Sale Entity is party and which imposes continuing obligations on the Australian Sale Entity after the Novation Date.

**"Claim"** means any claim, notice, demand, costs (including legal costs and expenses), debts, dues, liabilities, damages, losses, action, proceeding, litigation, investigation or judgment, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

**"Deed Administrators"** mean Mark Francis Xavier Mentha, Cassandra Elysium Mathews, Martin Madden and Bryan Webster, currently in their capacity as deed administrators of AdminCo and the Australian Sale Entities under the Deeds of Company Arrangement.

**"Deeds of Company Arrangement"** mean each of the deeds of company arrangement between the Deed Administrators and each of AdminCo and each Australian Sale Entity dated 4 November 2016 (as varied from time to time).

**"Entitlement"** has the meaning given in the Deeds of Company Arrangement.

**"Government Agency"** means:

- (a) a government or government department;
- (b) a governmental, semi-governmental, regulatory or judicial entity or authority; or
- (c) a person (whether autonomous or not) who is charged with the administration of a Law.

**"Intercompany Loan"** means, in relation to the Australian Sale Entities, any amounts owing by an Australian Sale Entity to Arrium Ltd or another wholly owned subsidiary of Arrium Ltd.

**"Guarantee"** means, in relation to the Australian Sale Entities:

- (a) each deed of cross guarantee entered into by an Australian Sale Entity for the purposes of ASIC Class Order 98/1418, dated 24 June 1999 or 10 June 2008 (as the case requires);
- (b) the document titled "OneSteel Group Guarantee Deed Poll" dated 28 March 2011 granted by, among others, Arrium Ltd ACN 004 410 833 (Subject to Deed of Company Arrangement), and any accession deed poll in respect of that document, in each case as amended from time-to-time; and
- (c) the Deed of Guarantee deed poll dated 9 July 2008 in support of the obligations under a Note and Guarantee Agreement and any accession deed poll in respect of that Deed of Guarantee deed poll.

**"Laws"** means all laws, statutes, enactments, rules, regulations, by-laws, subordinate legislation, judgments, authorisations, rulings, orders or decrees of any Government Agency, regulatory agency or other competent authority.

**"Liability"** means any liability or obligation (whether actual, contingent or prospective) irrespective of when the acts, events or things giving rise to the liability occurred.

**"Loss"** means any debt or other monetary liability (including for Tax) or penalty, fine or payment or any damages, losses, costs, charges, outgoings or expenses.

**"Novation Date"** means 31 December 2016.

**"Ongoing Liabilities"** means all Liabilities, irrespective of when they arise, in respect of

- (a) employees or contractors of the Australian Sale Entities as at the Novation Date, and without limitation including in respect of workers' compensation;
- (b) the environment or contamination in respect of or emanating from the Premises (other than any Liabilities which have crystallised prior to the Appointment Date);
- (c) the prepayments and deposits held by an Australian Sale Entity listed in Schedule 2; and
- (d) a Claim by a counterparty under a Business Contract arising directly or indirectly from any act, omission, agreement, circumstance or event after the Appointment Date, even if the Business Contract was signed or entered into or commenced prior to the Appointment Date.

**"Personnel"** includes a party's Officers (as that term is defined in section 9 of the *Corporations Act 2001* (Cth)), employees, partners, agents and advisers.

**"Pre-Appointment Claims"** means, in relation to an Australian Sale Entity, any Claim arising directly or indirectly from any act or omission by that Australian Sale Entity or by any agreement, circumstance or event occurring on or before the Appointment Date and includes all debts or claims provable in a winding up of the Australian Sale Entity pursuant to section 553 of the *Corporations Act 2001* (Cth), but excluding:

- (a) the Ongoing Liabilities; and
- (b) any Liability of an Australian Sale Entity under a Guarantee or an Intercompany Loan.

**"Premises"** means the land and buildings owned, leased, licensed, used or occupied by an Australian Sale Entity at the Novation Date.

**"Tax"** means any tax, levy, impost, deduction, charge, duty or withholding of whatever kind, including but not limited to income tax, capital gains tax, land tax, goods and services tax, payroll tax, tax instalment deduction, fringe benefits tax, group tax, property tax, withholding tax, municipal rates, stamp duty or similar impost, import duty (and any related interest, penalty, fine or expense in connection with any of them) levied or imposed by any Government Agency.

