

ASX RELEASE

Legend announces recommended cash offer from Adamantem Capital of \$0.365 per share

24 May 2019

Key Highlights

- Scheme Implementation Agreement entered into with Greenland BidCo Pty Ltd, being an entity controlled by funds advised by Adamantem Capital (**Adamantem**)
- Legend shareholders offered \$0.365 per share, representing a 22.1% premium to the one-month volume-weighted average price of Legend's shares
- Legend may declare and pay a fully franked special dividend of up to 7 cents per share in cash which would reduce the Scheme Consideration by the amount of any such special dividend
- The Directors of Legend unanimously recommend that Legend shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert's Report concluding that the Scheme is in the best interests of Legend shareholders
- Subject to that same qualification, all Directors of Legend, representing collectively 30.83% of the total shares on issue, intend to vote all of their Legend shares in favour of the Scheme
- The Scheme is subject to certain conditions, including approval from the Foreign Investment Review Board (**FIRB**)
- Scheme Meeting expected to be held in August 2019, with Scheme implementation in late August (these dates are indicative and subject to change)

Overview of the Scheme

Legend Corporation Limited (**Legend**) and Adamantem Capital today announced they have entered into a binding Scheme Implementation Agreement (**SIA**) under which it is proposed that Adamantem will acquire 100% of the shares in Legend by way of a Scheme of Arrangement (**Scheme**) for a cash price of \$0.365 per share (**Scheme Consideration**).

Under the terms of the Scheme, Legend shareholders will be entitled to receive the Scheme Consideration, subject to all applicable conditions being satisfied or waived and the Scheme being implemented.

The Scheme Consideration of \$0.365 per share values Legend's fully diluted equity at approximately \$79.6 million, and implies an enterprise value of \$100.6 million. The Scheme Consideration represents approximately:

- a 17.7 % premium to the closing share price on 22 May 2019;
- a 22.1 % premium to the one-month volume-weighted average price; and
- a 19.8 % premium to the three-month volume-weighted average price.

Under the SIA, Legend is permitted to declare and pay a fully franked special dividend of up to 7 cents per share in cash shortly before the implementation of the Scheme (**Special Dividend**). The Scheme Consideration would be reduced by the amount of any such Special Dividend.

If the Special Dividend is declared and paid, the Special Dividend would have up to approximately 3.0 cents per share in franking credits attached. There may be an opportunity for eligible shareholders, subject to their personal tax circumstances including their tax residency and marginal tax rate, to receive the benefit from franking credits attached to any Special Dividend. The payment and the amount of the Special Dividend remain at the discretion of the Directors of Legend and will be subject to tax advice¹ and a separate announcement.

Legend Directors Unanimously Recommend the Scheme

The Directors of Legend unanimously recommend that Legend shareholders vote in favour of the Scheme, in the absence of a superior proposal and subject to an Independent Expert's Report concluding that the Scheme is in the best interests of Legend shareholders. Each Director of Legend (representing collectively 30.83% of the total shares on issue) intends to vote in favour of the Scheme in respect of all the Legend shares controlled or held by, or on behalf of, that Director, subject to those same qualifications.

Legend Chairman, Bruce Higgins said:

"The proposed transaction represents a compelling value and liquidity opportunity for all Legend shareholders relative to recent trading prices and volumes."

Legend Chief Executive Officer, Brad Dowe said:

"Adamantem's proposal recognizes the material growth and successful strategic initiatives that Legend has achieved. The proposed transaction is an endorsement of the qualities of Legend's business and the commitment and professionalism of its employees."

Adamantem Capital Managing Director, Rob Koczkar, said:

"We are delighted to have the unanimous support of Legend's Board on our proposal. We are committed to continuing the growth of Legend under private ownership, supporting its people and customers, and building on its history as a leading provider of engineering solutions to a range of industries."

Details of the Scheme Implementation Agreement

The implementation of the Scheme is subject to the approval of Legend shareholders at a Court-convened meeting expected to be held in August 2019 (**Scheme Meeting**).

The implementation of the Scheme is also subject to certain other customary conditions including:

- FIRB approval;
- No "Material Adverse Change" or "Prescribed Occurrences"; and
- Court approval.

¹ The Legend Board reserves the right to declare and pay the Special Dividend. Legend intends to apply to the ATO for a class ruling on the treatment of the cash consideration and the Special Dividend in the hands of Australian resident shareholders.

The Scheme does not include any funding condition, with Adamantem having secured committed funding.

The SIA also includes customary deal protections for Adamantem, including “no shop”, “no talk” and “no due diligence” provisions, with the last two provisions being subject to the Legend Directors’ fiduciary obligations. Under the SIA, Legend is bound by other customary provisions including “notification” obligations, as well as “matching” rights. The SIA also details circumstances under which a break fee may be payable to Adamantem, or a reverse break fee payable to Legend.

A copy of the SIA signed by the parties, which includes full details of the conditions to the Scheme and the deal protections referred to above, is attached to this announcement.

Indicative Timetable

Legend shareholders do not need to take any action at the present time.

A Scheme Booklet containing information relating to the proposed transaction, reasons for the Directors’ recommendation, an Independent Expert’s Report and details of the Scheme Meeting will be prepared and provided to shareholders in due course.

Shareholders will then have the opportunity to vote on the Scheme at the Scheme Meeting. Subject to shareholder approval being obtained and the other conditions of the Scheme being satisfied, the Scheme is expected to be implemented in the second half of 2019. Legend expects to update the market on an indicative timetable in the coming months.

Advisers

Gresham Advisory Partners Limited and MinterEllison are acting as financial adviser and legal adviser respectively to Legend. Luminis Partners and Gilbert + Tobin are advising Adamantem.

ENDS

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Adamantem Capital

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About Legend Corporation

Legend Corporation Limited is an Australian Engineering Solutions provider operating in Electrical, Power, Rail, Mining, Information Technology, Telecommunications, Defence, Medical, Industrial and Commercial Gas since 1962.

Legend innovates, manufactures and supplies a vast range of proven specialist components, tools, consumables, test & measurement, repair and calibration services certified to relevant standards.

Legend has operations throughout Australia, New Zealand, the Pacific Region and exports to over 40 countries across the globe.

About Adamantem Capital

Adamantem Capital is a specialist Australian private equity firm which aims to invest in companies valued between \$100 million and \$500 million.

Established in 2016, Adamantem Capital raised its first private equity fund in 2017 and holds equity interests in five portfolio companies including: Heritage Lifecare, a NZ residential aged care provider; Hygain, a premium horse feed manufacturer; Servian, a boutique data analytics IT services company; Hellers, a premier New Zealand sausage, bacon and ham manufacturer; and Zenitas, a rapidly growing home care and allied healthcare provider.

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Execution version

Scheme Implementation Agreement

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Legend Corporation Limited ACN 102 631 087
(**Legend**)

Greenland BidCo Pty Ltd ACN 633 363 096 (**BidCo**)

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Scheme Implementation Agreement

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Details

Date 24 May 2019

Parties

Name **Legend Corporation Limited** ACN 102 631 087
Short form name **Legend**
Notice details 1 Butler Drive, Hendon, South Australia 5014
Email: bdowe@legendcorporate.com
Attention: Brad Dowe

Name **Greenland BidCo Pty Ltd** ACN 633 363 096
Short form name **BidCo**
Notice details Level 27, Chifley Tower, 2 Chifley Square, Sydney, New South Wales 2000
Email: andrew.bullock@adamantem.com.au
Attention: Andrew Bullock

Background

- A Legend and BidCo have agreed to implement the Proposed Transaction on and subject to the terms and conditions of this agreement.
- B Legend and BidCo have agreed certain other matters in connection with the Proposed Transaction as set out in this agreement.

