

Arrium Transaction Support Deed of Company Arrangement

Mark Francis Xavier Mentha, Cassandra Elysium Mathews, Martin Madden and Bryan Webster
(Voluntary Administrators)

and

Mark Francis Xavier Mentha, Cassandra Elysium Mathews, Martin Madden and Bryan Webster
(Deed Administrators)

and

Arrium Limited (Administrators Appointed) (ACN 004 410 833) (the **Company**)

Execution Version

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THIS DEED is made on 4 November 2016

PARTIES

ELYSIUM MATHEWS, MARTIN MADDEN
 ry Administrators of the Company

ELYSIUM MATHEWS, MARTIN MADDEN
 dministrators

aid Jahani, Michael McCann and Matthew
 rant Thorton were appointed voluntary
 Group Companies by the resolutions of the
 t **Administrators**).

vier Mentha, Cassandra Elysium Mathews,
 are appointed as Voluntary Administrators of
 with effect as and from the date that the First
 of their resignations as administrators. Later
 ors gave notice of their resignations and the
 mentha, Cassandra Elysium Mathews, Martin
 nd several voluntary administrators of each of
 ct.

n 4 November 2016, it was resolved that the
 arrangement containing terms substantially in
 DOCA, consistent with the overview and key
 any arrangement detailed in section 7 of the
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 ar 2016.

of AdminCo on 4 November 2016, it was
 d of company arrangement containing terms
 um Distribution DOCA, consistent with the
 osed deed of company arrangement detailed
 port to Creditors provided by the voluntary
 tors of AdminCo on 26 October 2016.

E

the Other Arrium Group Companies (except
 t was resolved that each Other Arrium Group
 arrangement containing terms substantially in
 OCA for each Other Arrium Group Company,
 features of the proposed deed of company
 re section 439A Report to Creditors provided
 e relevant company to the creditors of that
 ictober 2016.

AGREED TERMS

1 Purpose and Objects of this DOCA

The purpose and objects of this DOCA, in conjunction with each Other Arrium DOCA (the **DOCA Purpose and Objects**), are to:

- (a) maximise the chances of the Arrium Group Companies, or as many of them as possible, continuing in existence;
- (b) maximise the chances of a sale and recapitalisation of the Arrium Group Companies, or as many of them as possible;
- (c) provide a better return to Arrium Group Creditors of the Arrium Group Companies as a whole than would result from an immediate winding up of those companies;
- (d) provide flexibility to potential purchasers of the assets of and shares in the Arrium Group Companies;
- (e) provide a continuation of the moratorium established upon the appointment of the Voluntary Administrators and Other Voluntary Administrators;
- (f) provide for a cost efficient and speedy mechanism for the sale and realisation of the assets of the Arrium Group Companies, the novation, release and extinguishment of liabilities of Arrium Group Companies and the management of proofs of debt, determination of claims and payment of dividends;
- (g) preserve certain claims of the Arrium Group Companies to determine whether it is in the best interests of creditors to pursue them;
- (h) provide for the payment or transfer of proceeds from the sale or realisation of the assets of or shares in the Arrium Group Companies to AdminCo to be held in the Arrium Distribution Fund established under the Arrium Distribution DOCA;
- (i) provide for payments out of the Arrium Distribution Fund to Arrium Group Creditors in accordance with the Arrium Distribution DOCA;
- (j) provide a process to maximise the chances that the purposes and objects of this DOCA will be given effect even if the Company or any Other Arrium Group Companies are placed into liquidation;
- (k) establish a regime to enable the Deed Administrators and the Other Deed Administrators to work co-operatively to achieve the Purpose and Objects; and
- (l) grant all necessary and incidental powers to the Deed Administrators to effect the Purpose and Objects.

2 Definitions and Interpretation

2.1 Definitions

Unless otherwise defined, capitalised terms and expressions used in this document have the meaning given to them in the dictionary at Schedule A.

Interpretation

In this DOCA, unless the subject or context otherwise requires:

- (a) headings and bold type are for convenience only and do not affect the interpretation of the DOCA;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender includes all genders;

- (d) other parts of speech and grammatical forms of a word or phrase defined in this DOCA have a corresponding meaning;
- (e) a reference to a person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency as well as an individual;
- (f) a reference to a clause, party, part, schedule, attachment or exhibit is a reference to a clause or part of, and a party, schedule, attachment or exhibit to, this DOCA;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document (including this DOCA) includes all amendments or supplements to, or replacements or novations of that document;
- (i) a reference to '\$', 'A\$' or 'dollar' is to Australian currency unless denominated otherwise;
- (j) a reference to any time is, unless otherwise indicated, a reference to that time in Sydney;
- (k) a term defined in or for the purposes of the Act has the same meaning when used in this DOCA;
- (l) a reference to a party to a document includes that party's successors and permitted assignees;
- (m) no provision of this DOCA will be construed adversely to the Deed Administrators because the Deed Administrators were responsible for the preparation of this DOCA or that provision;
- (n) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally, (except this clause does not impose joint and several liability on Creditors who are parties to any agreement, representation, warranty or indemnity);
- (o) a reference to a body, other than a party to this DOCA (including an institute, association or authority), whether statutory or not:
 - (i) which ceases to exist; or
 - (ii) whose powers or functions are transferred to another body,
 is a reference to the body which replaces it or which substantially succeeds to its powers or functions.

2.3 Business Days

Except where otherwise expressly provided, if the day on or by which any act, matter or thing is to be done as required by this DOCA is a day other than a Business Day, that act, matter or thing will be done as soon as practicable within the succeeding five Business Days.

2.4 Required Provisions

To the extent that a Court requires any provision from the Act to be included in this DOCA which is not expressly included in this DOCA, the Deed Administrators will consent to a variation of this DOCA so that the provision will be deemed to be included in this DOCA.

2.5 Severance

- (a) If any part of this DOCA is or becomes void, illegal, ineffective, invalid or unenforceable, that part will be severed from the DOCA and that severance will not

affect the effectiveness, validity or enforceability of the remaining part of this DOCA or any Other Arrium DOCA.

- (b) In any application for a declaration that the DOCA or a provision of it is valid, the Court may vary the DOCA with the consent of the Deed Administrators, which consent shall not be unreasonably withheld.
- (c) Rule 14.1 of the *Federal Court (Corporations Rules) 2000* (Cth) and analogous Court rules apply to any application for a declaration that the DOCA or a provision of it is valid or void, as if references to the "act, omission or decision complained of" in rule 14.1(1)(a) included the execution by the Deed Administrators of this DOCA.

2.6 Prescribed provisions excluded

The provisions of Schedule 8A to the Regulations are excluded from this DOCA.

2.7 Inconsistency with Act and Regulations

If there is any inconsistency between the provisions of this DOCA and the Act or Regulations, this DOCA prevails to the extent permitted by law.

2.8 Undertaking to Alleasing Pty Limited

If there is any inconsistency between the provisions of this DOCA and the undertaking given by the voluntary administrators of OneSteel Manufacturing Pty Limited and One Steel Trading Pty Limited to Alleasing Pty Limited not to sell, dispose of, encumber or otherwise deal with equipment leased to OneSteel Manufacturing Pty Limited by Alleasing Pty Limited without giving Alleasing Pty Limited five days' prior notice (the **Undertaking**), the Undertaking prevails until it is released or varied by agreement or Court order.

Paramountcy

To the extent there is any inconsistency between the terms of this DOCA on the one hand and the Constitution of the Company or any other relevant Arrium Group Companies or any other obligations binding on any of the Arrium Group Companies, the terms of this DOCA will prevail to the extent of the inconsistency, and all persons bound by this DOCA agree to execute all documents and do all things necessary to remove such inconsistency. The Company will bear the costs of compliance with this clause 2.9 or with an equivalent clause in any Other Arrium DOCA.