## 1.2 Interpretation

For the purposes of this Deed, unless the subject or context requires otherwise:

- (a) the singular includes the plural and vice versa;
- (b) words denoting any gender include all genders;
- (c) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a party, clause, paragraph, schedule or annexure is a reference to a party, clause, paragraph, schedule or annexure to or of this Deed;
- (e) a reference to this Deed includes any schedules or annexures;
- (f) headings are for convenience and do not affect interpretation;

- (g) the background or recitals to this Deed are adopted as and form part of this Deed;
- (h) a reference to any document or agreement includes a reference to that document or agreement as amended, novated, supplemented, varied or replaced from time to time;
- (i) a reference to "\$", "A\$" or "dollar" is a reference to Australian currency;
- (j) a reference to a time is a reference to Sydney time;
- (k) a reference to a party includes its executors, administrators, successors, substitutes (including persons taking by novation) and permitted assigns;
- (l) a reference to writing includes any method of representing words, figures or symbols in a permanent and visible form;
- (m) words and expressions denoting natural persons include bodies corporate, partnerships, associations, firms, governments and governmental authorities and agencies and vice versa;
- (n) a reference to any legislation or statute shall include any modification, extension or re-enactment of it or any part of it for the time being in force and shall also include all instruments and regulations deriving validity from that legislation or statute;
- (o) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this Deed or any part of it; and
- (p) the words "including", "for example", "such as" or other similar expressions (in any form) are not words of limitation.

### **1.3 Successors and Assigns**

The obligations and liabilities imposed and rights and benefits conferred on the parties under this Deed will be binding upon and enure in favour of the respective parties and each of their respective successors in title, legal personal representatives and permitted assigns.

## **2 Novation**

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### **2.1 Novation**

Subject to clause 2.2 and in accordance with the Deeds of Company Arrangement, the parties confirm that with effect on and from the Novation Date, the Pre-Appointment Claims are novated from each Australian Sale Entity to AdminCo for nil consideration.

### **2.2 Assumption of liability**

The parties confirm that with effect on and from the Novation Date, AdminCo accepts the novation in clause 2.1 with the effect that:

- (a) the Australian Sale Entities have no Liability in relation to a Pre-Appointment Claim;
- (b) in return, subject to the Deeds of Company Arrangement, each Arrium Creditor may make a claim for their Pre-Appointment Claim against AdminCo; and
- (c) AdminCo is obliged to pay Arrium Group Creditors an amount in respect of all Pre-Appointment Claims, not exceeding the aggregate of the Entitlements ultimately paid from the Arrium Distribution Fund.

### **3 Creditor consent and acknowledgement**

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#### **3.1 Deed of Company Arrangement Purpose**

The novation in clause 2.1 is in order to give effect to the DOCA Purpose and Objects (as that term is defined in the Deeds of Company Arrangement).

#### **3.2 Consent**

Pursuant to the Deeds of Company Arrangement, each Arrium Group Creditor has irrevocably consented to the novation of its Pre-Appointment Claims in accordance with clauses 2.1 and 2.2.

#### **3.3 Power of Attorney**

The Deed Administrators execute this Deed as attorney for each Arrium Group Creditor, as appointed under clause 24.2 of the Deeds of Company Arrangement.

### **4 Acknowledgement**

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4.1 Each of the Australian Sale Entities and AdminCo acknowledge that the Deed Administrators are the deed administrators of each of the Australian Sale Entities and AdminCo and any function or power of the Deed Administrators may be exercised or performed by any of them or by all of them together.