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Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this agreement, unless the context otherwise requires, the following words and expressions have meanings as follows:

Acceptable Confidentiality Agreement means a confidentiality agreement which contains obligations on the recipient of confidential information which are no less onerous in any material respect than the obligations of BidCo under the Confidentiality Agreement.

Accounting Standards means:

- (a) the accounting standards made by the Australian Accounting Standards Board in accordance with the Corporations Act, and the requirements of that Act relating to the preparation and content of accounts; and
- (b) generally accepted accounting principles that are consistently applied in Australia, except those inconsistent with the standards or requirements referred to in paragraph (a).

Adamantem means Adamantem Capital Fund 1 GP, LP as general partner for Adamantem Capital Fund 1 L.P., One Funds Management Limited as trustee for Adamantem Capital Fund 1 Trust 1B, One Funds Management Limited as trustee for Adamantem Capital Fund 1 Trust 1D, One Investment Management Pty Limited as trustee for Adamantem Capital Fund 1 Trust 1E and Columbus Investment Services Ltd as trustee for Adamantem Capital Co-Investment Trust.

Adamantem Related Person means, in respect of Adamantem:

- (a) a Related Body Corporate of Adamantem; and
- (b) any director, officer, member or employee of Adamantem or of a Related Body Corporate of Adamantem.

Adviser means in relation to an entity:

- (a) a financier to the entity in connection with the Proposed Transaction; or
- (b) a financial, corporate, legal, accounting, technical or other expert adviser or consultant, who provides advisory or consultancy services in a professional capacity in the ordinary course of its business and has been engaged in that capacity in connection with the Proposed Transaction by the entity.

Announcement means an announcement by Legend in the form agreed by Legend and BidCo (both acting reasonably), prior to signing of this agreement.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given in Division 2 of Part 1.2 of the Corporations Act as if section 12(1) of that Act included a reference to this agreement and Legend was the designated body.

ASX means ASX Limited (ABN 98 008 624 691) or as the context requires or permits, the financial market known as the Australian Securities Exchange operated by it.

Authorisation means any approval, licence, consent, authority or permit.

Authorised Person means, in respect of a person:

- (a) a director, officer, member or employee of the person;
- (b) an Adviser of the person;
- (c) a director, officer or employee of an Adviser of the person; and

(d) where the person is Adamantem, an Adamantem Related Person.

BidCo Break Fee has the meaning given to that term in clause 15.1(a).

BidCo Facility Agreement means the debt facility agreement to be entered into under the Debt Commitment Letter.

BidCo Group means BidCo and each of its Related Bodies Corporate (excluding, at any time, Legend and its Subsidiaries to the extent that Legend and its Subsidiaries are Subsidiaries of BidCo at that time). A reference to a member of the **BidCo Group** or a **BidCo Group Member** is a reference to BidCo or any such Related Bodies Corporate.

BidCo Information means such information regarding BidCo that is provided by or on behalf of BidCo or any of its Advisers, to Legend or the Independent Expert for inclusion in the Explanatory Booklet (and that is specifically identified as such by BidCo) and, for the avoidance of doubt, does not include the Legend Information or the Independent Experts Report.

BidCo Parties means BidCo, Adamantem, Adamantem Capital Management Pty Limited and their respective Related Bodies Corporate and Authorised Persons.

BidCo Prescribed Occurrence means the occurrence of an Insolvency Event in relation to BidCo.

BidCo Related Person means, in respect of BidCo:

- (a) a Related Body Corporate of BidCo; and
- (b) any director, officer, member or employee of BidCo or of a Related Body Corporate of BidCo.

BidCo Warranties means the representations and warranties of BidCo set out in clause 10.1.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Victoria, Australia.

Claim means, in relation to a person, a demand, claim, action or proceeding made or brought by or against the person, however arising and whether present, unascertained, immediate, future or contingent.

Competing Proposal means any offer, proposal, transaction or expression of interest under which, if ultimately completed, a person or two or more persons who are Associates would:

- (a) directly or indirectly acquire Voting Power in Legend of more than 20% or otherwise acquire, or have a right to acquire, a legal, beneficial or economic interest in more than 20% of the Shares or the share capital of any material subsidiary of Legend (including through one or more derivative contracts);
- (b) acquire control (within the meaning of section 50AA of the Corporations Act) of, or directly or indirectly merge with, Legend or a material subsidiary of Legend;
- (c) directly or indirectly acquire, become the holder of or have a right to acquire a legal, beneficial or equitable interest in, or control of, all or a substantial part of the property or any of the material assets of Legend Group, or otherwise acquire or have a right to acquire a legal, beneficial or economic interest in, or control of, such property or assets; or
- (d) enter into any agreement, arrangement or understanding requiring Legend to abandon, or otherwise fail to proceed with, the Proposed Transaction,

whether by way of a takeover bid, scheme of arrangement, shareholder approved acquisition, capital reduction, buy back, sale, lease or purchase of shares, other securities or assets, assignment of assets or liabilities, joint venture, dual listed company (or other synthetic merger), deed of company arrangements, any debt for equity arrangement or other transaction or arrangement.

Conditions means the conditions set out in clause 3.1 and **Condition** means any one of them.

Confidentiality Agreement means the confidentiality agreement between Legend and Adamantem Capital Management Pty Limited dated 5 February 2019.

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

Counter Proposal has the meaning given in clause 16.7(b).

Court means the Supreme Court of Victoria or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing.

Cut-Off Date has the meaning given in clause 16.7(b).

Debt Commitment Letter means the credit-approved, executed commitment letter and accompanying term sheet from certain banks or other financial institutions addressed to BidCo and dated on or about the date of this agreement.

Data Room means the Project Greenland web based data room hosted by Ansarada at https://dataroom.ansarada.com/_mvc/ProjGreenland%7C45727/2858996/spa/documents prior to the date of this agreement.

Deed Poll means the deed poll to be executed by BidCo prior to the First Court Date, in the form set out in Schedule 3 or in such other form as is acceptable to Legend acting reasonably.

Delivery Time means, in relation to the Second Court Date, 2 hours before the commencement of the hearing (or if the commencement of the hearing is adjourned, the commencement of the adjourned hearing), of the Court to approve the Scheme in accordance with section 411(4)(b) of the Corporations Act.

Dividend Record Date means the record date for the Special Dividend, being 7.00pm on the first Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

Due Diligence Material means the written information disclosed by or on behalf of Legend and its Subsidiaries (including management presentations and all written responses provided in response to written questions or requests for information) to BidCo or any of its Authorised Persons prior to the date of this agreement in the Data Room.

EBITDA means earnings from ordinary, continuing activities of the Legend Group before interest, tax, depreciation and amortisation calculated in accordance with the accounting policies and practices applied by Legend as at the date of this agreement, excluding:

- (a) all costs and expenses incurred by Legend associated with the Scheme process and the Scheme, including all fees payable to external advisers of Legend; and
- (b) the impact of any transaction entered into by a member of the Legend Group or any other event that is of a non-recurring nature where that impact itself is also of a non-recurring nature.

Effective means, when used in relation to the Scheme, the coming into effect, under 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 that Scheme.

Effective Date, with respect to the Scheme, means the date on which the Scheme becomes Effective.

End Date means:

- (a) 31 October 2019; or
- (b) such other date and time agreed in writing between BidCo and Legend.

Equity Commitment Letter means the binding, executed commitment letter dated on or about the date of this agreement addressed to HoldCo and BidCo from Adamantem, agreed to and accepted by HoldCo and BidCo.

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

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

Explanatory Booklet means the explanatory booklet to be prepared by Legend in respect of the Proposed Transaction in accordance with the terms of this agreement and to be dispatched to Legend Shareholders.