Clauses that survive termination

Clauses 2.5, 2.10, 3, 4.1(d), 4.3, 7.9, 7.10, 7.11(d), 7.15, 7.16, 8, 10, 16.4, 16.7, 20 and 23 survive the termination of this DOCA.

Enabling clauses

In interpreting the legal effectiveness of and giving effect to clauses 11, 15, 17, 18, 19, 20 and 21 of this DOCA, regard shall be had to the corresponding enabling clauses contained in the Arrium Distribution DOCA.

Condition precedent

This DOCA is interconditional with the operation of the Arrium Distribution DOCA and each of the Other Arrium DOCAs and is subject to and conditional upon the execution of the Arrium Distribution DOCA each of the Other Arrium DOCAs.

3.2 Obligation to satisfy conditions

to the extent it is within a relevant party's control, the parties to this DOCA must use reasonable endeavours to ensure that the condition precedent referred to in clause 3.1 is satisfied as soon as possible.

Consequences of non-satisfaction of the Condition precedent

If the condition precedent in clause 3.1 is not satisfied within 15 Business Days of the Execution Date, the Deed Administrator will apply to the Court for directions.

Operation

Commencement and Termination

-) Without derogating from the operation of clause 3, this DOCA will commence and take effect on the Commencement Date.
-) This DOCA will terminate on the earlier of:
 - (i) the appointment of a liquidator to the Company; or
 - (ii) the payment by AdminCo of the Final Dividend from the Arrium Distribution Fund in accordance with the Waterfall; or
 - (iii) the Deed Administrators determining in accordance with clause 7.11(d) that this DOCA ought to be terminated and the Company wound up, (Termination Date).
-) Termination of this DOCA will be effective once the Deed Administrators lodge a notice of termination with ASIC in the form of Schedule B, and post a copy of the notice on the Deed Administrators' website.
-) Where the termination of this DOCA is followed by the winding up of the Company
 - (i) the liquidator(s) of the Company may enforce any obligation under this DOCA owed to the Deed Administrators or the Company; and
 - (ii) may do so as if the liquidators of the Company had been a party to this DOCA in the place of the Deed Administrators.

4.2 Interim Effect

so far as a person would be bound by this DOCA if it had already been executed, the person may not, without the consent of the Voluntary Administrators, at any time on or after the Section 439C Resolution, but before the execution of this DOCA:

- i) do anything inconsistent with this DOCA; or
- i) in relation to any Claim, do any of the following:
 - (i) commence, revive or continue any action, suit, arbitration, mediation or proceeding against the Company;
 - (ii) make or proceed with an application for an order to wind up the Company;
 - (iii) institute, revive or continue with any Enforcement Process against the property of the Company excepting any shares it may hold in a Moly-Cop Entity and/or the assets of a Moly-Cop Entity;
 - (iv) take any action whatsoever to seek to recover any part of its Claim from the Company;
 - (v) transfer any shares in the Company or in Arrium Limited;

- (vi) exercise any right of set off or defence, cross-claim or cross action to which that Creditor would not have been entitled had the Company been wound up on the Appointment Date;
- (vii) without derogating from the other provisions of this clause 4.2, begin or proceed with any proceeding against the Company, except with the leave of the Court and in accordance with such terms (if any) as the Court imposes;
- (viii) in the case of a Secured Creditor which may be bound by this DOCA, enforce, realise or otherwise deal with its security or take possession, sell or otherwise recover property subject to its security to the extent that to do so would have a material adverse effect on achieving the DOCA Purpose and Objects;
- (ix) in the case of a PPSA Secured Creditor which may be bound by this DOCA, enforce, realise or otherwise deal with its security, or take possession, sell or otherwise recover property subject to its security to the extent that to do so would have a material adverse effect in achieving DOCA Purpose and Objects;
- (x) in the case of an Owner or Lessor which may be bound by this DOCA, take possession of any property that is used, or occupied by or in the possession of the Company except with the leave of the Court and in accordance with such terms (if any) as the Court imposes; and/or
- (xi) otherwise enforce any right it may have or acquire against the Company.

4.3 Previous operation of this DOCA preserved

In accordance with section 445H of the Act, the termination or avoidance in whole or in part of this DOCA does not affect the previous operation of this DOCA.

Parties Bound by this DOCA

This DOCA will be binding on:

- (a) each Creditor;
- (b) in accordance with section 444D, each Secured Creditor;
- (c) in accordance with section 444D, each Owner or Lessor;
- (d) any other Secured Creditor or Owner or Lessor that the Court determines should be bound by this DOCA;
- (e) the Directors of the Company;
- (f) the Members of the Company; and
- (g) the Deed Administrators.

Board of Directors

The board of Directors of the Company:

- (a) is obliged to cooperate with the Deed Administrators in giving effect to the DOCA Purpose and Objects and terms of this DOCA;
- (b) will not exercise or purport to exercise a function or power as a Director of the Company except with the prior written approval of the Deed Administrators; and

- (c) will not pass a resolution to place the Company into voluntary administration or take any step to wind it up except with the prior written approval of the Deed Administrators.

5.3 Owners and lessors

-) Each person bound by this DOCA acknowledges that if an Owner or Lessor were to realise or otherwise deal with any of the properties owned by the Company listed in Schedule C, it may have a materially adverse effect on achieving the DOCA Purpose and Objects.
-) Each Owner or Lessor bound by this DOCA may not, without the prior written consent of the Deed Administrators, take possession of any property that is used or occupied by, or in the possession of the Company to the extent that to do so may have a material adverse effect in achieving the DOCA Purpose and Objects.

Security interests under the PPSA

-) Each person bound by this DOCA acknowledges that if a Creditor were to realise or otherwise deal with any of the PPSA Security Interests listed in Schedule D, it may have a materially adverse effect on achieving the DOCA Purpose and Objects.
-) Each PPSA Secured Creditor bound by this DOCA, may not without the prior written consent of the Deed Administrators, enforce, realise or otherwise deal with its security, or take possession, sell or otherwise recover property subject to its security to the extent that to do so may have a material adverse effect in achieving DOCA Purpose and Objects.

Secured Creditors

-) Each Secured Creditor bound by this DOCA, may not, without the prior written consent of the Deed Administrators, enforce, realise or otherwise deal with its security or take possession, sell or otherwise recover property subject to its security to the extent that to do so may have a material adverse effect in achieving the DOCA Purpose and Objects.

Prohibition

1 Proceedings against or involving the Company

and from the Commencement Date, Creditors may not, without the consent of the Deed Administrators in relation to any Claim:

-) commence, revive or continue any action, suit, arbitration, mediation or proceeding against the Company;
-) make or proceed with an application for an order to wind up the Company;
-) institute, revive or continue with any Enforcement Process against the property of the Company excepting any shares it may hold in a Moly-Cop Entity and/or the assets of a Moly-Cop Entity;
-) take any action whatsoever to seek to recover any part of its Claim from the Company;
-) exercise any right of set off or defence, cross-claim or cross action to which that Creditor would not have been entitled had the Company been wound up on the Appointment Date;
-) begin or proceed with any proceeding against the Company except with the leave of the Court and in accordance with such terms (if any) as the Court imposes; and/or
-) otherwise enforce any right it may have or acquire against the Company.

6.2 Application to contracts of insurance and insured Claims

- (a) If insurance held by or on behalf of the Company or available under legislation would, but for this DOCA, be accessible to a Creditor in relation to that Creditor's Claim, then the Creditor may in relation to its Claim take action of the type referred to in clause 6.1 to the extent necessary to obtain payment from the insurer of the Insurance Proceeds with the consent of the Deed Administrators, which consent may be provided at the Deed Administrators' sole and absolute discretion and on such terms and conditions as the Deed Administrators may require.
- (b) For the avoidance of doubt, in any action permitted in accordance with clause 6.2(a), a Creditor will only be entitled to recover the Insurance Proceeds with respect to that Creditor's Claims and will otherwise be bound by clause 6.1 and not be permitted to any further take action of the type referred to in clause 6.1 against the Company in respect of that Creditor's Claim.

