

## Lynas Rare Earths to acquire Meteoric Resources

Lynas Rare Earths Ltd (ASX: LYC, OTCQX: LYSDY, LYSCF) (“Lynas”) and Meteoric Resources Limited (ASX:MEI, OTCQB: METOF) (“Meteoric”) are pleased to announce that they have entered into a binding Scheme Implementation Deed (“SID”) under which it is proposed that Lynas will acquire 100% of the shares in Meteoric by way of a Court-approved scheme of arrangement under Part 5.1 of the Corporations Act 2001 (Cth) (“Scheme”).

The transaction brings Meteoric’s flagship Caldeira Rare Earth Project (“Caldeira”) and Brazilian expertise together with Lynas’ existing industry leading operations.

### Transaction Summary

- All-share consideration from Lynas is highly compelling and mutually beneficial:
  - Complements Lynas’ existing operations in Western Australia and Malaysia;
  - Diversifies and adds resource for Lynas through Meteoric’s Caldeira, the largest known ionic clay JORC rare earth oxide (“REO”) Mineral Resource outside China<sup>1</sup> containing both light and heavy rare earth elements. The Project has a completed definitive feasibility study (“DFS”) <sup>2</sup> and is located in the world class mining jurisdiction of Minas Gerais, Brazil; and
  - Meteoric shareholders benefit from a significant control premium and unlocking of Caldeira’s value through Lynas’ strong balance sheet and proven experience in developing and operating rare earth projects, while also receiving immediate exposure to the only commercial producer and supplier of light and heavy rare earth oxides outside of China. Lynas’ ownership also brings opportunities to develop downstream processing in Brazil.
- Transaction supports Lynas’ *Towards 2030* growth pillar to ‘add resource and scale’ and is expected to be accretive to Lynas across a range of key metrics including net asset value (“NAV”), Mineral Resources and Ore Reserves and future feedstock capacity of NdPr and DyTb <sup>1, 2, 3, 4</sup>.
- Caldeira has the potential to make a significant contribution to Lynas by:
  - Diversifying Lynas’ resource base from one to two tier-1 resource bodies, one hard rock and one ionic clay;
  - Contributing an estimated 802kt of NdPr oxides and 41kt of DyTb oxides within Meteoric’s reported Mineral Resources<sup>1</sup>;
  - Increasing Lynas’ reported Measured and Indicated TREO Mineral Resources by approximately 79% and reported Ore Reserve by approximately 26%<sup>1, 3</sup> on a pro forma arithmetic basis;
  - Adding the potential for an average annual production of approximately 3,862 tonnes of NdPr and 127 tonnes of DyTb over Caldeira’s life-of-mine, based on Meteoric’s DFS production target<sup>2</sup>, at a competitive cost base;
  - Potential to integrate into Lynas’ existing and industry leading downstream operations in Malaysia, complementing the Lynas Advanced Materials Plant in Kuantan; and
  - Affording the potential to develop downstream processing in Brazil, a supportive and well established mining jurisdiction.
- Following implementation, Lynas intends to work with Meteoric’s existing team to advance development of Caldeira. Lynas values the deep in-country experience and relationships which the Meteoric team brings.
- The exchange ratio of 0.0207 Lynas shares per Meteoric share implies an equity deal value of A\$968m on a fully diluted and 60-day Lynas VWAP basis<sup>5</sup>. The exchange ratio also implies:

<sup>1</sup> Refer to Meteoric’s ASX announcement “Measured Resources Grow 246% to 128Mt” released on 9 July 2026 for Meteoric’s Mineral Resource and Ore Reserves. 802kt of NdPr and 41kt of DyTb refer to Measured, Indicated and Inferred Mineral Resource. Increase in Mineral Resource expressed on a Measured and Indicated basis.

<sup>2</sup> Refer to Meteoric’s DFS ASX announcement “Caldeira DFS Confirms Confidence in Project Fundamentals” released to the ASX on 31 July 2026 for DFS and average life-of-mine NdPr feedstock production. Actual production rates and cost position are subject to outcomes and FID which are also dependent on market conditions.

<sup>3</sup> Lynas Mineral Resource and Ore Reserve based on ASX announcement “2024 Mineral Resource and Ore Reserve Update” released on 5 August 2024.

<sup>4</sup> The pro forma steady state production refers to target infrastructure nameplate capacity at the combined facilities only. It is not, nor is it intended to be, a production target for the purposes of Chapter 5 of the ASX Listing Rules or a projection or forecast of the amount of minerals to be extracted or produced for any production period.

<sup>5</sup> Based on Meteoric’s fully diluted shares outstanding of 3,060,127,368 (inclusive of ordinary shares, performance shares, performance rights, long term Incentives, short term Incentives, deferred Varginha consideration. Refer to the SID for further detail. Exchange ratio implied offer prices and premiums are expressed on the same VWAP time periods for Lynas and Meteoric. Consideration based on the 60-day Lynas VWAP as of 30 September 2026 of \$15.29/sh.

- A\$0.286 per Meteoric share, being a 68.4% premium to Meteoric's last close of A\$0.170<sup>6</sup>;
- A\$0.310 per Meteoric share, being a 57.6% premium to Meteoric's 30-day VWAP of A\$0.197<sup>7</sup>; and
- A\$0.316 per Meteoric share, being a 64.2% premium to Meteoric's 60-day VWAP of A\$0.193<sup>8</sup>.
- The Meteoric Board has unanimously recommended the Scheme in the absence of a Superior Proposal (as defined in the SID) emerging and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Meteoric shareholders.
- All of the directors of Meteoric's Board (who together hold 2.6% of Meteoric's ordinary shares outstanding) have confirmed their intention to vote in favour of the Scheme, subject to those same qualifications.
- Tolga Kumova, Meteoric's largest shareholder, and his associated entities, which together currently hold approximately 6.7% of Meteoric's issued shares<sup>9</sup>, have confirmed their intention to vote all Meteoric shares held or controlled by them at the time of the Scheme Meeting in favour of the Scheme in the absence of a Superior Proposal emerging and subject to the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Meteoric shareholders.

Commenting on the Scheme, Lynas Rare Earths' Board Chair, Prof John Humphrey, said:

*"Lynas is very pleased with the potential to bring together the Caldeira deposit which is the largest known ionic clay rare earth Mineral Resource outside China reported in accordance with the JORC Code, and Lynas' high grade Mt Weld deposit and leading rare earth operations. This will deliver on our Towards 2030 growth objective of adding resource and scale. Expanding our operations into a new country will help Lynas maintain its leading position in the global rare earths supply chain and meet increased customer demand for rare earth materials."*

*"Brazil is a well-established and supportive mining jurisdiction and its rare earth reserves are the largest outside China. We have enjoyed getting to know Andrew and his team and congratulate Meteoric on their achievements to date, including extensive knowledge of the ore body and ionic clays, the integration of sustainability initiatives into project design, and the completion of a technically robust DFS. With Lynas' proven expertise and strong balance sheet, we will continue this excellent work with the local team, the Government of Brazil and local communities to achieve the Project's full potential,"* Prof John Humphrey continued.

*"We look forward to welcoming Meteoric's shareholders to the Lynas share register and continuing to build value for all shareholders."*

Meteoric Executive Chair, Dr Andrew Tunks, added:

*"I am very proud that the work of our team has attracted a partner of Lynas Rare Earths' calibre to Caldeira. This project has been progressed with an intensive focus on the fundamentals: drilling, geological understanding, metallurgical recoveries and test work, including from our own pilot plant. That discipline is why Caldeira stands where it does today: an orebody that is high grade, highly recoverable, low in capital intensity, low in operating cost, and highly scalable. Meteoric has a great team of people who have developed significant intellectual property on this ionic clay project."*

*"We have worked hand in hand with our host communities, Indigenous stakeholders, and government at the municipal, state and federal levels. As part of this transaction, Lynas has engaged directly with the Federal Government and BNDES to ensure no delay in the development of Caldeira."*

*"The efforts of the Meteoric team have culminated in Lynas, one of the world's leading rare earths companies, validating the quality of the Project through the proposed transaction, which will allow our shareholders to gain access to Lynas' skills and capabilities. Through this process, I have built a strong relationship with John Humphrey and the Lynas senior leadership team, and have the greatest confidence in Lynas' ability to deliver. Lynas brings technical expertise, global credibility and balance sheet strength to fast-track the development of Caldeira. Together we see a long future leading the development and industrialisation of the rare earths industry in Brazil."*

## Strategic Rationale

**The Scheme is expected to deliver significant value for Lynas shareholders including:**

- Delivers on Lynas' Towards 2030 'add resource and scale' growth pillar, diversifying Lynas from one high quality and high-

<sup>6</sup> Implied offer price based on the last closing price of Lynas shares as at 30 September 2026 of \$13.83/sh.

<sup>7</sup> Implied offer price based on the 30-day Lynas VWAP as at 30 September 2026 of \$14.97/sh. Exchange ratio implied offer prices and premiums are expressed on the same VWAP time periods for Lynas and Meteoric.

<sup>8</sup> Implied offer price based on the 60-day Lynas VWAP as of 30 September 2026 of \$15.29/sh. Exchange ratio implied offer prices and premiums are expressed on the same VWAP time periods for Lynas and Meteoric.

<sup>9</sup> Based on 2,906,618,799 ordinary shares outstanding.

grade Mineral Resource to two;

- Combines Lynas' world-class Mt Weld deposit and technical know-how with Meteoric's Brazilian expertise and the world's largest known ionic clay rare earth Mineral Resource outside China reported in accordance with the JORC Code;
- Accretive across a range of key metrics including NAV, Mineral Resources and Ore Reserves, and adds future feedstock capacity of NdPr and DyTb1:2:3;
- Located in the attractive mining jurisdiction of Minas Gerais, Brazil, with government support and regulatory framework to develop the local rare earth industry; and
- All-share transaction structure maintains Lynas' strong net cash and liquidity position and ensures it remains well capitalised to fund the development of Caldeira as well as other growth initiatives.

**The benefits of the Scheme to Meteoric shareholders include:**

- Immediate upside through the delivery of an attractive premium to recent trading prices in Meteoric;
- Ongoing exposure to the development of Caldeira through holding shares in Lynas, with Meteoric shareholders representing ~5.9% of the pro forma entity on a fully diluted basis;
- Development of Caldeira significantly derisked and value unlocked given access to:
  - Lynas' strong balance sheet with A\$1.2bn cash and short term deposits<sup>10</sup> on hand;
  - Lynas' proven experience as a producer with ongoing cashflows to support the development of Caldeira and other potential opportunities including downstream processing to add further value in Brazil; and
  - Lynas' extensive technical expertise in rare earths processing, project development skills and operating and marketing capabilities, which will complement Meteoric's existing senior management team and Caldeira expertise;
- Material diversification and broader benefits from exchanging Meteoric shares for Lynas shares, including:
  - Enhanced market positioning and inclusion in relevant ASX and global indices;
  - Larger free float, significantly increased liquidity with A\$106m of shares traded daily<sup>11</sup> and enhanced access to capital markets, with Lynas being an ASX-50 company;
- Exposure to Lynas' rare earth mining and processing expertise, including the potential to develop downstream processing in Brazil, leveraging Lynas' capability as the only commercial producer of separated light and heavy rare earth oxides outside of China.

**Investment in Brazil**

Lynas' acquisition of Meteoric is aligned with Brazilian government objectives to develop a sustainable rare earth industry. Lynas was established as a responsible rare earths producer and supplier of separated rare earth materials and has proven operational experience and technical expertise across two continents as well as a strong balance sheet to further advance the project's development.

Lynas' decision to invest in Meteoric and its Caldeira Project in Brazil demonstrates the importance of Brazil's rare earth industry to domestic and global rare earth supply chains. Lynas expects capital expenditure for the development of the Project to be over US\$500m<sup>12</sup>.

Lynas will undertake studies on the potential for additional downstream processing in Brazil, in line with Brazil's economic and sustainability objectives.

**Funding**

The all-share Scheme consideration maintains Lynas' strong existing balance sheet and liquidity position to ensure it remains well capitalised to fund its growth strategy, including the future development of Caldeira as well as other *Towards 2030* growth initiatives.

In connection with the Scheme, Lynas has agreed to provide Meteoric with an interim funding facility of up to A\$110m to fund the continued development of the Caldeira Project, transaction and implementation costs and Meteoric's working capital requirements during the Scheme process ("Loan Facility").

An initial tranche of A\$35 million is to be made available following execution of the SID, with the remaining funding to be made

<sup>10</sup> As of 30 June 2026. Refer to ASX announcement "Appendix 4E and 2026 Annual Report" released on 26 August 2026.

<sup>11</sup> 12-month average daily traded volume of ~6 million shares as at 30 September 2026.

<sup>12</sup> Refer to Meteoric's DFS ASX announcement "Caldeira DFS Confirms Confidence in Project Fundamentals" released to the ASX on 31 July 2026 for initial capital expenditure estimate of US\$498m.

available subject to satisfaction of certain conditions. The Loan Facility is unsecured. Timing of repayment of the facility will be a function of the circumstances in which the Scheme process concludes. The parties expect to enter into definitive facility documentation regarding the further tranche of funding shortly after execution of the SID. Further details of the Loan Facility will be included in the Scheme Booklet.

### **Meteoric Resources Board and Voting Intention**

The Board of Meteoric unanimously supports the Scheme and has unanimously recommended that Meteoric shareholders vote in favour of the Scheme, in the absence of a Superior Proposal emerging and subject to an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Meteoric shareholders. Subject to those same qualifications, each member of the Meteoric Board (representing 2.6% of Meteoric's ordinary shares outstanding) intends to vote all Meteoric shares held or controlled by them in favour of the Scheme.

Tolga Kumova, Meteoric's largest shareholder, and his associated entities, which together currently hold approximately 6.7% of Meteoric's ordinary shares outstanding, have confirmed their intention to vote all Meteoric shares held or controlled by them at the time of the Scheme Meeting in favour of the Scheme, in the absence of a Superior Proposal emerging and subject to the independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Meteoric shareholders. Tolga Kumova and his associated entities have reserved the right to sell, transfer, dispose of, lend or otherwise deal with any Meteoric shares before the Scheme Meeting. Accordingly, the number of Meteoric shares held or controlled by them at the Scheme Meeting may differ from their current holding. Any shares held or controlled by them at the Scheme Meeting will be voted in accordance with the voting intention described above.

### **Overview of the Scheme**

Under the terms of the Scheme, Lynas will acquire 100% of the issued shares in Meteoric at a fixed exchange ratio of 0.0207 new Lynas shares for each Meteoric share. Upon implementation of the Scheme, Meteoric shareholders will own approximately ~5.9% of all issued Lynas shares on a fully diluted basis. Meteoric and Lynas have agreed principles for the treatment of Meteoric's outstanding options, performance rights and other rights to acquire Meteoric shares. Those securities and rights will be dealt with in accordance with their terms, the SID and as otherwise agreed by Meteoric and Lynas so that, following implementation, they will not entitle their holders to acquire Meteoric shares or dilute Lynas' ownership of Meteoric.

The Scheme is subject to certain conditions, including:

- an independent expert concluding (and continuing to conclude) that the Scheme is in the best interests of Meteoric shareholders;
- customary conditions, including receipt of regulatory approvals (including approval by the Brazilian National Council for the Industrialisation of Critical and Strategic Minerals for the change in control in Meteoric)<sup>13</sup> and no material adverse change or prescribed events occurring in respect of either Lynas or Meteoric;
- approval by Meteoric shareholders at a meeting of shareholders to vote on the Scheme ("Scheme Meeting"). For the Scheme to proceed, the resolutions at the Scheme Meeting must be approved by at least 75% of all votes cast by Meteoric shareholders and a majority by number of all Meteoric shareholders present and voting (in person or by proxy) at the Scheme Meeting; and
- the requisite Court approvals.

The SID contains customary exclusivity obligations, including "no shop, no talk" provisions, notification obligations and a matching right regime in the event any Superior Proposal emerges for Meteoric. The SID also details circumstances under which a break fee may be required to be paid by both parties. Full details of the terms and conditions of Scheme are set out in the SID, a copy of which is attached as Appendix A to this announcement.

### **Indicative timetable**

Meteoric intends to dispatch a Scheme Booklet containing further information in relation to the Scheme to Meteoric shareholders in December 2026.

The Scheme Meeting is expected to be held in January 2027 and, if approved by Meteoric shareholders and the Court, and the relevant Brazilian regulatory approval is obtained, the Scheme is expected to be implemented by March 2027.

These are indicative timelines only and subject to change. Lynas and Meteoric will keep the market informed of any material developments relating to the Scheme in accordance with their respective continuous disclosure requirements.

### **Amendment to Togni Agreement**

In addition to the Scheme, Meteoric also announces that it has agreed an amendment to its arrangements with Togni S/A –

<sup>13</sup> Law No.15,506/2026 was recently introduced in Brazil and requires approval for transactions involving a change in control of certain companies holding mining rights related to critical and strategic minerals.

Materiais Refratários (“Togni”) relating to the Caldeira Project (“Togni Agreement”). The Togni Agreement was originally announced to ASX on 16 December 2022, with definitive terms announced to ASX on 13 March 2023. It was most recently amended as announced to ASX on 29 April 2026. Under the Togni Agreement, Togni S/A – Materiais Refratários provides Meteoric with the exclusive right to explore, develop and mine rare earth materials at Caldeira. Under the previous terms of the Togni Agreement, if extraction, processing and production at Caldeira had not commenced by April 2031, Togni was able to terminate the arrangements. The amendment extends this period by two years, to April 2033.<sup>14</sup>

#### Advisers

Lynas has appointed Barrenjoey as its financial adviser and Mallesons as its legal adviser in relation to the Scheme. BMA Advogados acted as Brazilian legal advisor to Lynas. Meteoric has appointed Macquarie Capital (Australia) Limited as its financial adviser and Allens as its Australian legal adviser. Pinheiro Neto Advogados acted as Brazilian legal adviser to Meteoric.

#### Investor Webcast

Lynas will host an analyst and investor webcast to discuss the transaction at 10:30am (AEST) today, 1 October 2026:

Webcast link: <https://meetings.lumiconnect.com/300-049-721-091>

This announcement should be read in conjunction with the investor presentation dated 1 October 2026 released to the ASX on the same date as this announcement.

#### Disclaimers

This announcement is a joint announcement that has been prepared by Lynas and Meteoric in relation to the Scheme. The Scheme is subject to the terms and conditions described in the SID. A copy of the SID is attached to this announcement and is available on the ASX website (at [www.asx.com.au](http://www.asx.com.au)), the Lynas website (at [www.lynasrareearths.com/investors-media/asx-announcements/](http://www.lynasrareearths.com/investors-media/asx-announcements/)) and the Meteoric website ([www.meteoric.com.au/asx-announcements/](http://www.meteoric.com.au/asx-announcements/)), as applicable. This announcement should be read in conjunction with the presentation jointly prepared by Lynas and Meteoric released to ASX on or about the date of this announcement and available on the ASX website, Lynas website and Meteoric website at the addresses above.

Further information about the Scheme (including the full terms and conditions of the Scheme and key risks for Meteoric shareholders) will be provided by Meteoric to Meteoric shareholders and released to ASX in the Scheme Booklet.

#### Not an offer

This announcement is not, an offer or solicitation or an invitation or recommendation to acquire Lynas or Meteoric shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. It is also should not be read or understood as, and is not, a solicitation of any vote or approval in connection with the Scheme.

This announcement may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be unlawful.

#### Financial data

All dollar values are in Australian dollars (A\$) unless stated otherwise and financial data is presented within the year ending 30 June 2026 unless stated otherwise.

#### Forward Looking Statements

This announcement contains certain “forward-looking statements” that are based on management’s beliefs, assumptions and expectations and on information currently available to management. The words “expect”, “likely”, “should”, “could”, “may”, “will”, “aim”, “intend”, “propose”, “believe”, “opinion”, “consider”, “predict”, “plan”, “scenario”, “project”, “outlook”, “guidance”, “forecast”, “anticipate”, “target”, “estimate” and other similar expressions within the meaning of securities laws of applicable jurisdictions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements include statements regarding Lynas’ and or Meteoric’s expectations about the financial and operating performance of their respective businesses, statements about the plans, objectives and strategies of each of Lynas’ and Meteoric’s management, statements about the industry and markets in which each of Lynas and Meteoric operates, statements about expected net asset value accretion, expected earnings per share accretion and expected unit cost reduction anticipated production or construction commencement dates, costs or production outputs (based on estimates of production and target nameplate capacity) and statements about the timetable and the effects of the Scheme (including expected benefits to Lynas and Meteoric shareholders) and the future operation of Lynas and Meteoric and the integration of Meteoric’s business with that of Lynas. There can be no assurance that the Scheme will be implemented or

<sup>14</sup> Under the amended arrangements, if operations have not commenced by April 2031, monthly advance participation payments of US\$600,000, which will be creditable against future participation payments, together with an additional monthly payment of US\$600,000 will be paid until operations commence or April 2033, whichever occurs first. The additional payments will not be creditable against future participation payments.

that the plans of Lynas' management will proceed as currently expected or will ultimately be successful.

You are strongly cautioned not to place undue reliance on forward-looking statements. Any forward-looking statements, opinions and estimates in this announcement speak only as of the date of this announcement and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Any such statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks, contingencies and uncertainties and other factors, many of which are beyond the control of Lynas or Meteoric, and may involve significant elements of subjective judgment and assumptions as to future events, which may or may not be correct. Forward-looking statements may also assume the success of Lynas' or Meteoric's business strategies. The success of any of these strategies (including the Scheme) is subject to uncertainties and contingencies beyond Lynas' and Meteoric's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward-looking statements may have been prepared or otherwise. Further information in relation to risks (including those that are specific to the Scheme) will also be provided in due course in the Scheme Booklet and investors should carefully consider this information (and all other materials issued in connection with the Scheme) and seek independent advice before making any decision.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements, including (without limitation) the Australian, United States and global economic environment and capital market conditions and other risk factors set out in this announcement. You should consider the forward-looking statements contained in this announcement in light of those risks and disclosures. The forward-looking statements are based on information available to Lynas and Meteoric as at the date of this announcement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including Lynas or Meteoric or any of their respective advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur.

#### **Disclaimer**

Lynas, Meteoric and their affiliates, officers, employees, agents and advisers have not authorised, permitted or caused the issue, dispatch or provision of this announcement to any third party. Lynas and Meteoric, to the maximum extent permitted by law, expressly exclude and disclaim all liability (including, without limitation, any liability arising out of fault or negligence on the part of any person) for any direct, indirect, consequential or contingent loss or damage, or for any costs or expenses, arising from the use of this announcement or its contents or otherwise arising in connection with it or the Scheme. Lynas and Meteoric do not make any representations or warranties (express or implied) to you about the Scheme or about the currency, accuracy, reliability or completeness of the information, opinions and conclusions in this announcement (including, without limitation, any financial information, any estimates or projections and another financial information).

#### **JORC Code**

It is a requirement of the ASX Listing Rules that the reporting of ore reserves and mineral resources in Australia comply with the Joint Ore Reserves Committee's Australasian Code for Reporting of Mineral Resources and Ore Reserves ("JORC Code"). Investors outside Australia should note that while ore reserve and mineral resource estimates of Lynas and Meteoric in this announcement comply with the JORC Code (such JORC Code - compliant ore reserves and mineral resources being "Ore Reserves" and "Mineral Resources" respectively), they may not comply with the relevant guidelines in other countries and, in particular, do not comply with (i) National Instrument 43-101 (Standards of Disclosure for Mineral Projects) of the Canadian Securities Administrators (the "Canadian NI 43-101 Standards"); or (ii) Item 1300 of Regulation S-K, which governs disclosures of mineral reserves in registration statements filed with the SEC. Information contained in this announcement describing mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of Canadian or US securities laws.

#### **Pro forma Mineral Resources and Ore Reserves**

References in this announcement to pro forma Mineral Resources and Ore Reserves, and to percentage increases in Lynas' Mineral Resources and Ore Reserves, are based on the arithmetic aggregation, subject to rounding, of the separately reported Mineral Resource and Ore Reserve estimates of Lynas and Meteoric referred to above.

The estimates relate to separate deposits and have been prepared using the geological characteristics, cut-off grades, estimation methodologies and other assumptions applicable to each deposit. The pro forma information does not constitute a new or independently estimated combined Mineral Resource or Ore Reserve. Mineral Resources are reported inclusive of Ore Reserves.

#### **Meteoric production target and forecast financial information**

The production targets and forecast financial information relating to Caldeira in this announcement are extracted from Meteoric's ASX announcement dated 31 July 2026 titled "Caldeira DFS Confirms Confidence in Project Fundamentals to Support Offtake

and Financing". The production target is underpinned by 100% Probable Ore Reserves. Meteoric confirms that all material assumptions underpinning the production target and forecast financial information continue to apply and have not materially changed. There is no certainty that the production target or forecast financial information will be achieved.

## Mineral Resources and Ore Reserves

### Lynas

The information in this announcement that relates to the current Mineral Resources and Ore Reserves of Lynas has been extracted from the ASX release by Lynas entitled "2024 Mineral Resource and Reserve Update" dated 5 August 2024 available at [www.lynasrareearths.com](http://www.lynasrareearths.com) and [www.asx.com](http://www.asx.com) ("Lynas Announcement"). Lynas confirms that it is not aware of any new information or data that materially affects the information included in the Lynas Announcement other than changes due to normal mining depletion up until the date of this announcement, in relation to the estimates of Lynas' Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the Lynas Announcement continue to apply and have not materially changed. Lynas confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from that announcement.

### Meteoric

The information in this announcement that relates to Meteoric's Mineral Resources is extracted from Meteoric's ASX announcement dated 9 July 2026 titled "Caldeira Project Measured Resources Grow 246% to 128Mt" (**Mineral Resource Announcement**). The information in this announcement that relates to Meteoric's Ore Reserve, production targets and forecast financial information is extracted from Meteoric's ASX announcement dated 31 July 2026 titled "Caldeira DFS Confirms Confidence in Project Fundamentals to Support Offtake and Financing" (**DFS Announcement**).

Meteoric confirms that it is not aware of any new information or data that materially affects the information included in the Mineral Resource Announcement or the DFS Announcement and, in the case of estimates of Mineral Resources and Ore Reserves, that all material assumptions and technical parameters underpinning those estimates continue to apply and have not materially changed. Meteoric confirms that the form and context in which the relevant Competent Persons' findings are presented have not been materially modified from those announcements.

Meteoric also confirms that all material assumptions underpinning the production targets and forecast financial information in the DFS Announcement continue to apply and have not materially changed.

### Pro forma

Pro forma Mineral Resources and Ore Reserves in this announcement are based on the aggregate Mineral Resources and Ore Reserves (with rounding) of each of Lynas and Meteoric, as set out above. Mineral Resources are presented inclusive of Ore Reserves.

References to the potential increase in NdPr production are based on the aggregation of Lynas' stated target infrastructure nameplate capacity and Meteoric's average annual NdPr production target under the Caldeira DFS. The Caldeira production target is underpinned by 100% Probable Ore Reserves. The pro forma information is presented solely to illustrate the potential scale of the combined portfolio and is not a production forecast for Lynas or the combined group. There is no certainty that the Caldeira production target, or the illustrative pro forma production level, will be achieved.

**Authorised by:** John Humphrey, Chair, Lynas Rare Earths and the Board of Meteoric Resources

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# Scheme Implementation Deed

Dated   

Lynas Rare Earths Limited (“**Bidder**”)  
Meteoric Resources Limited (“**Target**”)

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# Scheme Implementation Deed

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# Scheme Implementation Deed

## Details

|                      |                  |                                                                                                                                     |
|----------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Parties</b>       |                  |                                                                                                                                     |
| <b>Bidder</b>        | Name             | <b>Lynas Rare Earths Limited</b>                                                                                                    |
|                      | ACN              | 009 066 648                                                                                                                         |
|                      | Formed in        | Australia                                                                                                                           |
|                      | Address          | Level 4, 1 Howard Street, Perth WA 6000                                                                                             |
|                      | Email            | sarah.leonard@lynasre.com                                                                                                           |
|                      | Attention        | Sarah Leonard, General Counsel and Company Secretary                                                                                |
| <b>Target</b>        | Name             | <b>Meteoric Resources Limited</b>                                                                                                   |
|                      | ACN              | 107 985 651                                                                                                                         |
|                      | Formed in        | Australia                                                                                                                           |
|                      | Address          | Level 1, 35 Ventnor Avenue, West Perth WA 6005                                                                                      |
|                      | Email            | csmith@meteoric.com.au                                                                                                              |
|                      | Attention        | Cathal Smith, General Counsel                                                                                                       |
| <b>Governing law</b> | Perth, Australia |                                                                                                                                     |
| <b>Recitals</b>      | <b>A</b>         | The Target and the Bidder are public companies limited by shares and are listed on ASX.                                             |
|                      | <b>B</b>         | The Target and the Bidder have agreed to merge by means of a members' scheme of arrangement under Part 5.1 of the Corporations Act. |
|                      | <b>C</b>         | At the request of the Bidder, the Target intends to propose the Scheme and issue the Scheme Booklet.                                |
|                      | <b>D</b>         | The Target and the Bidder have agreed to implement the Scheme on the terms and conditions of this document.                         |

# Scheme Implementation Deed

## General terms

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### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Access Rights** means the Confirmed Access Rights and the Pending Access Rights.

**Agreed Bidder Loan Terms** has the meaning given in clause 8.9(a)(ii).

**Agreed Budget** means the budget and work program of the Target Group as agreed between the Bidder and the Target prior to the date of this document and as reviewed on a monthly basis by the parties, in good faith, with any amendments agreed between the Bidder and the Target, each acting reasonably having regard to:

- (a) changes in regulatory requirements;
- (b) requirements of any Regulatory Authority;
- (c) costs associated with obtaining the Brazilian Change of Control Approval;
- (d) continued development of the Caldeira Project, including land acquisition, land access, regulatory, technical, environmental and project development expenditure;
- (e) transaction and implementation costs; and
- (f) any extension of the End Date

**ANM** means the Brazilian National Mining Agency.

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

**Associate** has the meaning set out in section 12 of the Corporations Act, as if section 12(1) of the Corporations Act included a reference to this document.

**ASX** means ASX Limited, or the market operated by it, as the context requires.

**ATO** means the Australian Taxation Office.

**Australian Lease** means the lease of part of Level 1, 35 Ventnor Avenue, West Perth, Western Australia dated 6 July 2023 (as extended on 5 February 2024, 1 October 2025 and 28 August 2026), pursuant to which the Target is the lessee.

**Authorised Officer** means a director or secretary of a party, or any other person nominated by a party to act as an Authorised Officer for the purposes of this document.

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

**Bidder Equity Plan** means an employee share option plan or similar incentive plan operated by the Bidder Group.

**Bidder Group** means the Bidder and its Subsidiaries and the Bidder Group Member means each member of the Bidder Group.

**Bidder Indemnified Parties** means the Bidder, its officers, employees and advisers, its Related Bodies Corporate and the officers, employees and advisers of each of its Related Bodies Corporate.

**Bidder Information** means:

- (a) all information regarding the Bidder Group, the Merged Group, the businesses of the Bidder Group and the Merged Group, the New Bidder Shares, Bidder's interests and dealings in the Target Shares, the Bidder's intentions for the Merged Group and the Merged Group's employees and the Bidder's funding provided by the Bidder to the Target in writing for inclusion in the Scheme Booklet;
- (b) any other information regarding the Bidder required to be included in the Scheme Booklet under the Corporations Act, Corporations Regulations or ASIC Regulatory Guide 60;
- (c) any other information that the Bidder and the Target agree is the Bidder Information and that is identified in the Scheme Booklet as such,

in each case, excluding any Target Information, the Independent Expert's Report (or references to the Independent Expert's analysis or conclusions).

**Bidder Material Adverse Effect** means a Specified Event which has or has had whether alone or when aggregated with any Specified Events, the effect of diminishing the consolidated net assets of the Bidder Group (taken as a whole) by 20% or more as compared to the consolidated net assets of the Bidder Group as shown in the audited financial statements of the Bidder as at 30 June 2026, and determined after excluding the impact of any actual or anticipated recovery under the Target Group insurance policies, but does not include:

- (a) any matter Disclosed;
- (b) any matter within the actual knowledge of the Target as at the date of this document;
- (c) any matter, event or circumstance arising from changes in general economic or political conditions, or any change in taxation, interest rates or exchange rates, except to the extent that the effect of such changes or developments are disproportionately adverse to the Bidder as compared to the effects on other companies in the industry in which the Bidder operates (including, for the avoidance of doubt, the Brazilian Change of Control Approval);
- (d) any change in generally accepted accounting principles or the interpretation of them;
- (e) any change occurring to the extent that it is permitted or required to be done by this document, the Scheme or the transactions contemplated by them; or
- (f) any change occurring with the written consent of the Target.