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

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

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

First Court Date means the date the Court first hears the application to order the convening of the Scheme Meeting under section 411(1) of the Corporations Act that the Scheme Meeting be convened is heard or, if the application is adjourned or subject to appeal for any reason, the day on which the adjourned application is heard.

Governmental Agency means any Australian government or representative of an Australian state or federal government or any Australian governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity and includes any minister, ASIC, ASX and any Australian regulatory organisation established under statute or any stock exchange.

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 Legend Shareholders present and voting, either in person or by proxy.

HoldCo means Greenland HoldCo Pty Ltd ACN 633 361 921.

Implementation Date means, with respect to the Scheme, the later of:

- (a) the seventh Business Day following the Scheme Record Date; or
- (b) the fifteenth Business Day following the date of the Scheme Meeting,

or such other Business Day as the parties agree.

Independent Expert means an expert, independent of the parties, engaged by Legend in good faith to opine on whether the Scheme is in the best interest of Legend Shareholders.

Independent Expert's Report means the report from the Independent Expert commissioned by Legend for inclusion in the Explanatory Booklet, which includes a statement by the Independent Expert on whether, in its opinion, the Scheme is in the best interest of Legend Shareholders, and includes any update of that report by the Independent Expert.

Insolvency Event means in relation to a person:

- (a) **insolvency official:** the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) **arrangements:** the entry by the person into a scheme of arrangement (other than the Scheme) or composition with its creditors or takes similar actions as a result of which the entity's assets are, or are proposed to be, submitted to the control of its creditors;
- (c) **winding up:** the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) **suspends payments:** the person suspends or threatens to suspend payment of its debts, or becomes unable to pay its debts, as and when they become due;
- (e) **ceasing business:** the person ceases or threatens to cease to carry on business;
- (f) **insolvency:** the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) **creditor protection:** the entity seeks or obtains protection from its creditors under any statute or any other law;
- (h) **deregistration:** the person being deregistered as a company or otherwise dissolved;
- (i) **deed of company arrangement:** the person executing a deed of company arrangement;
- (j) **assets:** any attachment, distress, execution or other process is made or levied against any asset of the entity in excess of A\$1,000,000 and is not withdrawn, stayed or dismissed within 14 days;
- (k) **person as trustee or partner:** the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:
 - (i) a breach of trust or obligation as partner by the person;
 - (ii) the person acting outside the scope of its powers as trustee or partner;
 - (iii) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability;
 - (iv) the assets of the trust or partnership being insufficient to discharge the liability; or
- (l) **analogous events:** anything analogous to those set out in any of paragraphs (a) to (k) inclusive occurs in relation to the person under the laws of a foreign jurisdiction,

and a person shall be **Insolvent** if any event specified in paragraphs (a) to (l) inclusive occurs in respect of that person.

Interest Rate means the 90 day Bank Bill Swap Reference Rate as published as at the relevant due date for payment by the Australian Financial Markets Association.

Legend Break Fee has the meaning given to that term in clause 14.3(a).

Legend Board means the board of directors of Legend (or any committee of the board of directors of Legend constituted to consider the Proposed Transaction on behalf of Legend).

Legend Consolidated Tax Group means the consolidated group of which Legend is the head company (where 'consolidated group' and 'head company' have the same meaning as in the *Income Tax Assessment Act 1997* (Cth)).

Legend Director means a director of Legend who is a member of the Legend Board.

Legend Group means Legend and its Subsidiaries.

Legend Information means information to be included by Legend in the Explanatory Booklet that explains the effect of the Scheme and sets out the information prescribed by the Corporations Act and the *Corporations Regulations 2001* (Cth), and any other information that is material to the making of a decision by Legend Shareholders whether or not to vote in favour of the Scheme, being information that is within the knowledge of Legend's directors and has not previously been disclosed to Legend Shareholders, other than the BidCo Information and the Independent Expert's Report.

Legend Parties means each member of the Legend Group and its Related Bodies Corporate and Authorised Persons.

Legend Prescribed Occurrence means the occurrence of any of the following on or after the date of this agreement:

- (a) Legend converts all or any of its shares into a larger or smaller number of shares (see section 254H of the Corporations Act);
- (b) any member of the Legend Group resolves to reduce its share capital in any way;
- (c) any member of the Legend Group:
 - (i) enters into a buy-back agreement; or
 - (ii) resolves to approve the terms of a buy-back agreement under subsections 257C(1) or 257D(1) of the Corporations Act;
- (d) any member of the Legend Group issues securities, or grants a Performance Right, or an option over its securities, or agrees to make such an issue or grant such a right or an option other than under the exercise of an option or Performance Right on issue immediately before the date of this agreement;
- (e) any member of the Legend Group issues, or agrees to issue, convertible notes;
- (f) any member of the Legend Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) any member of the Legend Group creates or agrees to create, any security interest over the whole, or a substantial part, of its business or property;
- (h) an Insolvency Event occurs in relation to any member of the Legend Group;
- (i) Legend pays, declares, distributes or incurs a liability to make or pay a dividend, bonus or other share of its profits, income, capital or assets by way of dividend or other form of distribution other than in respect of any Special Dividend;
- (j) any member of the Legend Group ceases, or threatens to cease to, carry on the business conducted as at the date of this agreement;
- (k) any member of the Legend Group directly or indirectly authorises, commits or agrees to take or announces any of the actions referred to in paragraphs (a) to (j) above insofar as it applies to the member of the Legend Group the subject of such direct or indirect authorisation, commitment, agreement or announcement;

provided that a Legend Prescribed Occurrence will not include any matter:

- (l) expressly required to be done or procured by the Legend Group under this agreement or the Scheme;
- (m) required by law or by an order of a court or Governmental Agency;

- (n) to the extent it is Fairly Disclosed in filings of Legend with the ASX in the 24 months prior to the date of this agreement;
- (o) to the extent it is Fairly Disclosed in the Due Diligence Material; or
- (p) the undertaking of which BidCo has approved in writing.

Legend Shareholder means each person who is registered in the Register as a holder of Shares.

Legend Warranties means the representations and warranties of Legend set out in clause 10.3.

Listing Rules means the official listing rules of ASX as amended from time to time.

Material Adverse Change means:

- (a) an event, change, condition, matter, thing or circumstance that occurs, is announced or becomes known to BidCo or the Legend Board (in each case whether or not it becomes public) after the date of this agreement which (in each case determined in accordance with Accounting Standards):
 - (i) has or could reasonably be expected to have individually or when aggregated with all such events, changes, conditions, matters, things or circumstances the effect of diminishing the net assets of the Legend Group as reported in Legend's financial statements for the year ended 30 June 2018 by 5% or more;
 - (ii) has or could reasonably be expected to have individually or when aggregated with all such events, changes, conditions, matters, things or circumstances the result of a diminution in the annual consolidated EBITDA of the Legend Group as reported in Legend's financial statements for the year ended 30 June 2018 of 5% or more;
 - (iii) has or could reasonably be expected to have the effect of increasing the Legend Group's Projected Net Debt by at least \$1,000,000;
 - (iv) has or could reasonably be expected to have the result that the business of the Legend Group is unable to be carried on in substantially the same manner as carried on at the date of this agreement; or
- (b) one or more Material Suppliers communicates to Legend or BidCo, or any of their respective Authorised Persons, either orally or in writing, that it does not intend to continue supplying its goods or services to Legend and Legend has not, within a reasonable period before the Delivery Time, secured an alternative supplier of equivalent or superior scale and reputation for relevant goods or services of equivalent or superior quality on substantially similar or more favourable terms,

but does not include any event or circumstance:

- (c) required to be done or procured by Legend under this agreement or the Scheme, including the declaration and payment of the Special Dividend;
- (d) which BidCo has previously approved in writing;
- (e) to the extent it was Fairly Disclosed in the Due Diligence Materials or in documents that were publicly available in the 24 months prior to the date of this agreement from public filings of Legend with ASX, ASIC or Public Registers;
- (f) relating to costs and expenses incurred by Legend associated with the Scheme process, including all fees payable to external advisers of Legend, to the extent such amounts are agreed between Legend and BidCo prior to the date of this agreement;
- (g) a matter, event or circumstance comprising a change in any applicable law; or
- (h) relating to any material adverse change or major disruption to the existing financial markets, political or economic conditions of Australia, excluding any events, changes, conditions, matters, things or circumstances which have a disproportionate effect on the Legend Group as compared to other participants in the industries in which the Legend Group operates.