6.3 Transfer of shares

- (a) As and from the Commencement Date and until this DOCA terminates, any Member of the Company and any creditor holding any encumbrance over any shares in the Company must not, without the prior written consent of the Deed Administrators:
 - (i) transfer any shares in the Company; or
 - (ii) exercise any other shareholder rights over shares in the Company in a way that is contrary to the DOCA Purpose and Objects.
- (b) The transfer of shares in the Company by any Member of AdminCo and any creditor holding any encumbrance over any shares in the Company is void except if:
 - (i) the Deed Administrators give written consent to the transfer and that consent is unconditional; or
 - (ii) the Deed Administrators give written consent to the transfer subject to one or more specified conditions and those conditions have been satisfied; or
 - (iii) the Court makes an order under section 437F(4) of the Act authorising the transfer.
- (c) The Deed Administrators may only give consent to a transfer under subparagraphs 6.3(b) and 6.3(b)(i) if satisfied that the transfer is in the best interests of the Company's creditors as a whole.
- (d) For the avoidance of doubt, the Deed Administrators may transfer shares in AdminCo to give effect to a Transaction as provided for in clause 8 of this DOCA.

7 Deed Administrators

7.1 Appointees

The Deed Administrators will be Mark Francis Xavier Mentha, Cassandra Elysium Mathews, Martin Madden and Bryan Webster jointly and severally, and any replacement Deed Administrator appointed in accordance with clause 7.14(b) of this DOCA.

7.2 Appointment

The appointment of the Deed Administrators will be effective immediately upon the execution Date and their tenure shall be governed by the terms of this DOCA.

7.3 Joint and several

The rights, powers and privileges of the Deed Administrators may be exercised by them jointly and severally.

Power of Attorney between Deed Administrators

- (a) Each Deed Administrator appoints each other Deed Administrator severally as his or her attorney for the purpose of doing all things and signing all documents required in the administration of this DOCA and the Company.
- (b) This power of attorney terminates on the resignation or death of an assignor.

7.5 General Powers

The Deed Administrators will be entitled in their capacity as Deed Administrators to exercise all the rights, powers, discretions and authorities that are conferred by the Company's constitution or otherwise by law on the Company's Directors, to the exclusion of its Directors, provided that the Deed Administrators will not be responsible for such statutory obligations which may continue to be imposed on the Company's Directors during the DOCA Term.

7.6 Additional Powers

The Deed Administrators will have all actual and incidental powers to give effect to the DOCA Purpose and Objects including, without limiting the generality of this clause:

- (a) all the powers of a voluntary administrator appointed under section 436A of the Act; and
- (b) subject to the approval of the Arrium Creditors' Committee as provided for in this DOCA and the Arrium Distribution DOCA, the powers to:
 - (i) collect, take possession of and deal with all assets and property of the Company;
 - (ii) grant options over property of the Company on such conditions as the Deed Administrators think fit;
 - (iii) carry on the business of the Company as the Deed Administrators think fit;
 - (iv) sell or realise all the assets and undertakings of the Company as the Deed Administrators think fit;
 - (v) for the purpose of giving effect to the sale and recapitalisation of the Arrium Group Companies, novate, release or terminate all Contracts entered into by the Company;
 - (vi) assign the benefit of any Contract entered into by the Company;
 - (vii) assign the assets of the Company;
 - (viii) transfer the assets of the Company;
 - (ix) enter into and complete a contract for sale and issue, sell or allot the shares, debentures or other interests of the Company;
 - (x) transfer the shares, debentures or other interests of the Company;
 - (xi) open bank accounts in the name of the Company;
 - (xii) permit any person authorised by the Deed Administrators to operate any account in the name of the Company;
 - (xiii) do all acts and execute documents in the name and on behalf of the Company including using the Company's common or official seal where necessary;
 - (xiv) close down the whole or any part of any businesses of the Company;
 - (xv) lease or let or hire property of the Company;

- (xvi) approve, ratify and implement any decision or agreement made, or transaction entered into, by the Voluntary Administrators;
- (xvii) insure property of the Company;
- (xviii) insure the Deed Administrators for actions taken during the DOCA Term;
- (xix) repair, renew or enlarge property of the Company;
- (xx) call in, collect or convert into money the property of the Company;
- (xxi) purchase, hire or lease or otherwise acquire any property or interest in property from any person or corporation;
- (xxii) appoint agents, advisers or consultants to do any business or attend to any matter or affairs of the Company that the Deed Administrators are unable to do, or that it is unreasonable to expect the Deed Administrators to do, in person;
- (xxiii) engage or discharge employees on behalf of the Company;
- (xxiv) remove from office a Director of the Company;
- (xxv) appoint a person to act as a Director of the Company, whether to fill a casual vacancy or not;
- (xxvi) negotiate the termination or repudiation of any other Contracts entered into by the Company;
- (xxvii) Disclaim any Contracts entered into by the Company;
- (xxviii) investigate the property, business and affairs of the Company;
- (xxix) appoint such further or other advisers as the Deed Administrators deem necessary or appropriate;
- (xxx) account for, or give effect to, accounting treatment of the affairs of the Company;
- (xxxi) convene and hold meetings of the Members or Creditors for any purposes the Deed Administrators see fit;
- (xxxii) assist, to the extent necessary, the deed administrators of the Arrium Distribution DOCA to:
 - (A) establish and administer the Arrium Distribution Fund; and
 - (B) make payments or interim or other distributions from the Arrium Distribution Fund;
- (xxxiii) pay any Secured Creditor in part or in full and release any of the Secured Creditor's security;
- (xxxiv) pay any Employee Priority Creditor in part or in full;
- (xxxv) pay any person who is the owner or lessor of property possessed, used or occupied by the Company;
- (xxxvi) pay Unsecured Creditors rateably on the basis that all Unsecured Creditors are not materially or unfairly prejudiced when compared with the return they would have received in a liquidation of the Company;
- (xxxvii) extinguish Creditors' Claims;
- (xxxviii) remove the Company from any securities exchange if applicable;
- (xxxix) bring, prosecute or defend in the name and on behalf of the Company or in the name of the Deed Administrators any actions, suits or proceedings;

- (xl) bring, prosecute or defend in the name and on behalf of the Company or in the name of the Deed Administrators any application for exemptions for relief from State and Territory Revenue Offices and/or the Australian Taxation Office or any application for taxation rulings;
- (xli) enter into a litigation funding agreement on behalf of the Company;
- (xlii) refer to arbitration any question affecting the Company;
- (xliii) resolve any dispute of any nature commercially;
- (xliv) borrow or raise money and grant security, including in the name of the Company, for any period on such terms as the Deed Administrators think fit and whether in substitution for any existing security or not;
- (xlv) draw, accept, make or endorse any bill of exchange or promissory note in the name and on behalf of the Company;
- (xlvi) take necessary steps to protect confidential and price sensitive information of the Company;
- (xlvii) accept or assume liabilities on behalf of the Company;
- (xlviii) establish, on behalf of the Company, independently administered funds or trusts;
- (xlix) propound a compromise or arrangement under Part 5.1 of the Act;
- (l) wind up the Company;
- (li) deregister the Company;
- (lii) subject to the *Bankruptcy Act 1966* (Cth), prove in the bankruptcy of any contributory or debtor of the Company or under any deed of company arrangement executed under that Act;
- (liii) take out letters of administration of the estate of a deceased contributory or debtor and do any other act necessary for obtaining payment of any money due from a contributory or debtor or their estate that cannot conveniently be done in the name of the Company;
- (liv) subject to the Act, prove in the winding up of any contributory or debtor of the Company or under any scheme of arrangement entered into, or deed of company arrangement executed, under that Act;
- (lv) bring or defend an application for the winding up of the Company;
- (lvi) make any decision in relation to the Company with or without reasons;
- (lvii) do anything that is incidental to exercising a power set out in this clause;
- (lviii) do anything else that is necessary or convenient for the purpose of administering this DOCA; and
- (lix) provide any information to or agree to any act, matter or thing with the Other Deed Administrators or do anything else that is necessary or convenient for the purpose and objects of the Other Arrium DOCAs.