**Bidder Prescribed Event** means, except to the extent contemplated by this document or the Scheme, any of the following events:

- (a) **(conversion)** the Bidder converts all or any of its shares into a larger or smaller number of shares;
  - (b) **(reduction of share capital)** the Bidder resolves to reduce its share capital in any way.
  - (c) **(buy-back)** the Bidder:
    - (i) enters into a buy-back agreement; or
    - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
  - (d) **(distribution)** the Bidder makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) other than as Disclosed;
  - (e) **(issuing or granting shares or options)** the Bidder:
    - (i) issues shares;
    - (ii) grants an option over its shares; or
    - (iii) agrees to make such an issue or grant such an option,

in each case to a person outside the Bidder Group other than under the terms of a Bidder Equity Plan, upon the exercise or vesting of equity incentives or performance rights issued under a Bidder Equity Plan or as otherwise Disclosed;
  - (f) **(constitution)** the Bidder adopts a new constitution or modifies or repeals its constitution or a provision of it;
  - (g) **(disposals)** any Bidder Group Member disposes of, or agrees to dispose of, the whole or a substantial part of the business or property of the Bidder Group;
  - (h) **(deregistration)** the Bidder or any Bidder Group Member that is an entity of substance (eg, that holds assets on its balance sheet as at the time of deregistration or dissolution) is deregistered as a company or otherwise dissolved; and
  - (i) **(Insolvency)** the Bidder becomes Insolvent,
- provided that a Bidder Prescribed Event listed in items (a) to (i) will not include any matter:
- (j) where the Bidder has first consulted with the Target in relation to the event and the Target has approved the proposed event in writing;
  - (k) expressly contemplated by this document or the Scheme;
  - (l) required by law, regulation, changes in generally acceptable accounting principles or by an order (or similar) of a court or a Regulatory Authority; or
  - (m) Disclosed by the Bidder to the Target.

**Bidder Representations and Warranties** means the representations and warranties of the Bidder set out in clause 12.4.

**Bidder Reporting Documents** means all required material reports, schedules, prospectuses, forms, statements, notices and other documents required to be filed with ASIC and the ASX, including any notices required to be filed by Listing Rule 3.1.

**Bidder Share** means an ordinary fully paid share in the capital of the Bidder.

**Brazilian Change of Control Approval** means any approval consent, homologation or other authorisation of a Brazilian Regulatory Authority that becomes required by law, as a result of the enactment of Bill No. 2,780/2024, Bill No. 4,443/2025 or any other Brazilian critical minerals legislation (or implementing regulations), for a change of control of, or corporate reorganisation involving, a Target Group Member that holds mineral rights relating to critical or strategic minerals, in order to implement the Scheme.

**Break Fee** means A\$8,800,000.

**Business Day** means a business day as defined in the Listing Rules.

**Class Ruling** means a binding public ruling issued by the Australian Commissioner of Taxation pursuant to Division 358 of Schedule 1 of the TAA and as described in the class ruling CR 2001/1.

**Caldeira Project** means the Caldeira Project located in the southwest region of Minas Gerais, as described in the Definitive Feasibility Study, which is in part comprised of the Target Mineral Rights.

**Competing Transaction** means a proposal, offer, expression of interest, transaction or arrangement (whether by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities, joint venture, strategic alliance, partnership, dual-listed company (or other synthetic merger), debt for equity arrangement, recapitalisation, refinancing or otherwise) which, if completed, would mean a person (other than the Bidder or its Related Bodies Corporate) whether alone or together with its Associates would:

- (a) directly or indirectly, acquire an interest (including an economic interest by way of an equity swap, contract for difference or similar transaction or arrangement) or Relevant Interest in or become the holder of 20% or more of the Target Shares (other than as custodian, nominee or bare trustee) the Target;
- (b) acquire Control of the Target, within the meaning of section 50AA of the Corporations Act;
- (c) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in all or a substantial part or a material part of the assets of or business conducted by the Target Group (including the Caldeira Project);
- (d) directly or indirectly acquire Control of any Target Group Member that holds all or a material part of the assets of the Target Group (including the Caldeira Project);
- (e) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure or other synthetic merger) with the Target; or
- (f) otherwise require the Target to abandon or to not proceed with the Scheme in a manner consistent with this document or otherwise would have the result that the Scheme is not reasonably able to be implemented, by whatever means.

For the avoidance of doubt:

- (g) each successive material modification or variation of any proposed, agreement, arrangement or transaction in relation to a Competing Proposal will constitute a new Competing Proposal; and
- (h) any intragroup transfers between Target Group Members and their Representatives in order to implement the restructuring of Brazilian land ownership as Disclosed do not constitute a Competing Proposal.

**Conditions Precedent** means the conditions precedent set out in clause 3.1.

**Confidentiality Deed** means the confidentiality agreement between the Bidder and the Target dated 15 August 2026.

**Confidential Information** has the meaning given in the Confidentiality Deed.

**Confirmed Access Rights** means the rights of access, possession, use, occupation and/or passage already held by a Target Group Member as at the date of this document over the properties and surface rights exhaustively identified in Part A of Schedule 3, being those material properties and surface rights, which, together with the Pending Access Rights, are required for the development of the Target Key Mineral Rights as provided in the Definitive Feasibility Study. For the avoidance of doubt, Confirmed Access Rights do not include any property or surface right not yet obtained by a Target Group Member, any property currently under negotiation, or any property or surface right required only for a later expansion of the Caldeira Project.

**Consolidated Group** has the meaning given to that expression in section 703-5 of the Tax Act and includes a "MEC Group" as defined in section 995-1 of the Tax Act.

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

**Controller** has the meaning it has in the Corporations Act.

**Corporate Structure Diagram** is the diagram showing the structure of the Target Group as set out in Schedule 1.

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

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

**Costs** includes costs, charges and expenses, including those incurred in connection with advisers and any legal costs on a full indemnity basis.

**Court** means the Supreme Court of Western Australia, or another court of competent jurisdiction under the Corporations Act agreed by the parties.

**Data Room** means the electronic data room maintained by or on behalf of the Target through which the Bidder and its Representatives have had access to information relating to the Target Group.

**Deed Poll** means a deed poll substantially in the form of Annexure B to this document.

**Definitive Bidder Loan Documentation** has the meaning given in clause 8.9(c).

**Definitive Feasibility Study** means the definitive feasibility study for the Caldeira Project prepared for the Target, comprised of:

- (a) the presentation publicly released by the Target on 31 July 2026; and
- (b) the chapters of the study Disclosed by the Target to the Bidder, excluding, for the avoidance of doubt, any forecast or target date, assumption or development sequence contained in any working papers, models or materials supporting that document that has not been disclosed in the documents referred to in paragraphs (a) or (b) above.

**Details** means the section of this document headed “Details”.

**Disclosed** means fully and fairly disclosed with sufficient detail and context to enable a reasonable, diligent and sophisticated investor entering into a transaction of the nature contemplated by this document to understand the nature, scope and financial significance of the relevant fact, matter, event or circumstance:

- (a) in the case of the Target:
  - (i) in the Target Disclosure Materials;
  - (ii) in the written materials provided by the Target to the Bidder at each of: (A) the Target’s management presentation to the Bidder on 24 August 2026; (B) the technical and HSEQ due diligence breakout session between the Target and the Bidder on 25 August 2026; (C) the “Brazilian legal” breakout session between the Target and the Bidder on 26 August 2026; (D) the financial due diligence and tax due diligence breakout sessions between the Target and the Bidder on 27 August 2026; and (E) the stakeholder relations due diligence breakout session between the Target and the Bidder on 28 August 2026; or
  - (iii) in any announcement made by the Target on ASX in the 12 months prior to the date of this document.
- (b) in the case of the Bidder:
  - (i) in the written materials provided by the Bidder to the Target at the Bidder’s management presentation to the Target on 28 August 2026;
  - (ii) the Disclosure Letter; and
  - (iii) in any announcement made by the Bidder on ASX in the 12 months prior to the date of this document.

**Disclosure Letter** means the letter between the parties dated on or around the date of this document.

**Effective**, when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

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

**Encumbrance** means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any “security interest” as defined in sections 12(1) or 12(2) of the PPSA or any agreement to create any of them or allow them to exist.

**End Date** means 6 months after the date of this document or such later date as determined in accordance with the extension mechanism in clause 3.3(f) or as otherwise agreed by the Bidder and the Target.

**Excluded Information** means Confidential Information which:

- (a) is in or becomes part of the public domain other than through breach of this document or an obligation of confidence owed to the party providing the Confidential Information;
- (b) the recipient of the Confidential Information can prove by contemporaneous written documentation was already known to it at the time of disclosure by the party providing the Confidential Information (unless the knowledge arose from disclosure of information in breach of an obligation of confidentiality); or
- (c) the recipient of the Confidential Information acquires from a source other than the party providing the Confidential Information or any Representative of the party providing the Confidential Information where the source is entitled to disclose it.

**Exclusivity Period** means the period from and including the date of this document to the earlier of:

- (a) the termination of this document in accordance with its terms; and
- (b) the End Date.

**Financial Indebtedness** means any debt or other monetary liability (whether actual or contingent), together with all interest, fees and penalties accrued thereon, in respect of monies borrowed or raised or any financial accommodation including under or in respect of any:

- (a) interest or non-interest bearing loan or other financing liability or obligation, including an overdraft or any other liability in the nature of borrowed money (whether secured or unsecured);
- (b) bill, bond, debenture, note or similar instrument;
- (c) acceptance, endorsement or discounting arrangement;
- (d) guarantee;
- (e) finance or capital lease;
- (f) agreement for the deferral of a purchase price or other payment in relation to the acquisition of any asset or service;
- (g) obligation to deliver goods or provide services paid for in advance by any financier; or
- (h) recourse or non-recourse liability (whether conditional or unconditional, present or future) arising from any transaction(s) related to the assignment or securitisation of receivables for financing purposes to any third party, including a factoring agreement or a similar agreement executed for the purpose of obtaining financing and including any amount raised pursuant to such agreement but which has not otherwise been recognised on the balance sheet as a liability.

**First Court Date** means the first day on which an application made to the Court, in accordance with clause 5.2(j), for orders under section 411(1) of the

Corporations Act convening the Scheme Meeting is heard (or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard).

**Group Liabilities** has the meaning given to that expression in section 721-10(1)(a) of the Tax Act.

**GST Act** means the *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

**GST Group** has the meaning given in section 195-1 of the GST Act.

**Headcount Test** means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the resolution to approve the Scheme at the Scheme Meeting is passed by a majority in number of the Target Shareholders present and voting, either in person or by proxy.

**Head Company** has the meaning given in section 995-1 of the Tax Act.

**Implementation Date** means the 5th Business Day following the Record Date.

**Incoming Directors** means the persons nominated for appointment to the boards of the Target Group Members by the Bidder to the Target in writing no later than 5 Business Days before the Implementation Date.

**Independent Expert** means the independent expert approved by the Bidder and appointed by the Target under clause 5.2(c).

**Independent Expert's Report** means the report from the Independent Expert for inclusion in the Scheme Booklet, including any update or supplementary report, stating whether in the Independent Expert's opinion the Scheme is in the best interests of the Target Shareholders.

**Indirect Tax Sharing Agreement** means a valid indirect tax sharing agreement entered into in accordance with section 444-90 of Schedule 1 to the TAA.

**Ineligible Foreign Shareholder** means a Target Shareholder:

- (a) who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of Australia and its external territories; or
- (b) whose address shown in the Register is a place outside Australia and its external territories or who is acting on behalf of such a person,

unless the Bidder determines that:

- (c) it is lawful and not unduly onerous or unduly impracticable to issue that Target Shareholder with the New Bidder Shares on implementation of the Scheme; and
- (d) it is lawful for that Target Shareholder to participate in the Scheme by the law of the relevant place outside Australia and its external territories.

A person is **Insolvent** if:

- (a) it is (or states that it is) an insolvent under administration or insolvent (each as defined in the Corporations Act);
- (b) it is in liquidation, in provisional liquidation, under administration or wound up or has had a Controller appointed to any part of its property;

- (c) it is subject to any arrangement (including a deed of company arrangement or scheme of arrangement), assignment, moratorium, compromise or composition, protected from creditors under any statute or dissolved (in each case, other than to carry out a reconstruction or amalgamation while solvent on terms approved by the other parties to this document);
- (d) an application or order has been made (and in the case of an application which is disputed by the person, it is not stayed, withdrawn or dismissed within 14 days), resolution passed, proposal put forward, or any other action taken, in each case in connection with that person, which is preparatory to or could result in any of the things described in any of the above paragraphs;
- (e) it is taken (under section 459F(1) of the Corporations Act) to have failed to comply with a statutory demand;
- (f) it is the subject of an event described in section 459C(2)(b) or section 585 of the Corporations Act (or it makes a statement from which another party to this document reasonably deduces it is so subject);
- (g) it is otherwise unable to pay its debts when they fall due; or
- (h) something having a substantially similar effect to any of the things described in the above paragraphs happens in connection with that person under the law of any jurisdiction.

**Listing Rules** means the Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

**Losses** means all claims, demands, damages, losses, costs, expenses and liabilities.

**Material Contract** means a contract or commitment or any series of related contracts or commitments (including term sheets and other kinds of preliminary contracts):

- (a) requiring payments over the term of the contract in excess of A\$5 million;
- (b) concerning the acquisition, transfer, encumbrance, surrender, ownership, use, enjoyment, development, exploration, research, mining or any other exploitation rights over, or otherwise relating to, any of the Target Key Mineral Rights or Access Rights, including for the avoidance doubt any arrangement with the Togni Parties, Varginha Parties and RAJ Parties;
- (c) regarding any offtake arrangements involving the Target Group; or
- (d) containing a covenant not to compete granted by any member of the Target Group in favour of a third party that would reasonably be expected to materially restrain or restrict the business activities of the Target Group or (following Implementation) the Bidder Group as compared with the business activities capable of being conducted by those parties if the covenant were not entered into.

**Materially Burdensome Condition** means a condition, undertaking, commitment, requirement or obligation which is reasonably expected to constitute a materially burdensome condition as otherwise agreed between the parties.

**Material Property** means any real property owned, leased, occupied or otherwise used by any member of the Target Group, that is material to the business or operations of the Target Group, including any property materially required for the Target Key Mineral Rights, or which is otherwise material to the development or operation thereof.

**Merged Group** means the Bidder Group including the Target Group following implementation of the Scheme.

**New Bidder Shares** means fully paid ordinary shares in the capital of the Bidder to be issued as consideration under the Scheme.

**Other Target Mineral Rights** means:

- (a) any and all of the mineral rights (whether present or future) granted in connection with the proceedings listed in Part B of Schedule 2; and
- (b) any other mining tenement or mineral right which may be granted in lieu of or relate (including but not limited to in respect of any extension, renewal, variation, conversion, amalgamation, replacement or substitution), in total or in part, to the same ground as, a tenement or mineral right referred to in paragraph (a),

and include, for the avoidance of doubt, the rights to mine and other privileges appurtenant to the rights referred to in paragraphs (a) and (b), including rights to apply for mining easements (servidões minerárias) over, the respective areas.

**Outgoing Directors** means all directors on the Target Board or a Board of a Target Group Member other than any Incoming Directors.

**Outstanding Share Rights** means a performance right, option or other equity incentive issued under any employee incentive plan operated by the Target Group or any other right held by any person to be issued a Target Share whether as a performance right, option, other instrument convertible into Target Shares or any contractual right to be issued Target Shares.

**Pending Access Rights** means the rights of access, possession, use, occupation and/or passage not yet held by a Target Group Member as at the date of this document over the properties and surface rights exhaustively identified in Part B of Schedule 3, being those material properties and surface rights which, together with the Confirmed Access Rights, are required for the development of the Target Key Mineral Rights as provided in the Definitive Feasibility Study.

**Plans** has the meaning given in clause 12.1(aa).

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

**RAJ Parties** means RAJ Minerios Ltda (CNPJ No 25.328.204/0001-87).

**Recommendation** has the meaning given in clause 6.1(a)(i).

**Record Date** means 5.00pm on the 2<sup>nd</sup> Business Day following the Effective Date or any other date as the Target and the Bidder agree.

**Register** means the share register of the Target and **Registry** has a corresponding meaning.

**Regulator's Draft** means the draft of the Scheme Booklet in a form acceptable to both parties which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act.

**Regulatory Approval** means any approval of a Regulatory Authority to the Scheme or any aspect of it (other than a Brazilian Change of Control Approval) which the Bidder and the Target agree, each acting reasonably, is necessary or desirable to implement the Scheme.

**Regulatory Authority** includes:

- (a) ASX, ASIC, the Takeovers Panel and ANM;
- (b) SEC;
- (c) a foreign or Australian government or governmental, semi-governmental or judicial entity or authority;
- (d) a foreign or Australian minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation, bureau, department or other political subdivision of any government;
- (e) any foreign or Australian regulatory organisation established under statute; and
- (f) any foreign or Australian quasi-governmental, self-regulatory agency, commission or authority, including any national securities exchange or national quotation system.

**Related Body Corporate** has the meaning it has in the Corporations Act.

**Relevant Interest** has the meaning it has in sections 608 and 609 of the Corporations Act.

**Representations and Warranties** means the representations and warranties in clause 12.

**Representative** means, in relation to a party:

- (a) a Related Body Corporate;
- (b) a director, officer or employee of the party or any of the party's Related Bodies Corporate; or
- (c) an adviser to the party or any of the party's Related Bodies Corporate, where an "adviser" means, in relation to an entity, a financier, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services in a professional capacity and who has been engaged by that entity.

**Representative Member** means the representative member for a GST Group.

**Reverse Break Fee** means an amount equal to A\$8,800,000.

**Scheme** means the scheme of arrangement under part 5.1 of the Corporations Act under which all the Target Shares will be transferred to the Bidder substantially in the form of Annexure A together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by the Bidder and the Target in accordance with this document.

**Scheme Booklet** means, in respect of the Scheme, the information booklet to be approved by the Court and despatched to the Target Shareholders which includes the Scheme, an explanatory statement complying with the requirements

of the Corporations Act, the Independent Expert's Report and notices of meeting and proxy forms.

**Scheme Consideration** means the consideration payable by the Bidder for the transfer of the Target Shares held by a Scheme Participant to the Bidder, being, in respect of each Target Share, 0.0207 New Bidder Shares.

**Scheme Meeting** means the meeting ordered by the Court to be convened by the Target under section 411(1) of the Corporations Act at which the Target Shareholders will vote on the Scheme (and including any meeting following an adjournment or postponement of that meeting).

**Scheme Participants** means each person who is a Target Shareholder at the Record Date.

**Scheme Resolution** means a resolution to approve the Scheme under section 411(4)(a)(ii) of the Corporations Act.

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

**Share Splitting** means the splitting by a Target Shareholder of the Target Shares into 2 or more parcels of the Target Shares but which does not result in any change in beneficial ownership of the Target Shares.

**Specified Event** means an event, occurrence, change, circumstance or matter that:

- (a) occurs after the date of this document;
- (b) occurs before the date of this document but is only announced or publicly disclosed, or the relevant party only becomes aware of it, after the date of this document; or
- (c) will or is reasonably likely to occur after the date of this document and which has not been publicly announced or Disclosed prior to the date of this document.

**Subsidiary** of an entity means another entity which:

- (a) is a subsidiary of the first entity within the meaning of the Corporations Act; and
- (b) is part of a consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

A trust may be a subsidiary (and an entity may be a subsidiary of a trust) if it would have been a subsidiary under this definition if that trust were a body corporate. For these purposes, a unit or other beneficial interest in a trust is to be regarded as a share.

**Superior Proposal** means a genuine Competing Transaction (other than a Competing Transaction which has resulted from a breach by the Target of its obligations in clauses 9.2, 9.3 or 9.4) which the Target Board, acting in good faith, and after receiving written advice from its external legal and financial

advisers (who must be reputable advisers experienced in transactions of this nature), unanimously determines:

- (a) is reasonably capable of being valued and completed within a reasonable timeframe in accordance with its terms, taking into account all aspects of the Competing Transaction, including its conditions and the ability of the party making the proposal to consummate the transactions contemplated by the Competing Transaction; and
- (b) is of a higher financial value and more favourable to Target Shareholders than the Scheme (or any Bidder counterproposal, as the case may be), taking into account all aspects of the Competing Transaction, including the identity, reputation and financial condition of the person making the proposal, the value and type of consideration, and any other legal, regulatory, financial and funding matters; and
- (c) is necessary for the Target Board to recommend because failing to do so would be reasonably likely to constitute a breach of the fiduciary or statutory duties of the members of the Target Board.

**TAA** means the *Taxation Administration Act 1953* (Cth).

**Target Board** means the Target Directors acting as a board.

**Target Constitution** means the constitution of the Target.

**Target's Consolidated Group** means the Consolidated Group of which the Target is the Head Company at the time of this document.

**Target Director** means a director of the Target.

**Target Disclosure Materials** means:

- (a) the documents and information disclosed in the Data Room, the index of which has been initialled by, or on behalf of, the parties for identification; and
- (b) the Disclosure Letter.

**Target Group** means the Target and its Subsidiaries and **Target Group Member** means each member of the Target Group.

**Target's GST Group** means the GST Group of which the Target is the Representative Member at the time of this document.

**Target Indemnified Parties** means the Target, its officers, employees, and advisers and its Related Bodies Corporate and the officers, employees and advisers of each of its Related Bodies Corporate.

**Target Information** means:

- (a) all information contained in the Scheme Booklet (or any amendment or supplement);
- (b) all information relating to the Target Group or the businesses of the Target Group, expressly provided by or on behalf of the Target to the Bidder in writing for use in the preparation of information about the Merged Group in the Scheme Booklet (or any amendment or supplement) the Bidder, as applicable; and

- (c) any other information that the Target and the Bidder agree in writing is the Target Information and that is identified as such in the Scheme Booklet,

in each case, excluding the Bidder Information, the Independent Expert's Report (or references to the Independent Expert's analysis or conclusions), or other report or opinion prepared by an external adviser to the Target.

**Target Key Mineral Rights** means:

- (a) any and all of the mineral rights (whether present or future) granted in connection with the proceedings listed in of Schedule 2; and
- (b) any other mining tenement or mineral right which may be granted in lieu of or which relates to (including but not limited to in respect of any extension, renewal, variation, conversion, amalgamation, replacement or substitution), in total or in part, to the same ground as, the mineral rights referred to in paragraph (a),

and includes, for the avoidance of doubt, the rights to mine and other privileges appurtenant to the rights referred to in paragraphs (a) and (b), including rights to apply for mining easements (servidões minerárias) over, the respective areas.

**Target Mineral Rights** means:

- (a) the Target Key Mineral Rights; and
- (b) the Other Target Mineral Rights.

**Target Material Adverse Effect** means a Specified Event which has, has had, or is reasonably likely to have, whether alone or when aggregated with any Specified Events, the effect of:

- (a) a material adverse effect on the ability of the Target Group to develop the Caldeira Project substantially in accordance with the Definitive Feasibility Study where that effect:
- (i) has resulted in, or is reasonably likely to result in, a permanent or enduring (which is not reasonably expected to be remedied within 18 months of the Specified Event) material impairment of the Target Group's ability to develop the Caldeira Project substantially in accordance with the Definitive Feasibility Study provided that any material impairment relates to the impairment of activities on the Target Key Mineral Rights and the Confirmed Access Rights; or
- (ii) is reasonably expected to delay first production by more than 18 months from the forecast date set out in the Definitive Feasibility Study; or
- (b) a material adverse effect on the assets, liabilities (contingent or otherwise), financial or trading condition, business, results or operations of the Target Group (taken as a whole),

in each case:

including, without limitation, as a result of any of the following:

- (c) any change in regulatory framework in respect of, or legal status of or the terms of (or rights attaching to), or any breach, variation, surrender, termination, revocation, suspension, modification or non-renewal, or any

adverse change in the Target Group's ability to meet its obligations under, or any adverse enforcement action or litigation in respect of, the Target Key Mineral Rights, Access Rights or Material Contracts; or

- (d) the refusal of any Regulatory Authority to grant any licence, approval, permit or authorisation that has been applied for by a Target Group Member in relation to the Target Key Mineral Rights or the Confirmed Access Rights that is material to the development of the Caldeira Project) and where the refusal is:
  - (i) not being actively and reasonably contested by a Target Group Member; or
  - (ii) being actively and reasonably contested by a Target Group Member, but the reasonably likely result of such contest will not reduce the impact of the refusal below the thresholds in paragraphs (a) or (b) (including taking into account any delay caused by the refusal and any process of contesting that refusal),

but does not include:

- (e) any individual timing slippage, cost escalation or change to development sequencing that, when aggregated with the effect of all other Specified Events (including any other individual timing slippage, cost escalation or change to development sequencing), does not cross the thresholds in paragraphs (a) or (b);
- (f) any delay attributable to the Bidder, including any refusal or failure to provide funding, approval or cooperation required under this document which must be disregarded when assessing whether the thresholds in paragraphs (a) or (b) have been met;
- (g) any matter Disclosed;
- (h) any matter within the actual knowledge of the Bidder as at the date of this document;
- (i) any matter, event or circumstance arising from changes in general economic or political conditions, or any change in taxation, interest rates or exchange rates, except to the extent that the effect of such changes or developments are disproportionately adverse to the Target as compared to the effects on other companies in the industry in which the Target operates;
- (j) any change in generally accepted accounting principles or the interpretation of them;
- (k) a change in law that introduces or provides for the operation of the Brazilian Change of Control Approval;
- (l) any change occurring to the extent that it is permitted or required to be done by this document, the Scheme or the transactions contemplated by them;
- (m) any change resulting from the Bidder failing to comply with its obligations under this document, including but not limited to providing the interim funding in accordance with clause 8.9; or
- (n) any change occurring with the written consent of the Bidder or which would not have arisen but for the Bidder refusing or failing to provide its

consent to any action of which the Target is required to obtain the Bidder's consent under this document.

**Target Prescribed Event** means, except to the extent contemplated by this document or the Scheme, any of the following events:

- (a) **(conversion)** the Target converts all or any of its shares into a larger or smaller number of shares;
- (b) **(reduction of share capital)** the Target or another Target Group Member resolves to reduce its share capital in any way or resolves to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares;
- (c) **(buy-back)** the Target or another Target Group Member:
  - (i) enters into a buy-back agreement; or
  - (ii) resolves to approve the terms of a buy-back agreement under the Corporations Act;
- (d) **(distribution)** the Target makes or declares, or announces an intention to make or declare, any distribution (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie) or a Target Group Member does any of the things where the distribution would be made to a person outside the Target Group;
- (e) **(issuing or granting shares or options)** any member of the Target Group:
  - (i) issues shares;
  - (ii) grants an option over its shares; or
  - (iii) agrees to make an issue or grant an option over shares,

in each case to a person outside the Target Group (other than with respect to any Outstanding Share Rights, where an issue, grant or agreement is in accordance with clause 4.8);
- (f) **(securities or other instruments)** any Target Group Member issues or agrees to issue securities or other instruments convertible into shares or debt securities in each case to a person outside the Target Group;
- (g) **(changing security rights)** any Target Group Member changing the rights attaching to any class of securities in a Target Group Member;
- (h) **(constitution)** the Target adopts a new constitution or modifies or repeals its constitution or a provision of it;
- (i) **(employee incentive plans)** any Target Group Member creates a new employee share option plan or similar employee incentive plan or scheme, or amends the terms of an existing share option plan;
- (j) **(disposals)** any Target Group Member disposes, or agrees to dispose of the whole or a substantial part of its business or property;
- (k) **(acquisitions, disposals or tenders)** subject to paragraph (l), any Target Group Member:
  - (i) acquires or disposes of;

- (ii) agrees to acquire or dispose of; or
- (iii) offers, proposes, announces a bid or tenders for,

any business, assets, entity or undertaking (and, for the purposes of this clause, "dispose" includes sell, transfer, lease, grant an option over, declare or create a trust over, surrender or allow to lapse, or grant an Encumbrance) provided that this paragraph (k) does not apply to:

- (iv) any acquisition, disposal, offer, proposal or tender contemplated by and made in accordance with the Agreed Budget (or to the extent the value exceeds the value for the contract or commitment as set out in Agreed Budget, the value of the contract or commitment does not exceed more than 10% of that value and (in aggregate with all other contracts, commitments or expenditures) does not result in the total Agreed Budget being exceeded by more than 10%); or
  - (v) any intragroup transfers between Target Group Members and their Representatives in order to implement the restructuring of Brazilian land ownership as Disclosed;
- (l) **(tenements)** any Target Group Member disposes of, transfers, surrenders, encumbers, relinquishes or allows to lapse (or agrees to do any of the foregoing in respect of) any Target Mineral Rights (or any interest, application or contractual right therein) held by that Target Group Member, which for the avoidance of doubt does not apply to:
- (i) the renewal, extension, conversion, amendment, registration, rectification or administrative maintenance of any Target Mineral Right;
  - (ii) any filing, application, notification or other procedural step required by law or by a Regulatory Authority in connection with any Target Mineral Right; or
  - (iii) any action undertaken in the ordinary course to preserve, maintain or protect any Target Mineral Right,
- in each case, which does not result in a disposal, transfer encumbrance, relinquishment or lapse (or agreement to do any of the foregoing in respect of) of any Target Mineral Right (or any interest, application or contractual right therein);
- (m) **(business activities)** any Target Group Member commencing business activities not already carried out as at the date of this deed, or ceasing or threatening to cease, the whole or a material part of its business;
- (n) **(Encumbrances)** other than in the ordinary course of business and consistent with past practice any Target Group Member creates, or agrees to create, any Encumbrance over the whole or a substantial part of its business or property (including any Target Mineral Right or over the issued share capital in any Target Group Member);
- (o) **(employment arrangements)** any Target Group Member:
- (i) Increases by 10% or more the remuneration of (including with regard to superannuation benefits) or benefits provided to or pay any bonus or issue any securities or options to, or otherwise varies the contracts or employment arrangements with, any of its directors or employees;

- (ii) accelerates the rights of any of its directors or employees to compensation or benefits of any kind (including under any Target executive or employee share plans) other than in accordance with and as contemplated by clause 4.8;
  - (iii) pays any of its directors or employees a termination or retention payment or a discretionary bonus (other than in accordance with an existing employment contract or applicable policy or plan in place as at the date of this document and a copy of the relevant details of which has been Disclosed); or
  - (iv) agrees to do or makes any representation about doing any of the things set out in paragraphs (i) to (iii);
- (p) **(Financial Indebtedness)** any Target Group Member incurring or committing to any Financial Indebtedness other than: (i) under the Agreed Bidder Loan Terms or Definitive Bidder Loan Documentation; or (ii) any financial indebtedness relating to trade creditors or employee liabilities incurred in the usual and ordinary course of business and consistent with past practice;
- (q) **(commitments and settlements)** any Target Group Member:
- (i) makes a commitment to, or incurs, any capital expenditure or liability or enters into any contract or commitment which involves any revenue;
  - (ii) grants to another person a right the exercise of which would involve a Target Group Member incurring or committing to any capital expenditure or liability;
  - (iii) terminates or amends in a material manner any contract which is material to the conduct of the Target Group's business or which involves any revenue or expenditure;
  - (iv) waives any material third party default;
  - (v) forgoes any revenue (for one or more related items or amounts); or
  - (vi) forgives any loans given in favour of any other person,
- provided that paragraphs (q)(i) and (ii) do not apply to any contract, commitment or expenditure contemplated by and made in accordance with the Agreed Budget (or to the extent the value exceeds the value for the contract or commitment as set out in Agreed Budget, the value of the contract or commitment does not exceed more than 10% of that value and (in aggregate with all other contracts, commitments or expenditures) does not result in the total Agreed Budget being exceeded by more than 10%);
- (r) **(Material Contract)** any Target Group Member enters into or renews, terminates, varies or agrees to enter into or renew, terminate or vary a Material Contract;
- (s) **(joint ventures)** any Target Group Member enters into, or offers to enter into, any joint venture, asset or profit sharing arrangement, partnership or merger of businesses or of corporate entities (including through a multiple listed companies structure) in respect of any one or more assets (including any one or more shares in any company) or undertakings;

- (t) **(litigation settlement)** any Target Group Member settles, compromises or offers to settle or compromise any claim, dispute or litigation (including any court proceeding, arbitration or expert determination) where the settlement amount (whether for any single matter or in aggregate across all such matters) exceeds \$1,000,000.
- (u) **(financial accommodation)** a Target Group Member provides financial accommodation (which includes the giving of a guarantee of, or security for, or indemnity in connection with the obligations of any person or any undertaking to pay) to any person other than to another Target Group Member;
- (v) **(insurance)**: any Target Group Member cancelling, materially amending or failing to renew (or replace) on its expiry any existing insurance policy on which the business of the Target Group Member depends in a material respect;
- (w) **(related party transactions)**: any Target Group Member entering into, or resolving to enter into, a transaction with a related party of the Target, including giving or agreeing to give a financial benefit to a related party as defined in section 228 of the Corporations Act;
- (x) **(Tax Election)** any Target Group Member making or changing or rescinding any material Tax election, filing any materially amended Tax return, entering into any material agreement with a Regulatory Authority with respect to Taxes, entering into or changing any material Tax sharing or funding agreement, consenting to the extension or waiver of the limitation period applicable to any material Tax matter, making a request for a material Tax ruling, or initiating a voluntary disclosure or similar proceeding relating to material Tax matters, or settling or compromising any material liability, claims or disputes relating to Tax or change or revoke any concessions in relation to any material tax claims, or changing any material Tax methodologies applied by it in the 12 months prior to the date of this document;
- (y) **(deregistration)** any Target Group Member that is an entity of substance (eg, that holds assets on its balance sheet as at the time of deregistration or dissolution) is deregistered as a company or otherwise dissolved or the Target Shares are removed from quotation from the ASX; and
- (z) **(Insolvency)** any Target Group Member becomes Insolvent,
- provided that a Target Prescribed Event listed in items (a) to (z) will not include any matter:
- (aa) where the Target has first consulted with the Bidder in relation to the event and the Bidder has approved the proposed event in writing;
- (bb) relating to any intragroup transfers between Target Group Members and their Representatives in order to implement the restructuring of Brazilian land ownership as Disclosed; or
- (cc) expressly contemplated by this document or the Scheme.