4.2 This clause operates as a deed poll and may be enforced by the Deed Administrators or their Personnel.

4.3 Notwithstanding any other provision of this Deed, each of the Australian Sale Entities and AdminCo acknowledge and agree that:

- (a) the Deed Administrators execute this Deed only in their capacity as agent of each of the Australian Sale Entities and AdminCo and as attorney for each Arrium Group Creditor and not in their personal capacity and do not make any warranty or representation in their personal capacity or assume any obligation or personal liability or take any action in their personal capacity under or in connection with this Deed;
- (b) without limiting the limitations of the Deed Administrators' liability under this clause 4, to the extent permitted by Law, in the performance of the Deed Administrators' functions and duties and the exercise of the Deed Administrators' powers under this Deed, the Deed Administrators will not be personally liable for:
  - (i) any Claim, Liability or other obligation which the Deed Administrators may incur on behalf of any other party to this Deed; or
  - (ii) any Loss or damage caused by any act, default or omission by the Deed Administrators or on behalf of the Deed Administrators in the performance of the Deed Administrators' powers, functions and duties under this Deed;
- (c) the limitations of the Deed Administrators liability under this clause 4 will continue notwithstanding the Deed Administrators ceasing to act as the deed administrators of any or each other party, and will operate as waivers of any Claims;
- (d) while the Deed Administrators are appointed to each party, any consent, direction or approval of a party will only be given if such approval is given by the Deed Administrators acting for and on behalf of each party;
- (e) the limitations under this clause 4 will be in addition to, and not in substitution for, any right of indemnity or relief otherwise available to any other party or the Deed

- Administrators and will continue notwithstanding the termination of this Deed for any reason;
- (f) the Deed Administrators and the Personnel of the Deed Administrators are not liable for any Loss any party may suffer whatsoever under or in relation to or in connection with this Deed;
  - (g) neither the Deed Administrators nor any Personnel of the Deed Administrators make any representation, warranty, assurance or inducement in relation to or in connection with this Deed; and
  - (h) each party releases and discharges the Deed Administrators and the Personnel of the Deed Administrators from all Liability in relation to or in connection with this Deed.

## **5 General**

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### **5.1 Entire agreement**

This Deed constitutes the entire agreement between the parties in relation to its subject matter. All prior discussions, undertakings, agreements, representations, warranties and indemnities in relation to that subject matter are replaced by this Deed and have no further effect.

### **5.2 Paramountcy of document**

If this Deed conflicts with any other document, agreement or arrangement, this Deed prevails to the extent of the inconsistency.

### **5.3 Attorneys**

Each person who executes this Deed on behalf of a party under a power of attorney warrants that he or she has no notice of the revocation of that power or of any fact or circumstance that might affect his or her authority to execute this Deed under that power.

### **5.4 Amendment**

This Deed may not be amended or varied unless the amendment or variation is in writing signed by all parties.

### **5.5 Assignment**

No party may assign, transfer or otherwise deal with this Deed or any right or obligation under this Deed without the prior written consent of each other party.

### **5.6 Severability**

Part or all of any provision of this Deed that is illegal or unenforceable will be severed from this Deed and will not affect the continued operation of the remaining provisions of this Deed.

### **5.7 Waiver**

Waiver of any power or right under this Deed:

- (a) must be in writing signed by the party entitled to the benefit of that power or right; and
- (b) is effective only to the extent set out in that written waiver.

**5.8 Further assurances**

Each party must do or cause to be done all things necessary or reasonably desirable to give full effect to this Deed and the transactions contemplated by it (including, but not limited to, the execution of documents).

**5.9 Costs**

Each party must bear its own legal, accounting and other costs for the preparation and execution of this Deed.

**5.10 Counterparts**

This Deed may be executed in any number of counterparts and all counterparts taken together will constitute one document.

**5.11 Governing law and jurisdiction**

This Deed will be governed by and construed in accordance with the laws in force in the State of Victoria and each party submits to the exclusive jurisdiction of the courts of that State.