7.7 Agency

When exercising the powers conferred by this DOCA and carrying out the duties under this DOCA, the Deed Administrators will act as agent for and on behalf of the Company.

no agreement to novate or extinguish

For the avoidance of doubt, the powers granted to the Deed Administrators under this DOCA do not constitute any agreement that the Deed Administrators will novate, release or extinguish any Claims.

7.9 Deed Administrators' Acts Done in Good Faith Not Liable To Be Set Aside

Without derogating from the operation of section 445H of the Act, all persons bound by this DOCA acknowledge and agree that a payment or transaction entered into or any other act or thing done in good faith by, or with the consent of the Deed Administrators, and in accordance with their duties:

- (a) is valid and effectual; and
- (b) is not liable to be set aside in a liquidation of AdminCo or on the termination of this DOCA.

7.10 Consent to novation, release and extinguishment

- (a) The Deed Administrators may in their sole and absolute discretion:
 - (i) novate Claims from the Company to another Arrium Group Company; and/or
 - (ii) release and/or extinguish Claims,
 in order to give effect to the DOCA Purpose and Objects.
- (b) Subject to clauses 19.1(a), 19.1(b) and 19.1(c) of this DOCA and clause 19.2 of the Arrium Distribution DOCA, each Creditor irrevocably consents to the novation and/or release and/or extinguishment of its Claims against the Company and the Deed Administrators may execute such form of release or novation as the Deed Administrators require to give effect to a Transaction.
- (c) Section 444J of the Act is expressly incorporated into this DOCA (with any necessary changes) and the Company irrevocably covenants and agrees that anything done under or pursuant to this DOCA or the Other Arrium DOCAs (including the release, novation or extinguishment of any Arrium Group Claim the payment of which has been guaranteed by the Company) does not impact in any way on the enforceability, effectiveness or otherwise of any guarantee to which the Company is party.
- (d) Notwithstanding any other clause of this DOCA or the Other Arrium DOCAs, the Deed Administrators are not authorised or empowered to release, novate or extinguish:
 - (i) a Claim which has been guaranteed ("**Guarantee**") by the Moly-Cop Entities ("**Guaranteed Claim**") unless the Deed Administrators have first obtained the prior written consent of the creditor(s) of the Guaranteed Claim; and
 - (ii) a Claim against Metpol Pty Limited (ACN 000 927 373) to the extent that it arises pursuant to a Guarantee, unless the Deed Administrators have first obtained the prior written consent of the relevant Creditor.

7.11 Winding up of the Company

- (a) Subject to the approval of the Arrium Creditors' Committee, the Deed Administrators may determine that the Company be wound up voluntarily, as if a resolution under section 491 of the Act had been made in accordance with this clause 7.11.
- (b) In the event that the Deed Administrators recommend to the Arrium Creditors' Committee to wind-up the Company, the Deed Administrators will provide all ACC Members with written reasons for their recommendation including the impact on any return to priority creditors of the Company (once liquidated), and will comply with clause 7.11(c).
- (c) The Arrium Creditors' Committee will consider the Deed Administrators' recommendation to wind-up AdminCo and if the resolution to wind-up AdminCo is approved by the Arrium Creditors' Committee, the Deed Administrators will give

effect to that resolution and, within 7 Business Days of determining that the Company will be wound up:

- (i) lodge a printed copy of their decision with ASIC;
 - (ii) cause a notice of their decision to be published on the website of the Deed Administrators; and
 - (iii) lodge a notice of the termination of this DOCA in accordance with clause 4.1(c).
- (d) If the Deed Administrators' recommendation to wind-up AdminCo is not carried at a meeting of the Arrium Creditors' Committee, then the Deed Administrators will apply to the Court for directions in accordance with clause 11.4(g) of the Arrium Distribution DOCA.
- (e) Where:
- (i) the Deed Administrators determine to wind up the Company with the approval of the Arrium Creditors' Committee; or
 - (ii) pursuant to law, the Creditors resolve to wind up the Company; or
 - (iii) the Court orders the winding up of the Company,
- the Deed Administrators will be deemed to have consented to be, and have been appointed the joint and several liquidators of that company under section 472 of the Act.

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7.15 No Personal Liability

Other than in the case of the gross negligence, recklessness, fraud or wilful default of the Deed Administrators or their agents, partners or employees, the Deed Administrators and their agents, partners and employees accept no personal liability and will not be personally liable for (without limitation):

- (a) to the extent permissible by law, any debt payable by or liabilities incurred by the Voluntary Administrators being debts or liabilities payable or incurred on behalf of the Company in relation to the administration of the Company;

- (b) any debt payable or liabilities incurred by the Deed Administrators being debts or liabilities payable or incurred in the performance of their duties, functions or powers under this DOCA or in the administration of the Company;
- (c) any debt payable or liabilities incurred by the Company after the Commencement Date including any amounts payable by the Deed Administrators for services rendered, goods bought or property hired, leased, used or occupied by or on behalf of the Company;
- (d) any loss or damage caused by any act, default or omission by the Voluntary Administrators or on behalf of the Voluntary Administrators in the performance of the Voluntary Administrators' powers, functions and duties as administrator of the Company; and
- (e) 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, function and duties under this DOCA or in the administration of the Company.

7.16 Limitation of Liability

If a Court holds any of the Deed Administrators or their agents, partners or employees personally liable in respect of matters arising under or incidental to the Voluntary Administration or Deed Administration of the Company or arising out of this DOCA then:

- (a) where the Deed Administrators or their agents, partners or employees have acted in good faith and without gross negligence, recklessness, fraud or wilful default such liability, when aggregated with any liability of the Other Deed Administrators or their respective agents, partners or employees under or incidental to the voluntary administration of the Other Arrium Group Companies or deed administration of the Other Arrium DOCAs, shall not exceed \$20 million in aggregate; and
- (b) no party will have recourse to any of the Voluntary Administrators' or Deed Administrators' or their agents', partners' or employees' personal assets (other than the right to be indemnified pursuant to this DOCA and the Act or otherwise at law or the proceeds of any responsive insurance policy), nor will they petition or otherwise seek bankruptcy of any of the Voluntary Administrators or Deed Administrators or their agents, partners or employees in respect of any liability, claim or judgment arising therefrom.

8 Assignment by the Company and information for Share Sale

- (a) This clause has effect notwithstanding any contrary term of this DOCA or the Other Arrium DOCAs.
- (b) The Deed Administrators are not authorised or empowered to transfer some or all of the shares in the Company to a third party which is not an Arrium Group Company (**Share Sale**) otherwise than in accordance with this clause.
- (c) If the Administrators consider that a Share Sale may be required to realise the assets and undertaking of the Company, at least 5 Business Days prior to the date of the Arrium Creditors' Committee meeting prior to the Share Sale, the Deed Administrators must provide each ACC Member with a written report setting out:
 - (i) all claims, choses in action and causes of action which would only be available in a liquidation of the Company, together with the estimated realisable value of each of the liquidator's claims; and
 - (ii) all other claims, choses in action or causes of action which are or may be available to the Company arising from:
 - (A) any breach prior to the Appointment Date by any Director or Officer of the Company of any duty or obligation (be it statutory,

fiduciary, equitable, contractual, tortious or otherwise) owed by that Director or Officer to the Company; or

- (B) any breach on or prior to the Appointment Date by any Adviser who was involved in any way in the Examinable Affairs of the Company, of any duty or obligation (be it statutory, fiduciary, equitable, contractual, tortious or otherwise) owed by that person to the Company,

(together, the **Third Party Claims**), together with the estimated realisable value of each of the Third Party Claims.