**Target Representations and Warranties** means the representations and warranties of the Target set out in clauses 9.1 and 12.1.

**Target Reporting Documents** means all required material reports, schedules, prospectuses, forms, statements, notices and other documents required to be

filed with ASIC and the ASX, including any notices required to be filed by Listing Rule 3.1.

**Target Share** means an ordinary fully paid share in the capital of the Target.

**Target Shareholder** means each person registered in the Register as a holder of the Target Shares.

**Tax** means any tax, levy, charge, excise, GST, impost, rates, duty, fee, deduction, compulsory loan or withholding, which is assessed, levied, imposed or collected by any fiscal Regulatory Authority and includes any interest, fine, penalty, charge or other amount imposed by any fiscal Regulatory Authority on or in respect of any of the above.

**Tax Act** means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), or both as the context requires.

**Tax Law** means a law with respect to or imposing any Tax.

**Tax Return** means any return relating to Tax including any document which must be lodged with a Regulatory Authority or which a taxpayer must prepare and retain under a Tax Law (such as an activity statement, amended return, schedule or election and any attachment).

**Tax Sharing Agreement** means any agreement contemplated by section 721-25 of the Tax Act.

**Taxing Authority** means the ATO or any Regulatory Authority responsible for the administration of any Tax.

**Timetable** means the timetable agreed by the parties in writing.

**Togni Parties** means Togni S/A - Materiais Refratários (CNPJ 23.637.093/0001-65), Etgran Mineração, Importação e Exportação de Produtos Ltda. (CNPJ 19.677.962/0001-08), Mineração Perdizes Ltda. (CNPJ 19.677.970/0001-54), Mineração Zelândia Ltda. (CNPJ 19.678.002/0001-62), Mineração Daniel Togni Loureiro Ltda. 17.852.054/0001-88) and Mineração Monte Carmelo Ltda (CNPJ 19.677.954/0001-61).

**Transaction Document** means any of:

- (a) this Scheme Implementation Deed;
- (b) the Scheme;
- (c) the Deed Poll;
- (d) the Confidentiality Deed; and
- (e) any other document which the parties agree in writing is a Transaction Document.

**Variation Notice** means a notice of variation granted by the Commissioner of Taxation under subsection 14-235(2) of Schedule 1 to the TAA.

**Varginha Parties** means Varginha Mineração e Loteamentos Ltda (CNPJ 71.466.569/0001-95), Minas Rio Mineradora Ltda (CNPJ 02.377.287/0001-07) and Fertimax Fertilizantes Orgânicos Ltda (CNPJ 12.283.476/0001-66).

**Voting Intention** has the meaning given in clause 6.1(a)(ii).

**Withholding Amount** means the amount that the Bidder is required to pay to the Commissioner of Taxation under Subdivision 14-D of the TAA in respect of the Target Shares from a Withholding Amount Shareholder pursuant to the Scheme.

**Withholding Amount Shareholder** has the meaning given in clause 18(a).

## 1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (e) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to Perth time;
- (h) if the day on which a party must do something under this document is not a Business Day the party must do it on the next Business Day;
- (i) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (j) a reference to “**law**” includes common law, principles of equity and legislation (including regulations);
- (k) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (l) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (m) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually; and
- (n) a reference to any thing (including an amount) is a reference to the whole and each part of it.

## 1.3 Inconsistent agreements

If a provision of this document is inconsistent with a provision of another Transaction Document the provisions of this document prevail to the extent of the inconsistency.

## 2 Agreement to propose and implement Scheme

### 2.1 Target to propose Scheme

The Target agrees to propose the Scheme on and subject to the terms and conditions of this document.

### 2.2 Bidder Nominee

At any time prior to the Business Day before the First Court Date, the Bidder may nominate any wholly-owned Subsidiary of the Bidder (**Bidder Nominee**) to acquire the Target Shares under the Scheme by providing a written notice which sets out the details of the Bidder Nominee to the Target. If the Bidder decides to nominate the Bidder Nominee to acquire the Target Shares:

- (a) the parties must procure that the Target Shares transferred under the Scheme are transferred to the Bidder Nominee rather than the Bidder;
- (b) the Bidder must procure that the Bidder Nominee complies with all of the relevant obligations of the Bidder under this document and the Scheme; and
- (c) the nomination will not relieve the Bidder of its obligations under this document, including the obligation to provide (or procure the provision of) the Scheme Consideration in accordance with the terms of the Scheme provided that the Bidder will not be in breach of this document for failing to perform an obligation of the Bidder if that obligation is fully discharged by the Bidder Nominee.

### 2.3 Agreement to implement Scheme

The parties agree to implement the Scheme on the terms and conditions of this document.

## 3 Conditions Precedent

### 3.1 Conditions Precedent

Subject to this clause 3, the Scheme will not become Effective, and the obligations of the Bidder under clause 4.3 are not binding, until each of the following Conditions Precedent are satisfied or waived to the extent and in the manner set out in this clause.

| Condition Precedent |                                                                                                                                                                                                                                                                                                                                  | Party entitled to benefit | Party responsible |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------|
| (a)                 | (ASIC and ASX) before 8.00am on the Second Court Date, ASIC and ASX issue or provide any consents or approvals, or have done any other acts, which the parties agree are reasonably necessary or desirable to implement the Scheme, and those consents, approvals or other acts have not been withdrawn or revoked at that time. | Both                      | Both              |

| Condition Precedent |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Party entitled to benefit | Party responsible |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------|
| (b)                 | <b>(Shareholder approval)</b> The Target Shareholders approve the Scheme by the requisite majorities in accordance with the Corporations Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Cannot be waived          | Target            |
| (c)                 | <b>(Court approval)</b> the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Cannot be waived          | Target            |
| (d)                 | <b>(Regulatory Authority)</b> all other approvals of a Regulatory Authority which the Bidder and the Target (acting reasonably) agree are necessary or desirable to implement the Scheme are obtained and those approvals have not been withdrawn or revoked (which, for the avoidance of doubt, does not include any Brazilian Change of Control Approval).                                                                                                                                                                                                                                                 | Both                      | Both              |
| (e)                 | <b>(Brazilian Change of Control Approval)</b> If, at any time before 8.00am on the Second Court Date, a Brazilian Change of Control Approval becomes required by law in order to implement the Scheme, that Brazilian Change of Control Approval is obtained on terms reasonably acceptable to the Bidder (provided that the Bidder is not required to accept a Materially Burdensome Condition in accordance with clause 3.3(d)) in accordance with clause 3.3 of this document and as otherwise agreed between the parties, and has not been withdrawn or revoked, before 8.00am on the Second Court Date. | Both                      | Bidder            |
| (f)                 | <b>(Regulatory intervention)</b> no Court or Regulatory Authority has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and none of those things is in effect as at 8.00am on the Second Court Date.                                                                                                                                                                                                       | Both                      | Both              |
| (g)                 | <b>(No Target Prescribed Event)</b> no Target Prescribed Event occurs between the date of this document and 8.00am on the Second Court Date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Bidder                    | Target            |
| (h)                 | <b>(No Target Material Adverse Effect)</b> no Target Material Adverse Effect occurs between the date of this document and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Bidder                    | Target            |

| Condition Precedent |                                                                                                                                                                                                                                                                                                                                            | Party entitled to benefit | Party responsible |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------|
|                     | 8.00am on the Second Court Date or occurs before the date of this document but which is only discovered, announced, publicly disclosed or otherwise becomes known to the Bidder after the date of this document.                                                                                                                           |                           |                   |
| (i)                 | <b>(No Bidder Prescribed Event)</b> no Bidder Prescribed Event occurs between the date of this document and 8.00am on the Second Court Date.                                                                                                                                                                                               | Target                    | Bidder            |
| (j)                 | <b>(No Bidder Material Adverse Effect)</b> no Bidder Material Adverse Effect occurs between the date of this document and 8.00am on the Second Court Date or occurs before the date of this document but which is only discovered, announced, publicly disclosed or otherwise becomes known to the Target after the date of this document. | Target                    | Bidder            |
| (k)                 | <b>(Quotation)</b> the New Bidder Shares have been approved for official quotation on ASX, subject only to customary conditions and the Scheme becoming Effective, and the approval has not been withdrawn, suspended or revoked before 8.00am on the Second Court Date.                                                                   | Target                    | Bidder            |
| (l)                 | <b>(enforcement)</b> no material enforcement action or investigation is announced or commenced by a Regulatory Authority against or involving a Target Group entity.                                                                                                                                                                       | Bidder                    | Target            |
| (m)                 | <b>(Outstanding Share Rights)</b> before 8.00am on the Second Court Date, the Target has, in accordance with clause 4.8, ensured to the satisfaction of the Bidder acting reasonably that as of the Record Date, there will be no Outstanding Share Rights.                                                                                | Bidder                    | Target            |

### 3.2 Best endeavours

Each of the Target and the Bidder agree to use best endeavours to procure that:

- (a) each of the Conditions Precedent for which it is a party responsible (as noted in clause 3.1):
  - (i) is satisfied as soon as practicable after the date of this document; and
  - (ii) continues to be satisfied at all times until the last time it is to be satisfied (as the case may require); and

- (b) there is no occurrence within its control or the control of its Related Bodies Corporate that would prevent the Condition Precedent for which it is a party responsible being or remaining satisfied.

### 3.3 Brazilian Change of Control Approval

- (a) **(application)** If a Brazilian Change of Control Approval is required after the date of this document and before implementation of the Scheme, the parties' rights and obligations are set out in this clause 3.3 and supplemented by any terms as otherwise agreed between the parties. Clauses 3.4 (other than as set out in paragraph (c)), 3.7 and 3.8 do not apply to the Brazilian Change of Control Approval.
- (b) **(responsibility)** The parties are responsible for obtaining the Brazilian Change of Control Approval as follows:
- (i) The Bidder must:
    - (A) promptly prepare and lodge all applications, notifications, submissions and other documents required to obtain the Brazilian Change of Control Approval; and
    - (B) pay all filing fees, application fees and other amounts payable to any Brazilian Regulatory Authority in connection with obtaining the Brazilian Change of Control Approval.
  - (ii) The Target must:
    - (A) provide such information, documents and assistance as the Bidder reasonably requests for the purposes of obtaining the Brazilian Change of Control Approval; and
    - (B) use best endeavours to assist the Bidder in obtaining the Brazilian Change of Control Approval.
- (c) **(conduct of approval process)** Clauses 3.4(g)(ii), 3.4(h) and 3.4(j)(ii) apply to the conduct of obtaining the Brazilian Change of Control Approval mutatis mutandis.
- (d) **(conditions imposed by a Brazilian Regulatory Authority)** The Bidder:
- (i) must take all actions reasonably necessary to obtain the Brazilian Change of Control Approval, including accepting and complying with any condition imposed by a Brazilian Regulatory Authority that is not a Materially Burdensome Condition and must not take, or omit to take, any action which causes a condition to become, or be treated as, a Materially Burdensome Condition; and
  - (ii) is not required to accept any Materially Burdensome Condition, provided that the Bidder bears the onus of establishing, acting reasonably and in good faith, that a condition proposed or imposed by a Brazilian Regulatory Authority constitutes a Materially Burdensome Condition and providing the Target, on request, with reasonable supporting analysis and information relevant to the Bidder's assessment that a condition imposed by a Brazilian Regulatory Authority is a Materially Burdensome Condition.

- (e) **(consultation as to conditions imposed)** If a Brazilian Regulatory Authority proposes a Materially Burdensome Condition, the parties must consult in good faith regarding whether:

- (i) the condition should be accepted;
- (ii) the condition may be modified, removed or narrowed; or
- (iii) alternative arrangements may be implemented to address the concerns of the relevant Brazilian Regulatory Authority,

and the Bidder must continue to use best endeavours to obtain the Brazilian Change of Control Approval unless and until it becomes apparent that the approval will only be granted subject to a Materially Burdensome Condition. For the avoidance of doubt, nothing in this clause 3.3(e) requires the Bidder to accept a Materially Burdensome Condition.

- (f) **(End Date Extension)**

- (i) If:
  - (A) a Brazilian Change of Control Approval is required; and
  - (B) the Brazilian Change of Control Approval has not been obtained by the End Date,

then the End Date may be extended by three months by agreement between the parties.

- (ii) Neither party may withhold or delay its agreement to any initial extension of the End Date if requested by the other party under paragraph (i) unless that party establishes, acting reasonably and in good faith, that the Brazilian Change of Control Approval is not reasonably likely to be obtained (without a Materially Burdensome Condition). That party must provide the other party, on request, with reasonable supporting analysis and information relevant to that assessment.

- (g) **(failure to obtain)** If:

- (i) a Brazilian Regulatory Authority finally refuses to grant the Brazilian Change of Control Approval;
- (ii) the Brazilian Change of Control Approval has not been obtained by the End Date; or
- (iii) the Brazilian Change of Control Approval will only be granted subject to a Materially Burdensome Condition and the parties have not agreed alternative arrangements addressing the relevant Brazilian Regulatory Authority's concerns by the End Date,

either party may terminate this document by written notice to the other.

### 3.4 Regulatory Approval matters

- (a) Where any Regulatory Approval is required, without limiting clause 3.2, each party:
- (i) **(applying for Regulatory Approvals)** must promptly, and in any event within 7 Business Days apply for all relevant Regulatory Approvals for which it is responsible (and pay any applicable fee or filing charge) and provide each other party with a copy of those applications (provided that any commercially sensitive information may be redacted from the copy provided);
  - (ii) **(Regulatory Approvals process)** must:
    - (A) take all steps it is responsible for as part of the Regulatory Approval process; and
    - (B) provide all reasonable assistance to the party responsible for any Regulatory Approval,including responding to requests for information at the earliest practicable time;
- (b) **(keep informed)** keep the other party reasonably informed in a timely manner of progress in relation to each relevant Regulatory Approval (including in relation to any material matters raised by, or conditions or other arrangements proposed or imposed by, or to, any Regulatory Authority in relation to the Regulatory Approval);
- (c) **(representation)** has the right to be represented and make submissions at any meeting with any Regulatory Authority relating to a Regulatory Approval; and
- (d) **(consultation)** must consult with the other party in advance in relation to all communications (whether written or oral, and whether direct or via a Representative) with any Regulatory Authority relating to any Regulatory Approval and:
- (i) provide the other party with drafts of any material written communications to be sent to a Regulatory Authority and make any amendments as the other party reasonably requires; and
  - (ii) provide copies of any material written communications sent to or received from a Regulatory Authority to the other party promptly upon despatch or receipt (as the case may be),

in each case to the extent it is reasonable to do so.

### 3.5 Waiver of Conditions Precedent

- (a) A Condition Precedent may only be waived in writing by the party or parties entitled to the benefit of that Condition Precedent as noted in clause 3.1 and will be effective only to the extent specifically set out in that waiver.
- (b) A party entitled to waive the breach or non-fulfilment of a Condition Precedent under this clause 3.5 may do so in its absolute discretion.

- (c) If either the Target or the Bidder waives the breach or non-fulfilment of a Condition Precedent in accordance with this clause 3.5, then:
- (i) subject to clause 3.5(c)(ii), that waiver precludes that party from suing the other for any breach of this document arising as a result of the breach or non-fulfilment of that Condition Precedent or arising from the same event which gave rise to the breach or non-fulfilment of that Condition Precedent; but
  - (ii) if the waiver of the Condition Precedent is itself conditional and the other party:
    - (A) accepts the condition, the terms of that condition apply notwithstanding any inconsistency with clause 3.5(c)(i); or
    - (B) does not accept the condition, the Condition Precedent has not been waived.
- (d) A waiver of a breach or non-fulfilment in respect of a Condition Precedent does not constitute:
- (i) a waiver of a breach or non-fulfilment of any other Condition Precedent arising from the same event; or
  - (ii) a waiver of a breach or non-fulfilment of that Condition Precedent resulting from any other event.

### 3.6 Notices in relation to Conditions Precedent

Each party must:

- (a) **(notice of satisfaction)** promptly notify the other of satisfaction of a Condition Precedent and must keep the other informed of any material development of which it becomes aware that may lead to the breach or non-fulfilment of a Condition Precedent;
- (b) **(notice of failure)** immediately give written notice to the other of a breach or non-fulfilment of a Condition Precedent, or of any event which will prevent the Condition Precedent being satisfied; and
- (c) **(notice of waiver)** upon receipt of a notice given under clause 3.6(b), give written notice to the other party as soon as possible (and in any event before 5.00pm on the day before the Second Court Date) as to whether or not it waives the breach or non-fulfilment of any Condition Precedent resulting from the occurrence of that event, specifying the Condition Precedent in question.

Failure to provide a notice required under this clause 3.6 will not give rise to the failure of a Condition Precedent or any right to terminate this document.

### 3.7 Consultation on failure of Condition Precedent

If:

- (a) there is a breach or non-fulfilment of a Condition Precedent which is not waived in accordance with this document by the time or date specified in this document for the satisfaction of the Condition Precedent;
- (b) there is an act, failure to act or occurrence which will prevent a Condition Precedent being satisfied by the time or date specified in this document

for the satisfaction of the Condition Precedent (and the breach or non-fulfilment which would otherwise occur has not already been waived in accordance with this document); or

- (c) the Scheme has not become Effective by the End Date,

the parties must consult in good faith with a view to determine whether:

- (d) the Scheme may proceed by way of alternative means or methods;
- (e) to extend the relevant time for satisfaction of the Condition Precedent or to adjourn or change the date of an application to the Court; or
- (f) to extend the End Date.

### **3.8 Failure to agree**

If the parties are unable to reach agreement under clause 3.7 within 5 Business Days (or any shorter period ending at 5.00pm on the day before the Second Court Date):

- (a) subject to clause 3.8(b), either party may terminate this document (and that termination will be in accordance with clause 13.1(e)(ii)); or
- (b) if a Condition Precedent may be waived and exists for the benefit of one party only, that party only may waive that Condition Precedent or terminate this document (and that termination will be in accordance with clause 13.1(e)(iii)),

in each case before 8.00am on the Second Court Date.

A party will not be entitled to terminate this document under this clause if the relevant Condition Precedent has not been satisfied or agreement cannot be reached as a result of a breach of this document by that party or a deliberate act or omission of that party.

### **3.9 Scheme voted down because of the Headcount Test**

- (a) If the Scheme is not approved by the Target Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and either party considers, acting reasonably, that Share Splitting or some abusive or improper conduct may have caused or contributed to the Headcount Test not having been satisfied then the Target must:
- (b) apply for an order of the Court contemplated by section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test and seek Court approval of the Scheme under section 411(4)(b) of the Corporations Act, notwithstanding that the Headcount Test has not been satisfied; and
- (c) make such submissions to the Court and file such evidence as counsel engaged by the Target to represent it in Court proceedings related to the Scheme, in consultation with the Bidder, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test.

## **4 Outline of Scheme**

### **4.1 Scheme**

- (a) the Target must propose a scheme of arrangement under which:
- (b) all the Target Shares held by Scheme Participants at the Record Date will be transferred to the Bidder; and
- (c) each Scheme Participant will be entitled to receive the Scheme Consideration.

### **4.2 Scheme Consideration**

Subject to and in accordance with this document and the Scheme, each Scheme Participant is entitled to receive the Scheme Consideration in respect of each Target Share held by that Scheme Participant.

### **4.3 Provision of Scheme Consideration**

Subject to this document and the Scheme, the Bidder undertakes to the Target (in its own right and separately as trustee or nominee of each Scheme Participant) that, in consideration of the transfer to the Bidder of each Target Share held by a Scheme Participant, the Bidder will, on the Implementation Date:

- (a) accept that transfer; and
- (b) provide or procure the provision of the Scheme Consideration to each Scheme Participant in accordance with this document and the Scheme.

### **4.4 Provision of the Target Share information**

- (a) In order to facilitate the provision of the Scheme Consideration, the Target must provide, or procure the provision of, to the Bidder or a nominee of the Bidder a complete copy of the Target Register as at the Record Date (which must include the name, registered address and registered holding of each Scheme Participant as at the Record Date), no later than one Business Day after the Record Date.
- (b) The details and information to be provided under clause 4.4(a) must be provided in such form as the Bidder or its nominee may reasonably require.

### **4.5 Fractional entitlements**

- (a) If the number of the Target Shares held by a Scheme Participant at the Record Date is such that the aggregate entitlement of the Scheme Participant to Scheme Consideration comprising New Bidder Shares includes a fractional entitlement to a New Bidder Share, the entitlement will be rounded as follows:
  - (i) if the fractional entitlement is less than 0.5, it will be rounded down to the nearest whole number of New Bidder Shares; and
  - (ii) if the fractional entitlement is equal to or more than 0.5, it will be rounded up to the nearest whole number of New Bidder Shares.
- (b) If the Bidder and the Target are of the opinion (acting reasonably) that 2 or more Scheme Participants (each of whom holds a number of the Target Shares which results in rounding in accordance with

clause 4.5(a)) have, before the Record Date for the Scheme, been party to Share Splitting in an attempt to obtain unfair advantage by reference to that rounding, if requested by the Bidder, the Target must give notice to those Scheme Participants:

- (i) setting out their names and registered addresses as shown in the Register;
  - (ii) stating that opinion; and
  - (iii) attributing to one of them specifically identified in the notice the Target Shares held by all of them.
- (c) After the notice has been given, the Scheme Participant specifically identified in the notice as the deemed holder of the specified Target Shares will, for the purpose of the provisions of the Scheme, be taken to hold all of those Target Shares and each of the other Scheme Participants whose names and registered addresses are set out in the notice will, for the purposes of the provisions of the Scheme, be taken to hold no Target Shares. The Bidder, in complying with the provisions of the Scheme relating to it in respect of the Scheme Participant specifically identified in the notice as the deemed holder of all the specified Target Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Participants named in the notice under the terms of the Scheme.

#### **4.6 Ineligible Foreign Shareholders and other ineligible Scheme Participants**

- (a) Where an Ineligible Foreign Shareholder or other ineligible Scheme Participant would otherwise be entitled to receive New Bidder Shares as Scheme Consideration pursuant to clause 4.3, the Bidder has no obligation to issue any New Bidder Shares to the Ineligible Foreign Shareholder or ineligible Scheme Participant, and instead the Bidder must instead issue to a nominee appointed by the Bidder any New Bidder Shares to which an Ineligible Foreign Shareholder or other ineligible Scheme Participant would otherwise be entitled in accordance with the terms of the Scheme.
- (b) The Bidder must appoint the nominee on terms reasonably acceptable to the Target at least 5 Business Days before the date of the Scheme Meeting.

#### **4.7 New Bidder Shares to rank equally**

The Bidder covenants in favour of the Target (in its own right and separately as trustee or nominee of each Scheme Participant) that:

- (a) all New Bidder Shares issued as Scheme Consideration pursuant to clause 4.3 will, upon their issue:
  - (i) rank equally in all respects with all other Bidder Shares then on issue and be entitled to participate in and receive any dividends, any distribution of capital and any other entitlements accruing in respect of the Bidder Shares after the Implementation Date;
  - (ii) be fully paid and free from Encumbrance; and
- (b) it will do everything reasonably necessary to ensure the New Bidder Shares issued under the Scheme will be listed for quotation on the official list of ASX on or before the Business Day after the Effective Date,

initially on a deferred settlement basis and, with effect from no later than the second Business Day following the Implementation Date, on an ordinary (T+2) settlement basis.

#### **4.8 Outstanding Share Rights**

- (a) The Target must use best endeavours to procure that, before the Record Date, all Outstanding Share Rights are dealt with such that as at the Record Date there are no Outstanding Share Rights on issue, whether by:
  - (i) agreement with the relevant holder(s) to a modification of the underlying agreement so that the relevant entitlement is settled by the issue of ordinary shares of the Bidder (in substitution for Target Shares);
  - (ii) cash settlement in accordance with the terms of issue or on terms agreed with the relevant holder(s);
  - (iii) accelerated vesting and conversion into Target Shares in accordance with the terms of issue of the relevant Outstanding Share Rights or on terms agreed with the relevant holders; or
  - (iv) any other treatment agreed between the Bidder and the Target, acting reasonably and having regard to the tax and Corporations Act implications for the relevant parties,

in each case, other than where the Target is, as at the date of this document, contractually obliged to adopt a certain treatment of the Outstanding Performance Rights, on terms acceptable to the Bidder (acting reasonably).

- (b) The Target's obligation under this clause 4.8 is limited to using best endeavours, and a failure to procure the agreement of a third party to a modification described in this clause does not constitute a breach of this document by the Target or a deliberate act or omission of the Target for the purposes of the Target Prescribed Event definition or otherwise.

#### **4.9 Australian Tax roll-over**

- (a) The Bidder acknowledges that each Scheme Participant who is an Australian resident shareholder who holds the Target Shares on capital account is expected to seek roll-over relief under subdivision 124-M of the Tax Act, to the extent permitted under the Tax Act.
- (b) The Bidder agrees to use all reasonable steps to provide the Target with such assistance and information as may reasonably be requested by the Target for the purposes of obtaining from the ATO a Class Ruling in a form reasonably acceptable to the Target in relation to scrip-for-scrip roll-over relief under subdivision 124-M of the Tax Act.
- (c) The Bidder undertakes that it will not make a choice to deny roll-over relief to the Scheme Participants under subsection 124-795(4) of the Tax Act.

#### **4.10 No amendment to the Scheme without consent**

The Target must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of the Bidder (not to be unreasonably withheld, conditioned or delayed).

## 5 Implementation

### 5.1 General obligations

- (a) The Target and the Bidder must each:
- (i) use all best endeavours and commit necessary resources (including management and corporate relations resources and the resources of external advisers); and
  - (ii) procure that its officers and advisers work in good faith and in a timely and co-operative fashion with the other party (including by attending meetings and by providing information),
- in each case, to produce the Scheme Booklet and implement the Scheme as soon as reasonably practicable and in accordance with the Timetable.
- (b) Failure by a party to meet any timeframe or deadline set out in the Timetable will not constitute a breach of clause 5.1(a) to the extent that such failure is due to circumstances and matters outside of that party's control, acting reasonably (including any delays caused by a Regulatory Authority), or due to the Target taking or omitting to take any action in response to a Competing Transaction as permitted by this document.
- (c) Each party must keep the other party informed about its progress against the Timetable and notify each other party if it believes that any of the dates in the Timetable are not achievable, as soon as reasonably practicable after forming that belief.
- (d) To the extent that any of the dates or timeframes set out in the Timetable become unachievable due to matters outside of a party's control, the Bidder and the Target will consult in good faith to agree to any necessary extension to ensure such matters are completed within the shortest practicable timeframe.

### 5.2 The Target's obligations

In each case, subject to the exceptions in clause 6.1(b), the Target must take all reasonable steps to implement the Scheme on a basis consistent with this document as soon as reasonably practicable and must:

- (a) **(announce directors' recommendation)** following execution of this document, announce, in a form agreed between the Target and the Bidder (on the basis of statements made to the Target by each member of the Target Board) that:
- (i) the Target Board intends to unanimously recommend to Scheme Participants that the Scheme be approved; and
  - (ii) each Target Director who holds Target Shares, intends to vote his or her Target Shares in favour of the Scheme

subject to:

- (iii) the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of the Target Shareholders; and
- (iv) there being no Superior Proposal.