Material Contracts means the contracts agreed in a letter between BidCo and Legend dated on or about the date of this agreement.

Material Suppliers means the suppliers to the Legend business agreed in a letter between BidCo and Legend dated on or about the date of this agreement.

Performance Right means a right granted by Legend to acquire by way of issue a Share.

Performance Rights Holder means a person who holds a Performance Right.

Permitted Indebtedness means any of the following:

- (a) any Financial Indebtedness owed by a wholly-owned Legend Group member to another wholly-owned Legend Group member; or
- (b) any Financial Indebtedness under equipment loans, hire purchase arrangements, leases or similar arrangements up to \$500,000 in aggregate at any time.

Permitted Security Interest means any of the following:

- (a) any lien, charge or other Security Interest arising by operation of law that arises in the ordinary course of business and not securing Financial Indebtedness;
- (b) any retention of title or conditional sale arrangement in connection with the acquisition of goods in the ordinary course of business;
- (c) a PPS Lease (as defined in the PPSA);
- (d) any security interest within the meaning of section 12(3) of the PPSA; and
- (e) any Security Interest approved in writing by BidCo (such consent not to be unreasonably withheld or delayed in respect of any Security Interest granted in the ordinary course of Legend or any Legend Group Member's business).

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

Projected Net Debt means an estimate of the Legend Group's consolidated net debt as at the Projected Net Debt Date, that estimate being \$21,600,000 as at the date of this agreement.

Projected Net Debt Date means 31 August 2019.

Proposed Transaction means:

- (a) the proposed acquisition by BidCo in accordance with the terms and conditions of this agreement, of all of the Shares through the implementation of the Scheme; and
- (b) all associated transactions and steps contemplated by this agreement.

Public Registers means the PPS Register and the public registers maintained by:

- (a) IP Australia;
- (b) the High Court, Federal Court or any Supreme Court of any State or Territory in Australia; or
- (c) the New South Wales Land Registry Services, Land Use Victoria, Queensland Title Registry, Landgate Western Australia and Land Services South Australia.

Register means the register of shareholder maintained by Legend under section 168(1) of the Corporations Act.

Regulatory Approvals means the approvals set out in clause 3.1(a).

Related Body Corporate of a person means:

- (a) a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted; and

- (b) in respect of Adamantem, includes any fund, limited partnership or other collective investment vehicle which is managed or controlled by Adamantem (or its general partner) or a related body corporate (as referred to paragraph (a) above) of Adamantem.

Relevant Interest has the meaning given in the Corporations Act.

RG 60 means Regulatory Guide 60 issued by ASIC.

Sanctioned Person means, at any time:

- (a) any person listed in any sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council, the European Union, any Member State of the European Union, the United Kingdom, Canada, or Australia;
- (b) any person operating organised or resided in a U.S Sanctioned Country (including Iran, Syria, Sudan, Cuba, North Korea, or the Crimea Region of Ukraine); or

any person owned or controlled by any such person.

Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Legend and Scheme Shareholders in respect of all Scheme Shares, substantially in the form set out in Schedule 2 or in such other form as the parties agree in writing, subject to any alterations or conditions that are:

- (a) agreed to in writing by Legend and BidCo, and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by each party.

Scheme Consideration means, in respect of each Scheme Share held by a Scheme Shareholder, \$0.365 cash (as reduced by the amount of any Special Dividend).

Scheme Meeting means the meeting of Legend Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Record Date means 7.00pm on the fourth Business Day (or such other Business Day as the parties agree in writing) following the Effective Date.

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

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under 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, means the date on which the adjourned application is heard or scheduled to be heard.

Security Interest means any mortgage, charge, pledge, lien, assignment or other security interest or any other arrangement (including a right of set off or combination) entered into for the purpose of conferring a priority, including any security interest as defined in section 51A of the Corporations Act or in the PPSA.

Senior Manager means an employee of any member of the Legend Group reporting directly to the managing director, chief financial officer or group chief operating officer of Legend.

Share means an issued fully paid ordinary share in the capital of Legend.

Share Splitting means the splitting by a holder of Legend Shares into two or more parcels of Legend Shares whether or not it results in any change in beneficial ownership of the Legend Shares.

Special Dividend means a cash only dividend of up to \$0.07 per Share, to be paid by Legend (in its absolute discretion) in accordance with clause 7.4, between the date of this agreement and the Implementation Date.

Stock means all stocks of raw materials, materials used in manufacture, packaging materials, finished goods, goods under manufacture, work in progress, components, consumables and other stock in trade of the Legend Group business, including goods in transit and stock ordered by and paid for by any Legend Group member before the Implementation Date but not received by the Implementation Date.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Superior Proposal means a bona fide Competing Proposal (in relation to which there has been no contravention of clause 16 by Legend) which the Legend Board, acting in good faith in the interests of Legend and its shareholders, and after taking written advice from its legal and financial advisers, determines:

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

Timetable means the indicative timetable in relation to the Proposed Transaction set out in Schedule 1 with such modifications as may be agreed in writing by the parties.

Treasurer means the Treasurer of the Commonwealth of Australia.

Voting Power has the meaning given in section 610 of the Corporations Act.

1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural, and the converse also applies;
- (b) gender includes other genders;
- (c) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (d) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- (e) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (f) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (g) a reference to time is to Melbourne, Australia time;
- (h) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (i) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (j) a reference to legislation or to a provision of legislation (including a listing rule or operating rule of a financial market or of a clearing and settlement facility) includes a modification or re enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it;
- (k) unless otherwise defined, a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;

- (l) a reference to conduct includes an omission, statement or undertaking, whether or not in writing;
- (m) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it;
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day; and
- (p) a reference to **Fairly Disclosed** means disclosed to any of BidCo, Legend (as applicable) or any of their respective Authorised Persons to a sufficient extent and in sufficient detail so as to enable a reasonable person who is experienced in transactions similar to the Proposed Transaction and experienced in a business similar to the type of business generally conducted by Legend, to identify the nature and scope of the relevant matter, event or circumstance.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

1.4 Business Day

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day.

1.5 Consents or approvals

If the doing of any act, matter or thing under this agreement is dependent on the consent or approval of a party or is within the discretion of a party, the consent or approval may be given or the discretion may be exercised conditionally or unconditionally or withheld by the party in its absolute discretion unless provided otherwise.

1.6 Listing requirements included as law

A listing rule or operating rule of a financial market or of a clearing and settlement facility will be regarded as a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

1.7 Reasonable endeavours

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

- (a) to pay any money or provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person except for payment of any applicable fee for the lodgement or filing of any relevant application with any Governmental Agency; or
- (b) to commence any legal action or proceeding against any person,
- except where that provision specifies otherwise.