- (d) The Deed Administrators must use their best endeavours to procure that the Company assigns and transfers to another Arrium Group Company subject to an Other Arrium DOCA, absolutely free of all securities all of the right, title and interest of whatsoever nature of the Company, in and to the Third Party Claims.

9 Administrators' Remuneration and Costs

9.1 Voluntary Administrators' Remuneration

- (a) The Voluntary Administrators shall be:
 - (i) remunerated in respect of any work done by the Voluntary Administrators and any agent, partner or employee of the Voluntary Administrators acting on behalf of the Voluntary Administrators, in connection with the performance of their duties, obligations and responsibilities as Voluntary Administrators in accordance with the Remuneration Policy Manual and at the scale of rates charged from time to time for the provision of services during the period of the Company's administration or as otherwise approved by the Arrium Creditors' Committee; and
 - (ii) reimbursed in respect of all costs, fees and expenses incurred in connection with the performance of their duties, obligations and responsibilities as Voluntary Administrators.
- (b) The Deed Administrators may:
 - (i) pay the remuneration and reimburse the costs and expenses payable to the Voluntary Administrators in accordance with clause 9.1(a);
 - (ii) if agreed with the Other Deed Administrators, pay any remuneration and reimburse the costs and expenses payable to the Other Voluntary Administrators in accordance with the relevant Other Arrium DOCA; and
 - (iii) make any such payment or reimbursement out of the Arrium Distribution Fund in accordance with the Waterfall.

9.2 Deed Administrators' Remuneration

- (a) The Deed Administrators shall be:
 - (i) remunerated in respect of any work done by the Deed Administrators and any agent, partner or employee of the Deed Administrators acting on behalf of the Deed Administrators, in connection with the performance of their duties, obligations and responsibilities as Deed Administrators in accordance with the Remuneration Policy Manual and at the scale of rates charged from time to time for the provision of services during the period of the Company's administration or as otherwise approved by the Arrium Creditors' Committee; and

- (ii) reimbursed in respect of all costs, fees and expenses incurred in connection with the performance of their duties, obligations and responsibilities as Deed Administrators.
- (b) The Deed Administrators may:
 - (i) pay the remuneration and reimburse the costs and expenses payable to the Deed Administrators in accordance with clause 9.1;
 - (ii) if agreed with the Other Deed Administrators, pay any remuneration and reimburse the costs and expenses payable to the Other Deed Administrators in accordance with the relevant Other Arrium DOCA; and
 - (iii) make any such payment or reimbursement out of the Arrium Distribution Fund in accordance with the Waterfall.

9.3 Approval of the Voluntary Administrators' and Deed Administrators' Remuneration

- (a) The remuneration of the Voluntary Administrators and the Deed Administrators may be approved by the Arrium Creditors' Committee.
- (b) In the event the Arrium Creditors' Committee fails to approve the Voluntary Administrators' or the Deed Administrators' remuneration, the Voluntary Administrators' or the Deed Administrators' remuneration may be approved by order of the court under section 449E of the Act.

10 Voluntary Administrators' and Deed Administrators' Indemnity

10.1 Indemnity

The Voluntary Administrators and the Deed Administrators and their agents, partners or employees (whether or not they are still acting in either capacity) will be indemnified by the Company out of the assets of the Company and the Arrium Distribution Fund for:

- (a) all debts and liabilities (including taxation liabilities) incurred or paid, or damages or losses sustained in the performance or exercise, or purported performance or exercise by the Voluntary Administrators and the Deed Administrators, of any of their functions, rights and powers under or in accordance with the Act, any other applicable law or this DOCA or under any instrument, document or power of attorney contemplated by or executed pursuant to this DOCA;
- (b) all debts payable, liabilities incurred by and claims against the Deed Administrators (present or future, certain or contingent, ascertained or sounding only in damages) in relation to the administration of this DOCA or their acting as Deed Administrators, including any amounts held by a court to be or agreed or accepted by the Deed Administrators as being payable by the Deed Administrators for services rendered, goods bought or property hired, leased, used, occupied by or on behalf of, or in the possession of, the Company;
- (c) any amounts which the Voluntary Administrators are or would be but for the matters contemplated by this DOCA, entitled to be indemnified out of the assets of the Company under the Act, at law or in equity, including any amounts payable pursuant to section 443A, section 443B or section 443BA of the Act;
- (d) any debts, liabilities, damages, losses and remuneration to which the statutory indemnity under section 443D of the Act applies;
- (e) all loss and damage suffered by them as a consequence of or arising out of the Company failing to comply with its obligations under law; and
- (f) the Voluntary Administrators' and Deed Administrators' Remuneration under clauses 9.1(a) and 9.1(b) of this DOCA,

except to the extent that such debts, liabilities, claims, damages, losses and remuneration have been incurred as a result of the gross negligence, recklessness, fraud or wilful default of the Deed Administrators or their agents, partners and employees.

10.2 Continuing Indemnity

The indemnity in clause 10.1 shall take effect on and from the Commencement Date and shall endure without limitation as to time for the benefit of the Deed Administrators, notwithstanding the appointment of replacement Deed Administrators or a liquidator or Intervening Liquidator to the Company or the termination of this DOCA.

10.3 Deed Administrators' Lien

The Deed Administrators are entitled to exercise a lien at law or in equity over the property of the Company and of the Arrium Group Companies including the Arrium Distribution Fund for the purpose of securing the right of indemnity conferred by clause 10.1 and such a lien shall not be abrogated on the appointment of a liquidator or Intervening Liquidator to the Company.

10.4 Other Deed Administrators' Lien

The Other Deed Administrators are entitled to exercise a lien at law or in equity over the property of the Company and of the Arrium Group Companies including the Arrium Distribution Fund for the purpose of securing the right of indemnity conferred by any Other Arrium DOCA and such a lien shall not be abrogated on the appointment of a liquidator or Intervening Liquidator of the Company.

11 The Arrium Creditors' Committee

The Arrium Creditors' Committee is established, and its meetings are conducted, under clause 11 of the Arrium Distribution DOCA.

12 Reporting to Creditors

- (a) The Deed Administrators will report to Creditors at least once each calendar year and may do so by reporting alone, or in conjunction with the Other Deed Administrators, to the Arrium Group Creditors.
- (b) The Deed Administrators may, in their sole and absolute discretion, report to Creditors during the DOCA Term from time to time as the Deed Administrators in their sole and absolute discretion deem appropriate.
- (c) The Deed Administrators will report to Creditors by posting the reports on the creditors' information section of the Deed Administrators' website.

13.1 When Meeting of Creditors may be convened

- (a) The Deed Administrators:
 - (i) may at any time convene a meeting or meetings of the Creditors and may do so by convening, in conjunction with the Other Deed Administrators, a meeting or meeting of the Arrium Group Creditors;
 - (ii) will in conjunction with the Other Deed Administrators convene a meeting of the Arrium Group Creditors if so requested in writing by Arrium Group Creditors the value of whose Arrium Group Claims against the Arrium Group Companies is not less than 10% of the value of all Arrium Group Creditors' Claims against the Arrium Group Companies; and

- (iii) will convene a meeting of the Creditors if required to do so under the Act or by court order.
- (b) All persons bound by this DOCA agree that at any meeting of Creditors, all Arrium Group Creditors are entitled to attend and vote at any meeting of Creditors convened under the Act as if those Arrium Group Creditors who are not Creditors are, for the purposes of voting, Creditors.
- (c) The Deed Administrators may vote in any meeting of the Creditors or Arrium Group Creditors convened by the Deed Administrators under this DOCA notwithstanding that they may have a personal interest in the outcome of the vote.
- (d) At any meeting convened to consider the appointment of an Intervening Liquidator or to vote to replace an Intervening Liquidator with one or more appointees from KordaMentha, the Deed Administrators may use the power of attorney given in their favour under clause 16.7 to vote on behalf of all Creditors in respect of that appointment, and Creditors attending that meeting in person or by proxy may participate but not vote on that resolution.