- (b) **(preparation of Scheme Booklet)** subject to clause 5.2(f)(i), as soon as practicable after the date of this document, prepare and despatch the Scheme Booklet:
- (i) in accordance with all applicable laws, including the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 and the Listing Rules; and
  - (ii) which includes a statement by the Target Board:
    - (A) unanimously recommending that the Target Shareholders vote in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the Target Shareholders and there being no Superior Proposal; and
    - (B) that each Target Director who holds Target Shares intends to vote his or her Target Shares in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of the Target Shareholders and there being no Superior Proposal;
- (c) **(Independent Expert)** promptly appoint the Independent Expert and provide any assistance and information reasonably requested by the Independent Expert to enable the Independent Expert to prepare its report for the Scheme Booklet as soon as practicable and in any event, consistent with the Timetable;
- (d) **(the Target information)** prepare and promptly provide to the Bidder any information regarding the Target that the Bidder reasonably requires in order to prepare information regarding the Merged Group for inclusion in the Scheme Booklet;
- (e) **(section 411(17)(b) statement)** apply to ASIC for the production of a statement pursuant to section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (f) **(consultation with the Bidder)** consult with the Bidder as to the content and presentation of:
- (i) the Scheme Booklet, which includes:
    - (A) allowing the Bidder a reasonable opportunity to review and make comments on successive drafts of the Scheme Booklet (accepting that any review of the Independent Expert's Report is limited to review for factual accuracy of those parts that include information relating to the Bidder;
    - (B) taking all timely and reasonable comments made by the Bidder into account in good faith when producing a revised draft of the Scheme Booklet;
    - (C) providing to the Bidder a revised draft of the Scheme Booklet within a reasonable time before the draft of the Scheme Booklet which is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act is finalised and to enable the Bidder reasonable time to review the ASIC Draft before its submission; and

- (D) obtaining the Bidder's consent to the inclusion of the Bidder Information (including in respect of the form and context in which the Bidder Information appears in the Scheme Booklet); and
- (ii) documents required for the purposes of the Court hearings held for the purposes of sections 411(1) and 411(4)(b) of the Corporations Act in relation to the Scheme (including originating processes, affidavits, submissions and draft minutes of Court orders), and consider in good faith any comments on, or suggested amendments to, those documents from the Bidder prior to filing those documents with the Court. The Target agrees to provide such documents to the Bidder a reasonable time (in the circumstances) before they are filed with the Court;
- (g) **(lodgement of Regulator's Draft)**
  - (i) no later than 14 days before the First Court Date, provide an advanced draft of the Scheme Booklet (**Regulator's Draft**) to ASIC for its review for the purposes of section 411(2) of the Corporations Act, and provide a copy of the Regulator's Draft to the Bidder immediately thereafter; and
  - (ii) keep the Bidder reasonably informed of any material issues raised by ASIC or ASX in relation to the Regulator's Draft or the Scheme and, where practical to do so, consult with the Bidder in good faith prior to taking any steps or actions to address those material issues (provided that, where those issues relate to the Bidder Information, the Target must not take any steps to address them without the Bidder's prior written consent);
- (h) **(supplementary disclosure)** if, after despatch of the Scheme Booklet and before the date of the Scheme Meeting, the Target becomes aware:
  - (i) that information included in the Scheme Booklet is or has become misleading or deceptive in any material respect (whether by omission or otherwise); or
  - (ii) of information that is required to be disclosed to the Target Shareholders under any applicable law but was not included in the Scheme Booklet,

promptly consult with the Bidder in good faith as to the need for, and the form of, any supplementary disclosure to the Target Shareholders, and make any disclosure that the Target considers reasonably necessary in the circumstances (and, if relevant, seek the Court's approval for the despatch of any updated or supplementary Scheme Booklet), having regard to applicable laws and to ensure that there would be no breach of clause 12.1(g) if it applied as at the date that information arose;
- (i) **(representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which, through its counsel, the Target must undertake (if requested by the Court) to do all things and take all steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this document and the Scheme;
- (j) **(Court application)** apply to the Court for an order under section 411(1) of the Corporations Act directing the Target to convene the Scheme Meeting;

- (k) **(send Scheme Booklet)** send the Scheme Booklet to the Target Shareholders as soon as practicable after the Court orders the Target to convene the Scheme Meeting;
- (l) **(registration of Scheme Booklet)** take all reasonable measures within its control to cause ASIC to register the Scheme Booklet under subsection 412(6) of the Corporations Act;
- (m) **(Scheme Meeting)** convene the Scheme Meeting to agree to the Scheme in accordance with any orders made by the Court pursuant to section 411(1) of the Corporations Act;
- (n) **(promote Scheme)** participate in efforts reasonably requested by the Bidder to promote the merits of the Scheme, including, where reasonably requested by the Bidder, meeting with key Bidder and Target shareholders and, in consultation with the Bidder, undertaking reasonable shareholder engagement and proxy solicitation actions so as to promote the merits of the Scheme and encourage the Target Shareholders to vote in favour of the Scheme, in each case in accordance with the recommendation of the Target Board, subject to applicable law and ASIC policy;
- (o) **(proxy information)** upon request of the Bidder made before the Scheme Meeting, the Target must inform the Bidder not less than once per week after dispatch of the Scheme Booklet and daily in the 10 Business Days before the date of the Scheme Meeting of the total number of proxy votes:
  - (i) in favour of the Scheme Resolution;
  - (ii) against the Scheme Resolution;
  - (iii) to abstain on the Scheme Resolution; and
  - (iv) allowing the proxy to vote at the proxy's discretion;
- (p) **(proxy solicitation)** upon request by the Bidder before the Scheme Meeting, the Target must retain a proxy solicitation services firm to assist the Target with the solicitation of votes at the Scheme Meeting and, not less than once per week after dispatch of the Scheme Booklet and daily in the 10 Business Days before the date of the Scheme Meeting, provide the Bidder with copies of or access to information regarding the Scheme Meeting generated by that firm, including the identity of each proxy who can vote at that proxy's discretion and the identity of the relevant Target Shareholders in respect of which the appointment for the Scheme Meeting:
  - (i) specified that the proxy is to vote in favour of the Scheme Resolution;
  - (ii) specified that the proxy is to vote against the Scheme Resolution;
  - (iii) specified that the proxy is to abstain on the Scheme Resolution; and
  - (iv) allows the proxy to vote at the proxy's discretion;
- (q) **(director's voting)** use its best endeavours to procure that each member of the Target Board votes any Target Shares in which they have a Relevant Interest in favour of the Scheme, subject to the Independent

Expert continuing to conclude that the Scheme is in the best interests of the Target Shareholders and there being no Superior Proposal;

- (r) **(Court approval)** subject to all Conditions Precedent, other than paragraph (c) in clause 3.1 being satisfied or waived in accordance with this document, apply to the Court for an order approving the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act;
- (s) **(Conditions Precedent certificate)** at the hearing on the Second Court Date, provide to the Court (through its counsel):
  - (i) a certificate signed by one of its directors and made in accordance with a resolution of its board confirming (in respect of matters within the Target's knowledge) whether or not the Conditions Precedent for which it is responsible, as noted in clause 3.1 (other than paragraph (c)), have been satisfied or waived in accordance with clause 3, a draft of which must be provided to the Bidder by 5.00pm on the Business Day prior to the Second Court Date and the final copy of the certificate provided to the Bidder no later than 8.00am on the Second Court Date; and
  - (ii) any certificate provided to it by the Bidder under clause 5.3(h);
- (t) **(lodge copy of Court order)** lodge with ASIC an office copy of the Court order approving the Scheme as approved by the Target Shareholders at the Scheme Meeting in accordance with section 411(10) of the Corporations Act as soon as possible after the Court order is made and no later than the day after that office copy is received (or any later date agreed in writing by the Bidder);
- (u) **(information)** subject to compliance with applicable privacy law, provide all necessary information, and procure that the Registry promptly provides all necessary information, in each case in a form reasonably requested by the Bidder, about the Target Shareholders and Scheme Participants to the Bidder, which the Bidder reasonably requires in order to:
  - (i) understand the legal and beneficial ownership of the Target's Shares, and canvass agreement to the Scheme by the Target's Shareholders;
  - (ii) facilitate the provision by, or on behalf of, the Bidder of the Scheme Consideration and to otherwise enable the Bidder to comply with the terms of this document and the Scheme; and
  - (iii) review the tally of proxy appointments and directions received by the Target before the Scheme Meeting;
- (v) **(Register)** close the Register as at the Record Date to determine the identity of Scheme Participants and their entitlements to the Scheme Consideration;
- (w) **(instruments of transfer)** subject to the Bidder satisfying its obligations under clause 4.3, on the Implementation Date:
  - (i) execute proper instruments of transfer and effect the transfer of the Target Shares to the Bidder in accordance with the Scheme; and

- (ii) register all transfers of the Target Shares held by Scheme Participants to the Bidder;
- (x) **(Suspension of trading)** apply to ASX to suspend trading in the Target Shares with effect from the close of trading on the Effective Date;
- (y) **(removal of quotation)** if the Scheme becomes Effective, apply to ASX to have the Target removed from the official list of ASX, and quotation of the Target's Shares on the ASX terminated, with effect on and from the close of trading on the trading day immediately following the Implementation Date (unless otherwise directed by the Bidder in writing);
- (z) **(listing)** take all reasonable steps to maintain the Target's listing on ASX, notwithstanding any suspension of the quotation of the Target Shares, and not do anything to cause the Target's Shares to cease to be quoted on ASX or become permanently suspended from quotation, up to and including the Implementation Date, including making appropriate applications to ASX and ASIC; and
- (aa) **(other steps)** do all other things necessary to give effect to the Scheme and the orders of the Court approving the Scheme.

### 5.3 Bidder's obligations

The Bidder must take all reasonable steps to assist the Target to implement the Scheme on a basis consistent with this document and as soon as reasonably practicable, and in particular must:

- (a) **(Bidder Information)** prepare and promptly provide to the Target for inclusion in the Scheme Booklet the Bidder Information (in accordance with all applicable laws, including the Corporations Act, Corporations Regulations, ASIC Regulatory Guide 60 and the Listing Rules) and consent to the inclusion of that information in the Scheme Booklet;
- (b) **(further Bidder Information)** promptly provide to the Target any further or new Bidder Information as may arise after the Scheme Booklet has been sent to the Target Shareholders and until the date of the Scheme Meeting as may be necessary to ensure that the Bidder Information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission) and to ensure that there would be no breach of clause 12.4(g) if it applied as at the date on which further or new Bidder Information arose;
- (c) **(Independent Expert information)** subject to the Independent Expert entering into arrangements with the Bidder including in relation to confidentiality in a form reasonably acceptable to the Bidder, provide any assistance or information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (d) **(consent)** provide a consent (not to be unreasonably withheld, delayed or conditioned) in such form as the Target reasonably requires in relation to the inclusion of the Bidder Information in the Scheme Booklet and use its best endeavours to obtain consents from relevant third parties in relation to the Bidder Information;
- (e) **(promotion of Scheme)** participate in efforts reasonably requested by the Target to promote the merits of the Scheme, including meeting with key Target Shareholders on request from and with the consent of the Target;

- (f) **(representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act, at which, through its counsel, the Bidder must undertake (if requested by the court) to do all things and take all steps within its power as may be necessary in order to ensure the fulfilment of its obligations under this document and the Scheme;
- (g) **(Deed Poll)** by no later than the Business Day prior to the First Court Date, sign and deliver to the Target the Deed Poll and, if the Scheme becomes Effective, comply with the Deed Poll;
- (h) **(Conditions Precedent certificate)** before 8.00am on the Second Court Date, provide to the Target for provision to the Court at the hearing on that date a certificate signed by one of its directors and made in accordance with a resolution of its board confirming (in respect of matters within the Bidder's knowledge) whether or not the Conditions Precedent for which the Bidder is responsible, as noted in clause 3.1 (other than paragraph (c)), have been satisfied or waived in accordance with clause 3, a draft of which must be provided to the Target by 5.00pm on the Business Day prior to the Second Court Date and the final copy of the certificate provided to the Target no later than 8.00am on the Second Court Date;
- (i) **(Share transfer)** if the Scheme becomes Effective, accept a transfer of the Target Shares as contemplated by clause 4.3(a);
- (j) **(Scheme Consideration)** if the Scheme becomes Effective, provide or procure the provision of the Scheme Consideration in the manner and amount contemplated by clause 4.3(b) and the terms of the Scheme; and
- (k) **(Quotation of New Bidder Shares)** apply to ASX for official quotation by ASX of the New Bidder Shares and use its best endeavours to ensure that the ASX grants approval for the quotation of the New Bidder Shares on the official list of ASX on or before the Business Day after the Effective Date and that trading in New Bidder Shares commences on ASX on a normal (T+2) trading basis no later than the Business Day after the Implementation Date.

#### 5.4 Scheme Booklet responsibility statement

The responsibility statement to appear in the Scheme Booklet, in a form to be agreed by the parties, will contain words to the effect of:

- (a) the Target has prepared, and is responsible for, the content of the Scheme Booklet other than, to the maximum extent permitted by law, the Bidder Information, the Independent Expert's Report or any other report or letter issued to the Target by a third party and that the Bidder and its directors and officers do not assume any responsibility for the accuracy or completeness of the sections of the Scheme Booklet that the Target has prepared and has responsibility for; and
- (b) the Bidder has prepared, and is responsible for, the Bidder Information in the Scheme Booklet (and no other part of the Scheme Booklet) and that the Target and its directors and officers do not assume any responsibility for the accuracy or completeness of the sections of the Scheme Booklet that the Bidder has prepared and has responsibility for.

## **5.5 Disagreement on content of Scheme Booklet**

If the Bidder and the Target disagree on the form or content of the Scheme Booklet, they must consult in good faith to try to settle an agreed form of the Scheme Booklet. If complete agreement is not reached after reasonable consultation, then:

- (a) if the disagreement relates to the form or content of the Bidder Information contained in the Scheme Booklet, the Bidder will, acting in good faith, decide the final form or content of the disputed part of the Bidder Information; and
- (b) if the disagreement relates to the form or content of any other part of the Scheme Booklet, the Target Board will, acting in good faith, decide the final form or content of the disputed part of the Scheme Booklet.

## **5.6 Verification**

Each party must undertake appropriate verification processes for the information supplied by that party in the Scheme Booklet and, either party must, if requested by the other party in writing, provide a certificate to the other party attesting to the fact that:

- (a) appropriate verification processes have been undertaken in respect of the relevant the Bidder Information or the Target Information (as applicable); and
- (b) the Bidder Information or the Target Information (as applicable) in the Scheme Booklet does not contain any statement that is false or misleading in any material respect, including because of any material omission from that statement,

prior to lodgement of the Regulator's Draft (or any supplementary Regulator's Draft) with ASIC, filing the Scheme Booklet (or any supplementary Scheme Booklet) with the Court and/or dispatching the Scheme Booklet (or any supplementary Scheme Booklet) to the Target Shareholders.

## **5.7 Conduct of Court proceeding**

The Target and the Bidder are entitled to separate representation at all Court proceedings relating to the Scheme. This document does not give the Target or the Bidder any right or power to give undertakings to the Court for or on behalf of the other party without that party's prior written consent. The Target and the Bidder must give all undertakings to the Court in all Court proceedings which are reasonably required to obtain Court approval and confirmation of the Scheme as contemplated by this document.

## **5.8 Appeal process**

If the Court refuses to make orders convening the Scheme Meeting or approving the Scheme, the Bidder and the Target must appeal the Court's decision to the fullest extent possible except to the extent that:

- (a) the parties agree otherwise; or
- (b) an independent senior counsel of the Victorian bar advises that, in their opinion, an appeal would have no reasonable prospect of success before the End Date,

in which case either party may terminate this document in accordance with clause 13.1(e)(iv).

## 5.9 No partnership or joint venture

Subject to this document, nothing in this clause requires either party to act at the direction of the other. The business of each party will continue to operate independently from the other until the Implementation Date. The parties agree that nothing in this document constitutes the relationship of a partnership or a joint venture between the parties.

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## 6 Target Board recommendation

### 6.1 Target Board recommendation

- (a) The Target represents and warrants to the Bidder that, as at the date of this document, each member of the Target Board has confirmed that:
  - (i) their intention is to recommend that the Target Shareholders vote in favour of the Scheme at the Scheme Meeting (**Recommendation**); and
  - (ii) they intend to vote, or cause to be voted, all the Target Shares which they hold or control in favour of the Scheme at the Scheme Meeting (**Voting Intention**),

in each case, subject to the exceptions in clause 6.1(b).

- (b) The Target must use its best endeavours to procure that no member of the Target Board adversely changes, withdraws, qualifies or modifies their Recommendation or Voting Intention in respect of the Scheme, unless:
  - (i) the Target has received a Superior Proposal and after the procedure in clause 9.8 has been complied with the Target Board has determined in good faith and acting reasonably having received advice from its external counsel specialising in corporate law that by virtue of the fiduciary or statutory duties of members of the Target Board they are required to change, modify, qualify or withdraw their recommendation;
  - (ii) the Independent Expert's Report concludes, or is amended or updated in writing so as to conclude, that the Scheme is not in the best interests of the Target Shareholders; or
  - (iii) the Court or ASIC requires or reasonably requests that the relevant member of the Target Board abstains from making a recommendation.
- (c) Without limiting clause 9, if any member of the Target Board proposes to adversely change, withdraw, qualify or modify their Recommendation or Voting Intention in respect of the Scheme or otherwise make a public statement indicating that they no longer support the Scheme or support or endorse a Competing Transaction in each case in accordance with this clause 6.1(b)(iii):
  - (i) the Target must notify the Bidder in writing as soon as practicable; and
  - (ii) the parties must consult in good faith for 2 Business Days after the date on which the notification in sub clause 6.1(c)(i) is given to consider and determine whether the Recommendation in place at the time can be maintained. That Recommendation

cannot be withdrawn or changed in accordance with clause 6.1(b) until the end of the consultation period.

For the purposes of this clause 6.1, qualifications and explanations contained in the Scheme Booklet in relation to a recommendation to vote in favour of the Scheme to the effect that the recommendation is made subject to the qualifications set out in clause 6.1(b) will not, in and of itself, be regarded as a failure to make or a withdrawal of a recommendation in favour of the Scheme by a Target Director.

## **6.2 No action statement**

Despite anything to the contrary in this clause 6, a statement made by the Target, the Target Board or any member of the Target Board, to the effect that no action should be taken by the Target Shareholders pending the assessment of a Competing Transaction by the Target or the completion of the procedure in clause 9.8 will not, in and of itself, contravene clause 6.1.

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# **7 Directors, employees and Indemnified Parties**

## **7.1 Release of Target and Target Directors, officers and Indemnified Parties**

Subject to the Corporations Act, the Bidder releases its rights, and agrees with the Target that it will not make a claim, against any Target Indemnified Party (other than the Target and its Related Bodies Corporate) as at the date of this document and from time to time in connection with:

- (a) any breach of any representations and warranties of the Target or any other member of the Target Group in this document; or
- (b) any disclosures containing any statement in connection with the Scheme (including in any document disclosed to ASX or lodged with ASIC) which is false or misleading whether in content or by omission; or
- (c) any failure to provide information,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Target Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud. Nothing in this clause 7.1 limits the Bidder's rights to terminate this document under clause 13.1.

## **7.2 Benefit for Target Indemnified Parties**

The Target receives and holds the benefit of this clause to the extent it relates to each Target Indemnified Party on behalf of each of them.

## **7.3 Release of the Bidder and the Bidder directors, officers and Indemnified Parties**

Subject to the Corporations Act, the Target releases its rights, and agrees with the Bidder that it will not make a claim, against any Bidder Indemnified Party (other than the Bidder and its Related Bodies Corporate) as at the date of this document and from time to time in connection with:

- (a) any breach of any representations and warranties of the Bidder or any other Bidder Group Member in this document;

- (b) any disclosure containing any statement which is false or misleading whether in content or by omission in connection with the Scheme (including any document disclosed to ASX or lodged with ASIC); or
- (c) any failure to provide information,

whether current or future, known or unknown, arising at common law, in equity, under statute or otherwise, except where the Bidder Indemnified Party has not acted in good faith or has engaged in wilful misconduct or fraud. Nothing in this clause 7.3 limits the Target's rights to terminate this document under clause 13.1.

#### **7.4 Benefit for the Bidder Indemnified Parties**

The Bidder receives and holds the benefit of this clause to the extent it relates to each Bidder Indemnified Party on behalf of each of them.

#### **7.5 Appointment/retirement of the Target Directors**

On the Implementation Date, but subject to the Scheme Consideration having been provided to the Scheme Participants and receipt by the Target of signed consents to act, the Target must take all actions necessary to:

- (a) cause the appointment of each Incoming Director to the relevant boards of the Target Group Members; and
- (b) procure that each of the Outgoing Directors retire from the relevant boards of the Target Group Members and provide written notice to the effect that they have no claim outstanding for loss of office, remuneration or otherwise against the Target,

in each case, in accordance with the constitution of the relevant company, the Corporations Act and the Listing Rules (as applicable).

#### **7.6 Directors' and officers' insurance**

- (a) Subject to the Scheme becoming Effective and subject to the Corporations Act, the Bidder undertakes in favour of the Target and each other person who is a Target Indemnified Party that it will:
- (i) for a period of 7 years from the Implementation Date, ensure that the constitutions of the Target and each other member of the Target Group continue to contain the rules that are contained in those constitutions at the date of this document that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the company to any person other than a Bidder Group Member;
- (ii) procure that the Target and each other Target Group Member complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, ensure that the directors' and officers' run-off insurance cover for those directors and officers is maintained, subject to clause 7.7, for a period of 7 years from the retirement date of each director and officer;
- (iii) without limiting the above, ensure that directors' and officers' insurance cover continues to be maintained for the directors and officers referred to in clause 7.6(a)(ii) in respect of acts and omissions on or prior to the Implementation Date, subject to

clause 7.6(b), for a period of 7 years after the Implementation Date unless a directors and officers' run-off insurance policy is obtained pursuant to clause 7.6(b); and

- (iv) procure that the Target and each other Target Group Member at any time after the Implementation Date, not do anything or fail to do anything within its reasonable control which would prejudice or adversely affect the directors' and officers' insurance cover under clause 7.6(a)(ii) or any directors' and officers' run-off insurance cover placed pursuant to clause 7.6(b);
- (b) The Bidder acknowledges that notwithstanding any other provision of this document, the Target may, prior to the Implementation Date, enter into, and pay in full the premium in respect of, a directors' and officers' run-off insurance policy (**D&O Run-Off Policy**) for a period of up to 7 years on and from the Implementation Date in respect of the directors and officers and other individuals and entities (**Insured Parties**) who are insured under the existing directors' and officers' insurance policies of the Target Group and that any actions to facilitate that insurance or in connection with such insurance will not be a Target Prescribed Event or a breach of any provision of this document, provided that:
  - (i) the Target provides the Bidder draft policies and quotations prior to entering into such D&O Run-Off Policy, subject to any confidentiality restrictions applying to those policies (provided that the Target promptly uses best endeavours to request exceptions to any such confidentiality restrictions from such prospective insurers);
  - (ii) subject to clause 7.6(b)(iii), such D&O Run-Off Policy is not in respect of cover which is materially more extensive than the existing directors' and officers' insurance policies in place for the Target's directors or officers at the date of this document (other than as to the policy period);
  - (iii) the premium payable on such policy is not greater than \$500,000 per annum; and
  - (iv) notwithstanding anything else in this document, such D&O Run-Off Policy may also include coverage for disclosures made or other actions or omissions by or on behalf of the Insured Parties in connection with the Scheme, provided such coverage is consistent with market practice for a transaction and company in comparable circumstances to the Target.

## 7.7 Period of undertaking

- (a) Subject to clause 7.7(b), the undertakings contained in clause 7.6 are given until the earlier of the end of the relevant period specified in that clause or the relevant member of the Target Group ceasing to be part of the Target Group.
- (b) If the Target or a Target Group Member ceases to exist or to be a part of the Bidder Group after the Implementation Date, the Bidder must ensure that each director and officer referred to in clause 7.6(a)(ii) has the benefit of an indemnity and directors' and officers' insurance cover no less favourable than that described in clauses 7.6(a)(i) to 7.6(a)(iii) or, if a directors' and officers' run-off insurance cover is placed pursuant to clause 7.6(b), such cover remains and is not prejudiced or adversely affected.

- (c) The Bidder indemnifies the Target Indemnified Parties against all Losses incurred as a result of a breach of clauses 7.6(a), 7.6(b), 7.7(b) and 7.7(b).

## 7.8 Benefit of undertaking for the Target Group

The Target acknowledges that it receives and holds the benefit of clauses 7.6 and 7.7 to the extent it relates to each director and officer of a Target Group Member on behalf of each of them.

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# 8 Conduct of business

## 8.1 General Target obligations

Subject to clause 8.4, from the date of this document up to and including the Implementation Date, the Target must, and must cause each Target Group Member to, conduct its business in the ordinary course and consistent with the manner as previously conducted, or as disclosed to ASX, prior to the date of this document and must regularly consult with the Bidder in relation to any material developments concerning its business, assets, operations, insurance and financial affairs, subject to applicable competition laws.

## 8.2 Specific Target obligations

Without limiting clause 8.1 and other than with the prior approval of the Bidder (which approval must not be unreasonably withheld or delayed) or as required by this document, the Target must, during the period contemplated by clause 8.1, use best endeavours to ensure that the Target and each member of the Target Group:

- (a) **(business and assets)** maintains the value and condition of its businesses and assets, consistent with past practices, including maintaining at least its current level of insurance;
- (b) **(Target Mineral Rights and Access Rights)** maintain ownership of (as applicable), and keep in good standing, all Target Mineral Rights and Access Rights and provide reports in a timely manner to the Bidder on all material developments with respect to the Target Mineral Rights and Access Rights (including material correspondence with Regulatory Authorities and any approvals processes) and otherwise use best endeavours to enforce its contractual rights against, and procure (to the extent within its contractual rights to do so) that the Togni Parties, the Varginha Parties and the RAJ Parties maintain the Target Mineral Rights and Access Rights until the effective assignment or transfer of such rights to the Target Group provided that this paragraph (b) does not require the Target to guarantee the acts or omissions of the Togni Parties, the Varginha Parties or the RAJ Parties, and does not prevent the Target from continuing land negotiations and entering into land acquisition agreements, entering new access arrangements or pursuing statutory procedures in the ordinary course in accordance with the Agreed Budget;
- (c) **(officers and employees)** keeps available the services of its officers and employees;
- (d) **(Target Prescribed Event)** ensures that no Target Prescribed Event occurs;

- (e) **(relationships)** preserves its relationships with customers, suppliers, Regulatory Authorities, financiers, licensors, licensees, joint venturers and others with whom it has business dealings;
- (f) **(consultation)** subject to compliance with law, consults with the Bidder with respect to decisions regarding its business and operations that will have an impact on the Target Group post-implementation of the Scheme, other than decisions in the normal course of business consistent with past practice;
- (g) **(updates)** subject to compliance with law, keeps the Bidder reasonably and promptly informed of:
- (i) material developments in the Target Group's business including without limitation anything that would constitute or be likely to constitute a Target Material Adverse Effect; and
  - (ii) without limitation to paragraph (g)(i), any claims commenced or, to the knowledge of the Target, threatened in writing, that relate to any of the Target Mineral Rights;
- (h) **(cash)** ensures there is no material decrease in the amount of cash in the Target Group other than as:
- (i) used in the ordinary course of business and consistent with forecast cash utilisation Disclosed; or
  - (ii) a result of reasonable costs incurred directly in relation to the transactions contemplated by the Scheme and in accordance with this document.

### 8.3 Prohibited Target actions

Other than with the prior approval of the Bidder or as required by this document the Target must not, and must ensure that each Target Group Member does not, during the period referred to in clause 8.1:

- (a) **(Target Prescribed Event)** take any action that, or fail to take any action whose omission, would give rise to any Target Prescribed Event;
- (b) **(licences)** vary or waive its rights in any materially adverse respect, or terminate, cancel, surrender, forfeit or allow to lapse or expire (without renewal on terms and conditions that are no less favourable to the Target Group) any material licence, lease or authorisation (or a number of licences, leases or authorisations which, when taken together, are material to the conduct of the business of the Target Group as a whole);
- (c) **(employment agreements)** do any of the following in respect of any employee or prospective employee of the Target Group:
- (i) enter into a new employment agreement with any person who was an employee at the date of this document;
  - (ii) enter into a new employment agreement to replace an existing role where the total annual fixed remuneration is greater than \$250,000; or
  - (iii) terminate or vary an employment agreement with any person who is or becomes an employee of the Target Group;

- (d) **(lease and IT contracts)** enter into or renew, terminate or vary any contract:
- (i) under which any member of the Target Group is lessee of or holds or operates any property, real or personal, owned by any other party; or
  - (ii) concerning the use and sale of the Target Group's software or with respect to the intellectual property of the Target Group or any third party including any reseller or distribution agreements;
- (e) **(Adviser fees)** pay, or agree to pay, persons engaged to provide professional advice or other fees or expenses of any type in connection with the Scheme which exceed 10% of the relevant line item in the Agreed Budget, including for corporate advisory, legal, accounting, tax, industry, business advisory or other consulting, financial or investment banking advice to the Target or another Target Group Member;
- (f) **(information technology)** take any action in respect of its information technology systems which would have a material impact on those systems;
- (g) **(accounting policy)** change any accounting policy applied by it to report its financial position other than any change in policy required by a change in applicable accounting standards or law; or
- (h) **(agree)** agree to do any of the matters set out above.

#### 8.4 Exceptions to Target conduct of business provisions

Nothing in this clause 8 restricts the ability of the Target or any Target Group Member from taking or omitting to take any action which:

- (a) is expressly required or permitted by this document, the Scheme, or otherwise required by law;
- (b) has been Disclosed to the Bidder;
- (c) has been agreed to in writing by the Bidder; or
- (d) is reasonably necessary to respond to an emergency or disaster affecting the Target Group, provided that:
  - (i) the Target consults with the Bidder in advance where reasonably practicable having regard to the nature of the relevant emergency or disaster and considers in good faith any reasonable comments or requests made by the Bidder in a timely manner;
  - (ii) where prior consultation is not reasonably practicable, the Target notifies the Bidder as soon as reasonably practicable after taking the relevant action and provides reasonable details of the circumstances and response; and
  - (iii) the action taken is no more than reasonably necessary in the circumstances.

## 8.5 General requirements for Bidder conduct of business

Subject to clause 8.6 from the date of this document up to and including the Implementation Date, the Bidder must, and must cause each Bidder Group Member to:

- (a) conduct its business in the ordinary course and consistent with the manner as previously conducted, or as disclosed to ASX, prior to the date of this document; and
- (b) take any action that, or fail to take any action whose omission, would give rise to any Bidder Prescribed Event.

## 8.6 Exceptions to Bidder conduct of business provisions

- (a) Nothing in this clause 8 restricts the ability of the Bidder from taking or omitting to take any action which:
  - (i) is expressly required or permitted by this document, the Scheme, or otherwise required by law;
  - (ii) has been Disclosed to the Target;
  - (iii) has been agreed to in writing by the Target; or
  - (iv) is reasonably necessary to respond to an emergency or disaster affecting the Bidder Group.

## 8.7 Access to people and Target Information

Between the date of this document and the Implementation Date, the Target must, and must cause the Target Group Members to:

- (a) promptly provide the Bidder and its officers and advisers with any documents, records, and other information (subject to any existing confidentiality obligations owed to third parties, or applicable privacy laws) reasonably requested by them; and
- (b) provide the Bidder and its officers and advisers with reasonable access to the Target's officers and advisers which the Bidder reasonably requires for the purposes of:
  - (i) understanding the Target's financial position (including its cash flow and working capital position), trading performance and management control systems;
  - (ii) implementing the Scheme;
  - (iii) preparing for carrying on the business of the Target following implementation of the Scheme; and
  - (iv) any other purpose which is agreed in writing between the parties; and
- (c) provide the Bidder the Target Group's monthly unaudited management accounts (which include its cash flow, working capital position and capital expenditure and associated commentary), in a timely manner after completion of their preparation;

provided in every case that the required access is reasonably necessary to the Bidder and does not result in unreasonable disruptions to the Target's business.

## 8.8 Notifications

If a party becomes aware that it has (or any of its Representatives has caused it to have) breached or will breach its obligations under this clause 8, or there is an event, occurrence, circumstance or matter which makes it reasonably likely that it has breached or will breach its obligations under this clause 8, then it must notify the other parties as soon as reasonably practicable and provide reasonable details, including specifying the actual or potential breach, the relevant obligation and the underlying event, occurrence, circumstance or matter which has caused the breach or potential breach of this clause 8.

## 8.9 Interim funding

- (a) The parties acknowledge that:
- (i) the Target may have a need for funding prior to the Implementation Date to carry out and implement the activities outlined in the Agreed Budget; and
  - (ii) the Target and the Bidder have agreed a binding interim funding term sheet entered into on or around the date of this document for funding to be provided by the Bidder to the Target in connection with those funding requirements (**Agreed Bidder Loan Terms**).
- (b) Without limiting the Agreed Bidder Loan Terms:
- (i) the Bidder must advance A\$35,000,000 to the Target on the date of this document; and
  - (ii) if this document remains in force on the date falling six months after the date of this document and the End Date is extended beyond that date in accordance with this document, the Bidder must make available to the Target a further committed tranche of up to A\$75,000,000, available for drawing in accordance with and subject to the Agreed Bidder Loan Terms.
- (c) The parties must negotiate in good faith and use all reasonable endeavours to execute, full form definitive documentation (**Definitive Bidder Loan Documentation**) to record and give effect to the Agreed Bidder Loan Terms.
- (d) The Definitive Bidder Loan Documentation must be consistent with the Agreed Bidder Loan Terms and include such terms and additional specificity as are customary for arrangements of the type contemplated in the Agreed Loan Terms within 15 Business Days after the date of this document. A failure to agree or execute the Definitive Bidder Loan Documentation does not affect or qualify the Bidder's obligations under this clause or the Agreed Bidder Loan Terms.
- (e) For the avoidance of doubt, the Definitive Bidder Loan Documentation must permit the Target to apply amounts borrowed under that facility:
- (i) to pay any Break Fee payable under clause 10; and
  - (ii) to pay any costs, expenses or liabilities reasonably incurred in connection with the termination of this document,

and no such application constitutes a default or event of default under the Definitive Bidder Loan Documentation, provided that the obligation to repay the facility on its terms will not be altered by such application (that

is, any payment of the Break Fee would not be considered a repayment under the facility).

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## **9 Exclusivity**

### **9.1 No existing discussions**

- (a) The Target represents and warrants that, other than the discussions with the Bidder in respect of the Scheme and each of its Representatives:
  - (i) is not party to any agreement, arrangement, discussions or understanding with a third party entered into for the purpose of facilitating a Competing Transaction;
  - (ii) it is not currently in negotiations or discussions in respect of any Competing Transaction with any person or which could reasonably be expected to lead to a Competing Transaction with any person;
  - (iii) has ceased providing or making available any non-public information in relation to the Target Group to a third party where that information was being provided for the purpose of facilitating, or could reasonably be expected to lead to, a Competing Transaction; and
  - (iv) has enforced the relevant provisions of any confidentiality agreement, deed of undertaking or similar document entered into with any person (other than the Bidder) for or in connection with discussions or negotiations for a Competing Transaction, including by requesting in writing the return or destruction of any non-public information (with any return or destruction to be effected as soon as practicable) in relation to the Target provided to a third party at any time within the 12 month period prior to the date of this document, where that information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Competing Transaction.
- (b) From the date of this document, the Target will promptly enforce the terms of any confidentiality agreement entered into with a party other than the Bidder in relation to a Competing Transaction and will immediately request the return of all Confidential Information from that party and terminate their access to any confidential information on an ongoing basis. the Target agrees not to waive, and to enforce, any standstill obligations of that party, except in relation to a Competing Transaction where the Bidder has failed to provide a matching or superior proposal which satisfies clause 9.8(e).

### **9.2 No-shop**

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

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

with a view to obtaining, or which would reasonably be expected to encourage or lead to the making of, any offer, proposal or expression of interest from any person in relation to a Competing Transaction.