2. Agreement to propose Scheme

- (a) Legend agrees to propose and implement the Scheme on and subject to the terms and conditions of this agreement, and substantially in accordance with the Timetable.
- (b) BidCo agrees to assist Legend in proposing and implementing the Scheme on and subject to the terms and conditions of this agreement, and substantially in accordance with the Timetable.

3. Conditions precedent and pre-implementation steps

3.1 Conditions to Scheme

Subject to this clause 3, the Scheme will not become Effective, and the respective obligations of the parties in relation to the implementation of the Scheme will not be binding, until each of the following conditions precedent is satisfied or waived to the extent and in the manner set out in this clause 3:

- (a) **(Regulatory Approvals):**
- (i) **(ASIC and ASX)** before the Delivery Time on the Second Court Date, ASIC and ASX issue or provide such consents, waivers, relief or approvals as are necessary or which Legend and BidCo agree are desirable to implement the Scheme and such consent, approval or other act has not been withdrawn or revoked before the Delivery Time on the Second Court Date;
 - (ii) **(FIRB)** before the Delivery Time on the Second Court Date, either:
 - (A) the Treasurer (or his delegate) has provided a notice in writing (without any term or condition which BidCo reasonably considers unacceptable) stating or to the effect that, in terms of Australia's foreign investment policy, the Australian Government does not object to BidCo acquiring the Scheme Shares under the Scheme; or
 - (B) by reason of lapse of time, the Treasurer is no longer empowered under the FATA to make an order prohibiting the acquisition of the Scheme Shares by the Bidder under the Scheme;
- (b) **(No Legend Prescribed Occurrence)** no Legend Prescribed Occurrence occurs between the date of this agreement and the Delivery Time on the Second Court Date;
- (c) **(No BidCo Prescribed Occurrence)** no BidCo Prescribed Occurrence occurs between the date of this agreement and the Delivery Time on the Second Court Date;
- (d) **(Legend Warranties)** the Legend Warranties being true and correct in all material respects on the date of this agreement and at the Delivery Time on the Second Court Date;
- (e) **(BidCo Warranties)** the BidCo Warranties being true and correct in all material respects on the date of this agreement and at the Delivery Time on the Second Court Date;
- (f) **(Shareholder approval)** the Scheme is approved by Legend Shareholders at the Scheme Meeting by the majorities required under section 411(4)(a)(ii) of the Corporations Act;
- (g) **(Legend Performance Rights)** before the Delivery Time on the Second Court Date:
 - (i) legally binding arrangements have been put in place so that all Performance Rights outstanding at the date of this agreement will have either:
 - (A) vested and been exercised prior to the Scheme becoming Effective on terms agreed by the parties (acting reasonably); or
 - (B) otherwise been dealt with as agreed by the parties, such that no Performance Rights are in existence prior to the Scheme becoming Effective; and
 - (ii) Legend has complied with its obligations under clause 5;
- (h) **(Court approval)** the Scheme is approved by the Court in accordance with section 411(4)(b) of the Corporations Act either unconditionally or on conditions that do not impose unduly onerous obligations upon either party;
- (i) **(No Material Adverse Change)** no Material Adverse Change occurs between the date of this agreement and the Delivery Time on the Second Court Date;

- (j) **(Third Party Consents)** all consents, approvals or waivers of rights by the counterparties under any Material Contracts that are required as a result of a change of control of Legend following the implementation of the Scheme are obtained in a form and subject to conditions acceptable to BidCo (acting reasonably), and such consents, approvals or waivers have not been withdrawn, cancelled or revoked before the Delivery Time on the Second Court Date; and
- (k) **(Restraints)**: no temporary restraining order, preliminary or permanent injunction or other order, in each case issued by a court of competent jurisdiction in Australia in a proceeding brought by a Government Agency preventing or delaying the Proposed Transaction, unless such order or injunction has been disposed of to the reasonable satisfaction of Legend and BidCo acting reasonably and in good faith, is in effect at the Delivery Time on the Second Court Date.

3.2 Benefit and waiver of conditions precedent

- (a) The Conditions in clauses 3.1(a) (Regulatory Approval) and 3.1(k) (Restraints) are for the benefit of each party and any breach or non-fulfilment of them may only be waived (if capable of waiver) with the written consent of both parties, which consent either party may give or withhold in its absolute discretion.
- (b) The Conditions in clauses 3.1(b) (No Legend Prescribed Occurrences), 3.1(d) (Legend Warranties), 3.1(g) (Legend Performance Rights), 3.1(i) (No Material Adverse Change) and 3.1(j) (Third Party Consents) are for the sole benefit of BidCo and any breach or non-fulfilment of them may only be waived by BidCo giving its written consent.
- (c) The Conditions in clauses 3.1(c) (No BidCo Prescribed Occurrences) and 3.1(e) (BidCo Warranties) are for the sole benefit of Legend and any breach or non-fulfilment of them may only be waived by Legend giving its written consent.
- (d) A party entitled to waive a Condition under this clause 3.2 may do so in its absolute discretion. Any waiver of a Condition by a party for whose benefit the condition applies must take place on or prior to the Delivery Time on the Second Court Date. The Conditions in clauses 3.1(f) (Shareholder approval) and 3.1(h) (Court approval) cannot be waived.
- (e) If a party waives the breach or non-fulfilment of any of the Conditions in clause 3.1, that waiver will not preclude it from suing the other party for any breach of this agreement including a breach that resulted in the non-fulfilment of the Condition that was waived.

3.3 Reasonable endeavours

- (a) Legend and BidCo will use their respective reasonable endeavours to procure that each of the Conditions (as applicable) is satisfied as soon as reasonably practicable after the date of this agreement or continues to be satisfied at all times until the last time they are to be satisfied (as the case may require).
- (b) Without limiting clauses 3.4 and 3.5 below, each of Legend and BidCo must:
- (i) consult and co-operate fully with the other party in relation to the satisfaction of the Conditions, including in relation to all material communications with any Governmental Agency in relation to Regulatory Approvals;
 - (ii) promptly apply for all relevant Regulatory Approvals and provide the other party with a copy of all applications for Regulatory Approvals and all material communications with any Governmental Agency in relation to Regulatory Approvals;
 - (iii) take all the steps for which it is responsible as part of the Regulatory Approvals process;
 - (iv) respond to all requests for information in respect of the applications for Regulatory Approvals at the earliest practicable time; and

- (v) provide the other with all information and assistance reasonably requested in connection with the applications for Regulatory Approvals,

provided that:

- (vi) the party applying for a Regulatory Approval may withhold or redact information or documents from the other party if and to the extent that they are either confidential to a third party or commercially sensitive and confidential to the applicant; and
- (vii) neither party is required to disclose materially commercially sensitive information to the other party.

3.4 Notifications

Each of BidCo and Legend must:

- (a) keep the other promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- (b) promptly notify the other in writing if it becomes aware that any Condition has been satisfied; and
- (c) promptly notify the other in writing if it becomes aware that any Condition is or has become incapable of being satisfied (having regard to the respective obligations of each party under clause 3.3).

3.5 Certificate

At or before the hearing on the Second Court Date:

- (a) BidCo and Legend will provide a joint certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(a) (Regulatory Approval) and 3.1(k) (Restraints) have been satisfied or waived in accordance with the terms of this agreement;
- (b) Legend will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(b) (No Legend Prescribed Occurrences), 3.1(d) (Legend Warranties), 3.1(f) (Shareholder approval), 3.1(g) (Legend Performance Rights), 3.1(i) (No Material Adverse Change) and 3.1(j) (Third Party Consents) have been satisfied or waived in accordance with the terms of this agreement;
- (c) BidCo will provide a certificate to the Court confirming whether or not the Conditions set out in clauses 3.1(c) (No BidCo Prescribed Occurrences) and 3.1(e) (BidCo Warranties) have been satisfied or waived in accordance with the terms of this agreement;
- (d) Legend will provide a certificate to BidCo confirming whether or not:
- (i) it has breached any of its obligations under this agreement (including a breach of a representation or warranty), and if it has, giving details of such breaches; and
- (ii) any Material Adverse Change has occurred and, if it has, giving details of each Material Adverse Change; and
- (e) BidCo will provide a certificate to Legend confirming whether or not it has breached any of its obligations under this agreement (including a breach of a representation or warranty), and if it has, giving details of such breaches.