13.2 Conduct of Meetings of Creditors

Regulations 5.6.12 to 5.6.36A of the Regulations apply to meetings of the Creditors of the Company or of the Arrium Group Creditors:

- (a) as if references to "creditor" were references to the Arrium Group Creditors;
- (b) as if references to "Liquidator", "the Liquidator or Provisional Liquidator", "the Liquidator, Provisional Liquidator or Chairman" or "a Liquidator, Provisional Liquidator or Trustee for Debenture Holders", as the case may be, were references to the Deed Administrators; and
- (c) with such other modifications as the Deed Administrators, in their sole and absolute discretion, deem necessary to comply with the provisions of the Regulations, this DOCA and the Arrium Distribution DOCA.

Notwithstanding any contrary term of this DOCA, the Moly-Cop Assets and any shares in the Moly-Cop Entities held by the Company are not:

- (a) available to pay any Entitlements or Claims;
- (b) part of the Arrium Distribution Fund; or
- (c) subject to the decisions of the Arrium Creditors' Committee.

The Arrium Distribution Fund is established in accordance with clause 15 of the Arrium Distribution DOCA.

16.1 Sale and realisation unfettered below \$20 million

- (a) The Deed Administrators may sell, assign, realise or otherwise dispose of any asset of the Company or of any of the shares held by the Company in an Arrium Entity for consideration up to \$20 million at their sole, absolute and unfettered discretion.
- (b) Arrium Creditors' Committee to sell, assign, realise or otherwise dispose of any

asset of the Company or of any of the shares held by the Company in an Arrium Entity for consideration greater than \$20 million.

- (c) The approval of the Arrium Creditors' Committee is not required for:
- (i) the sale, assignment, disposition, or realisation of, or other dealing with the Moly-Cop Assets or shares in Moly-Cop Entities;
 - (ii) the sale, assignment, disposition, or realisation of, or other dealing with intangible property, including without limitation intellectual property rights;
 - (iii) the novation, release or extinguishment of any Claim against the Company; or
 - (iv) the exercise of any other powers by the Deed Administrators, save for the decisions to wind-up the Company (as provided in clause 7.11) or to determine priorities in liquidation (as provided in clause 20).

16.2 Proceeds of realisation of the Company's Assets and Arrium Entities

The Deed Administrators must realise and pay into the Arrium Distribution Fund the Arrium Assets as soon as reasonably practicable.

16.3 Realisation of the Integrated Processing Facilities subject to EFIC consent

- (a) The Deed Administrators will be bound by the EFIC Term Bilateral Facility Agreement and the EFIC Security Deed.
- (b) The Deed Administrators acknowledge that EFIC is not bound by the DOCA in respect of the Integrated Processing Facilities and the EFIC Security.
- (c) The Deed Administrators will only deal with the Integrated Processing Facilities and the EFIC Security with the prior written consent of EFIC.
- (d) The Deed Administrators must distribute the proceeds of any sale, assignment, disposal or realisation of the Integrated Processing Facilities directly to EFIC in satisfaction of the IPF Loan.
- (e) If the proceeds of the sale, assignment, disposal or realisation of the Integrated Processing Facilities are more than the amount of the IPF Loan, the remaining proceeds will be transferred to the Arrium Distribution Fund in accordance with clause 16.2.
- (f) If the Integrated Processing Facilities are sold, assigned, disposed of or realised with other assets, without any specific allocation of a portion of the purchase price to the Integrated Processing Facilities, then the Deed Administrators will, having first obtained the prior written consent of EFIC if the IPF Loan will not be repaid in full from the proceeds, determine the portion of the proceeds to be allocated to the Integrated Processing Facilities.
- (g) In the event the Integrated Processing Facilities are decommissioned, the EFIC Security will be released in accordance with the EFIC Security Deed.

16.4 Proceeds of insurance or reinsurance

- (a) Sections 562 and 562A of the Act are incorporated into this DOCA with any necessary changes.
- (b) The proceeds of contracts of insurance or reinsurance received by the Company as a result of any claims made or proceedings brought by the Company against any third party (including a Director or Officer or any person who was involved in any way in the Examinable Affairs of the Company) will form part of the Arrium Distribution Fund for distribution to the Arrium Group Creditors in accordance with this DOCA and the Arrium Distribution DOCA.

16.5 Insured Members' claims

Section 563A of the Act is incorporated into this DOCA (with any necessary changes) and prevails, including in the liquidation of the Company, to the extent of any inconsistency with sections 562 or 562A of the Act (which are incorporated by clause 16.4), such that a Member's right to the payment of Insurance Proceeds arising by virtue of a Claim which is a "subordinate claim" (as that phrase is defined by the Act) (**Subordinate Claim**) is subordinated as against any competing right to the payment of Insurance Proceeds in favour of the Company or a Creditor whose right to Insurance Proceeds arises otherwise than by virtue of a Subordinate Claim.

16.6 Reduction of Claim

Any Insurance Proceeds received by a Creditor by virtue of the operation of clause 16.4 will be deemed to have reduced the Claim of that Creditor accordingly.

16.7 Creditors agree to be bound by the Sale and Realisation of the Assets of the Arrium Group Companies in any liquidation

Without derogating from the operation of clause 14:

- (a) each Creditor will be bound by the decisions of the Deed Administrators under this clause 16;
- (b) each Creditor will, pursuant to the power of attorney given in favour of the Deed Administrators, authorise the Deed Administrators in their sole discretion:
 - (i) to oppose the Court appointing a liquidator to the Company other than from KordaMentha (an **Intervening Liquidator**);
 - (ii) to attend a meeting of the Creditors of the Company and use the power of attorney solely to vote against the appointment of an Intervening Liquidator and to vote to replace an Intervening Liquidator with one or more appointees from KordaMentha as provided in clause 13.1(d); and
 - (iii) to notify the Intervening Liquidator that the Creditor requires that any dividend payable by the Intervening Liquidator in relation to the Creditor's Claim be paid directly into the Arrium Distribution Fund for distribution in accordance with this DOCA as it applied prior to the liquidation of the Company.

17 Priority of Employee Entitlements

17.1 Employee Entitlements to have priority

- (a) Any Employee Priority Creditor will retain a priority equal to that to which they would have been entitled if the property of the Company had been applied in accordance with sections 556, 560 and 561 of the Act.
- (b) Employee Priority Creditors will be paid in priority to the Claims of Unsecured Creditors according to the provisions of the Waterfall.
- (c) A debt (or part thereof) by way of superannuation contribution (**Superannuation Debt**) is not admissible to proof against the Company if:
 - (i) that debt (or part of the debt) by way of superannuation guarantee charge:
 - (A) has been paid; or
 - (B) is, or is to be admissible against, the Arrium Group Companies; and
 - (ii) the Deed Administrators are satisfied that the superannuation guarantee charge is attributable to the Superannuation Debt.

- (d) If the Deed Administrators make a determination in accordance with clause 17.1(c), the Superannuation Debt is to be treated as extinguished as against the Company and the Creditor will have no Entitlement in respect of that Superannuation Debt.

18 Proofs of Debt

18.1 Proofs of Debt

Creditors' Claims are to be submitted and admitted for proof by the deed administrators of the Arrium Distribution DOCA in accordance with clause 18 of the Arrium Distribution DOCA.