### 9.3 No-talk

Subject to clause 9.5, during the Exclusivity Period, the Target must ensure that neither it nor any of its Representatives directly or indirectly:

- (a) negotiates, accepts or enters into, or offers or agrees to negotiate, accept or enter into; or
- (b) facilitates, participates or continues in negotiations or discussions with any other person regarding,

a Competing Transaction or any expression of interest, inquiry, offer, proposal, discussion, agreement, understanding or other arrangement that may be reasonably expected to lead to or encourage a Competing Transaction, even if that Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by the Target or any of its Representatives or the person proposing the Competing Transaction has publicly announced the Competing Transaction, or communicate to any person an intention to do any of the foregoing.

### 9.4 Due diligence information

Subject to clauses 9.5 and 9.6, during the Exclusivity Period, the Target must ensure that neither it nor any of its Representatives:

- (a) enables any other person other than the Bidder to undertake due diligence investigations on any Target Group Member or their businesses or operations; or
- (b) makes available to any other person, or permits any other person to receive, other than the Bidder (in the course of due diligence investigations or otherwise) any non-public information relating to any Target Group Member or their businesses or operations,

in each case, in connection with, with a view to obtaining, or which would reasonably be expected to encourage or lead to the formulation, development, finalisation, receipt or announcement of any Competing Transaction, or communicate an intention to do any of the foregoing.

### 9.5 Exceptions

Clause 9.3 and clause 9.4 do not apply to the extent that they restrict the Target or the Target Board from taking or refusing to take any action with respect to a genuine Competing Transaction (which was not solicited, invited, encouraged or initiated by the Target in contravention of clause 9.2) provided that the Target Board has determined, in good faith that:

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

### 9.6 Further exceptions

Nothing in this document prevents the Target from:

- (a) continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to the Scheme or its business generally; or
- (b) fulfilling its continuous disclosure requirements.

## 9.7 Notice of unsolicited approach

- (a) During the Exclusivity Period, the Target must promptly and in any event within 48 hours inform the Bidder if it or any of its Representatives:
  - (i) becomes aware of any negotiations, discussions or other communications, or approaches, in respect of any inquiry, expression of interest, offer, proposal or discussion with the Target or any of its Representatives that may reasonably be expected to lead to, a Competing Transaction;
  - (ii) receives any approach with respect to any actual, proposed or potential Competing Transaction; or
  - (iii) receives any request for information relating to the Target or any of its Related Bodies Corporate or any of their businesses or operations or any request for access to the books or records of the Target or any of its Related Bodies Corporate, which the Target has reasonable grounds to suspect may relate to a current or future Competing Transaction,

in each case, whether direct or indirect, solicited or unsolicited, and in writing or otherwise;

- (iv) becomes aware of any material developments in relation to any Competing Transaction, including in respect of any information previously notified to the Bidder under this clause 9.7; or
  - (v) provides any information relating to the Target or any of its Related Bodies Corporate or any of their businesses or operations to any person in connection with or for the purposes of a current or future Competing Transaction.
- (b) A notification given under clause 9.7(a) must be accompanied by all material details of the relevant event, including (as the case may be):
  - (i) the identity of the person who made the relevant approach, inquiry, proposal, expression of interest or other attempt to initiate any discussions, negotiations or other communications referred to in 9.7(a)(i) or 9.7(a)(ii);
  - (ii) who made the relevant request for information referred to in clause 9.7(a)(iii) or to whom any information referred to in clause 9.7(a)(v) was provided;
  - (iii) the material terms and conditions (including price, form of consideration, conditions precedent, deal protection arrangements, timetable and break or reimbursement fee (if any), or any other similar material terms) of any actual, proposed or potential Competing Transaction (to the extent known by Target or any of its Representatives); and
  - (iv) the nature of the information requested and/or provided.

- For personal use only
- (c) Subject to clause 9.4, during the Exclusivity Period, if any non-public information about the business, operations or affairs of the Target or a Target Group Member is disclosed, provided or otherwise made available to any person in connection with any actual, proposed or potential Competing Transaction which has not previously been provided or made available to Bidder (or is more extensive than the information which has been provided to Bidder), Target must promptly, and in any event within 48 hours of the provision of the information, provide to Bidder:
    - (i) in the case of written materials, a copy of; and
    - (ii) in any other case, a written statement of or reasonable access to, that non-public information.

## 9.8 Matching right

Without limiting clauses 9.2 and 9.3, during the Exclusivity Period, the Target must (and must procure that each of its Related Bodies Corporate):

- (a) not enter into any legally binding agreement, arrangement or understanding (whether or not in writing) pursuant to which a third party, the Target, the Target's Related Bodies Corporate (or any combination of the parties) proposes or propose to undertake or give effect to an actual, proposed or potential Competing Transaction; and
- (b) use its best endeavours to procure that none of its directors change their recommendation in favour of the Scheme to publicly recommend an actual, proposed or potential Competing Transaction (or recommend against the Scheme),

unless:

- (c) the Target Board acting in good faith and in order to satisfy what the Target Board considers to be its statutory or fiduciary duties (having received written advice from its external legal advisers), determines that the Competing Transaction is a Superior Proposal;
- (d) the Target has complied with clause 9.7 and provided the Bidder with the material terms and conditions of the actual, proposed or potential Competing Transaction, including price and the identity of the third party making the actual, proposed or potential Competing Transaction;
- (e) the Target has given the Bidder at least 5 Business Days after the date of the provision of the information referred to in clause 9.8(d) to provide a superior proposal or a proposal which is no less favourable overall to the terms of the actual, proposed or potential Competing Transaction; and
- (f) the Bidder has not provided the Target with a superior proposal or a proposal which is no less favourable overall than the terms of the actual, proposed or potential Competing Transaction by the expiry of the 5 Business Day period referred to in clause 9.8(e).
- (g) The Target acknowledges and agrees that each successive modification of any actual, proposed or potential Competing Transaction will constitute a new actual, proposed or potential Competing Transaction for the purposes of the requirements under clause 9.8(e) and accordingly the Target must comply with clause 9.8(e) and clause 9.8(f) of this clause in respect of any new actual, proposed or potential Competing Transaction unless clauses 9.8(c) to 9.8(f) (inclusive) apply.

## 9.9 Bidder counterproposal

If the Bidder proposes to the Target, or announces amendments to the Scheme or a new proposal that constitute a matching or superior proposal to the terms of the actual, proposed or potential Competing Transaction (**Bidder Counterproposal**) by the expiry of the 5 Business Day period referred to in clause 9.8(e), the Target must procure that the Target Board considers the Bidder Counterproposal and if the Target Board, acting reasonably and in good faith, determines that the Bidder Counterproposal would provide an equivalent or superior outcome for the Target Shareholders as a whole compared with the Competing Transaction, taking into account all of the terms and conditions of the Bidder Counterproposal, then:

- (a) the Target and the Bidder must use their best endeavours to agree the amendments to this document and, if applicable, the Scheme and Deed Poll that are reasonably necessary to reflect the Bidder Counterproposal and to implement the Bidder Counterproposal, in each case as soon as reasonably practicable; and
- (b) the Target must use its best endeavours to procure that each of the directors of the Target continues to recommend the Scheme (as modified by the Bidder Counterproposal) to the Target Shareholders.

The Target acknowledges and agrees that each successive modification of any actual, proposed or potential Competing Transaction will constitute a new actual, proposed or potential Competing Transaction for the purposes of the requirements under this clause 9.9 and accordingly the Target must comply with this clause 9.9 in respect of any new actual, proposed or potential Competing Transaction.

## 9.10 Legal advice

The Target acknowledges that it has received legal advice on this document and the operation of this clause.

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# 10 Break Fee

## 10.1 Background

This clause has been agreed in circumstances where:

- (a) the Bidder and the Target believe that the Scheme will provide significant benefits to the Bidder, the Target and their respective shareholders, and the Bidder and the Target acknowledge that, if they enter into this document and the Scheme is subsequently not implemented, the Bidder will incur significant costs, including those set out in clause 10.5;
- (b) the Bidder requested that provision be made for the Break Fee, without which the Bidder would not have entered into this document;
- (c) both the Bidder Board and the Target Board believe that it is appropriate for both parties to agree to the payment referred to in this clause to secure the Bidder's participation in the Scheme; and
- (d) both parties have received legal advice on this document and the operation of this clause.

## 10.2 Payment of Break Fee

The Target agrees to pay the Break Fee to the Bidder without withholding or set off if:

- (a) **(Competing Transaction)** on or before the end of the Exclusivity Period, a Competing Transaction is announced and within 12 months of that announcement the third party who announced or made the Competing Transaction (or any of its Associates):
  - (i) completes a Competing Transaction; or
  - (ii) acquires a Relevant Interest in, or voting power of at least, 50% of the Target or otherwise acquires Control of the Target;
- (b) **(change of the Target Board recommendation)** the Bidder validly terminates this document under clause 13.1(b) where any Target Director:
  - (i) fails to make the Recommendation or give the Voting Intention;
  - (ii) approves, recommends or makes an announcement in support of a Competing Transaction, or announces an intention to do any of these acts;
  - (iii) withdraws or adversely changes, modifies or qualifies their Recommendation or Voting Intention or otherwise makes a public statement indicating that they no longer support the Scheme,

except where:

- (iv) the change of Recommendation or Voting Intention is made after the Independent Expert concludes that the Scheme is not in the best interests of the Target Shareholders, other than due to the existence of a Competing Transaction which the Independent Expert may reasonably regard to be on more favourable terms than the transaction contemplated by this document. For the avoidance of doubt, this paragraph (iv) applies (and no Break Fee is payable) where the Independent Expert's conclusion arises wholly or partly from a deterioration in the business, assets, financial position, prospects or share price of the Bidder Group, the terms of the New Bidder Shares, or any other matter relevant to the value of the Scheme Consideration, in each case whether or not that deterioration also constitutes a Bidder Material Adverse Effect or a Bidder Prescribed Event; or
- (v) the Court or ASIC requires or reasonably requests that the relevant Target Director abstains from making a recommendation on the Scheme,

provided that a statement made by the Target, the Target Board or any member of the Target Board, to the effect that no action should be taken by Target Shareholders pending the assessment of a Competing Transaction by the Target or the completion of the procedure in clause 9 will not, in and of itself, require the Target to pay the Break Fee to the Bidder;

- (c) **(Superior Proposal)** the Target validly terminates this document in accordance with clause 13.1(d); and

- (d) **(termination)** the Bidder validly terminates this document in accordance with:
- (i) clause 13.1(c); or
  - (ii) clause 13.1(e)(i) or clause 13.1(e)(iii) and the failure to satisfy the relevant Condition Precedent resulted from a breach of this document by the Target or a deliberate act or omission of the Target (which includes for the avoidance of doubt, the occurrence of a Target Prescribed Event).

### **10.3 No amount payable if Scheme becomes Effective**

Notwithstanding the occurrence of any event in clause 10.2, if the Scheme becomes Effective:

- (a) no amount is payable by the Target under clause 10.2; and
- (b) if any amount has already been paid under clause 10.2 it must be refunded by the Bidder.

### **10.4 Timing of payment**

- (a) A demand by the Bidder for payment of the Break Fee under clause 10.2 must:
  - (i) be in writing;
  - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (iii) state the circumstances which give rise to the demand; and
  - (iv) nominate an account in the name of the Bidder into which the Target must pay the Break Fee.
- (b) the Target must pay the Break Fee to the Bidder under clause 10.2 without withholding or set off within 5 Business Days of receipt by the Target of a valid demand for payment from the Bidder under clause 10.4(a).
- (c) The demand referred to in clause 10.4(a) may only be made after the occurrence of an event referred to in clause 10.2.

### **10.5 Nature of payment**

The Break Fee is an amount to compensate the Bidder for:

- (a) advisory costs
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses;
- (d) the distraction of the Bidder's management from conducting the Bidder's business as usual caused by pursuing the Scheme;
- (e) reasonable opportunity costs incurred by the Bidder in pursuing the Scheme or in not pursuing alternative acquisitions or strategic initiatives

which the Bidder could have developed to further its business and objectives; and

- (f) damage to the Bidder's reputation associated with a failed transaction and the implications of that damage to the Bidder's business.

The parties agree that the costs incurred are of a nature that they cannot be accurately quantified and that a genuine pre-estimate of the costs would equal or exceed the amount payable under clause 10.2.

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

- (a) Notwithstanding any other provision of this document but subject to clauses 10.6(b), 10.6(c) and 10.7
  - (i) the maximum aggregate liability of the Target to the Bidder under or in connection with this document including in respect of any breach or repudiation of this document will be an amount equal to the Break Fee;
  - (ii) the payment by the Target of the Break Fee represents the sole, maximum and absolute amount of liability of the Target under or in connection with this document and no further damages, fees, expenses or reimbursements of any kind will be payable by the Target in connection with this document.
- (b) Nothing in this clause affects the Bidder's right to specific performance, injunctive relief or any other remedies which would otherwise be available in equity or law as a remedy for a breach or threatened breach of this document by any party.
- (c) The limitation in clause 10.6(a) will not:
  - (i) apply in connection with a deliberate or reckless breach by the Target of clause 8 or clause 9; or
  - (ii) apply to extinguish or limit the liability of the Target for any fraud, wilful misconduct or wilful breach on the part of the Target.

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

If it is finally determined following the exhaustion of all reasonable avenues of appeal to the Takeovers Panel or a Court that all or any part of the amount payable under clause 10.2:

- (a) is unlawful or would if performed be, unlawful;
- (b) involves a breach of the duties of the Target Board; or
- (c) constitutes unacceptable circumstances within the meaning of the Corporations Act,

then the Target's obligation to pay the applicable amount or part of the amount payable under clause 10.2 does not apply and if the Bidder has received any relevant part of the payment due under clause 10.2 it must refund it within 5 Business Days of the final determination.

The parties must not make or cause or permit to be made any application to a Court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in this clause 10.7.

## 11 Reverse Break Fee

### 11.1 Background

This clause has been agreed in circumstances where:

- (a) the Bidder and the Target believe that the Scheme will provide significant benefits to the Bidder, the Target and their respective shareholders, and the Bidder and the Target acknowledge that, if they enter into this document and the Scheme is subsequently not implemented, the Target and the Target Shareholders will incur significant costs including those set out in clause 11.5;
- (b) the Target requested that provision be made for the payment of the Reverse Break Fee, without which the Target would not have entered into this document;
- (c) both the Bidder Board and the Target Board believe that it is appropriate for both parties to agree to the payment referred to in this clause to secure the Target's participation in the Scheme; and
- (d) both parties have received legal advice on this document and the operation of this clause.

### 11.2 Payment of Reverse Break Fee

The Bidder agrees to pay the Reverse Break Fee to the Target without withholding or set off if:

- (a) **(material breach)** the Target validly terminates this document in accordance with clause 13.1(c);
- (b) **(failure to pay Scheme Consideration)** the Bidder does not pay the aggregate Scheme Consideration in accordance with the terms and conditions of this document, the Scheme and the Deed Poll; or
- (c) **(Brazilian Change of Control Approval)** the Scheme does not become Effective because a Brazilian Change of Control Approval:
  - (i) becomes definitively unable to be obtained or is refused; or
  - (ii) is not obtained before the End Date,

and as a consequence this document is terminated by either party in accordance with its terms.

### 11.3 No amount payable if Scheme becomes Effective

Notwithstanding the occurrence of any event in clause 11.2, if the Scheme becomes Effective:

- (a) no amount is payable by the Bidder under clause 11.2; and
- (b) if any amount has already been paid under clause 11.2 it must be refunded by the Target.

### 11.4 Timing of payment

- (a) A demand by the Target for payment of the Reverse Break Fee under clause 11.2 must:

- (i) be in writing;
  - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
  - (iii) state the circumstances which give rise to the demand; and
  - (iv) nominate an account in the name of the Target into which the Bidder must pay the Reverse Break Fee.
- (b) The Bidder must pay the Reverse Break Fee to the Target without withholding or set off within 5 Business Days of receipt by the Bidder of a valid demand for payment from the Target under clause 11.4(a).
- (c) The demand may only be made after the occurrence of an event referred to in clause 11.2.

### **11.5 Nature of payment**

The Reverse Break Fee is an amount to compensate the Target for:

- (a) advisory costs
- (b) costs of management and directors' time;
- (c) out-of-pocket expenses;
- (d) the distraction of the Target's management from conducting the Target's business as usual caused by pursuing the Scheme;
- (e) reasonable opportunity costs incurred by the Target in pursuing the Scheme or in not pursuing strategic initiatives which the Target could have developed to further its business and objectives; and
- (f) damage to the Target's reputation associated with a failed transaction and the implications of that damage to the Target's business.

The parties agree that the costs incurred are of a nature that they cannot be accurately quantified and that a genuine pre-estimate of the costs would equal or exceed the amount payable under clause 11.2.

### **11.6 Bidder's limitation of liability**

- (a) Notwithstanding any other provision of this document but subject to clauses 11.6(b) and 11.7:
- (i) the maximum aggregate liability of the Bidder to the Target under or in connection with this document or the transaction of which it is a part including in respect of any breach or repudiation of this document will be an amount equal to the Reverse Break Fee; and
  - (ii) the payment by the Bidder of the Reverse Break Fee represents the sole, maximum and absolute liability of the Bidder under or in connection with this document or the transaction of which it is a part and no further damages, fees, expenses or reimbursements of any kind will be payable by the Bidder under or in connection with this document or the transaction of which it is a part.
- (b) Nothing in this clause 11.6(a) will apply:

- (i) to limit the Bidder's liability under the Deed Poll;
- (ii) to affect the Target's or a Scheme Participant's right to specific performance or injunctive relief or any other remedies which would otherwise be available in equity or law as a remedy for a breach or threatened breach of this document by any party; or
- (iii) to extinguish or limit the liability of the Bidder for any fraud, wilful misconduct or wilful breach on the part of the Bidder; or
- (iv) in connection with a deliberate or reckless breach by the Bidder of clause 8 or clause 9.

### 11.7 Compliance with law

If it is finally determined following the exhaustion of all reasonable avenues of appeal or review to the Takeovers Panel or a Court (or the period for lodging appeals or commencing review proceedings has expired without an appeal having been lodged or review proceedings commenced) that the obligation to pay the Reverse Break Fee (in full or in part) under clause 11.2:

- (a) is, or would be if performed, unlawful;
- (b) involves a breach of the fiduciary or statutory duties of the Bidder Board; or
- (c) constitutes unacceptable circumstances as declared by the Takeovers Panel within the meaning of the Corporations Act,

then the Bidder is not obliged to pay the applicable amount or part of the amount payable under clause 11.2 and if the Target has received any part of the payment due under clause 11.2 it must refund it within 5 Business Days of any final determination.

The parties must not make or cause or permit to be made any application to a Court, arbitral tribunal or the Takeovers Panel for or in relation to a determination referred to in this clause 11.7.

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## 12 Representations and warranties

### 12.1 Target's representations and warranties

- (a) The Target represents and warrants to the Bidder (on its own behalf and separately as trustee or nominee for each of the Bidder Indemnified Parties) that each of the following statements is true and correct in all material respects: **(status)** it and each Target Group Member has been incorporated or formed in accordance with the laws of its place of incorporation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now conducted;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it. Each Target Group Member has full corporate power and all necessary permits to carry on its business as now conducted and to own, dispose of and operate the assets and properties, including the Target Mineral Rights, used in connection therewith;

- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
  - (ii) any law binding on or applicable to the assets of the Target and any other Target Group Member;
- (d) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into the Transaction Documents, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under the Transaction Documents are valid and binding and are enforceable against it in accordance with its terms;
- (f) **(reliance)** the Target Information contained in the Scheme Booklet will be prepared in good faith and on the understanding that the Bidder and its directors will rely on that information for the purposes of considering and approving the Bidder Information in the Scheme Booklet before it is despatched, approving the entry into the Deed Poll and implementing the Scheme;
- (g) **(Target Information)** the Target Information provided in accordance with this document and included in the Scheme Booklet as at the date of the Scheme Booklet will be prepared in good faith and not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC;
- (h) **(disclosure)** the Target has provided to the Bidder all Material Contracts in existence as at the date of this document and all other information known to it (having made reasonable enquiries) as at the date of this document regarding matters affecting or relating to it:
  - (i) which is not already in the public domain; and
  - (ii) the disclosure of which might reasonably be expected to have resulted in the Bidder not entering into this document at all or only entering into this document on materially different terms;
- (i) **(continuous disclosure)** Target is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the carve-out in Listing Rule 3.1A to withhold any information from disclosure (other than the transaction contemplated by this document);
- (j) **(complete and accurate)** information provided to the Bidder by the Target in connection with this document, whether under due diligence or not, is complete and accurate and is not misleading, whether by way of omission or otherwise;
- (k) **(reasonable assumptions)** to the extent information provided to the Bidder, whether under due diligence or not, in connection with this document, includes forward-looking statements, those forward-looking statements are based on assumptions which the Target believes, as at

the date the information was provided and continues to believe, to be reasonable;

- (l) **(compliance)** so far as the Target is aware, the Target Group has complied in all material respects with all Australian, Brazilian and other foreign laws and regulations applicable to them and orders of Australian, Brazilian and other foreign Regulatory Authorities and governmental agencies having jurisdiction over it and has all material licenses, permits and franchises necessary for it to conduct its respective businesses (including in respect of the Caldeira Project) as presently being conducted;
- (m) **(no contravention of Corporations Act or Listing Rules)** neither ASIC nor ASX has made a determination against any Target Group Member for any material contravention of the requirements of the Corporations Act or the Listing Rules or any rules, regulations or regulatory guides under the Corporations Act or the Listing Rules;
- (n) **(opinions)** any statement of opinion or belief contained in the Target Information is honestly held and there are reasonable grounds for holding the opinion or belief;
- (o) **(provision of information to Independent Expert)** all information provided by or on behalf of the Target to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report;
- (p) **(no default)** no Target Group Member is in default under any Material Contract or any other document, agreement or instrument binding on it or its assets nor has anything occurred which is or would with the giving of notice or lapse of time constitute an event of default, prepayment event or similar event, or give another party a termination right or right to accelerate any right or obligation, under or amend the terms of, the Material Contract or other document or agreement with that effect;
- (q) **(change of control)** other than as Disclosed, there are no Material Contracts to which a Target Group Member is a party which contain change of control provisions that will be triggered by implementation of the Scheme;
- (r) **(relationships with third parties)** No Target Group Member has been notified in writing by any counterparty to a Material Contract that such party intends to cease or alter the nature of its commercial or business dealings with the Target Group, where the cessation or alteration of such commercial or business dealings could be reasonably expected to have a material adverse effect on the operational or financial performance of the Target Group (taken as a whole);
- (s) **(Mining Rights):**
  - (i) the details of the Target Mineral Rights set out in Schedule 2 are true and correct in all material respects;
  - (ii) as at the date of this document, other than as Disclosed:
    - (A) the Target Mineral Rights are in good standing, valid and enforceable, free and clear of any Encumbrance, are either (1) registered in the name of a member of the Target Group, or (2) subject to a valid and enforceable

contractual right of a member of the Target Group to acquire such Target Mineral Rights, or have them transferred and recorded in its name;

- (B) there are no proceedings which could materially adversely affect the integrity, validity or ownership of the Target Mineral Rights;
  - (C) as far as the Target is aware after making reasonable enquiries, (1) no such proceedings are pending or threatened and (2) there are no facts or contingencies which could materially adversely affect the integrity validity or ownership of the Target Key Mineral Rights;
  - (D) no other mineral rights, property rights or surface rights are necessary for the conduct of the Target Group's business in the manner proposed by the Target Group in the Definitive Feasibility Study, other than as identified in Schedule 3;
  - (E) all actions undertaken by the Target Group in respect of the grant and maintenance of the Target Mineral Rights were performed in material compliance with the applicable laws and are duly set out in the records of the ANM;
  - (F) there are no material restrictions on the ability of the Target Group to use, transfer or otherwise exploit any of the Target Mineral Rights except as required by applicable law and as agreed under the relevant agreements governing the Target Group's rights to acquire such Target Mineral Rights;
  - (G) no Target Group Member has received any notice of any material claim affecting or questioning the rights of the Target Group to the continued possession of the Target Mineral Rights;
  - (H) except as Disclosed and as required under Brazilian law, no person or entity other than the Target Group has any right over the Target Mineral Rights, their profits, revenues and results, including any right to receive royalties, compensation or any other amount in respect to the Target Mineral Rights and their exploration and exploitation; and
  - (I) there is no occurrence of Naturally Occurring Radioactive Materials (NORMs) in the areas covered by the Target Mineral Rights in concentrations exceeding the minimum thresholds prescribed by the Brazilian regulation CNEN NN 4.01 (Requisitos de Segurança e Proteção Radiológica para Instalações Minero-Industriais);
- (t) **(ore reserves and mineral resources)** the estimated mineral resources publicly disclosed by Target have been prepared and disclosed in all material respects in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition), and to the Target's knowledge (having made reasonable enquiries) there has been no material reduction in the aggregate amount

of estimated mineral resources at the Target Mineral Rights taken as a whole, from the amounts disclosed publicly by Target;

- (u) **(securities):**
- (i) at the date of this document, the Target has on issue:
    - (A) 2,906,618,799] fully paid ordinary shares;
    - (B) 25,000,000 Class D performance shares;
    - (C) 27,500,000 Class D performance rights;
    - (D) 15,500,000 Class E performance rights;
    - (E) 15,500,000 Class F performance rights;
    - (F) 12,000,000 options; and
  - (ii) other than as Disclosed, the Target has not issued or granted or agreed to issue or grant any other securities or instruments which are still outstanding and which may convert into Target Shares (including for the avoidance of doubt, any Outstanding Share Rights);
  - (iii) no Target Group Member is under any obligation to issue, grant, repurchase, redeem or otherwise acquire and no person has any right to call for the issue, grant, repurchase, redemption or acquisition of, any shares, options, warrants, performance rights, equity interests or other securities or instruments in such Target Group Member;
  - (iv) there are no:
    - (A) authorised or outstanding options, warrants, purchase rights, subscription rights, conversion rights, exchange rights or other equivalent rights, calls or claims on issue in respect of any Target Group Member; and
    - (B) voting trusts, quotaholders' agreements or other agreements or understandings in effect with respect to the voting or transfer of any of the shares in a Target Group Member;
  - (v) the Corporate Structure Diagram is true and correct in all material respects; and
  - (vi) each of Batman Minerals Pty Ltd and Kimberly Resources Pty Ltd has no assets, liabilities or outstanding obligations;
  - (v) **(no shareholding in the Bidder)** as at the date of this document neither the Target nor any other Target Group Member holds any shares or other securities in the Bidder or units of such shares or securities;
  - (w) **(no Encumbrances)** there are no material Encumbrances over all or any of its assets or revenues;
  - (x) **(Insolvency event)** no member of the Target Group is Insolvent;
  - (y) **(regulatory action)** at the date of this document the Target has not received written notice of any regulatory action of any nature having

been taken that would reasonably be likely to prevent or restrict its ability to fulfil its obligations under this document or the Scheme;

- (z) **(no litigation)** except as Disclosed, and so far as the Target is aware, no Target Group Member is the subject of any material legal action, proceeding, dispute, claim, demand, investigation, arbitration, mediation, dispute resolution or litigation, and as far as the Target is aware there is no such matter pending or threatened in writing (other than matters where the impact would not be material when taking into account coverage under any Target Group insurance policy);
- (aa) **(Employee benefit plans)** the Target has made available to the Bidder a true and complete copy of each material written employee benefit plan, including any change in control, severance, transaction and sale bonus, of the Target Group (collectively, the “**Plans**”) and each Plan has been maintained in compliance with its terms in all material respects and in compliance in all material respects with all applicable laws;
- (bb) **(employees)** except as Disclosed to the Bidder, neither the execution of this document nor the implementation of the transaction contemplated by this document will (alone or in combination with one or more events or circumstances, including any termination of employment or service):
  - (i) result in any compensation or benefit (including severance, golden parachute, bonus or otherwise) becoming due to any Target employee or service provider (except as provided by applicable law);
  - (ii) increase or otherwise enhance any compensation or benefit otherwise payable to any such individual;
  - (iii) result in the acceleration of the time of payment, funding or vesting of any compensation or benefit under any Plans;
  - (iv) result in the acceleration or forgiveness (in whole or in part) of any outstanding loan to any Target employee or service provider; or
  - (v) require any contributions or payments to fund any obligations under any Plans;
- (cc) **(Financial Indebtedness)** as at the date of this document:
  - (i) other than under the Agreed Loan Terms, no Target Group Member has incurred or agreed to incur any Financial Indebtedness material to the Target Group as a whole under any bank facility or other similar material arrangement providing financial accommodation of any description (excluding usual terms of trade with customers and suppliers and excluding hedges, swaps and similar arrangements and excluding any such indebtedness, arrangement or financial accommodation (irrespective of what form that accommodation takes) to or among members of the Target Group); and
  - (ii) no event has occurred which would entitle any person to require the repayment of any material borrowings of the Target Group or require any material borrowings of the Target Group to be repaid before their due date for any reason;
- (dd) **(material licences)** the Target Group:

- (i) has all material licences, authorisations and permits necessary for it to conduct the business of the Target Group (as applicable) as it is conducted as at the date of this document including in respect of the Caldeira Project;
  - (ii) is not in material breach of, or material default under, any such material licences, authorisations, environmental approvals, permits and consents, including the corresponding conditions;
  - (iii) as at the date of this document, has not received any written notice in respect of the termination, revocation, materially adverse variation or non-renewal of any such material licences, authorisations, permits or other consents; and
  - (iv) so far as the Target Group is aware, there are no facts that may result in such a notice being provided;
- (ee) **(real property / leasehold property)** no member of the Target Group has any interest in Australian land other than the Australian Lease and the Australian Lease comprises all the land and premises owned, used or occupied by the Target Group in Australia as owner, tenant or occupier;
- (ff) **(Access Rights)** as at the date of this document:
- (i) each Target Group Member holds or is in process of acquiring the Access Rights identified in Schedule 3, whether by way of owned land, contractual access right or statutory easement or forced-entry right (as specified against the relevant Access Right in that schedule), free from any Encumbrance other than a Permitted Encumbrance or a matter Disclosed;
  - (ii) the Access Rights identified in Schedule 3 (including any mining easement (*servidão minerária*) required to be obtained over a third-party tenement in connection with the Target Key Mineral Rights) are sufficient for the Target Group to carry out the Target Group's business operations for the development of the Target Key Mineral Rights as provided in the Definitive Feasibility Study, subject to any matter Disclosed;
  - (iii) no third party has any rights in respect of any of the Confirmed Access Rights identified in Schedule 4, other than a right Disclosed;
  - (iv) except as Disclosed, the Confirmed Access Rights identified in Schedule 3 that are required by law to be registered are in the process of being duly registered before the respective registry offices, and will be, once duly registered, in good standing with those registry offices, as well as with the applicable Regulatory Authority; and
  - (v) it is not aware of any event, matter or circumstance that would materially adversely affect its rights, in whole or in part, in respect of the Confirmed Access Rights;
- (gg) **(material property)** as at the date of this document, except as Disclosed, no Target Group Member has any material deficiency in, and no Target Group Member has received written notice of termination of title to, their real property interests in any Material Property, in each case that would prevent the Target Group from conducting its business in

substantially the same manner as conducted as at the date of this document;

- (hh) **(Insurance)** as at the date of this document, each Target Group Member maintains insurance in such amounts and against such risks as is materially consistent with industry practices and any applicable laws, such insurance is currently in full force and effect and, so far as the Target Group is aware, nothing has been done or omitted to be done which would make any such insurance void or which would permit an insurer to cancel the policy;
- (ii) **(engagement with regulators)** as far as the Target Group is aware, each Target Group Member has disclosed all relevant particulars of its engagement with both Australian and foreign regulators in the 2 years prior to the date of this document (other than routine filings and lodgements in the ordinary course of business), including the ATO and state revenue offices and is not aware of any information contained in the Disclosure Materials that is false, incomplete, misleading or deceptive in any material respect (including by mission) with respect to its engagement with regulators;
- (jj) **(antitrust)** the economic group to which the Target belongs, as defined in accordance with the criteria set forth in Article 4, Paragraphs 1 and 2 of Resolution No. 33, dated April 14, 2022, of the Brazilian Administrative Council for Economic Defense, did not record gross annual revenue or total business volume in Brazil, in the last fiscal year, equal to or greater than R\$75,000,000.00 (seventy-five million Reais), pursuant to Article 88, II, of Brazilian Law No. 12,529, dated November 30, 2011, in conjunction with Joint Ministerial Ordinance of the Brazilian Ministries of Justice and Treasury No. 994/2012;
- (kk) **(No Target Prescribed Event)** no Target Prescribed Event is subsisting or has occurred between the date of this document and Implementation;
- (ll) **(Tax)** the Target Group has complied in all material respects with all tax laws;
- (mm) **(financial information and filings)** the financial statements of the Target Group included in the Target's annual report for the year ended 30 June 2026, including the notes to the Target's annual report:
- (i) have been prepared in accordance with the requirements of the Australian Accounting Standards and IFRS and any other applicable laws applied on a consistent basis during the periods involved; and
  - (ii) present fairly, in all material respects, the consolidated financial position of the Target Group and the consolidated results of operations and its cash flows (except as may be indicated in the notes to the applicable financial statements);
- (nn) **(no undisclosed liabilities)** so far as the Target is aware as at the date of this document, no Target Group Member has any indebtedness or liabilities arising after 30 June 2026 required under generally accepted Australian accounting principles or IFRS to be reflected on a balance sheet or the notes to the balance sheet, other than those:
- (i) specifically reflected in, fully reserved against or otherwise described in the Target Reporting Documents or the notes to the Target Reporting Documents;

- (ii) incurred in the ordinary course of business consistent with past practice since such date; or
- (iii) incurred under this document;
- (oo) **(specific compliance):**
  - (i) each member of the Target Group and each former or present officer, employee, agent or other person acting on behalf of any member of the Target Group has complied in all material respects with all laws and regulations relating to anti money laundering, anti-bribery and anti-corruption in jurisdictions in which the Target Group operates (**Relevant Laws**); and
  - (ii) no Target Group Member has received notice of any actual or alleged material breach of any Relevant Laws by any member of the Target Group; and
- (pp) **(certain payments)** no Target Group Member or any director, officer or employee of the Target Group or any other person acting on behalf of any Target Group Member has:
  - (i) used any corporate funds for any unlawful contribution, unlawful entertainment or any unlawful expense relating to political activity;
  - (ii) made any unlawful payment to any foreign or domestic government official or employee from corporate funds; or
  - (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment, and in each case, in violation of any applicable domestic or foreign anti-bribery laws and anti-corruption laws in Australia or Brazil or any other jurisdiction which is applicable to the Target Group.