3.6 Scheme voted down because of Headcount Test

If the Scheme is not approved by Legend Shareholders at the Scheme Meeting by reason only of the non-satisfaction of the Headcount Test and Legend or BidCo 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 Legend must:

- (a) 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

- (b) make such submissions to the Court and file such evidence as counsel engaged by Legend to represent it in Court proceedings related to the Scheme, in consultation with BidCo, 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.

3.7 Conditions not capable of being fulfilled

- (a) If:
- (i) any Condition is not satisfied or (where capable of waiver) waived by the date specified in this agreement for its satisfaction (or an event occurs which would or does prevent a condition precedent being satisfied by the date specified in this agreement);
 - (ii) a circumstance occurs with the result that a Condition is not capable of being fulfilled and, if the Condition is able to be waived by a party under clause 3.2 the party does not waive the Condition within 5 Business Days after the occurrence of the circumstance; or
 - (iii) it becomes more likely than not that the Scheme does not become Effective by the End Date,
- then Legend and BidCo must consult in good faith with a view to determining whether:
- (iv) the Scheme may proceed by way of alternative means or methods;
 - (v) to extend the relevant time or date for satisfaction of the Condition;
 - (vi) to change the date of the application to be made to the Court for orders under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed by the parties; or
 - (vii) to extend the End Date.
- (b) Subject to clause 3.7(c), if a Condition becomes incapable of being satisfied before the End Date and Legend and BidCo are unable to reach agreement under clause 3.7(a) within 10 Business Days of the date on which they both become aware that the Condition has become incapable of being satisfied (or, if earlier, by the Delivery Time on the Second Court Date), then unless the relevant Condition (where capable of waiver) is waived:
- (i) in relation to the Conditions in clauses 3.1(a) (Regulatory Approval), 3.1(f) (Shareholder approval) 3.1(h) (Court approval) and 3.1(k) (Restraints), either BidCo or Legend may terminate this agreement by giving the other notice without any liability to any party by reason of that termination alone;
 - (ii) in relation to the Conditions in clauses 3.1(b) (No Legend Prescribed Occurrences), 3.1(d) (Legend Warranties), 3.1(g) (Legend Performance Rights), 3.1(i) (No Material Adverse Change) and 3.1(j) (Third Party Consents), BidCo may terminate this agreement by giving Legend notice without any liability to any party by reason of that termination alone; and
 - (iii) in relation to the Conditions in clauses 3.1(c) (No BidCo Prescribed Occurrences) and 3.1(e) (BidCo Warranties), Legend may terminate this agreement by giving BidCo notice without any liability to any other party by reason of that termination alone.
- (c) A party will not be entitled to terminate this agreement under clause 3.7(b) if the relevant Condition has not been satisfied as a result of:
- (i) a breach of this agreement by that party; or
 - (ii) a deliberate act or omission of that party which either alone or together with other circumstances prevents that Condition being satisfied.

3.8 Interpretation

For the purposes of this clause 3, a Condition will be incapable of satisfaction, or incapable of being fulfilled if:

- (a) in the case of a Condition relating to a Regulatory Approval – the relevant Governmental Agency makes or has made a final adverse determination in writing to the effect that it will not provide the Regulatory Approval; and
- (b) in all other cases – there is an act, failure to act or occurrence that will prevent the Condition being satisfied by the End Date (and the breach or non-fulfilment that would otherwise have occurred has not already been waived in accordance with this agreement).

4. Transaction Steps

4.1 Scheme

Legend must, as soon as reasonably practicable after the date of this agreement and substantially in compliance with the Timetable, propose the Scheme under which, subject to the Scheme becoming Effective, all of the Scheme Shares will be transferred to BidCo and the Scheme Shareholders will be entitled to receive, for each Scheme Share held at the Scheme Record Date, the Scheme Consideration.

4.2 Scheme Consideration

BidCo covenants in favour of Legend (in Legend's own right and separately as trustee for each Scheme Shareholder) that, in consideration of the transfer to BidCo of the Scheme Shares under the terms of the Scheme, on the Implementation Date, BidCo will:

- (a) accept that transfer; and
- (b) provide each Scheme Shareholder the Scheme Consideration, in accordance with the Scheme.

4.3 Deed Poll

BidCo covenants in favour of Legend (in Legend's own right and separately as trustee for each of the Scheme Shareholders) to execute, deliver and perform the Deed Poll prior to the dispatch of the Explanatory Booklet.

5. Treatment of Performance Rights

5.1 Performance Rights

- (a) As soon as practicable after the date of this agreement, the Legend Board must give a written notice to each Performance Rights Holder stating that:
 - (i) subject to obtaining the necessary waivers from ASX and the Scheme being approved by Legend Shareholders at the Scheme Meeting, the Performance Rights Holder may exercise his Performance Rights at any time prior to the Scheme becoming Effective;
 - (ii) subject to the Performance Rights Holder exercising his rights in accordance with clause 5.1(a)(i), Legend agrees to issue to the Performance Rights Holder such number of Shares to which the Performance Rights Holder is entitled prior to the Scheme becoming Effective.
- (b) Without limiting clause 5.1(a), Legend must, subject to obtaining the necessary waivers from ASX and the Scheme being approved by Legend Shareholders at the Scheme Meeting, take all necessary steps to permit each Performance Rights Holder to exercise

his Performance Rights prior to the Scheme becoming Effective by accelerating the vesting of all unvested Performance Rights.

5.2 Other entitlements to Legend Shares

Other than in relation to a Performance Right, Legend must ensure that prior to the Delivery Time on the Second Court Date all agreements (whether oral or written) to which a Legend Group member is a party and under which a Legend Group member has an obligation to issue Shares to a third party, or otherwise gives a third party a right to be issued shares in a Legend Group member, are amended to remove such obligation or right.

6. Recommendation, intentions and announcements

6.1 Legend Board Recommendation and Voting Intention

- (a) Legend must ensure that the Announcement and the Explanatory Booklet state that each Legend Director:
- (i) considers the Scheme to be in the best interests of Legend shareholders and that the Legend Director recommends that Legend Shareholders vote in favour of the Scheme (**Recommendation**); and
 - (ii) intends to cause any Shares in which they have a Relevant Interest to be voted in favour of the Scheme (**Voting Intention**),

in each case qualified only by words to the effect of:

- (iii) 'in the absence of a Superior Proposal'; and
 - (iv) other than in respect of the Explanatory Booklet, 'subject to the Independent Expert concluding that the Scheme is in the best interest of Legend Shareholders'.
- (b) Legend must ensure that the Legend Board collectively, and the members of the Legend Board individually, do not change, withdraw or modify its or his Recommendation or Voting Intention unless:
- (i) Legend has received, other than as a result of a breach of clause 16, a Superior Proposal and (i) has entered into a legally binding agreement to undertake or give effect to that proposal or (ii) in the case of a proposal by way of takeover bid which is not subject to an agreement with Legend, an announcement has been made which attracts section 631(1) of the Corporations Act; or
 - (ii) the Independent Expert concludes in the Independent Expert's Report (either in its initial report or any subsequent update of its report) that the Scheme is not in the best interest of the Legend Shareholders (other than where the conclusion is due to the existence of a Competing Proposal),

and Legend has complied with its obligations under clause 16 (including ensuring that all of BidCo's rights under clause 16.7 have been exhausted).