18.2 No double proof

- (a) In the event that any Claim is novated by the Deed Administrators or the Other Deed Administrators to another Arrium Group Company, such a novation will not create a new Claim or Arrium Group Claim.
- (b) The rule against double proof will apply in respect the Arrium Group Companies in aggregate so that a Creditor proves only once against the Arrium Distribution Fund in respect of a Claim against a primary obligor but may not prove in respect of a Claim guaranteed by a co-guarantor.
- (c) The rule against double proof will apply in respect to AdminCo such that a Creditor will not have any Entitlement in respect of any Claim arising from the partial repayment of a debt or obligation owing the Company which has been guaranteed by the Creditor.

18.3 Mutual credit and set-off

- (a) Subject to clause 18.3(b) where there have been mutual credits, mutual debits or other mutual dealings between the Company and a Creditor who seeks to have a Claim admitted to proof against the Company:
 - (i) an account is to be taken of what is due from the one party to the other in respect of those mutual dealings; and
 - (ii) the sum due from one party is to be set off against any sum due from the other party; and
 - (iii) only the balance of the account is admitted in respect of the Creditor's Proof of Debt against the Company, or is payable to the Company as the case may be.
- (b) A person is not entitled to claim the benefit of a set off under clause 18.3(a) if, at the time of giving credit to the Company, or at the time of receiving credit from the Company, the person had notice of the fact that the Company was insolvent.

18.4 Conversion into Australian currency of foreign currency debts or Claims

- (a) This clause applies if the amount of a Claim admissible to proof against the Company would, apart from this clause, be an amount of foreign currency.
- (b) If the Company and the Creditor have, in an instrument created before the Appointment Date, agreed on a method to be applied for the purpose of converting the Company's liability in respect of the Claim into Australian currency, the amount of the Claim that is admissible to proof is the equivalent in Australian currency of the amount of foreign currency, worked out as at the Appointment Date and in accordance with the agreed method.
- (c) If clause 18.4(b) does not apply, the amount of the Claim that is admissible to proof is the equivalent in Australian currency of the amount of foreign currency, worked out by reference to the opening carded on demand airmail buying rate in relation to

the foreign currency available at the Commonwealth Bank of Australia on the Appointment Date.

18.5 Calculation of Interest on Claims

Section 563B(1) of the Act and Regulation 5.6.70A apply to the calculation of interest admissible to proof against an Arrium Group Company, as if:

- (a) references to “liquidator” and “the liquidator”, as the case may be, were references to the Deed Administrators;
- (b) references to the “relevant date” were references to the Appointment Date;
- (c) references to “winding up” were references to the administration under this DOCA; and
- (d) with such other modifications as the Deed Administrators, in their sole and absolute discretion, deem necessary to comply with the provisions of the Regulations, this DOCA, the Arrium Distribution DOCA, and each of the Other Arrium DOCAs.

19 Entitlements and Payment from the Arrium Distribution Fund

19.1 Entitlement

- (a) Notwithstanding any other provision of this DOCA or the Other Arrium DOCAs, each Creditor’s Entitlements are to be adjudicated by the Deed Administrators as at the Appointment Date and, regardless of whether the Claim has been subsequently novated, released or extinguished by:
 - (i) the Deed Administrators pursuant to this DOCA or the Other Arrium DOCAs; or
 - (ii) any other party or parties, provided that the Deed Administrators determine to exercise their power under this clause to allow the Claim to remain provable notwithstanding its novation, release or extinguishment.
- (b) Each Creditor will be entitled to receive distributions in respect of its Admitted Claim from the Arrium Distribution Fund in accordance with the order of priority in clause 19 of the Arrium Distribution DOCA, including as adjusted as required under clause 19.3(a) of the Arrium Distribution DOCA.
- (c) Creditors are only entitled to receive such distributions and amounts as are declared by the deed administrators of the Arrium Distribution DOCA and as provided for in this DOCA and the Arrium Distribution DOCA.
- (d) The deed administrators of the Arrium Distribution DOCA must pay Creditors their Entitlements under the Arrium Distribution DOCA as soon as reasonably practicable, including by issuing interim Dividends whenever considered appropriate by the deed administrators of the Arrium Distribution DOCA in their sole and absolute discretion.

20 Priorities in liq

- (a) On the liquidation of the Company, the liquidator will be bound to apply the statutory order of priority under the Act (the **Statutory Waterfall**) to its creditors, notwithstanding this DOCA, the Arrium Distribution DOCA and the Other Arrium DOCAs.
- (b) All payments to be made to priority creditors in relation to the Company when placed in liquidation (the **Liquidated Company**) will be determined by the deed administrators of the Arrium Distribution DOCA in accordance with the Statutory Waterfall applicable to the Liquidated Company and having regard to the return the priority creditor would have received in the liquidation of the Liquidated Company.

- (c) The Deed Administrators must obtain the approval of the Arrium Creditors' Committee prior to making any proposed distribution to priority creditors of the Liquidated Company.
- (d) For the avoidance of doubt, this clause 20 has no application in relation to the Company if not placed into liquidation.

21 Extinguishment and Discharge of Claims

21.1 Release of Claims in exchange for Entitlement

- (a) All Creditors having a Claim must accept their Entitlement under this DOCA in full satisfaction and complete discharge of all Claims which they have or claim to have against the Company and the Arrium Distribution Fund and the Deed Administrators may execute such form of release as the Deed Administrators require.

21.2 All Claims released, discharged and extinguished

- (a) If the Deed Administrators have paid to a Creditor its full Entitlement under this DOCA, all of its Claims (to the extent not already extinguished by the Deed Administrators pursuant to this DOCA, the Arrium Distribution DOCA or the Other Arrium DOCAs) are released, discharged and extinguished.
- (b) On banking the payment referred to in clause 21.2(a), each Creditor will be deemed to have released the Company, the Arrium Distribution Fund, the Voluntary Administrators, the Other Voluntary Administrators, the Deed Administrators and the Other Deed Administrators, and the Deed Administrators may execute such form of release as the Deed Administrators require.
- (c) On payment of the Final Dividend from the Arrium Distribution Fund, all of the Creditor's Claims against the Company or the Arrium Distribution Fund, the Voluntary Administrators, the Other Voluntary Administrators, the Deed Administrators and the Other Deed Administrators, are released, discharged and extinguished.
- (d) On banking payment of the Final Dividend, each Creditor will be deemed to have released the Company, the Arrium Distribution Fund, the Voluntary Administrators, the Other Voluntary Administrators, the Deed Administrators and the Other Deed Administrators, and the Deed Administrators may execute such form of release as the Deed Administrators require.