## 12.2 Target's indemnity

The Target indemnifies the Bidder Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the representations and warranties in clause 12.1 not being true and correct.

## 12.3 Qualifications on Target's warranties and indemnities

The representations and warranties in clause 12.1 and the indemnity in clause 12.2 are each subject to matters that:

- (a) are required or permitted by this document or the Scheme or any transaction contemplated by either;
- (b) are known to the Bidder as at the date of this document; or
- (c) have been Disclosed by the Target.

## 12.4 Bidder's representations and warranties

The Bidder represents and warrants to the Target (on its own behalf and separately as trustee or nominee for each of the Target Indemnified Parties) that each of the following statements is true and correct in all material respects:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation, is validly existing under those laws and has

power and authority to own its assets and carry on its business as it is now conducted;

- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded; or
  - (ii) any law binding on or applicable to it or its assets;
- (d) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into the Transaction Documents, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under the Transaction Documents are valid and binding and are enforceable against it in accordance with its terms;
- (f) **(reliance)** the Bidder Information provided to the Target for inclusion in the Scheme Booklet will be prepared in good faith and on the understanding that the Target and its directors will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the Corporations Act;
- (g) **(the Bidder Information)** the Bidder Information provided in accordance with this document and included in the Scheme Booklet, as at the date of the Scheme Booklet, will be prepared in good faith and not contain any material statement which is misleading or deceptive nor contain any material omission having regard to applicable disclosure requirements and will comply in all material respects with the requirements of the Corporations Act, the Listing Rules and all relevant regulatory guides and other guidelines and requirements of ASIC;
- (h) **(disclosure)** the Bidder has provided to the Target all information known to it (having made reasonable enquiries) as at the date of this document regarding matters affecting or relating to it:
  - (i) which is not already in the public domain; and
  - (ii) the disclosure of which might reasonably be expected to have resulted in the Target not entering into this document at all or only entering into this document on materially different terms;
- (i) **(continuous disclosure)** the Bidder is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the carve-out in Listing Rule 3.1A to withhold any information from disclosure (other than the transaction contemplated by this document);
- (j) **(complete and accurate)** all the information provided in writing to the Target by the Bidder in connection with this document, whether under due diligence or not, has been prepared and provided in good faith;
- (k) **(compliance)** so far as the Bidder is aware, the Bidder Group has complied in all material respects with all Australian and foreign laws and

regulations applicable to them and orders of Australian and foreign governmental agencies having jurisdiction over it and has all material licenses, permits and franchises necessary for it to conduct its businesses as presently being conducted;

- (l) **(opinions)** any statement of opinion or belief contained in the Bidder Information is honestly held and there are reasonable grounds for holding the opinion or belief;
- (m) **(provision of information to Independent Expert)** all information provided by or on behalf of the Bidder to the Independent Expert to enable the Independent Expert's Report to be prepared and completed will be provided in good faith and on the understanding that the Independent Expert will rely upon that information for the purpose of preparing the Independent Expert's Report;
- (n) **(securities):**
  - (i) at the date of this document, the Bidder has on issue:
    - (A) 1,006,502,578 fully paid ordinary shares;
    - (B) 4,045,602 performance rights;
    - (C) 1,873,386 convertible securities;
  - (ii) other than as Disclosed, the Bidder has not issued or granted or agreed to issue or grant any other securities or instruments which are still outstanding and which may convert into Target Shares;
- (o) **(dealings in Target securities)** as at the date of this document, except as Disclosed by the Bidder to the Target:
  - (i) the Bidder and its Associates do not have a Relevant Interest in any Target Shares, and neither the Bidder nor any Associate of the Bidder has a Relevant Interest in, or a right to acquire, any Target Shares (whether issued or not or held by the Bidder or not); and
  - (ii) the Bidder and each of its Associates have not entered into any agreement or arrangement that confers rights the economic effect of which is equivalent or substantially equivalent to holding, acquiring, or disposing of securities in the Target or any of its Associates or of any assets of the Target or any of its Associates (including cash-settled derivative contract, contracts for difference or other derivative contracts);
- (p) **(New Bidder Shares)** the New Bidder Shares will upon issue under the Scheme:
  - (i) be fully paid up;
  - (ii) be free from any Encumbrance; and
  - (iii) rank equally in all respects with all other Bidder Shares then on issue;
- (q) **(no dealing with Target Shareholders)** no Bidder Group Member nor any of its Associates has any agreement, arrangement or understanding with any Target Shareholder under which that Target Shareholder (or an

Associate of that Target Shareholder) would be entitled to receive consideration for their Target Shares different from the Scheme Consideration or under which the Target Shareholder agrees to vote in favour of the Scheme or against any Competing Transaction;

- (r) **(no dealings with the Target officers and employees)** as at the date of this document, no Bidder Group Member has any agreement, arrangement or understanding with any director, officer or employee of any Target Group Member relating in any way to the Scheme or the operation of the Target Group's business after implementation of the Scheme;
- (s) **(Insolvency event)** the Bidder is not Insolvent;
- (t) **(regulatory action)** as of the date of this document the Bidder has not received written notice of any regulatory action of any nature that would reasonably be likely to prevent or restrict its ability to fulfil its obligations under this document, the Deed Poll or the Scheme;
- (u) **(no litigation)** so far as the Bidder is aware, as at the date of this document, no Bidder Group Member is:
- (i) a party to any legal action, investigation, proceeding, dispute, claim, demand, notice, direction, inquiry, arbitration, mediation, dispute resolution or litigation, in each case which is material to the Bidder Group taken as a whole; or
  - (ii) the subject of any ruling, judgement, order, declaration or decree by any Regulatory Authority, in each case which is material to the Bidder Group taken as a whole, and as far as the Bidder is aware, there is no legal action, investigation, proceeding, dispute, claim, demand, notice, direction, inquiry, arbitration, mediation, dispute resolution, litigation, ruling, judgement, order, declaration or decree, in each case which is material to the Bidder Group taken as a whole, pending, threatened or anticipated, against any Bidder Group Member;
- (v) **(no other approvals)** no Bidder Group Member requires any material approval, consent, clearance, waiver, ruling, relief, exemption, declaration or authorisation from its shareholders or any Regulatory Authority in order to execute and perform this document, other than the Regulatory Approvals, approval of the Scheme by the Court and the filing of any applications, filings and notices (as applicable) required in relation to the Regulatory Approvals, as contemplated by this document;
- (w) **(financial information and filings)** the financial statements of the Bidder Group included in the Bidder's annual report for the year ended 30 June 2026 including the notes to that annual report:
- (i) have been prepared in accordance with the requirements of the Australian Accounting Standards and IFRS and any other applicable laws applied on a consistent basis during the periods involved; and
  - (ii) present fairly, in all material respects, the consolidated financial position of the Bidder Group and the consolidated results of operations and its cash flows (except as may be indicated in the notes to the applicable financial statements);
- (x) **(No undisclosed liabilities)** so far as the Bidder is aware at the date of this document, no Bidder Group Member has any indebtedness or

liabilities arising after 30 June 2026 required under Australian Accounting Standards and IFRS to be reflected on a balance sheet or the notes to the balance sheet, other than those:

- (i) specifically reflected in, fully reserved against or otherwise described in the Bidder Reporting Documents or the notes to the Bidder Reporting Documents;
  - (ii) incurred in the ordinary course of business consistent with past practice since such date; or
  - (iii) incurred under this document; and
- (y) **(specific compliance):**
- (i) each member of the Bidder Group and each former or present officer, employee, agent or other person acting on behalf of any member of the Bidder Group has complied in all material respects with all laws and regulations relating to anti money laundering, anti-bribery and anti-corruption in jurisdictions in which the Bidder Group operates ("**Relevant Laws**"); and
  - (ii) no Bidder Group Member has received notice of any actual or alleged material breach of any Relevant Laws by any member of the Bidder Group;
- (z) **(certain payments)** no Bidder Group Member or any director, officer or employee of the Bidder Group or any other person acting on behalf of any Bidder Group Member has:
- (i) used any corporate funds for any unlawful contribution, unlawful entertainment or any unlawful expense relating to political activity;
  - (ii) made any unlawful payment to any foreign or domestic government official or employee from corporate funds; or
  - (iii) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment, and in each case, in violation of any applicable domestic or foreign anti-bribery laws and anti-corruption laws in Australia or any other jurisdiction which is applicable to the Bidder Group.

## 12.5 Bidder's indemnity

The Bidder indemnifies the Target Indemnified Parties against all Losses incurred directly or indirectly as a result of any of the representations and warranties in clause 12.4 not being true and correct.

## 12.6 Qualifications on Bidder's warranties and indemnities

The representations and warranties in clause 12.4 and the indemnity in clause 12.5 are each subject to matters that:

- (a) are required or permitted by this document or the Scheme or any transaction contemplated by either;
- (b) are known to the Target in relation to the Scheme as at the date of this document; or
- (c) have been Disclosed by the Bidder.

## **12.7 Survival of representations and warranties**

Each representation and warranty in clauses 12.1, 12.2, 12.3 and 12.4:

- (a) is severable;
- (b) survives the termination of this document; and
- (c) is given with the intention that liability under it is not confined to breaches that are discovered before the date of termination of this document.

## **12.8 Survival of indemnities and reimbursement obligations**

Any indemnity, reimbursement or similar obligation in this document (including those in clauses 12.2 and 12.5):

- (a) is severable;
- (b) is a continuing obligation;
- (c) constitutes a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this document;
- (d) survives the termination of this document; and
- (e) is subject to clauses 10.6 and 11.6 (as applicable) and remains subject to those clauses (as applicable) following termination of this document.

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

- (a) Each representation and warranty made or given under clauses 12.1 and 12.2:
- (b) is given at the date of this document;
- (c) is given at the date the Scheme Booklet is despatched to the Target Shareholders;
- (d) is given at 5.00pm on the Business Day immediately prior to the Second Court Date; and
- (e) is given at 8:00am on the Second Court Date and at the Effective Date,

unless expressed to be given at a particular time, in which case it is given at that time.

## **12.10 Awareness**

If a representation or warranty is given subject to awareness or knowledge, the awareness or knowledge of a party is limited to and deemed to only comprise the facts, matters and circumstances of which:

- (a) in the case of the Target, each of Andrew Tunks, Stuart Gale, Andy Thomson, Marcelo de Carvalho or Luiz Noronha; and
- (b) in the case of the Bidder each of John Humphrey, Pol Le Roux, Gaudenz Sturzenegger, Daniel Havas and Sarah Leonard,

is actually aware as at the time the representation or warranty is given, having made reasonable enquiries.

## 12.11 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this document, except for representations or inducements expressly set out in this document and (to the maximum extent permitted by law) all other representations, warranties and conditions implied by statute or otherwise in relation to any matter relating to this document, the circumstances surrounding the parties' entry into it and the Scheme, are expressly excluded.
- (b) Each party acknowledges and confirms that it does not enter into this document in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this document.

## 12.12 Notice in relation to representations and warranties

If at any time prior to 8.00am on the Second Court Date, the Target or the Bidder (as applicable) becomes aware that any of its respective representations and warranties in clauses 12.1 or 12.4 (as applicable) is not true and correct or is misleading or deceptive in any material respect (whether by omission or otherwise), or there is an event, occurrence, circumstance or matter which makes it reasonably likely that a representation or warranty will not be true and correct or will be misleading or deceptive in any material respect (whether by omission or otherwise), then it must promptly notify the Bidder or the Target (as applicable) and provide reasonable details, including specifying the representation and warranty in question and the underlying event, occurrence, circumstance or matter which has caused the representation or warranty to not be true and correct.

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# 13 Termination

## 13.1 Termination events

This document may be terminated:

- (a) **(End Date)** by either party, if the Scheme has not become Effective on or before the End Date (provided that the party purporting to terminate this document has complied in all material respects with its obligations in clauses 3.2, 3.3, 3.4, 3.6 and 3.7 to the extent applicable);
- (b) **(lack of support)** by the Bidder at any time prior to 8.00am on the Second Court Date if any member of the Target Board:
  - (i) fails to provide its Recommendation or Voting Intention;
  - (ii) changes, withdraws or adversely modifies or qualifies its Recommendation or Voting Intention in favour of the Scheme;
  - (iii) publicly recommends, supports or endorses a Competing Transaction; or
  - (iv) otherwise makes a public statement indicating that it no longer supports the Scheme;
- (c) **(material breach)** by either the Bidder or the Target at any time prior to 8.00am on the Second Court Date, if the other is in material breach of a term of this document (including any representation and warranty not being true and correct), taken in the context of the Scheme as a whole,

provided that the Bidder or the Target (as the case may be) has, if practicable, given notice to the other setting out the relevant circumstances and the relevant circumstances continue to exist 5 Business Days (or any shorter period ending at 8.00am on the Second Court Date) after the time notice is given;

- (d) **(Competing Transaction)** by the Target at any time prior to 8.00 am on the Second Court Date if the Target Board determines: (i) that a Competing Transaction that was not solicited, invited, encouraged or initiated in breach of clause 9.2 is a Superior Proposal; and (ii) in good faith and acting reasonably having received advice from its external counsel specialising in corporate law, that by virtue of the fiduciary or statutory duties of the Target Directors, the Target is required to terminate this document as a result of the Superior Proposal, and provided the procedure in clause 9.8 has been complied with and the Bidder has not provided a superior proposal or a proposal which is no less favourable than the Competing Transaction;
- (e) **(consultation or appeal failure)** in accordance with and pursuant to:
  - (i) clause 3.3(f)(ii);
  - (ii) clause 3.8(a);
  - (iii) clause 3.8(b); or
  - (iv) clause 5.8,provided that the party purporting to terminate this document has complied in all material respects with its obligations in clause 3.2, 3.3, 3.4, 3.6 and 3.7 to the extent applicable); or
- (f) **(agreement)** if agreed to in writing by the Bidder and the Target.

### 13.2 Termination

Where a party has a right to terminate this document, that right for all purposes will be validly exercised if the party delivers a notice in writing to the other party stating that it terminates this document.

### 13.3 Effect of public statements

- (a) Despite any other provision in this document, a statement by the Target, the Target Board or any Target Director to the effect that:
- (b) the Target has received a Competing Transaction;
- (c) the Target Board is considering whether a Competing Transaction is a Superior Proposal;
- (d) the Target Shareholders should take no action pending the completion of the Target Board's consideration of whether a Competing Transaction is a Superior Proposal;
- (e) the Target Board has determined that a Competing Transaction is or may be a Superior Proposal and has commenced the matching right process set out in clause 9.8; or
- (f) the Target Shareholders should take no action pending the completion of the matching right process set out in clause 9.8,

does not of itself:

- (g) constitute a change, withdrawal, modification or qualification of the recommendation by any member of the Target Board or an endorsement of a Competing Transaction;
- (h) contravene this document;
- (i) give rise to an obligation to pay the Break Fee under clause 10.2(b); or
- (j) give rise to a termination right under clause 13.1(b).

#### **13.4 Effect of Termination**

If this document is terminated by either party, or if this document otherwise terminates in accordance with its terms, then in either case all further obligations of the parties under this document, other than the obligations set out in this clause and in clauses 5.8, 10.2, 11.2 and 14 to 19 (inclusive) will immediately cease to be of further force and effect without further liability of any party to the other, provided that nothing in this clause releases any party from liability for any pre-termination breach of this document.

#### **13.5 Damages**

In addition to the right of termination under clause 13.1 where there is no appropriate remedy for the breach in this document (other than termination), the non-defaulting party is entitled to damages for Losses suffered by it and expenses incurred by it as a result of the breach of the terms of this document.

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### **14 Public announcements**

#### **14.1 Public announcement of Scheme**

Immediately after signing this document, the Target and the Bidder must issue a joint public announcement of the proposed Scheme in the form agreed between the Target and the Bidder.

#### **14.2 Required disclosure**

Where a party is required by any applicable law or any Listing Rule to make any announcement or make any disclosure in connection with the Scheme, it must use best endeavours, to the extent possible, to consult with the other party prior to making the relevant disclosure.

#### **14.3 Other announcements**

Subject to clauses 14.1 and 14.2, no party may make any public announcement or disclosure in connection with the Scheme (including disclosure to a Regulatory Authority) other than in a form approved by each party (acting reasonably). Each party will use best endeavours to provide that approval as soon as practicable.

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### **15 Confidential Information**

#### **15.1 Disclosure of the Confidential Information**

Each party acknowledges and agrees that it continues to be bound by the Confidentiality Deed in respect of all information received by it from the other party on, before or after the date of this document.

## **16 Notices and other communications**

### **16.1 Form**

Unless this document expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this document must be in writing and signed by the sender (if an individual) or an Authorised Officer of the sender.

All communications (other than email communications) must also be marked for the attention of the person referred to in the Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified).

Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

### **16.2 Delivery**

Communications must be:

- (a) left at the address referred to in the Details;
- (b) sent by email to the address referred to in the Details.

If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

### **16.3 When effective**

Communications take effect from the time they are received or taken to be received under clause 16.4 ("When taken to be received") (whichever happens first) unless a later time is specified in the communication.

### **16.4 When taken to be received**

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from one country to another);
- (b) if sent by email:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.

### **16.5 Receipt outside business hours**

Despite anything else in this clause 16, if communications are received or taken to be received under clause 16.4 ("When taken to be received") after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

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## 17 GST

### 17.1 Definitions and interpretation

For the purposes of this clause:

- (a) a term which has a defined meaning in the GST Act has the same meaning when used in this clause, unless the contrary intention appears; and
- (b) each periodic or progressive component of a supply to which section 156-5(1) of the GST Act applies will be treated as if it were a separate supply.

### 17.2 GST exclusive

Unless this document expressly states otherwise, all consideration to be provided under this document is exclusive of GST.

### 17.3 Payment of GST

- (a) If GST is payable, or notionally payable, on a supply in connection with this document, the party providing the consideration for the supply agrees to pay to the supplier an additional amount equal to the amount of GST payable on that supply (GST Amount).
- (b) Subject to the prior receipt of a tax invoice, the GST Amount is payable at the same time as the GST-exclusive consideration for the supply, or the first part of the GST-exclusive consideration for the supply (as the case may be), is payable or is to be provided.
- (c) This clause does not apply to the extent that the consideration for the supply is expressly stated to include GST or the supply is subject to a reverse-charge.

### 17.4 Adjustment events

If an adjustment event arises for a supply made in connection with this document, the GST Amount must be recalculated to reflect that adjustment. The supplier or the recipient (as the case may be) agrees to make any payments necessary to reflect the adjustment and the supplier agrees to issue an adjustment note.

### 17.5 Reimbursements

Any payment, indemnity, reimbursement or similar obligation that is required to be made in connection with this document which is calculated by reference to an amount paid by another party must be reduced by the amount of any input tax credits which the other party (or the representative member of any GST group of which the other party is a member) is entitled to. If the reduced payment is consideration for a taxable supply, clause 17.3 will apply to the reduced payment.

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## 18 Withholding tax

- (a) If the Bidder is required under Subdivision 14-D of Schedule 1 of the TAA ("**Subdivision 14-D**") or any other Tax Law, to withhold and pay any amount to the Commissioner of Taxation or any other Regulatory Authority in respect of the acquisition of the Target Shares from certain Target Shareholders, the Bidder is permitted to deduct the relevant

amount from the payment of the Scheme Consideration to those Target Shareholders, and remit such amount to the Commissioner of Taxation or such other Regulatory Authority. The aggregate sum payable to the relevant Target Shareholders must not be increased to reflect the deduction and the net aggregate sum payable to those Target Shareholders will be taken to be in full and final satisfaction of the amounts owing to those Target Shareholders.

- (b) The Bidder acknowledges and agrees that it will not pay any amounts to the Commissioner of Taxation under Subdivision 14-D with respect to a Target Shareholder where it receives an entity declaration from the Target Shareholder prior to the Implementation Date, where:
  - (i) the entity declaration is made in accordance with the requirements in section 14-225 of Subdivision 14-D and covers the Implementation Date ("**Entity Declaration**"); and
  - (ii) the Bidder does not know and could not reasonably be expected to know the Entity Declaration to be false.
- (c) The Target agrees that the Bidder may approach the ATO to obtain clarification as to the application of Subdivision 14-D and will provide all information and assistance that the Bidder reasonably requires in making any such approach. the Bidder agrees:
  - (i) to provide the Target a reasonable opportunity to review the form and content of all materials to be provided to the ATO and must incorporate the Target's reasonable comments on those materials, and more generally to take into account the Target's comments in relation to the Bidder's engagement with the ATO, and provide the Target a reasonable opportunity to participate in any discussions and correspondence between the Bidder and the ATO in connection with the application of Subdivision 14-D; and
  - (ii) not to contact any Target Shareholders in connection with the application of Subdivision 14-D or other withholding obligation to the Scheme without the Target's prior written consent.
- (d) At all times subject to clause 18(a), if the Bidder determines, acting reasonably, that it is necessary, in order to fund a Withholding Amount payable in respect of any Withholding Amount Shareholder:
  - (i) that Withholding Amount Shareholder will be treated, for the purposes of the Scheme, as an Ineligible Foreign Shareholder in relation to an amount of New Bidder Shares that the Withholding Amount Shareholder would otherwise be entitled to as Scheme Consideration under clause 4.3, but only to the extent necessary to fund the Withholding Amount paid or payable by the Bidder under Subdivision 14-D in respect of that Withholding Amount Shareholder and for the avoidance of doubt to fund any brokerage, stamp duty and other selling costs, taxes and charges in respect of a sale of Relevant Bidder Shares (the number of New Bidder Shares required to fund these amounts to be determined by the Bidder acting reasonably);
  - (ii) the Bidder will receive in accordance with clause 4.6(a) an amount equal to the Withholding Amount in respect of that Withholding Amount Shareholder and remit such amount to the Commissioner of Taxation;

- (iii) any Proceeds of the sale of New Bidder Shares through the sale facility described in clause 4.6 in excess of the Withholding Amount will be paid to that Withholding Amount Shareholder in accordance with clause 4.6(a);
- (iv) the relevant Withholding Amount Shareholder will not be treated as an Ineligible Foreign Shareholder with respect to the balance of its Scheme Consideration, which will be provided in the form of New Bidder Shares in accordance with clause 4.3; and
- (v) where the conditions of this clause 18(d) are satisfied, the aggregate consideration payable to the relevant Withholding Amount Shareholder will not be increased to reflect the withholding under this clause and the net aggregate consideration payable to that Withholding Amount Shareholder will be taken to be in full and final discharge of the Scheme Consideration owing to that Withholding Amount Shareholder.
- (e) The parties agree to:
- (i) consult in good faith as to the application of Subdivision 14-D in connection with the Scheme; and
- (ii) subject to clause 18(c)(ii), use best endeavours to take all actions that are necessary or desirable in relation to Subdivision 14-D, which may include, promptly communicating with any Withholding Amount Shareholder to obtain a valid Variation Notice or Entity Declaration contemplated by Subdivision 14-D so as to reduce or eliminate the Withholding Amount payable to the Commissioner of Taxation in respect of any Withholding Amount Shareholder.
- (f) Without limiting clause 18(e), where there are any amendments to Subdivision 14-D of Schedule 1 to the TAA which impact the operation and effect of the Entity Declaration made under this clause following the date of this deed and prior to the Effective Date, the parties will:
- (i) consult and cooperate in good faith and on a reasonable basis; and
- (ii) take all actions (acting reasonably) that are necessary or desirable which may include, without limitation, obtaining a declaration from or otherwise notifying the Australian Taxation Office in respect of the Deed.

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## 19 Costs

### 19.1 Costs

The parties agree to pay their own Costs in connection with the preparation, negotiation, execution and completion of this document, except for amounts covered by clause 19.2.

### 19.2 Stamp duty and registration fees

- (a) The Bidder:
- (b) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document or any other transaction evidenced by this document

(including any fees, fines, penalties and interest in connection with any of those amounts); and

- (c) indemnifies the Target against, and agrees to reimburse and compensate it for, any liability in respect of stamp duty under clause 19.2(b).

The Bidder agrees to pay amounts due to the Target under this clause within 3 Business Days of demand from the Target.

However, the Bidder need not pay, reimburse or indemnify against any fees, fines, penalties or interest to the extent they have been imposed because of the Target's delay.

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## **20 General**

### **20.1 Variation and waiver**

A provision of this document, or right, power or remedy created under it, may not be varied or waived except in writing signed by the party to be bound.

### **20.2 Consents, approvals or waivers**

By giving any approval, consent or waiver a party does not give any representation or warranty as to any circumstance in connection with the subject matter of the consent, approval or waiver.

### **20.3 Discretion in exercising rights**

Unless this document expressly states otherwise, a party may exercise a right, power or remedy or give or refuse its consent, approval or a waiver in connection with this document in its absolute discretion (including by imposing conditions).

### **20.4 Partial exercising of rights**

Unless this document expressly states otherwise, if a party does not exercise a right, power or remedy in connection with this document fully or at a given time, they may still exercise it later.

### **20.5 Conflict of interest**

Each party may exercise their rights, powers and remedies in connection with this document even if this involves a conflict of duty or they have a personal interest in their exercise.

### **20.6 Remedies cumulative**

Except as expressly provided in this document, the rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

### **20.7 Indemnities and reimbursement obligations**

Any indemnity, reimbursement or similar obligation in this document.

- (a) is a continuing obligation despite the satisfaction of any payment or other obligation in connection with this document, any settlement or any other thing;

- (b) is independent of any other obligations under this document; and
- (c) continues after this document, or any obligation arising under it, ends.

It is not necessary for a party to incur expense or make payment before enforcing a right of indemnity in connection with this document.

## **20.8 Inconsistent law**

To the extent the law permits, this document prevails to the extent it is inconsistent with any law.

## **20.9 Supervening law**

Any present or future law which operates to vary the obligations of a party in connection with this document with the result that another party's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

## **20.10 Counterparts**

This document may consist of a number of copies, each signed by one or more parties to it. If so, the signed copies are treated as making up a single document and the date on which the last counterpart is executed is the date of the document.

## **20.11 Entire agreement**

This document constitutes the entire agreement of the parties about its subject matter and supersedes all previous agreements, understandings and negotiations on that subject matter.

## **20.12 Further steps**

Each party agrees to do anything (such as obtaining consents, signing and producing documents, producing receipts and getting documents completed and signed), which the other party asks and considers necessary to:

- (a) bind the party and any other person intended to be bound under this document; or
- (b) show whether the party is complying with this document.

## **20.13 No liability for loss**

Unless this document expressly states otherwise, a party is not liable for any loss, liability or costs arising in connection with the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right, power or remedy in connection with this document.

## **20.14 Severability**

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause has no effect if the severance alters the basic nature of this document or is contrary to public policy.

## **20.15 Rules of construction**

No rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of, or seeks to rely on, this document or any part of it.

## **20.16 Assignment**

A party may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of the other party.

## **20.17 Enforceability**

For the purpose of this document:

- (a) the Target is taken to be acting as agent and trustee on behalf of and for the benefit of all the Target Indemnified Parties; and
- (b) the Bidder is taken to be acting as agent and trustee on behalf of and for the benefit of all the Bidder Indemnified Parties,

and all of those persons are to this extent taken to be parties to this document.

## **20.18 No representation or reliance**

Each party acknowledges that:

- (a) no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this document, except for representations or inducements expressly set out in this document;
- (b) it does not enter into this document in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement expressly set out in this document; and
- (c) clauses 20.18(a) and 20.18(b) above do not prejudice any rights a party may have in relation to information which had been filed by the other party with ASIC or ASX.

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## **21 Governing law**

### **21.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

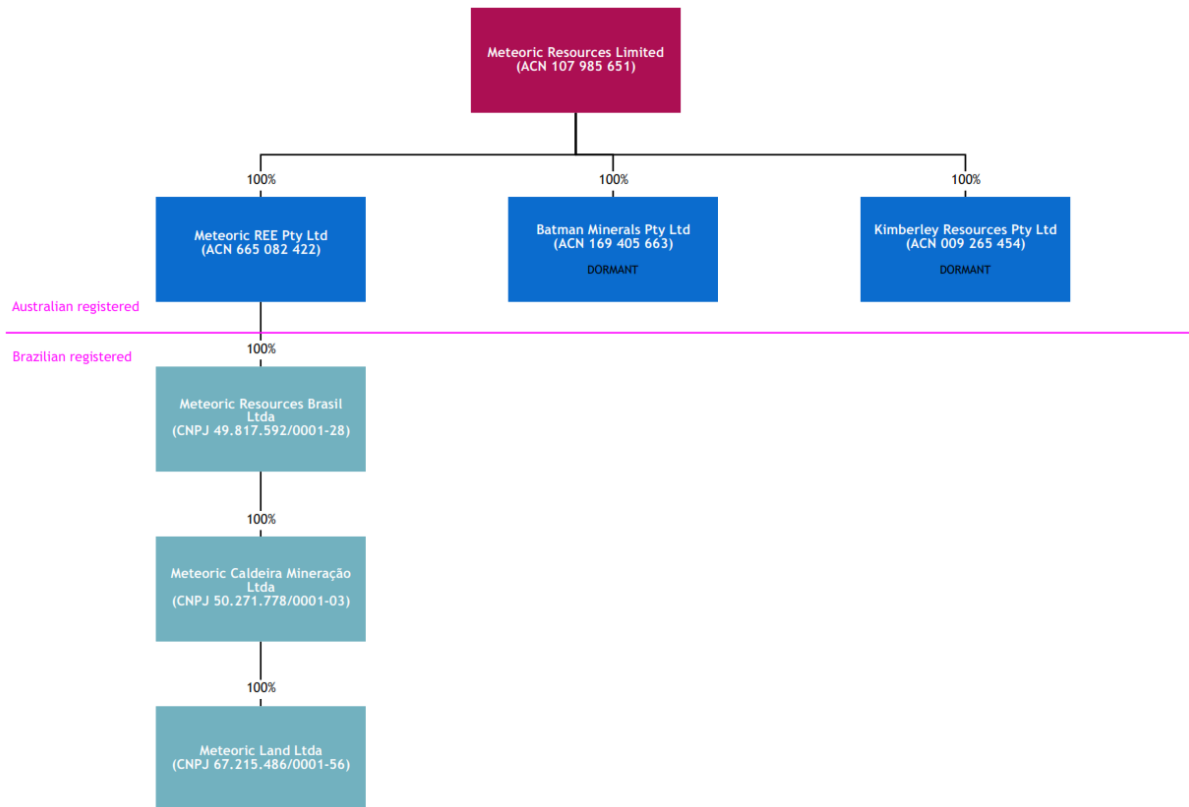
### **21.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address for service of notices under clause 16.2 ("Delivery").