6.2 Confirmation

Legend represents and warrants to BidCo that each Legend Director has confirmed his agreement not to do anything inconsistent with their Recommendation and Voting Intention (including withdrawing, changing or in any way qualifying their Recommendation or Voting Intention) other than in the circumstances referred to in clause 6.1(b)

6.3 Announcements

- (a) Promptly after the execution of this agreement Legend must issue the Announcement to the ASX.

- (b) Any further public announcements by Legend or BidCo in relation to, or in connection with, the Proposed Transaction or any other transaction related to this agreement or the Scheme may only be made in a form approved by each party in writing (acting reasonably). Where a party is required by law or the Listing Rules to make any announcement or to make any disclosure in relation to, or in connection with the Proposed Transaction or any other transaction related to this agreement or the Scheme, it may do so to the extent legally required and only then after it has given the other party as much notice as reasonably possible and has consulted to the fullest extent reasonably possible in the circumstances with the other party.

7. Scheme – parties' respective implementation obligations

7.1 Legend's obligations

Legend must take all steps reasonably necessary to propose and (subject to all of the Conditions being satisfied or waived in accordance with their terms) implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable, including without limitation taking each of the following steps:

- (a) (**Explanatory Booklet**) prepare the Explanatory Booklet in accordance with clause 7.3;
- (b) (**Independent Expert**) promptly appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert in connection with the preparation of the Independent Expert's Report;
- (c) (**review of draft Independent Expert's Report**) on receipt from the Independent Expert, provide BidCo with the draft report received from the Independent Expert for factual accuracy review (noting in each case that any draft of the Independent Expert's Report provided to BidCo for review will not include those sections containing the Independent Expert's opinion), and promptly give to the Independent Expert any comments that BidCo provides Legend in relation to factual matters regarding BidCo in any draft of the Independent Expert's Report;
- (d) (**approval of draft for ASIC**) as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the Legend Board, or of a committee of the Legend Board appointed for the purpose, is held to consider approving that draft as being in a form appropriate for provision to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act;
- (e) (**liaison with ASIC**) as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet:
 - (i) provide that draft of the Explanatory Booklet, in a form approved in accordance with clauses 7.1(d) and 7.2(e), to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
 - (ii) liaise with ASIC during the period of its consideration of that draft of the Explanatory Booklet and keep BidCo reasonably informed of any material matters raised by ASIC in relation to the Explanatory Booklet and use reasonable endeavours, in consultation with BidCo, to resolve any such matters (provided that, where any matters relate to BidCo Information, Legend must not take any steps to address them without the prior written consent of BidCo, not to be unreasonably withheld or delayed);
- (f) (**approval of Explanatory Booklet**) as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the Legend Board, or of a committee of the Legend Board appointed for the purpose, is held to consider approving the Explanatory Booklet for dispatch to the Legend Shareholders, subject to orders of the Court under section 411(1) of the Corporations Act;

- (g) (**section 411(17)(b) statements**) apply to ASIC for the production of statements in writing under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- (h) (**first Court hearing**) lodge all documents with the Court and take all other reasonable steps to ensure that promptly after, and provided that, the approvals in clauses 7.1(f) and 7.2(f) have been received, an application is heard by the Court for an order under section 411(1) of the Corporations Act directing Legend to convene the Scheme Meeting;
- (i) (**registration of explanatory statement**) request ASIC to register the explanatory statement included in the Explanatory Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- (j) (**information**)
- (i) provide reasonable information about the Scheme and the Legend Shareholders to BidCo and its Related Bodies Corporate, which BidCo requests and reasonably requires in order to:
 - (A) canvass views on the Scheme by Legend Shareholders;
 - (B) facilitate the provision by, or on behalf of, BidCo of the Scheme Consideration; or
 - (C) review the tally of proxy appointments and directions received by Legend before the Scheme Meeting;
 - (ii) within 5 Business Days after the date of this agreement, provide BidCo with:
 - (A) a copy of the Legend Register as at the date of this agreement to the extent doing so does not breach applicable privacy laws; and
 - (B) the most recently available information in Legend's possession regarding the beneficial ownership of Legend Shares including a copy of the most recent beneficial ownership analysis report received by Legend (which, for the avoidance of doubt, may be as at a date prior to the date of this agreement);
 - (iii) provide BidCo:
 - (A) on a fortnightly basis, a copy of the latest Legend Register; and
 - (B) on a fortnightly basis, the most recently available information in Legend's possession regarding the beneficial ownership of Legend Shares including a copy of the most recent beneficial ownership analysis report received by Legend,

provided that if the Legend Register or any beneficial ownership analysis report is received by Legend more frequently than on a fortnightly basis Legend must provide BidCo with a copy of each such report after it is received by Legend;
- (k) (**convening Scheme Meeting**) take all reasonable steps necessary to comply with the orders of the Court including, as required, despatching the Explanatory Booklet to the Legend Shareholders and convening and holding the Scheme Meeting;
- (l) (**Court approval application if parties agree that conditions are capable of being satisfied**) if the resolution submitted to the Scheme Meeting is passed by the majorities required under section 411(4)(a)(ii) of the Corporations Act and, if necessary, the parties agree on the Business Day immediately following the Scheme Meeting that it can be reasonably expected that all of the Conditions will be satisfied or waived prior to the proposed Second Court Date, apply to the Court for orders approving the Scheme;

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- (m) **(appeal process)** if the Court refuses to make any orders directing Legend to convene the Scheme Meeting or approving the Scheme, Legend and BidCo must:
 - (i) consult with each other in good faith as to whether to appeal the Court's decision; and
 - (ii) appeal the court decision unless the parties agree otherwise or an independent senior counsel opines that, in his view, an appeal would have no reasonable prospect of success;
 - (n) **(implementation of Scheme)** if the Scheme is approved by the Court:
 - (i) subject to the Listing Rules, promptly lodge with ASIC an office copy of the orders approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) determine entitlements to the Scheme Consideration as at the Scheme Record Date in accordance with the Scheme;
 - (iii) execute proper instruments of transfer of and effect and register the transfer of the Scheme Shares to BidCo on the Implementation Date; and
 - (iv) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court approving the Scheme;
 - (o) **(Regulatory notifications)** in relation to the Regulatory Approvals, lodge with any Governmental Agency within the relevant periods all documentation and filings required by law to be so lodged by Legend in relation to the Proposed Transaction;
 - (p) **(BidCo Information)** without the prior written consent of BidCo, not use the BidCo Information for any purposes other than those contemplated by this agreement or the Scheme;
 - (q) **(Documents)** consult with BidCo in relation to the content of the documents required for the purpose of the Scheme including originating process, affidavits, submissions and draft minutes of Court orders;
 - (r) **(Shareholder support)** in consultation with BidCo, promote to its shareholders the merits of the Scheme and encourage Legend Shareholders to vote on the Scheme in accordance with the recommendation of the Legend Board, including soliciting proxy votes in favour of the Scheme; and
 - (s) **(Compliance with laws)** do everything reasonably within its power to ensure that all transactions contemplated by this agreement are effected in accordance with all applicable laws and regulations.