## SCHEDULE 1 - AUSTRALIAN SALE ENTITIES

OneSteel Manufacturing Pty Limited (Subject to Deed of Company Arrangement) **ACN 004 651 325.**

OneSteel NSW Pty Limited (Subject to Deed of Company Arrangement) **ACN 003 312 892.**

OneSteel Recycling Pty Limited (Subject to Deed of Company Arrangement) **ACN 002 707 262.**

OneSteel Reinforcing Pty Limited (Subject to Deed of Company Arrangement) **ACN 004 148 289.**

OneSteel Trading Pty Limited (Subject to Deed of Company Arrangement) **ACN 007 519 646.**

XMS Holdings Pty Limited (Subject to Deed of Company Arrangement) **ACN 008 742 014.**

OneSteel Wire Pty Limited (Subject to Deed of Company Arrangement) **ACN 000 010 873.**

The Australian Steel Company (Operations) Pty Ltd (Subject to Deed of Company Arrangement) **ACN 069 426 955.**

SSX Services Pty Limited (Subject to Deed of Company Arrangement) **ACN 083 090 831.**

Austube Mills Pty Ltd (Subject to Deed of Company Arrangement) **ACN 123 666 679.**

Southern Iron Pty Ltd (Subject to Deed of Company Arrangement) **ACN 119 611 068.**

Central Iron Pty Ltd (Subject to Deed of Company Arrangement) **ACN 143 503 397.**

Whyalla Ports Pty Ltd (Subject to Deed of Company Arrangement) **ACN 153 225 364.**

P & T Tube Mills Pty Ltd (Subject to Deed of Company Arrangement) **ACN 010 469 977.**

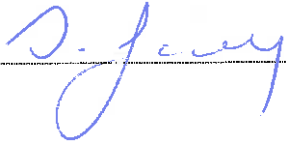
## SCHEDULE 2 - PREPAYMENT OR DEPOSITS

- 1 A liability of \$220,000 (in OneSteel Metal Centre and OneSteel Recycling) owing to customers, where overpayments of invoices occurred but have not been refunded.
- 2 A liability of \$165,000 held as a staff social fund from employees previously working at Peculiar Knob (prior to mothballing). The funds are held by OneSteel Manufacturing Pty Ltd to be donated to community initiatives in Whyalla and Cooper Pedy.

**EXECUTED as a DEED**

**SIGNED SEALED and DELIVERED** by a )  
**DEED ADMINISTRATOR** as attorney for )  
each **ARRIUM GROUP CREDITOR** under a )  
power of attorney granted under the Deeds )  
of Company Arrangement in the presence )  
of

Signature of witness



Name of witness SAMANTHA FINDLEY

Signature of deed administrator



Cassandra Elysium Mathews

Name of deed administrator

**EXECUTED** by THE ARRIUM CREDITOR )  
**DISTRIBUTION COMPANY PTY LIMITED** )  
(FORMERLY KNOWN AS SSX PTY  
**LIMITED**) (subject to Deed of Company  
**Arrangement**) by one of its joint and  
several deed administrators in their capacity  
as such:

Signature of witness



Name of witness SAMANTHA FINDLEY

Signature of deed administrator




Cassandra Elysium Mathews

Name of deed administrator

**EXECUTED** by ONESTEEL )  
**MANUFACTURING PTY LIMITED** )  
(SUBJECT TO DEED OF COMPANY  
**ARRANGEMENT**) by one of its joint and  
several deed administrators in their capacity  
as such:

Signature of witness



Name of witness SAMANTHA FINDLEY


Signature of deed administrator

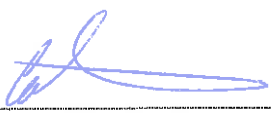


(Cassandra Elysium Mathews


Name of deed administrator

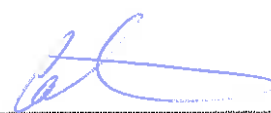
EXECUTED by ONESTEEL NSW PTY )  
LIMITED (SUBJECT TO DEED OF )  
COMPANY ARRANGEMENT) by one of its  
joint and several deed administrators in their  
capacity as such:

  
Signature of witness  
SAMANTHA FINDLEY  
Name of witness


  
Signature of deed administrator  
Cassandra Elysium Mathews  
Name of deed administrator


EXECUTED by ONESTEEL RECYCLING )  
PTY LIMITED (SUBJECT TO DEED OF )  
COMPANY ARRANGEMENT) by one of its  
joint and several deed administrators in their  
capacity as such:

  
Signature of witness  
SAMANTHA FINDLEY  
Name of witness

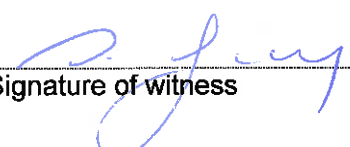
  
Signature of deed administrator  
Cassandra Elysium Mathews  
Name of deed administrator