**EXECUTED** as a deed

# Scheme Implementation Deed

## Schedule 1 Corporate Structure Diagram



# Scheme Implementation Deed

## Schedule 2 Target Mineral Rights

### Part A: Target Key Mineral Rights

| # | Brazilian National Mining Agency (ANM) file number | Deposit Name | Tenement type     | Tenement holder                       | Term | Ore             | Additional relevant information                                                                                                                                                                        |
|---|----------------------------------------------------|--------------|-------------------|---------------------------------------|------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | 817.223/1971                                       | Soberbo      | Mining concession | Mineração Daniel Togni Loureiro Ltda. | N/A  | Refractory Clay | ANM to approve the new economic plan ( <i>plano de aproveitamento econômico</i> ) for rare earth elements. Pending analysis by the ANM of the assignment requests to Meteoric Caldeira Mineração Ltda. |
| 2 | 814.860/1971                                       | Figueira     | Mining concession | Mineração Perdizes Ltda.              | N/A  | Refractory Clay | ANM to approve the new economic plan ( <i>plano de aproveitamento econômico</i> ) for rare earth elements. Pending analysis by the ANM of the assignment requests to                                   |

|   |              |               |                               |                               |     |                 |                                                                                                                                                                                                                                                                  |
|---|--------------|---------------|-------------------------------|-------------------------------|-----|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|   |              |               |                               |                               |     |                 | Meteoric Caldeira Mineração Ltda.                                                                                                                                                                                                                                |
| 3 | 830.513/1979 | Capão do Mel  | Mining concession application | Mineração Monte Carmelo Ltda. | N/A | Clay            | ANM to approve the new economic plan ( <i>plano de aproveitamento econômico</i> ) for rare earth elements. Filing with the ANM of the assignment application in favour of Meteoric Caldeira Mineração Ltda. still pending.                                       |
| 4 | 816.211/1971 | Barra do Pacu | Mining concession             | Mineração Perdizes Ltda.      | N/A | Refractory Clay | ANM to approve the reserves' reassessment report and the new economic plan ( <i>plano de aproveitamento econômico</i> ) for rare earth elements. Filing with the ANM of the assignment application in favour of Meteoric Caldeira Mineração Ltda. still pending. |

## Part B: Other Target Mineral Rights

| #  | Brazilian National Mining Agency (ANM) file number | Tenement type                 | Tenement holder                                       | Ore                                         |
|----|----------------------------------------------------|-------------------------------|-------------------------------------------------------|---------------------------------------------|
| 5  | 814.251/1971                                       | Mining Concession             | Mineração Perdizes Ltda.                              | Clay                                        |
| 6  | 815.006/1971                                       | Mining Concession             | Mineração Perdizes Ltda.                              | Refractory Clay<br>Bauxite                  |
| 7  | 815.681/1971                                       | Mining Concession             | Mineração Perdizes Ltda.                              | Aluminium Ore<br>Refractory Clay<br>Bauxite |
| 8  | 820.352/1972                                       | Mining Concession             | Mineração Perdizes Ltda.                              | Clay<br>Bauxite                             |
| 9  | 820.353/1972                                       | Mining Concession             | Mineração Zelandia Ltda.<br>(currently leased to CGM) | Refractory Clay<br>Bauxite                  |
| 10 | 820.354/1972                                       | Mining Concession             | Mineração Perdizes Ltda.                              | Clay<br>Bauxite                             |
| 11 | 813.025/1973                                       | Mining Concession Application | Mineração Perdizes Ltda.                              | Clay<br>Bauxite                             |
| 12 | 808.556/1974                                       | Mining Concession             | Mineração Perdizes Ltda.                              | Refractory Clay                             |
| 13 | 811.232/1974                                       | Mining Concession             | Mineração Perdizes Ltda.                              | Clay                                        |
| 14 | 804.222/1975                                       | Mining Concession Application | Mineração Perdizes Ltda.                              | Refractory Clay                             |
| 15 | 830.391/1979                                       | Mining Concession Application | Mineração Perdizes Ltda.                              | Potassic Rock                               |
| 16 | 830.551/1979                                       | Mining Concession Application | Togni S.A. Materiais Refratários                      | Clay                                        |
| 17 | 830.000/1980                                       | Mining Concession Application | Mineração Perdizes Ltda.                              | Aluminium Ore                               |

| #  | Brazilian National Mining Agency (ANM) file number | Tenement type                   | Tenement holder                        | Ore                        |
|----|----------------------------------------------------|---------------------------------|----------------------------------------|----------------------------|
| 18 | 830.633/1980                                       | Mining Concession Application   | Mineração Zelandia Ltda.               | Clay                       |
| 19 | 831.880/1991                                       | Mining Concession               | Mineração Perdizes Ltda.               | Clay                       |
| 20 | 835.022/1993                                       | Mining Concession               | Mineração Perdizes Ltda.               | Refractory Clay<br>Bauxite |
| 21 | 803.459/1975                                       | Mining Concession               | Mineração Perdizes Ltda.               | Aluminium Ore              |
| 22 | 831.092/1983                                       | Mining Concession Application   | Mineração Perdizes Ltda.               | Clay                       |
| 23 | 830.443/2018                                       | Exploration License             | Fertimax Fertilizantes Orgânicos Ltda. | Rare Earths                |
| 24 | 830.444/2018                                       | Exploration License             | Fertimax Fertilizantes Orgânicos Ltda. | Rare Earths                |
| 25 | 833.486/1996                                       | Mining Concession Application   | Meteoric Caldeira Mineração Ltda.      | Aluminum Ore               |
| 26 | 833.655/1996                                       | Mining Concession Application   | Meteoric Caldeira Mineração Ltda.      | Aluminum Ore               |
| 27 | 833.656/1996                                       | Mining Concession Application   | Meteoric Caldeira Mineração Ltda.      | Aluminum Ore               |
| 28 | 833.657/1996                                       | Mining Concession Application   | Meteoric Caldeira Mineração Ltda.      | Aluminum Ore               |
| 29 | 834.743/1995                                       | Mining Concession Application   | Meteoric Caldeira Mineração Ltda.      | Clay                       |
| 30 | 002.349/1967                                       | Mining Concession               | Minas Rio Mineradora Ltda.             | Bauxite                    |
| 31 | 833.176/2008                                       | Exploration License Application | Varginha Mineração Ltda.               | Clay                       |
| 32 | 830.955/2006                                       | Exploration License Application | Varginha Mineração Ltda.               | Aluminum Ore               |
| 33 | 830.461/2018                                       | Exploration License             | Fertimax Fertilizantes Orgânicos Ltda. | Rare Earths                |

| #  | Brazilian National Mining Agency (ANM) file number | Tenement type                   | Tenement holder                   | Ore                                |
|----|----------------------------------------------------|---------------------------------|-----------------------------------|------------------------------------|
| 34 | 832.193/2012                                       | Exploration License             | Varginha Mineração Ltda.          | Bauxite                            |
| 35 | 831.686/2012                                       | Exploration License             | Varginha Mineração Ltda.          | Bauxite                            |
| 36 | 831.269/1992                                       | Mining Concession Application   | Varginha Mineração Ltda.          | Clay<br>Bauxite<br>Refractory Clay |
| 37 | 832.572/2003                                       | Mining Concession Application   | Varginha Mineração Ltda.          | Aluminum Ore                       |
| 38 | 833.551/1993                                       | Mining Concession Application   | Varginha Mineração Ltda.          | Bauxite                            |
| 39 | 833.553/1993                                       | Mining Concession Application   | Varginha Mineração Ltda.          | Bauxite                            |
| 40 | 830.697/2003                                       | Mining Concession Application   | Varginha Mineração Ltda.          | Aluminum Ore                       |
| 41 | 832.252/2001                                       | Mining Concession Application   | Varginha Mineração Ltda.          | Aluminum Ore<br>Potassic Rock      |
| 42 | 830.416/2001                                       | Mining Concession Application   | Varginha Mineração Ltda.          | Bauxite                            |
| 43 | 832.146/2002                                       | Mining Concession Application   | Varginha Mineração Ltda.          | Aluminum Ore<br>Refractory Clay    |
| 44 | 832.346/2024                                       | Exploration License             | Meteoric Caldeira Mineração Ltda. | Rare Earths                        |
| 45 | 832.344/2024                                       | Exploration License Application | Meteoric Caldeira Mineração Ltda. | Rare Earths                        |
| 46 | 832.343/2024                                       | Exploration License             | Meteoric Caldeira Mineração Ltda. | Rare Earths                        |
| 47 | 832.342/2024                                       | Exploration License             | Meteoric Caldeira Mineração Ltda. | Rare Earths                        |
| 48 | 832.341/2024                                       | Exploration License             | Meteoric Caldeira Mineração Ltda. | Rare Earths                        |
| 49 | 832.340/2024                                       | Exploration License             | Meteoric Caldeira Mineração Ltda. | Rare Earths                        |

| #  | Brazilian National Mining Agency (ANM) file number | Tenement type                      | Tenement holder                   | Ore                                           |
|----|----------------------------------------------------|------------------------------------|-----------------------------------|-----------------------------------------------|
| 50 | 832.339/2024                                       | Exploration License                | Meteoric Caldeira Mineração Ltda. | Rare Earths                                   |
| 51 | 005.649/1963                                       | Mining Concession                  | Raj Minerios Ltda.                | Refractory Clay                               |
| 52 | 002.757/1967                                       | Mining Concession                  | Raj Minerios Ltda.                | Refractory Clay<br>Clay<br>Leucite<br>Bauxite |
| 53 | 825.972/1972                                       | Mining Concession                  | Raj Minerios Ltda.                | Clay<br>Phosphate<br>Rock                     |
| 54 | 803.457/1975                                       | Mining Concession                  | Raj Minerios Ltda.                | Phosphate<br>Rock<br>Bauxite                  |
| 55 | 833.914/2007                                       | Mining Concession                  | Raj Minerios Ltda.                | Bauxite                                       |
| 56 | 837.368/1993                                       | Mining Application                 | Raj Minerios Ltda.                | Refractory Clay                               |
| 57 | 830.722/2002                                       | Mining Application                 | Raj Minerios Ltda.                | Bauxite                                       |
| 58 | 832.889/2005                                       | Mining Application                 | Raj Minerios Ltda.                | Aluminum Ore                                  |
| 59 | 831.250/2008                                       | Mining Application                 | Raj Minerios Ltda.                | Bauxite                                       |
| 60 | 832.800/2002                                       | Exploration Permit                 | Raj Minerios Ltda.                | Aluminum Ore                                  |
| 61 | 832.671/2005                                       | Exploration License                | Raj Minerios Ltda.                | Aluminum Ore                                  |
| 62 | 815.237/1971                                       | Mining Application                 | Raj Minerios Ltda.                | Clay<br>Bauxite                               |
| 63 | 831.598/1988                                       | Mining Application                 | Raj Minerios Ltda.                | Migmatite                                     |
| 64 | 830.824/2006                                       | Exploration License                | Raj Minerios Ltda.                | Aluminum Ore                                  |
| 65 | 832.350/2006                                       | Exploration License                | Raj Minerios Ltda.                | Bauxite                                       |
| 66 | 832.351/2006                                       | Exploration License                | Raj Minerios Ltda.                | Bauxite                                       |
| 67 | 832.799/2002                                       | Exploration License<br>Application | Raj Minerios Ltda.                | Aluminum Ore                                  |
| 68 | 832.714/2016                                       | Exploration License                | Raj Minerios Ltda.                | Clay<br>Bauxite                               |
| 69 | 807.899/1975                                       | Mining Application                 | Companhia Geral de Minas          | Bauxite<br>Refractory clay                    |

| #  | Brazilian National Mining Agency (ANM) file number | Tenement type                   | Tenement holder                  | Ore                                  |
|----|----------------------------------------------------|---------------------------------|----------------------------------|--------------------------------------|
| 70 | 808.027/1975                                       | Mining Concession               | Companhia Geral de Minas         | Bauxite Clay                         |
| 71 | 809.358/1975                                       | Mining Concession               | Companhia Geral de Minas         | Bauxite Refractory clay              |
| 72 | 809.359/1975                                       | Mining Concession               | Companhia Geral de Minas         | Bauxite Clay                         |
| 73 | 815.274/1971                                       | Mining Application              | Companhia Geral de Minas         | Clay Leucite                         |
| 74 | 815.645/1971                                       | Mining Concession               | Companhia Geral de Minas         | Aluminum Ore Refractory Clay Bauxite |
| 75 | 815.682/1971                                       | Mining Concession               | Companhia Geral de Minas         | Bauxite Clay                         |
| 76 | 835.025/1993                                       | Mining Concession               | Mineração Perdizes Ltda          | Refractory clay Bauxite              |
| 77 | 832.345/2024                                       | Exploration License Application | Meteoric Caldeira Mineração Ltda | Rare Earths                          |
| 78 | 832.347/2024                                       | Exploration License Application | Meteoric Caldeira Mineração Ltda | Rare Earths                          |

# Scheme Implementation Deed

## Schedule 3 Access Rights

### Part A: Confirmed Access Rights

| #  | Property  | Access Right | Target Group Member               | Description                  |
|----|-----------|--------------|-----------------------------------|------------------------------|
| 1  | M3        | Land         | Meteoric Caldeira Mineração Ltda. | Consent agreement            |
| 2  | M3A       | Land         | Meteoric Caldeira Mineração Ltda. | Consent agreement            |
| 3  | M8        | Land         | Meteoric Caldeira Mineração Ltda. | Easement & royalty agreement |
| 4  | M10+M11   | Land         | Meteoric Caldeira Mineração Ltda. | Easement & royalty agreement |
| 5  | M12       | Land         | Meteoric Caldeira Mineração Ltda. | Purchased                    |
| 6  | M13       | Land         | Meteoric Caldeira Mineração Ltda. | Easement agreement           |
| 7  | M14       | Land         | Meteoric Caldeira Mineração Ltda. | Easement agreement           |
| 8  | M14A      | Land         | Meteoric Caldeira Mineração Ltda. | Easement agreement           |
| 9  | M15       | Land         | Meteoric Caldeira Mineração Ltda. | Purchased                    |
| 10 | M16       | Land         | Meteoric Caldeira Mineração Ltda. | Purchased                    |
| 11 | M24 + M25 | Land         | Meteoric Caldeira Mineração Ltda. | Easement agreement           |

# Scheme Implementation Deed

## Part B: Pending Access Rights

| # | Property | Pending Access Right | Status and timeframe for completion                                 |
|---|----------|----------------------|---------------------------------------------------------------------|
| 1 | M4       | Land                 | Landowner has offered to lease the land immediately.                |
| 2 | M5       | Land                 | Landowner has offered to lease the land immediately.                |
| 3 | M6 + M7  | Land                 | Landowner has offered to sell the area.                             |
| 4 | M9       | Land                 | Judicial proceedings are required to secure the statutory easement. |
| 5 | M9D      | Land                 | Judicial proceedings are required to secure the statutory easement. |
| 6 | M12A     | Land                 | Judicial proceedings are required to secure the statutory easement. |
| 7 | BDP03    | Water                | Agreement expected imminently                                       |
| 8 | BDP11    | Water                | Landowner has offered to sell the area.                             |
| 9 | BDP13    | Water                | Discussions ongoing with the landowner                              |

# Scheme Implementation Deed

## Signing page

For personal use only

|                                         |   |                                    |
|-----------------------------------------|---|------------------------------------|
| <b>EXECUTED</b> by <b>LYNAS RARE</b>    | ) |                                    |
| <b>EARTHS LIMITED (ACN 009 066 648)</b> | ) |                                    |
| in accordance with section 127(1) of    | ) |                                    |
| the Corporations Act 2001 (Cth) by      | ) |                                    |
| authority of its directors:             | ) |                                    |
|                                         | ) |                                    |
| .....                                   | ) | .....                              |
| Signature of director                   | ) | Signature of director/company      |
|                                         | ) | secretary                          |
|                                         | ) |                                    |
| .....                                   | ) | .....                              |
| Name of director (block letters)        | ) | Name of director/company secretary |
|                                         | ) | (block letters)                    |

# Scheme Implementation Deed

EXECUTED by METEORIC  
RESOURCES LTD (ACN 107 985 651)  
in accordance with section 127(1) of  
the Corporations Act 2001 (Cth) by  
authority of its directors:

Signature of director

Name of director (block letters)

Signature of director/company  
secretary

Name of director/company secretary  
(block letters)

# Scheme Implementation Deed

## Annexure A Scheme of Arrangement

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## Scheme of Arrangement

Meteoric Resources Limited (ACN 107 985 651) ("**Target**")  
Scheme Participants

**Mallesons**  
Level 27  
Collins Arch  
447 Collins Street  
Melbourne VIC 3000  
Australia  
T +61 3 9643 4000  
[www.mallesons.com](http://www.mallesons.com)

# Scheme of Arrangement

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# Scheme of Arrangement

## Details

| Parties             |                                                                            |                                                |
|---------------------|----------------------------------------------------------------------------|------------------------------------------------|
| Target              | Name                                                                       | Meteoric Resources Limited                     |
|                     | ACN                                                                        | 107 985 651                                    |
|                     | Formed in                                                                  | Australia                                      |
|                     | Address                                                                    | Level 1, 35 Ventnor Avenue, West Perth WA 6005 |
|                     | Email                                                                      | c.smith@meteoric.com                           |
|                     | Attention                                                                  | Cathal Smith, General Counsel                  |
| Scheme Participants | Each person registered as a holder of Scheme Shares as at the Record Date. |                                                |
| Governing law       | Western Australia                                                          |                                                |

# General terms

---

## 1 Definitions and interpretation

### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

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

**ASX** means ASX Limited, or the market operated by it, as the context requires.

**ASX Official List** means the official list of the entities that ASX has admitted and not removed.

**ANM** means the Brazilian National Mining Agency.

**Bidder** means Lynas Rare Earths Limited (ACN 009 066 648).

**Bidder Nominee** has the meaning given in the Scheme Implementation Deed.

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

**Bidder Registry** means Computershare Investor Services Pty Limited.

**Bidder Share** means a fully paid ordinary share in the capital of the Bidder.

**Business Day** means a business day as defined in the Listing Rules.

**CHESS** means the Clearing House Electronic Subregister System of share transfers operated by ASX Settlement Pty Ltd and ASX Clear Pty Limited.

**CHESS Holding** has the meaning given in the Settlement Rules.

**Commissioner** means the Australian Federal Commissioner of Taxation.

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

**Court** means the Supreme Court of Western Australia, or another court of competent jurisdiction under the Corporations Act agreed by the Bidder and the Target.

**Deed Poll** means the deed poll executed by the Bidder substantially in the form of Annexure B of the Scheme Implementation Deed or as otherwise agreed by the Target and the Bidder under which the Bidder covenants in favour of each Scheme Participant to perform the actions attributed to it under this Scheme.

**Details** means the section of this document headed "Details".

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

but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

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

**Electing Small Scheme Participant** means a Small Scheme Participant who has provided the Target with an Opt-in Notice before 5.00pm on the Business Day prior to the Record Date.

**Encumbrance** means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the PPSA or any agreement to create any of them or allow them to exist.

**End Date** means the "End Date" determined in accordance with the Scheme Implementation Deed, or such other date as is agreed by the Bidder and the Target in writing.

**First Court Date** means the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meeting is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

**Implementation Date** means the 5<sup>th</sup> Business Day following the Record Date.

**Ineligible Foreign Shareholder** means a Target Shareholder:

- (a) who is (or is acting on behalf of) a citizen or resident of a jurisdiction other than residents of Australia and its external territories; or
- (b) whose address shown in the Target Register is a place outside Australia and its external territories or who is acting on behalf of such a person,

unless the Bidder determines, acting reasonably, that:

- (c) it is lawful and not unduly onerous or unduly impracticable to issue that Target Shareholder with the New Bidder Shares on implementation of the Scheme; and
- (d) it is lawful for that Target Shareholder to participate in the Scheme by the law of the relevant place outside Australia and its external territories.

**Issuer Sponsored Holding** has the meaning given in the Settlement Rules.

**Listing Rules** means the Listing Rules of ASX and any other applicable rules of ASX modified to the extent of any express written waiver by ASX.

**New Bidder Share** means a fully paid ordinary share in the capital of the Bidder to be issued as consideration under the Scheme.

**Nominee Holder** means a Scheme Participant who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person.

**Opt-in Notice** means the form to be completed by a Small Scheme Participant electing to have the Scheme Consideration to which they would otherwise be entitled issued to the Sale Nominee and sold on their behalf in accordance with clause 6.6.

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

**Proceeds** has the meaning given to it in clause 6.6(b)(ii).

**Record Date** means 5.00pm on the 2nd Business Day following the Effective Date or any other date as the Target and the Bidder agree.

**Registered Address** means, in relation to a Scheme Participant, the address shown in the Target Register as at the Record Date.

**Registry** means Automic Group.

**Regulatory Authority** includes:

- (a) ASX, ASIC, the Takeovers Panel and ANM;
- (b) SEC;
- (c) a foreign or Australian government or governmental, semi-governmental or judicial entity or authority;
- (d) a foreign or Australian minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation, bureau, department or other political subdivision of any government;
- (e) any foreign or Australian regulatory organisation established under statute; and
- (f) any foreign or Australian quasi-governmental, self-regulatory agency, commission or authority, including any national securities exchange or national quotation system.

**Sale Nominee** means, subject to obtaining relevant ASIC relief (if, and to the extent, required) a person appointed by the Bidder (in consultation with the Target) to sell the New Bidder Shares that would otherwise be issued to or for the benefit of Ineligible Foreign Shareholders or Electing Small Scheme Participants under the terms of this Scheme.

**Scheme** means this scheme of arrangement under Part 5.1 of the Corporations Act under which all the Scheme Shares held by Scheme Participants will be transferred to the Bidder, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by the Target and the Bidder in accordance with this Scheme.

**Scheme Booklet** means, in respect of the Scheme, the information booklet to be approved by the Court and despatched to the Target Shareholders which includes, among other things, this Scheme.

**Scheme Consideration** means the consideration payable by the Bidder for the transfer of Scheme Shares held by a Scheme Participant to the Bidder, being, in respect of each Scheme Share, 0.0207 New Bidder Shares.

**Scheme Implementation Deed** means the scheme implementation Deed dated 1 October 2026 between the Target and the Bidder as amended from time to time under which, amongst other things, the Target has agreed to propose this Scheme to Scheme Shareholders, and each of the Target and the Bidder has agreed to take certain steps to give effect to this Scheme.

**Scheme Meeting** means the meeting ordered by the Court to be convened by the Target under section 411(1) of the Corporations Act at which Scheme Shareholders will vote on this Scheme (and including any meeting following an adjournment or postponement of that meeting).

**Scheme Participant** means a person who is a Scheme Shareholder at the Record Date.

**Scheme Share** means a Target Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt, includes any Target Shares issued on or before the Record Date.

**Scheme Shareholder** means a person who is a holder of Scheme Shares.

**Second Court Date** means the first day on which an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason means the date on which the adjourned application is heard or scheduled to be heard.

**Settlement Rules** means the ASX Settlement Operating Rules, being the official operating rules of the settlement facility provided by ASX Settlement Pty Ltd.

**Share Splitting** means the splitting by a Scheme Participant of Scheme Shares into 2 or more parcels of Scheme Shares but which does not result in any change in beneficial ownership of those Scheme Shares.

**Small Scheme Participant** means a Scheme Participant (other than an Ineligible Foreign Shareholder) who, based on their holding of Scheme Shares as at the Record Date (including any Scheme Shares issued on or before the Record Date), would on the Implementation Date be entitled to receive less than a marketable parcel (as that term is defined in the Listing Rules) of New Bidder Shares (assessed by reference to the highest closing price of Bidder Shares on the ASX beginning on the date the Scheme Booklet is registered by ASIC under section 412(6) of the Corporations Act and ending on the Effective Date) as Scheme Consideration.

**Subsidiary** of an entity means another entity which:

- (a) is a subsidiary of the first entity within the meaning of the Corporations Act; or
- (b) is otherwise part of a consolidated entity constituted by the first entity and the entities it is required to include in the consolidated financial statements it prepares or would be, if the first entity was required to prepare consolidated financial statements.

A trust may be a subsidiary (and an entity may be a subsidiary of a trust) if it would have been a subsidiary under this definition if that trust were a body corporate. For these purposes, a unit or other beneficial interest in a trust is to be regarded as a share.

**TAA** means the *Tax Administration Act 1953* (Cth).

**Takeovers Panel** means the Takeovers Panel constituted under the *Australian Securities and Investments Commission Act 2001* (Cth).

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

**Target Share** means a fully paid ordinary share in the capital of the Target.

**Target Shareholder** means each person recorded in the Target Register as a holder of Target Shares.

**Transfer** means a duly completed proper instrument of transfer of the Scheme Shares held by Scheme Participants for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all such Scheme Shares.

## 1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (e) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to the time in Perth, Western Australia, unless otherwise indicated;
- (h) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (i) a reference to “**law**” includes common law, principles of equity and legislation (including regulations);
- (j) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (k) a reference to “**regulations**” includes instruments of a legislative character under legislation (such as regulations, rules, by-laws, ordinances and proclamations);
- (l) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (m) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (n) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (o) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day;
- (p) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day;

- (q) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later;
- (r) other parts of speech and grammatical forms of a word or phrase defined in this document have a corresponding meaning;
- (s) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to this document;
- (t) a term defined in or for the purposes of the Corporations Act, and which is not defined in clause 1.1, has the same meaning when used in this document;
- (u) no provision of this Scheme will be construed adversely to a party because that party was responsible for the preparation of this document or that provision;
- (v) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (w) a reference to a body (including an institute, association or authority), other than a party to this document, 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;
- (x) a reference to the Listing Rules or the Settlement Rules includes any variation, consolidation or replacement of these rules and is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party; and
- (y) a reference to something being “reasonably likely” (or to a similar expression) is a reference to that thing being more likely than not to occur when assessed objectively.

---

## **2 Preliminary**

### **2.1 Agreement to implement this Scheme**

- (a) The Target and the Bidder have agreed, by executing the Scheme Implementation Deed, to implement this Scheme on and subject to the terms and conditions of the Scheme Implementation Deed.
- (b) This Scheme attributes actions to the Bidder but does not itself impose an obligation on the Bidder to perform those actions. The Bidder has undertaken, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision or procuring of the provision of the Scheme Consideration to the Scheme Participants subject to the terms and conditions of this Scheme.

### **2.2 Target**

The Target is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the ASX Official List and Target Shares are quoted for trading on ASX.

## 2.3 Bidder

The Bidder is:

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Western Australia; and
- (c) admitted to the ASX Official List and Bidder Shares are quoted for trading on ASX.

## 2.4 Nominee

If the Bidder nominates a Bidder Nominee in accordance with the Scheme Implementation Deed to acquire the Scheme Shares, then:

- (a) references in this Scheme to the Bidder acquiring the Scheme Shares under the Scheme are to be read as references to Bidder Nominee doing so;
- (b) other references in this Scheme to the Bidder are to be read as references to the Bidder or the Bidder Nominee, other than to the extent those provisions relate to the New Bidder Shares which will always be Bidder Shares;
- (c) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the Bidder Nominee, rather than the Bidder;
- (d) the Bidder must procure that the Bidder Nominee complies with the relevant obligations of Bidder under this Scheme; and
- (e) any such nomination will not relieve the Bidder of its obligations under this Scheme or the Deed Poll, including the obligation to provide, or cause to be provided, the Scheme Consideration, provided that the Bidder will not be in breach of this Scheme for failing to perform an obligation of the Bidder if that obligation is fully discharged by Bidder Nominee.

## 2.5 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share held by Scheme Participants to the Bidder, the Bidder will provide, or procure the provision of, the Scheme Consideration to each Scheme Participant in accordance with the terms of this Scheme and the Deed Poll; and
- (b) subject to the provision of the Scheme Consideration for the Scheme Shares as contemplated by clause 6, on the Implementation Date:
  - (i) all Scheme Shares held by Scheme Participants, and all the rights and entitlements attaching to them as at the Implementation Date, must be transferred to the Bidder; and

- (ii) the Target will enter the name of the Bidder in the Target Register in respect of all of the Scheme Shares transferred to the Bidder in accordance with the terms of this Scheme.

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### **3 Conditions precedent**

#### **3.1 Conditions precedent to Scheme**

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) the Scheme Implementation Deed not having been terminated in accordance with its terms before 8.00am on the Second Court Date;
- (b) all of the conditions precedent in clause 3.1 of the Scheme Implementation Deed having been satisfied or waived by 8.00am on the Second Court Date (other than the condition precedent in clause 3.1(c) of the Scheme Implementation Deed relating to Court approval of this Scheme) in accordance with the terms of the Scheme Implementation Deed;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, the Target and the Bidder having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act;
- (d) subject to clause 10.1, such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to by the Target and the Bidder having been satisfied or waived; and
- (e) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme on or before the End Date (or any later date the Target and the Bidder agree in writing in accordance with the Scheme Implementation Deed).

#### **3.2 Conditions precedent and operation of clause 5**

The satisfaction of each condition of clause 3.1 is a condition precedent to the operation of clause 5.

#### **3.3 Certificate in relation to conditions precedent**

- (a) The Target and the Bidder must each provide to the Court on the Second Court Date a certificate in a form agreed by the Target and the Bidder, acting reasonably, (and/or such other evidence as the Court requests) confirming (in respect of matters within its knowledge) whether or not the conditions precedent set out in clause 3.1(a) and clause 3.1(b) have been satisfied or waived.
- (b) The certificates referred to in clause 3.3(a) will constitute conclusive evidence (in the absence of manifest error) of whether the conditions precedent referred to in clause 3.1(a) and clause 3.1(b) have been satisfied or waived as at 8.00am on the Second Court Date.

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## **4 Scheme**

### **4.1 Effective Date**

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

### **4.2 End Date**

- (a) Without limiting any rights or obligations under the Scheme Implementation Deed, this Scheme will lapse and be of no further force or effect if:
  - (i) the Effective Date does not occur on or before the End Date; or
  - (ii) the Scheme Implementation Deed or the Deed Poll is terminated in accordance with its terms,unless the Target and the Bidder otherwise agree in writing (and, if required, as approved by the Court).
- (b) Without limiting any rights under the Scheme Implementation Deed, if the Scheme Implementation Deed is terminated in accordance with its terms before 8.00am on the Second Court Date, the Target and the Bidder are each released from:
  - (i) any further obligation to take steps to implement the Scheme; and
  - (ii) any liability with respect to this Scheme.

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## **5 Implementation of Scheme**

### **5.1 Lodgement of Court orders with ASIC**

If the conditions precedent set out in clause 3.1 (other than the condition precedent in clause 3.1(e)) are satisfied, the Target must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the day on which the Court provides its written orders approving this Scheme or such later time as agreed in writing with the Bidder.

### **5.2 Transfer and registration of Scheme Shares**

On the Implementation Date, but subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Participants in accordance with clause 6:

- (a) all Scheme Shares held by Scheme Participants, together with all rights and entitlements attaching to the Scheme Shares held by Scheme Participants as at the Implementation Date, will be transferred to the Bidder without the need for any further act by any Scheme Participant (other than acts performed by the Target as attorney and agent for Scheme Participants under clause 5.8) by:
  - (i) the Target delivering to the Bidder a Transfer duly executed on behalf of the Scheme Participants by the Target; and

- (ii) the Bidder duly executing the Transfer as transferee and delivering it to the Target for registration; and
- (b) immediately following receipt of the duly executed Transfer, but subject to the stamping of that Transfer (if required), the Target must enter, or procure the entry of, the name of the Bidder in the Target Register in respect of all of the Scheme Shares transferred to the Bidder in accordance with the terms of this Scheme.

### **5.3 Entitlement to Scheme Consideration**

Subject to the remaining provisions of this Scheme (including clauses 6.4 and 6.5 in relation to Ineligible Foreign Shareholders and Electing Small Scheme Participants), on the Implementation Date, in consideration for the transfer to the Bidder of all of the Scheme Shares held by Scheme Participants, each Scheme Participant will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6.

### **5.4 Title and rights in Scheme Shares**

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Participants as contemplated by clause 6, the Bidder will be beneficially entitled to the Scheme Shares held by Scheme Participants transferred to it under this Scheme, pending registration by the Target of the Bidder in the Target Register as the holder of the Scheme Shares.
- (b) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme to the Bidder will, at the time of transfer, vest in the Bidder free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind.