21.3 Release of PPSA Secured Creditors' Claims

If the Deed Administrators have paid to a PPSA Secured Creditor that agrees to be bound by this DOCA its full Entitlement under this DOCA, then:

- (a) immediately on payment in full of such Entitlement, each such PPSA Secured Creditor agrees that each and all PPSA Security Interests granted in favour of it by the Company (to the extent not already extinguished by the Deed Administrators pursuant to this DOCA or the Other Arrium DOCAs) are each released, discharged and extinguished. For the avoidance of doubt, this includes each PPSA Security Interest listed in Schedule D granted in favour of such PPSA Secured Creditor;
- (b) immediately on payment in full of such Entitlement, each such PPSA Secured Creditor irrevocably and unconditionally appoints each of the Deed Administrators severally as its attorney under and upon the terms set out in Schedule H;
- (c) each such PPSA Secured Creditor agrees that the Deed Administrators may execute such form of a power of attorney and a deed of release as the Deed Administrators may require;
- (d) each such PPSA Secured Creditor agrees that, whenever a Deed Administrator requests such PPSA Secured Creditor to do anything:

- (i) to ensure that the releases and discharges effected by this DOCA, or pursuant to any Power of Attorney or any Deed Poll of Release, are fully effective;
- (ii) to ensure that any release and discharge of a PPSA Security Interest granted in favour of such PPSA Secured Creditor required to be effected for the purposes of this DOCA is so effected; or
- (iii) for aiding the exercise of any right, power or interest by an Attorney pursuant to Schedule H,

each such PPSA Secured Creditor must do it immediately at its own cost. That may include, for that purpose:

- (i) executing any form of deed poll of release, discharge of mortgage or other security release document;
 - (ii) registering any financing statement required for the purpose of discharging a registration in respect of a PPSA Security Interest held by such PPSA Secured Creditor; and
 - (iii) ratifying the execution and delivery of any document by an Attorney on behalf of such PPSA Secured Creditor or the exercise of any right or power by an Attorney on behalf of such PPSA Secured Creditor; and
- (e) each such PPSA Secured Creditor agrees that if the Company or a Deed Administrator makes an "amendment demand" (as defined in the PPSA) with respect to a PPSA Security Interest granted in favour of such PPSA Secured Creditor by the Company, such PPSA Secured Creditor will not challenge nor dispute such amendment demand and shall comply immediately with the terms of such amendment demand, including, without limitation, by registering a financing statement to discharge any security registration required pursuant to the amendment demand.

21.4 Bar to Creditors' Claims

Upon release, discharge or extinguishment of a Creditor's Claim pursuant to this DOCA, this DOCA and the Other Arrium DOCAs can be pleaded by the Company, the Voluntary Administrators, the Other Voluntary Administrators, the Deed Administrators and the Other Deed Administrators as a total bar to the Claim and a total bar and defence to any legal proceeding brought at any time in respect of that Claim.

22 Dispute Resolution

Dispute Notice

If any person is aggrieved by and disputes any act, omission or decision of the Voluntary Administrators or the Deed Administrators (**Aggrieved Person**), the Aggrieved Person may within fourteen days of the disputed act, omission or decision, give notice in writing of the dispute to the Deed Administrators (**Dispute Notice**).

Mediation

In the event of a Dispute Notice, the Deed Administrators and the Aggrieved Person will refer the dispute the subject of the Dispute Notice to mediation by a mediator agreed and jointly appointed by the Deed Administrators and the Aggrieved Person.

Mediation Conduct Agreement

Each Aggrieved Person giving a Dispute Notice shall execute an agreement governing the conduct of the mediation process in the form provided by the Deed Administrators, and each Aggrieved Person shall perform all obligations under and be bound by the provisions of that agreement.

22.4 Professional privilege

The principles of legal professional privilege shall apply to any mediation and be preserved for the benefit of the parties to the mediation, and no act or other conduct on the part of a party in the course of the mediation shall be taken as, or be asserted or relied upon by the other party to the mediation as being, a waiver of any legal professional privilege that would otherwise be available to the first party.

22.5 Mediation on without prejudice basis

- (a) All discussion and negotiation during the mediation shall be on a "without prejudice" basis unless such privilege is waived by the parties by agreement, either generally or in relation to any aspect, or agreement is reached.
- (b) None of the parties to the mediation may refer in any subsequent proceedings to any such privileged discussions and negotiations or require a mediator to do so and no party may have access to any of the Mediator's notes or call the Mediator as a witness in any proceedings.

22.6 Forum Shopping

All persons bound by this DOCA agree that any application or proceedings concerning this DOCA or any Other Arrium DOCA will be made to or brought in the Court, unless otherwise agreed in writing by the Deed Administrators or unless the Court does not have jurisdiction to deal with such applications or proceedings.

23 Jurisdiction

This DOCA is governed by and construed in accordance with the laws for the time being in force in the State of Victoria.

24 General

24.1 Company Power of attorney

- (a) The Company irrevocably appoints each of the Deed Administrators severally as its attorney in accordance with the power of attorney in Schedule I and Schedule J to exercise or refrain from exercising (in the Deed Administrators' sole and absolute discretion) any and all of the Company's rights or powers in relation to or in connection with their rights, title and interests in all the property of the Company.
- (b) The Company shall make, do and provide all things and documents reasonably necessary to give proper effect to this DOCA in accordance with the DOCA Purpose and Objects, including all things as necessary to procure registration of the powers of attorney referred to in clause 24.1(a).

24.2 Creditors' Power of Attorney

Each Creditor irrevocably appoints each of the Deed Administrators severally as its attorney or proxy for the sole purpose of doing all things and signing all documents necessary to give proper effect:

- (a) to the consent to the novation, extinguishment and release of its Claims as provided in clauses 7.10, 21.1, 21.1(a) and 21.3 (which is to be used by the Deed Administrators to give effect to novations and the Creditor's releases of the Arrium Group Companies (including the Arrium Distribution Fund) only);
- (b) to the authority of the Deed Administrators to vote at any meeting of Creditors in relation to any liquidation or the appointment of an Intervening Liquidator of the Company as provided in clause 16.7(b) of this DOCA; and

- (c) to this DOCA, in accordance with the DOCA Purpose and Objects, and only as may be approved by the Arrium Creditors' Committee from time to time.

24.3 Members' Power of Attorney

Each Member irrevocably appoints each of the Deed Administrators severally as its attorney or proxy for the purpose of doing all things and signing all documents necessary to give proper effect:

- (a) to clauses 7.10, 16.7(b), 21.1, 21.1(a) and 21.3 of this DOCA, and
- (b) to this DOCA, in accordance with the DOCA Purpose and Objects, and only as may be approved by the Arrium Creditors' Committee.

24.4 Variation

- (a) The provisions of this DOCA may be varied by resolution passed at a meeting of Creditors convened under section 445F of the Act, but only if the variation is not materially different from a proposed variation set out in the notice of meeting.
- (b) Clause 13.2 of this DOCA applies to the conduct of any meeting of Creditors convened under section 445F of the Act.

24.5 Waiver

The waiver by the Voluntary Administrators or the Deed Administrators in respect of any breach by another person bound by this DOCA shall not be deemed to be a waiver in respect of any other breach or of any subsequent similar breach by a person bound by this DOCA and no delay or omission on the part of a person to exercise or avail itself of any rights accruing to it under this DOCA shall operate as a waiver in respect of any default by another person under this DOCA.

25 Notices

All notices, requests, demands, requisitions, approvals, elections, consents or other communications ("notices") required to be given or served to or upon any of the parties pursuant to or in connection with this DOCA shall be in writing in the English language and shall be deemed to be duly given or made when delivered to the party to which such notice is given or served as the address of each party as follows:

- (a) If to the Voluntary Administrators or the Deed Administrators:

Address: KordaMentha,
Level 5 Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000
Australia

Attention: Mark Mentha, Cassandra Mathews, Martin Madden and Bryan Webster

Email: cmathews@kordamentha.com; mmadden@kordamentha.com;
mmentha@kordamentha.com; bwebster@kordamentha.com

with a copy to:

Address: Arnold Bloch Leibler
Level 24 Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000
Australia

Attention: Leon Zwier

Email: lzwier@abl.com.au

- (b) If to the Company:

Address: C/- KordaMentha

Level 5 Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000
Australia

Attention: Mark Mentha, Cassandra Elysium Mathews, Martin Madden and
Bryan Webster

Email: cmathews@kordamentha.com; mmadden@kordamentha.com;
mmentha@kordamentha.com; bwebster@kordamentha.com

with a copy to:

Address: C/- Arnold Bloch Leibler

Level 24 Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000
Australia

Attention: Leon Zwier

Email: lzwier@abl.com.au

or at such other address as the relevant party may specify for such purpose to other parties
by notice in writing.

26 Counterparts

This DOCA may be executed in any number of counterparts, each of which when so
executed shall be deemed to be an original and such counterparts together shall constitute
one and the same deed.