EXECUTED by ONESTEEL )  
REINFORCING PTY LIMITED (SUBJECT )  
TO DEED OF COMPANY  
ARRANGEMENT) by one of its joint and  
several deed administrators in their capacity  
as such:

  
Signature of witness  
SAMANTHA FINDLEY  
Name of witness


  
Signature of deed administrator  
Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by ONESTEEL TRADING PTY )  
LIMITED (SUBJECT TO DEED OF )  
COMPANY ARRANGEMENT) by one of its  
joint and several deed administrators in their  
capacity as such:

  
Signature of witness  
SAMANTHA FINDLEY  
Name of witness

  
Signature of deed administrator  
Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by XMS HOLDINGS PTY )  
LIMITED (SUBJECT TO DEED OF )  
COMPANY ARRANGEMENT) by one of its  
joint and several deed administrators in their  
capacity as such:


  
Signature of witness

SAMANTHA FINDLEY  
Name of witness

  
Signature of deed administrator

Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by ONESTEEL WIRE PTY )  
LIMITED (SUBJECT TO DEED OF )  
COMPANY ARRANGEMENT) by one of its  
joint and several deed administrators in their  
capacity as such:

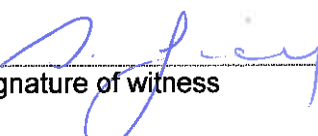
  
Signature of witness

SAMANTHA FINDLEY  
Name of witness

  
Signature of deed administrator

Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by THE AUSTRALIAN STEEL )  
COMPANY (OPERATIONS) PTY LTD )  
(SUBJECT TO DEED OF COMPANY  
ARRANGEMENT) by one of its joint and  
several deed administrators in their capacity  
as such:

  
Signature of witness

SAMANTHA FINDLEY  
Name of witness

  
Signature of deed administrator

Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by SSX SERVICES PTY )  
LIMITED (SUBJECT TO DEED OF )  
COMPANY ARRANGEMENT) by one of its  
joint and several deed administrators in their  
capacity as such:

  
Signature of witness

SAMANTHA FINDLEY  
Name of witness

  
Signature of deed administrator

Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by AUSTUBE MILLS PTY LTD )  
(SUBJECT TO DEED OF COMPANY )  
ARRANGEMENT) by one of its joint and  
several deed administrators in their capacity  
as such:


  
Signature of witness

SAMANTHA FINDLEY  
Name of witness

  
Signature of deed administrator

Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by SOUTHERN IRON PTY LTD )  
(SUBJECT TO DEED OF COMPANY )  
ARRANGEMENT) by one of its joint and  
several deed administrators in their capacity  
as such:

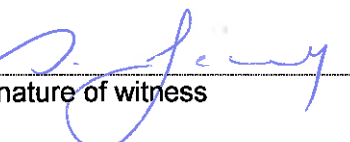
  
Signature of witness

SAMANTHA FINDLEY  
Name of witness

  
Signature of deed administrator

Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by CENTRAL IRON PTY LTD )  
(SUBJECT TO DEED OF COMPANY )  
ARRANGEMENT) by one of its joint and  
several deed administrators in their capacity  
as such:

  
Signature of witness

SAMANTHA FINDLEY  
Name of witness

  
Signature of deed administrator

Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by WHYALLA PORTS PTY LTD )  
(SUBJECT TO DEED OF COMPANY )  
ARRANGEMENT) by one of its joint and  
several deed administrators in their capacity  
as such:

  
Signature of witness

SAMANTHA FINDLEY  
Name of witness


  
Signature of deed administrator

Cassandra Elysium Mathews  
Name of deed administrator

EXECUTED by P & T TUBE MILLS PTY )  
LTD (SUBJECT TO DEED OF COMPANY )  
ARRANGEMENT) by one of its joint and  
several deed administrators in their capacity  
as such:

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

SAMANTHA FINDLEY  
\_\_\_\_\_  
Name of witness

  
\_\_\_\_\_  
Signature of deed administrator  
Cassandra Elysium Mathews  
\_\_\_\_\_  
Name of deed administrator