### **5.5 Scheme Participant's agreements**

Under this Scheme, each Scheme Participant (and, to the extent relevant, the Sale Nominee) irrevocably and automatically, without the need for any further act by the Scheme Participant:

- (a) subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Participants in accordance with clause 6, agrees:
  - (i) for all purposes to the transfer of their Scheme Shares together with all rights and entitlements attaching to those Scheme Shares in accordance with this Scheme;
  - (ii) to the variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme; and
  - (iii) to, on the direction of the Bidder, destroy any holding statements or share certificates relating to their Scheme Shares;
- (b) agrees, in the case of Scheme Shares held in a CHESS Holding, to the conversion of those Scheme Shares to an Issuer Sponsored Holding and irrevocably authorises the Target to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;

- (c) agrees, in the case of Scheme Shares held in an Issuer Sponsored Holding, to complete and sign on behalf of the Scheme Participant any required form of Transfer;
- (d) if the Scheme Participant is not an Ineligible Foreign Shareholder or an Electing Small Scheme Participant, agrees to become a member of the Bidder, to have their name and address entered in the Bidder Register, accepts the New Bidder Shares issued to them and agrees to be bound by the Bidder's constitution;
- (e) agrees and acknowledges that the issue of New Bidder Shares in accordance with clause 6.2 or the provision of the Proceeds in accordance with clause 6.6(c) constitutes satisfaction of all their entitlements to Scheme Consideration under this Scheme;
- (f) acknowledges that this Scheme binds the Target and all of the Scheme Participants from time to time (including those who do not attend the Scheme Meeting and those who do not vote, or vote against this Scheme, at the Scheme Meeting) and, to the extent of any inconsistency, overrides the constitution of the Target;
- (g) appoints the Target, and each director and officer of the Target, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Foreign Shareholders or Electing Small Scheme Participants under the Corporations Act or any other applicable law; and
- (h) consents to the Target and the Bidder doing all things and executing all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to this Scheme and the transactions contemplated by it.

## **5.6 Warranty by Scheme Participants**

- (a) Each Scheme Participant warrants to the Bidder and is deemed to have authorised the Target to warrant to the Bidder as agent and attorney for the Scheme Participant by virtue of this clause 5.6, that:
- (i) on the Implementation Date, all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to the Bidder under this Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind; and
  - (ii) on the Implementation Date, they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to the Bidder under the Scheme; and
  - (iii) on the Record Date, they have no existing right to be issued any other Scheme Shares or any other form of securities in the Target.
- (b) The Target undertakes that it will provide such warranty in clause 5.6(a) to the Bidder as agent and attorney of each Scheme Participant.

## 5.7 Appointment of the Bidder as sole proxy

- (a) Subject to the provision of the Scheme Consideration for the Scheme Shares held by Scheme Participants as contemplated by clause 6, on and from the Implementation Date until the Target registers the Bidder as the holder of all of the Scheme Shares held by Scheme Participants in the Target Register, each Scheme Participant:
- (i) is deemed to have irrevocably appointed the Target as attorney and agent, and directs the Target (in such capacity) to appoint the Bidder and each of its directors from time to time (jointly and each of them individually) as its sole proxy (and where applicable, corporate representative), to attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders' resolution or document (whether in person, by proxy or corporate representative);
  - (ii) must not attend or vote at any Target shareholders' meetings, exercise the votes attaching to Scheme Shares registered in its name or sign any Target shareholders' resolution, whether in person, by proxy or by corporate representative (other than pursuant to clause 5.7(a)(i));
  - (iii) must take all other actions in the capacity of the registered holder of Scheme Shares as the Bidder reasonably directs; and
  - (iv) acknowledges and agrees that in exercising the powers referred to in clause 5.7(a)(i), the Bidder and any respective directors may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.
- (b) The Target undertakes in favour of each Scheme Participant that it will appoint the Bidder and each of its directors from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.7(a)(i).

## 5.8 Appointment of the Target as attorney for implementation of Scheme

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints the Target and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) on the Implementation Date, executing any document or doing or taking any other act necessary, desirable or expedient, or incidental to give effect to this Scheme and the transactions contemplated by it including executing and delivering any executed Transfer and any other deed or document reasonably required by the Bidder, that causes each Scheme Participant (or the Sale Nominee, if applicable) to become a shareholder of the Bidder or holder of New Bidder Shares and to be bound by the terms of the constitution of the Bidder; and
- (b) on and from the Effective Date, enforcing the Deed Poll against the Bidder,

and the Target accepts such appointment and undertakes in favour of each Scheme Participant to enforce the Deed Poll against the Bidder on behalf of and as agent and attorney for the Scheme Participants. The Target as attorney and agent of each Scheme Participant may sub-delegate its functions, authorities or

powers under this clause 5.8 to all or any of its directors, officers, secretaries or employees (jointly, severally or jointly and severally).

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## **6 Scheme Consideration**

### **6.1 Consideration under this Scheme**

On the Implementation Date, the Bidder must provide, or procure the provision of, the Scheme Consideration to the Scheme Participants (or to the Sale Nominee) in accordance with this clause 6.

### **6.2 Provision of Scheme Consideration**

- (a) Subject to the other provisions of this clause 6, the obligations of the Bidder to provide, or procure the provision of, the Scheme Consideration to the Scheme Participants will be satisfied by the Bidder:
  - (i) on the Implementation Date, issuing to, or procuring the issuance to, each Scheme Participant (other than the Ineligible Foreign Shareholders and Electing Small Scheme Participants) the Scheme Consideration for each Scheme Share transferred to the Bidder on the Implementation Date by that Scheme Participant; and
  - (ii) procuring that the name and address of each such Scheme Participant (other than the Ineligible Foreign Shareholders and Electing Small Scheme Participants) is entered into the Bidder Register on the Implementation Date in respect of the New Bidder Shares to which it is entitled under this clause 6.
- (b) The Bidder must procure that, as soon as practicable after the Implementation Date (and in any event within the time period required by the Listing Rules), a holding statement (or equivalent document) is sent to the Registered Address of each Scheme Participant who is not an Ineligible Foreign Shareholder or Electing Small Scheme Participant, representing the number of New Bidder Shares issued to such Scheme Participant pursuant to this Scheme.

### **6.3 Fractional entitlements and splitting**

- (a) If the number of Scheme Shares held by a Scheme Participant at the Record Date is such that the aggregate entitlement of the Scheme Participant to Scheme Consideration comprising New Bidder Shares includes a fractional entitlement to a New Bidder Share, the entitlement will be rounded as follows:
  - (i) if the fractional entitlement is less than 0.5, the entitlement will be rounded down to the nearest whole number of New Bidder Shares; and
  - (ii) if the fractional entitlement is equal to or more than 0.5, the entitlement will be rounded up to the nearest whole number of New Bidder Shares.
- (b) If a Nominee Holder holds more than one parcel of Scheme Shares as trustee or nominee for, or otherwise on account of, another person, then for the purposes of this clause 6.3, the Scheme Consideration for the Nominee Holder will be calculated and rounded based on the aggregate number of Scheme Shares held by the Nominee Holder in those parcels as trustee or nominee for, or otherwise on account of, other persons.

- (c) If the Bidder or the Target is of the opinion that two or more Scheme Participants (each of whom holds a number of Scheme Shares which results in rounding in accordance with clause 6.3(a) or each of whom holds less than or equal to the number of Target Shares required to classify as a Small Scheme Participant) have, before the Record Date, been party to Share Splitting, the Target must provide the relevant details of the relevant Scheme Participants to the Bidder, and if reasonably requested by the Bidder, the Target must give notice to those Scheme Participants:
- (i) setting out their names and Registered Addresses;
  - (ii) stating that opinion; and
  - (iii) attributing to one of them specifically identified in the notice the Scheme Shares held by all of them,

and, after such notice has been given, the Scheme Participant specifically identified in the notice as the deemed holder of the specified Scheme Shares will, for the purpose of the provisions of this Scheme, be taken to hold all of those Scheme Shares and each of the other Scheme Participants whose names and Registered Addresses are set out in the notice will, for the purposes of the provisions of this Scheme, be taken to hold no Scheme Shares. The Bidder in complying with the other provisions of this Scheme relating to it in respect of the Scheme Participant specifically identified in the notice as the deemed holder of the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to other Scheme Participants named under the notice under the terms of this Scheme.

#### **6.4 Election by Small Scheme Participant**

- (a) The Target must provide each Small Scheme Participant with, or procure the provision to each Small Scheme Participant of, an Opt-in Notice to be distributed with the Scheme Booklet.
- (b) If a Small Scheme Participant has provided the Target with a duly completed Opt-in Notice prior to 5.00pm on the Business Day prior to the Record Date, the Bidder will be under no obligation under this Scheme or the Deed Poll to issue, and will not issue, any New Bidder Shares to that Small Scheme Participant, and instead the Bidder must procure that the New Bidder Shares to which that Small Scheme Participant would otherwise be entitled are dealt with in accordance with clause 6.6.

#### **6.5 Ineligible Foreign Shareholders**

The Bidder will be under no obligation under this Scheme or the Deed Poll to issue, and will not issue, any New Bidder Shares to any Ineligible Foreign Shareholder, and instead the Bidder must procure that the New Bidder Shares to which that Ineligible Foreign Shareholder would otherwise be entitled are dealt with in accordance with clause 6.6.

#### **6.6 Sale facility**

Each Ineligible Foreign Shareholder and Electing Small Scheme Participant authorises the Bidder to, and the Bidder must, subject to clauses 6.3 and 6.10:

- (a) issue any New Bidder Shares to which an Ineligible Foreign Shareholder or an Electing Small Scheme Participant would otherwise be entitled to receive (**Relevant Bidder Shares**) to the Sale Nominee;

- (b) procure that the Sale Nominee:
- (i) as soon as reasonably practicable and in any event not more than 15 Business Days after the Implementation Date, sells or procures the sale of all of the Relevant Bidder Shares issued to the Sale Nominee pursuant to clause 6.6(a) (including on an aggregated or partially aggregated basis), in the ordinary course of trading on ASX, at such price and in the manner and on such terms as the Sale Nominee reasonably determines in good faith (and at the risk of the Ineligible Foreign Shareholders and the Electing Small Scheme Participants); and
  - (ii) as soon as reasonably practicable after settlement (and in any event within 10 Business Days) remits to the Bidder the proceeds of such sale (net of any applicable brokerage, stamp duty and other selling costs, taxes and charges) (**Proceeds**); and
- (c) promptly after the last sale of the Relevant Bidder Shares in accordance with clause 6.6(b)(i), and after receiving the Proceeds of such sale, pays or procures the payment to each Ineligible Foreign Shareholder and Electing Small Scheme Participant an amount in Australian dollars equal to the proportion of the Proceeds received by the Bidder under clause 6.6(b)(ii) to which that Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) is entitled in full satisfaction of their entitlement to the Scheme Consideration, in accordance with the following formula and rounded down to the nearest cent:

$$A = (B/C) \times D$$

Where:

**A** is the amount in A\$ to be paid to the Ineligible Foreign Shareholder or the Electing Small Scheme Participant (as applicable);

**B** is the number of Relevant Bidder Shares attributable to, and that would otherwise have been issued to, that Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) if they had not been an Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) and which are instead issued to the Sale Nominee;

**C** is the total number of Relevant Bidder Shares attributable to, and which would otherwise have been issued to, all Ineligible Foreign Shareholders and all Electing Small Scheme Participants collectively and which are instead issued to the Sale Nominee; and

**D** is the Proceeds.

- (d) Each Ineligible Foreign Shareholder and Electing Small Scheme Participant acknowledges and agrees that:
- (i) none of the Target, the Bidder or the Sale Nominee make any assurances or representation as to the price that will be achieved for the sale of the Relevant Bidder Shares under clause 6.6(b)(i) or the amount of Proceeds to be received by Ineligible Foreign Shareholders and Electing Small Scheme Participants under clause 6.6(c); and

- (ii) each of the Target, the Bidder and the Sale Nominee expressly disclaim any fiduciary duty to the Ineligible Foreign Shareholders and Electing Small Scheme Participants which may otherwise arise in connection with this clause 6.6.
- (e) The Bidder must make, or procure the making of, payments to Ineligible Foreign Shareholders and Electing Small Scheme Participants under clause 6.6(c) by either (in the absolute discretion of the Bidder, and despite any election referred to in clause 6.6(e)(ii) or authority referred to in clause 6.6(e)(i) made or given by the Scheme Participant):
  - (i) paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means to a bank account nominated by the Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) (**Bank Account**) by an appropriate authority from the Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) to the Bidder; or
  - (ii) if a Bank Account has not been nominated by the Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable) in accordance with clause 6.6(e)(i):
    - (A) if an Ineligible Foreign Shareholder or an Electing Small Scheme Participant (as applicable) has, before the Record Date, made a valid election in accordance with the requirements of the Registry to receive dividend payments from the Target by electronic funds transfer to a Bank Account nominated by the Ineligible Foreign Shareholder or Electing Small Scheme Participant (as applicable), paying, or procuring the payment of, the relevant amount in Australian dollars by electronic means in accordance with that election; or
    - (B) otherwise dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian dollars to the Ineligible Foreign Shareholder or Electing Small Scheme Participant by prepaid post to their Registered Address, such cheque being drawn in the name of the Ineligible Foreign Shareholder or the Electing Small Scheme Participant (as applicable) (or in the case of joint holders, in accordance with the procedures set out in clause 6.12).
- (f) Each Ineligible Foreign Shareholder and Electing Small Scheme Participant appoints the Target as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and other notices (including any updates of those documents) that the Sale Nominee is required to provide to Ineligible Foreign Shareholders and Electing Small Scheme Participants under the Corporations Act or any other applicable law.

Payment of the amount 'A' calculated in accordance with clause 6.6(c) to an Ineligible Foreign Shareholder or an Electing Small Scheme Participant (as applicable) in accordance with this clause 6.6 satisfies in full the rights of the Ineligible Foreign Shareholder or of the Electing Small Scheme Participant (as applicable) to Scheme Consideration and interest will not be paid on any Proceeds.

## 6.7 Other ineligible Scheme Shareholders

Where the issue of New Bidder Shares to which a Scheme Participant (other than an Ineligible Foreign Shareholder or an Electing Small Scheme Participant) would otherwise be entitled under this Scheme would result in a breach of law:

- (a) the Bidder will issue the maximum possible number of New Bidder Shares to the Scheme Participant without giving rise to such a breach; and
- (b) any further New Bidder Shares to which that Scheme Participant is entitled, but the issue of which to the Scheme Participant would give rise to such a breach of law, will instead be issued to the Sale Nominee and dealt with under clause 6.6, as if:
  - (i) references to Ineligible Foreign Shareholders also included that Scheme Participant; and
  - (ii) references to Relevant Bidder Shares also included any of that Scheme Participant's New Bidder Shares that have been issued to the Sale Nominee.

## 6.8 Withholding

The Bidder acknowledges and agrees that it will not deduct any amounts from the payment of the Scheme Consideration or pay any amounts to the Commissioner under or on account of Subdivision 14-D of Schedule 1 to the TAA with respect to a Scheme Shareholder unless the Bidder is required by law to do so under Subdivision 14-D of Schedule 1 to the TAA (the **Withholding Amount**) in which case the Bidder will be able to take the required steps to withhold (which may include holding back sufficient Scheme Consideration to sell under the sale facility, referred to at clause 6.6, to fund the Withholding Amount).

## 6.9 Unclaimed monies

- (a) The Bidder may cancel a cheque issued under this clause 6 if the cheque:
  - (i) is returned to the Bidder; or
  - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a Scheme Participant to the Target, the Registry or the Bidder, the Bidder must as soon as practicable reissue a cheque that was previously cancelled under 6.9(a).
- (c) The *Unclaimed Money Act 1990* (WA) will apply in relation to any Scheme Consideration or Proceeds that becomes "unclaimed money" (as defined in section 6 of the *Unclaimed Money Act 1990* (WA)), but any interest or other benefit accrued from the unclaimed Scheme Consideration or Proceeds will be for the benefit of the Bidder.

## 6.10 Orders of a court or Regulatory Authority

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

- (i) requires consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6 to instead be provided to a Regulatory Authority or other third party (either through payment of a sum or the issuance of a security), or which requires any amount to be deducted or withheld from any consideration which would otherwise be provided to a Scheme Participant in accordance with this clause 6, then the Target, the Bidder (as applicable) shall be entitled to procure that provision of that consideration is made in accordance with that order, direction or notice (and payment or provision of, or the deduction or withholding from, that consideration in accordance with that order, direction or notice will be treated for all purposes under this Scheme as having been paid or provided to that Scheme Participant); or
- (ii) prevents consideration being provided to any particular Scheme Participant in accordance with this clause 6, or the payment or provision of such consideration is otherwise prohibited by applicable law, the Target, the Bidder shall be entitled to (as applicable):
  - (A) in the case of an Ineligible Foreign Shareholder or an Electing Small Scheme Participant (as applicable), retain an amount, in Australian dollars, equal to the relevant Ineligible Foreign Shareholder's or Electing Small Scheme Participant's (as applicable) share of the Proceeds; or
  - (B) not issue (or procure the issue of), or to issue (or procure the issue) to a trustee or nominee, such number of New Bidder Shares as that Scheme Participant would otherwise be entitled to under this clause 6,

until such time as payment or provision of the consideration in accordance with this clause 6 is permitted by that order or direction or otherwise by law.

- (b) To the extent that amounts are deducted or withheld under or in accordance with this clause 6.10, such deducted or withheld amounts will be treated for all purposes under this Scheme as having been paid to the person in respect of which such deduction or withholding was made.

## 6.11 Status of New Bidder Shares

- (a) The Bidder covenants in favour of the Target (in its own right and on behalf of the Scheme Participants) that, subject to the Scheme becoming Effective, the New Bidder Shares required to be issued under this Scheme will, upon their issue:
  - (i) rank equally in all respects with all other Bidder Shares then on issue;
  - (ii) be duly and validly issued in accordance with applicable laws and the Bidder's constitution; and
  - (iii) be fully paid and free from any Encumbrance.
- (b) The Bidder will use its best endeavours to ensure that the New Bidder Shares issued in connection with the Scheme Consideration will commence trading on a normal settlement basis on the ASX as soon as reasonably practicable after the Implementation Date.

## 6.12 Joint holders

In the case of Scheme Shares held by Scheme Participants in joint names:

- (a) any New Bidder Shares to be issued under this Scheme must be issued to and registered in the names of the joint holders and entry in the Bidder Register must take place in the same order as the holders' names appear in the Target Register as at the Record Date;
- (b) any cheque required to be sent under this Scheme must be payable to the joint holders and be forwarded to the Registered Address of the holder whose name appears first in the Target Register as at the Record Date or to the joint holders; and
- (c) any other document required to be sent under this Scheme, will be forwarded to either, at the sole discretion of the Target, the Registered Address of the holder whose name appears first in the Target Register as at the Record Date or to the joint holders.

## 6.13 Quotation

The Bidder will use its best endeavours to procure that the New Bidder Shares comprising the Scheme Consideration are admitted on the ASX for quotation as soon as reasonably practicable after the Implementation Date and that certificates or holding statements for those New Bidder Shares are issued.

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# 7 Dealings in Scheme Shares

## 7.1 Determination of Scheme Participants

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

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

and, subject to clause 7.3(b), the Target must not accept for registration, nor recognise for any purpose (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title), any transfer or transmission application or other request received after such time, or received prior to such time but not in registrable or actionable form, as appropriate.

## 7.2 Register

The Target must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) on or before the Record Date.

## 7.3 No disposals after Record Date

- (a) If this Scheme becomes Effective, a Scheme Participant (and any person claiming through that Scheme Participant) must not dispose of or deal with or purport or agree to dispose of or deal with any Scheme Shares or any interest in them after the Record Date in any way except

as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever, and the Target shall be entitled to disregard any such disposals or dealings.

- (b) The Target will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to the Bidder pursuant to this Scheme and any subsequent transfer by the Bidder or its successors in title).

#### **7.4 Maintenance of Target Register**

For the purpose of determining entitlements to the Scheme Consideration, the Target will maintain the Target Register in accordance with the provisions of clause 7 until the Scheme Consideration has been issued to the Scheme Participants and the Bidder has been entered in the Target Register as the holder of all the Scheme Shares. The Target Register in this form will solely determine entitlements to the Scheme Consideration.

#### **7.5 Effect of certificates and holding statements**

Subject to provision of the Scheme Consideration and registration of the transfer to the Bidder contemplated in clauses 5.2 and 7.4, any statements of holding or share certificates (or equivalent document) in respect of Scheme Shares will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of the Bidder and its successors in title). After the Record Date, each entry current on the Target Register as at the Record Date (other than entries in respect of the Bidder or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration.

#### **7.6 Details of Scheme Participants**

As soon as possible on or after the Record Date, and in any event by 5.00pm on the first Business Day after the Record Date, the Target will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Target Register at the Record Date, are available to the Bidder in such form as the Bidder reasonably requires.

#### **7.7 Quotation of Target Shares**

The Target must apply to ASX to suspend trading on ASX of Target Shares with effect from the close of trading on the Effective Date.

#### **7.8 Termination of quotation of Target Shares**

After this Scheme has been fully implemented, on a date determined by the Bidder, the Target will apply:

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

---

### **8 Instructions and notifications**

If not prohibited by law (and including where permitted or facilitated by relief granted by a Regulatory Authority), all instructions, notifications or elections by a Scheme Participant to the Target that are binding or deemed binding between

the Scheme Participant and the Target relating to the Target or Target Shares, including instructions, notifications or elections relating to:

- (a) whether dividends are to be paid by cheque or into a specific bank account;
- (b) payments of dividends on Target Shares; and
- (c) notices or other communications from the Target (including by email),

will be deemed from the Implementation Date (except to the extent determined otherwise by the Bidder in its sole discretion), by reason of this Scheme, to be made by the Scheme Participant to the Bidder and to be a binding instruction, notification or election to, and accepted by, the Bidder until that instruction, notification or election is revoked or amended in writing addressed to the Bidder at its registry.

---

## **9 Notices**

### **9.1 No deemed receipt**

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to the Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at the Target's registered office or at the office of the Registry.

### **9.2 Accidental omission**

The accidental omission to give notice of the Scheme Meeting or the non-receipt of such a notice by any Target Shareholder will not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

---

## **10 General**

### **10.1 Variations, alterations and conditions**

- (a) The Target may, with the prior consent of the Bidder, by its counsel or solicitor, consent on behalf of all persons concerned to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.
- (b) Each Scheme Participant agrees to any variations, alterations or conditions to this Scheme which the Target has consented to in accordance with clause 10.1(a).

### **10.2 Further action by the Target**

The Target will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

### **10.3 Authority and acknowledgement**

Each Scheme Participant irrevocably consents to the Target and the Bidder doing all things necessary or expedient for or incidental to the implementation of this Scheme and the transactions contemplated by it.

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

Each Scheme Participant agrees that, without prejudice to the Target's or the Bidder's rights and obligations under the Scheme Implementation Deed, neither the Target, the Bidder, nor any of their respective officers or employees, will be liable to a Scheme Participant for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

#### **10.5 Stamp duty**

The Bidder:

- (a) must pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme or the transactions effected by or made under the Scheme; and
- (b) indemnify each Scheme Participant against any liability arising from failure to comply with clause 10.5(a),

subject to and in accordance with clause 6 of the Deed Poll.

---

### **11 Governing law**

#### **11.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

#### **11.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Details.

# Scheme Implementation Deed

## Annexure B Deed Poll

For personal use only

## Deed Poll

Dated

Given by Lynas Rare Earths Limited (ACN 009 066 648) ("**Bidder**")

In favour of each registered holder of fully paid ordinary shares in  
Meteoric Resources Limited (ACN 107 985 651) ("**Target**") as at the  
Record Date ("**Scheme Participants**")

**Mallesons**  
Level 27  
Collins Arch  
447 Collins Street  
Melbourne VIC 3000  
Australia  
T +61 3 9643 4000  
[www.mallesons.com](http://www.mallesons.com)

# Deed Poll

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# Deed Poll

## Details

| Parties       |                                                                                           |                                                                                                                                                                                                                                                      |
|---------------|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bidder        | Name                                                                                      | Lynas Rare Earths Limited                                                                                                                                                                                                                            |
|               | ACN                                                                                       | 009 066 648                                                                                                                                                                                                                                          |
|               | Formed in                                                                                 | Australia                                                                                                                                                                                                                                            |
|               | Address                                                                                   | Level 4, 1 Howard Street, Perth WA 6000                                                                                                                                                                                                              |
|               | Email                                                                                     | sarah.leonard@lynasre.com                                                                                                                                                                                                                            |
|               | Attention                                                                                 | Sarah Leonard, General Counsel and Company Secretary                                                                                                                                                                                                 |
| In favour of  | Each registered holder of fully paid ordinary shares in the Target as at the Record Date. |                                                                                                                                                                                                                                                      |
| Governing law | Western Australia                                                                         |                                                                                                                                                                                                                                                      |
| Recitals      | A                                                                                         | The directors of the Target have resolved that the Target should propose the Scheme.                                                                                                                                                                 |
|               | B                                                                                         | The effect of the Scheme will be that all Scheme Shares will be transferred to the Bidder.                                                                                                                                                           |
|               | C                                                                                         | The Target and the Bidder have entered into the Scheme Implementation Deed.                                                                                                                                                                          |
|               | D                                                                                         | In the Scheme Implementation Deed, the Bidder agreed (amongst other things) to provide (or procure the provision of) the Scheme Consideration to the Target on behalf of the Scheme Participants, subject to the satisfaction of certain conditions. |
|               | E                                                                                         | The Bidder is entering into this deed poll for the purpose of undertaking in favour of Scheme Participants to perform its obligations under the Scheme and the Scheme Implementation Deed.                                                           |

# Deed Poll

## General terms

---

### 1 Definitions and interpretation

#### 1.1 Definitions

Unless the contrary intention appears, these meanings apply:

**Authorised Officer** means a director or secretary of a party or any other person nominated by a party to act as an Authorised Officer for the purposes of this document.

**Details** means the section of this document headed “Details”.

**Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act under which all the Scheme Shares held by Scheme Participants will be transferred to the Bidder or Bidder Nominee, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by the Target and the Bidder in accordance with the Scheme.

**Scheme Implementation Deed** means the scheme implementation deed dated 1 October 2026 between the Target and the Bidder as amended from time to time under which, amongst other things, the Target has agreed to propose this Scheme to Scheme Shareholders, and each of the Target and the Bidder has agreed to take certain steps to give effect to this Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme, unless otherwise stated.

#### 1.2 General interpretation

Clause 1.2 of the Scheme applies to this document except that references to “this Scheme” are to be read as references to “this document”.

#### 1.3 Nature of deed poll

The Bidder acknowledges that:

- (a) this document is entered into and has effect as a deed poll and may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints the Target and each of its directors, officers and secretaries (jointly and individually) as its agent and attorney to enforce this document against the Bidder in accordance with its terms.

---

### 2 Conditions precedent and termination

#### 2.1 Conditions precedent

The obligations of the Bidder under clause 4 are subject to the Scheme becoming Effective.

## 2.2 Termination

The obligations of the Bidder under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date (as extended in accordance with the Scheme Implementation Deed); or
- (b) the Scheme Implementation Deed is terminated in accordance with its terms before the Scheme becomes Effective;

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

## 2.3 Consequences of termination

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) the Bidder is released from its obligations to further perform this document; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against the Bidder in respect of any breach of this document which occurs before it is terminated.

---

## 3 Performance of obligations generally

Subject to clause 2, the Bidder covenants in favour of each Scheme Participant that it will be bound by the terms of the Scheme as if it were a party to the Scheme and undertakes to perform all obligations and other actions, including those obligations and actions which relate to the provision of the Scheme Consideration, and give each acknowledgement, representation and warranty (if any), attributed to it under the Scheme, subject to and in accordance with the terms of the Scheme Implementation Deed and the Scheme.

---

## 4 Scheme Consideration

### 4.1 Scheme Consideration

Subject to clause 2, the Bidder undertakes in favour of each Scheme Participant to observe and perform all obligations contemplated of the Bidder under the Scheme to provide, or procure the provision of, the Scheme Consideration to each Scheme Participant, in accordance with the Scheme.

### 4.2 New Bidder Shares to rank equally

The Bidder covenants in favour of each Scheme Participant that all New Bidder Shares issued in connection with the provision of the Scheme Consideration to each Scheme Participant or the Sale Nominee in accordance with the Scheme will, upon their issue:

- (a) rank equally in all respects with all other Bidder Shares then on issue; and
- (b) be fully paid and free from any Encumbrance.

---

## 5 Representations and warranties

The Bidder represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** its entry by it into, its compliance with its obligations and the exercise of its rights under, this document in accordance with its terms do not and will not conflict with:
  - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
  - (ii) any law binding on or applicable to it or its assets; or
  - (iii) any Encumbrance binding on or applicable to it;
- (d) **(authorisations)** it has in full force and effect each corporate authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms, subject to any necessary stamping and registration;
- (f) **(solvency)** it is not Insolvent (as defined in the Scheme Implementation Deed).

---

## 6 Continuing obligations

This document is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) the Bidder has fully performed its obligations under this document; or
- (b) the earlier termination of this document under clause 2.2.

---

## 7 Costs

The Bidder:

- (a) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate each Scheme Participant, for any liability in respect of stamp duty under clause 7(a).

---

## **8 Notices and other communications**

### **8.1 Form**

Unless this document expressly states otherwise, all notices, demands, certificates, consents, approvals, waivers and other communications in connection with this document must be in writing and signed by the sender (if an individual) or an Authorised Officer of the sender.

All communications (other than email communications) must also be marked for the attention of the person referred to in the Details (or, if the recipient has notified otherwise, then marked for attention in the way last notified).

Email communications must state the first and last name of the sender and are taken to be signed by the named sender.

### **8.2 Delivery**

Communications must be:

- (a) left at the address referred to in the Details;
- (b) sent by email to the address referred to in the Details.

If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details.

### **8.3 When effective**

Communications take effect from the time they are received or taken to be received under clause 8.4 ("When taken to be received") (whichever happens first) unless a later time is specified in the communication.

### **8.4 When taken to be received**

Communications are taken to be received:

- (a) if sent by post, 6 Business Days after posting (or 10 days after posting if sent from one country to another);
- (b) if sent by email:
  - (i) when the sender receives an automated message confirming delivery; or
  - (ii) 4 hours after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that delivery failed,

whichever happens first.

### **8.5 Receipt outside business hours**

Despite anything else in this clause 8, if communications are received or taken to be received under clause 8.4 ("When taken to be received") after 5.00pm on a Business Day or on a non-Business Day, they are taken to be received at 9.00am on the next Business Day. For the purposes of this clause, the place in the definition of Business Day is taken to be the place specified in the Details as the address of the recipient and the time of receipt is the time in that place.

## **9 General**

### **9.1 Variation**

A provision of this document or any right created under it may not be varied, altered or otherwise amended unless:

- (a) if before the First Court Date, the variation is agreed to by the Target and the Bidder in writing (which agreement may be given or withheld without reference to or approval by any Scheme Shareholder); and
- (b) if on or after the First Court Date, the variation is agreed to by the Target and the Bidder in writing (which agreement may be given or withheld without reference to or approval by any Scheme Shareholder) and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event the Bidder must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

### **9.2 Partial exercising of rights**

Unless this document expressly states otherwise, if the Bidder does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

### **9.3 No waiver**

- (a) The Bidder may not rely on the words or conduct of any Scheme Participant as a waiver of any right unless the waiver is in writing signed by the Scheme Participant granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) No Scheme Participant may rely on words or conduct of the Bidder as a waiver of any right unless the waiver is in writing and signed by the Bidder. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (c) Failure to exercise or enforce, a delay in exercising or enforcing, or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by the Bidder or by any Scheme Participant will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of, that right or any other right provided by law or under this document.

### **9.4 Remedies cumulative**

Except as expressly provided in this document, the rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

### **9.5 Assignment or other dealings**

The Bidder and each Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of the Bidder and the Target. Any purported dealing in contravention of this clause 9.5 is invalid.

## **9.6 Further steps**

The Bidder agrees to do all things (including executing all documents) necessary to give full effect to this document and the transactions contemplated by it.

---

## **10 Governing law and jurisdiction**

### **10.1 Governing law and jurisdiction**

The law in force in the place specified in the Details governs this document. The Bidder irrevocably submits to the non-exclusive jurisdiction of the courts of that place.

### **10.2 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on the Bidder and by being delivered or left at their respective addresses as set out in the Details.

**EXECUTED** as a deed poll

# Deed Poll

## Signing page

DATED: \_\_\_\_\_

**EXECUTED** by **LYNAS RARE  
EARTHS LIMITED (ACN 009 066 648)**  
in accordance with section 127(1) of  
the Corporations Act 2001 (Cth) by  
authority of its directors:

.....  
Signature of director

.....  
Name of director (block letters)

.....  
Signature of director/company  
secretary

.....  
Name of director/company secretary  
(block letters)

## Annexure A - Scheme

For personal use only