7.2 BidCo's obligations

BidCo must take all steps reasonably necessary to assist Legend to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable including, without limitation, taking each of the following steps:

- (a) **(BidCo Information)** provide to Legend, in a form appropriate for inclusion in the Explanatory Booklet, all BidCo Information that is required by all applicable law, the Listing Rules and ASIC Regulatory Guides for inclusion in the Explanatory Booklet, which information must without limiting the above:
 - (i) contain all information necessary to enable Legend to ensure that the Explanatory Booklet complies with the requirements of RG 60;
 - (ii) not be misleading or deceptive in any material respect (whether by omission or otherwise) including in the form and context in which it appears in the Explanatory Booklet; and
 - (iii) be updated by all such further or new material information which may arise after the Explanatory Booklet has been dispatched until the date of the Scheme Meeting

which is necessary to ensure that it is not misleading or deceptive in any material respect (whether by omission or otherwise);

- (b) (**Regulatory notifications**) in relation to the Regulatory Approvals, lodge with any regulatory authority within the relevant time periods all documentation and filings required by law to be so lodged by BidCo in relation to the Proposed Transaction;
- (c) (**Independent Expert**) promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (d) (**review of Explanatory Booklet**) as soon as reasonably practicable after delivery, review the drafts of the Explanatory Booklet prepared by Legend and provide comments on those drafts in good faith;
- (e) (**approval of draft for ASIC**) as soon as reasonably practicable after the preparation of an advanced draft of the Explanatory Booklet suitable for review by ASIC, procure that a meeting of the appropriate representatives of BidCo is held to consider approving those sections of that draft that relate to BidCo as being in a form appropriate for provision to ASIC for review;
- (f) (**approval of Explanatory Booklet**) as soon as reasonably practicable after the conclusion of the review by ASIC of the Explanatory Booklet, procure that a meeting of the appropriate representatives of BidCo is held to consider approving those sections of the Explanatory Booklet that relate to BidCo as being in a form appropriate for dispatch to Legend Shareholders, subject to approval of the Court;
- (g) (**Representation**) procure that, if requested by Legend, BidCo is represented by counsel at the Court hearings convened for the purposes of section 411(4)(b) of the Corporations Act;
- (h) (**Legend Information**) without the prior written consent of Legend, not use Legend Information for any purposes other than those contemplated by this agreement or the Scheme; and
- (i) (**Compliance with laws**) do everything reasonably within its power to ensure that all transactions contemplated by this agreement are effected in accordance with all applicable laws and regulations.

7.3 Explanatory Booklet - preparation principles

- (a) As soon as reasonably practicable after the date of this agreement and substantially in accordance with the Timetable, Legend must prepare the Explanatory Booklet in compliance with:
 - (i) all applicable laws, in particular with the Corporations Act, RG 60 and the Listing Rules; and
 - (ii) this clause 7.3.
- (b) The Explanatory Booklet will include:
 - (i) the terms of the Scheme;
 - (ii) the notice of Scheme Meeting, and any other notice of meeting in respect of any resolution that is necessary, expedient or incidental to give effect to the Scheme, together with a proxy form for the Scheme Meeting and for any ancillary meeting;
 - (iii) the Legend Information;
 - (iv) the BidCo Information;
 - (v) a copy of this agreement (without the schedules or annexures);
 - (vi) a copy of the executed Deed Poll; and
 - (vii) a copy of the Independent's Expert Report.

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- (c) The Explanatory Booklet must include a statement that:
 - (i) other than the BidCo Information and the Independent Expert's Report, the Explanatory Booklet has been prepared by Legend and is the responsibility of Legend, and that BidCo assumes no responsibility for the accuracy or completeness of the Explanatory Booklet (other than BidCo Information); and
 - (ii) the BidCo Information has been provided by BidCo and is the responsibility of BidCo, and Legend assumes no responsibility for the accuracy or completeness of the BidCo Information.
 - (d) Legend must make available to BidCo drafts of the Explanatory Booklet (excluding any part of the draft Independent Expert's Report which contains the Independent Expert's opinion), consult with BidCo in relation to the content of those drafts (other than the BidCo Information), and consider in good faith, for the purpose of amending those drafts, comments from BidCo on those drafts. BidCo acknowledges and agrees that Legend has ultimate discretion with respect to the preparation, form and content of the Explanatory Booklet, other than as provided in this agreement with respect to the BidCo Information.
 - (e) Legend must seek approval from BidCo for the form and context in which the BidCo Information appears in the Explanatory Booklet, which approval BidCo must not unreasonably withhold or delay, and Legend must not lodge the Explanatory Booklet with ASIC until such approval is obtained from BidCo.
 - (f) If Legend and BidCo disagree on the form or content of the Explanatory Booklet, they must consult in good faith to try to settle an agreed form of the Explanatory Booklet. If agreement is not reached after reasonable consultation, then:
 - (i) if the disagreement relates to the form or content of any information appearing in the Explanatory Booklet other than the BidCo Information, the Legend Board will, acting in good faith, decide the final form or content of the disputed part of the Explanatory Booklet; and
 - (ii) if the disagreement relates to the form or content of the BidCo Information, Legend will make such amendments to the form or content of the disputed part of the BidCo Information as BidCo reasonably requires.
 - (g) Legend must take all reasonable steps to ensure that the Explanatory Booklet (other than the BidCo Information) is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date it is dispatched to Legend Shareholders.
 - (h) BidCo must take all reasonable steps to ensure that the BidCo Information is not misleading or deceptive in any material respect (whether by omission or otherwise) as at the date on which the Explanatory Booklet is dispatched to Legend Shareholders.
 - (i) Legend must provide to BidCo all such further or new information of which Legend becomes aware that arises after the Explanatory Booklet has been dispatched until the date of the Scheme Meeting where this is or may be necessary to disclose to Legend Shareholders to ensure that the Explanatory Booklet continues to comply with the Corporations Act, RG 60 and the Listing Rules.
 - (j) BidCo must provide to Legend all such further or new information of which BidCo becomes aware that arises after the Explanatory Booklet has been dispatched until the date of the Scheme Meeting where this is or may be necessary to disclose to Legend Shareholders to ensure that the BidCo Information continues to comply with the Corporations Act, RG 60 and the Listing Rules.
 - (k) Legend and BidCo each agree that the efficient preparation of the Explanatory Booklet and the implementation of the Scheme are in the interests of Legend Shareholders and BidCo and that they will use all reasonable endeavours and utilise all necessary resources (including management resources and the resources of external advisers) to comply with their respective obligations under this clause 7.3 and to implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable.

7.4 Payment of Special Dividend and internal payments

- (a) Subject to clause 7.4(b), BidCo acknowledges and agrees that at any time on or prior to the Implementation Date, Legend may, in its sole discretion, announce, declare and pay the Special Dividend.
- (b) If Legend announces, declares and pays the Special Dividend in accordance with clause 7.4(a):
 - (i) the Special Dividend is to be declared on or prior to the Effective Date, and in any event by no later than the last date permitted by the Listing Rules such that the Dividend Record Date is at least 2 clear days before the Scheme Record Date;
 - (ii) the Special Dividend will be paid only to those Legend Shareholders that are on the Register on the Dividend Record Date;
 - (iii) the payment date for the Special Dividend will be the Implementation Date;
 - (iv) the Special Dividend will be franked to the maximum extent possible, subject to the franking account of Legend not being in deficit after the payment of the Special Dividend (and prior to the declaration of or resolution to pay any Special Dividend);
 - (v) the Special Dividend is to be paid from accumulated profits, retained earnings or distributable reserves (or a combination of all or some of them) of the Legend Group existing immediately prior to the declaration of that dividend;
 - (vi) payment of the Special Dividend must comply with the Corporations Act; and
 - (vii) the Scheme Consideration will be reduced by the amount of the Special Dividend.
- (c) Despite any other provision of this agreement, Legend may make any intra group distributions and payments between wholly-owned members of the Legend Group, in order to be able to declare and pay the Special Dividend in accordance with clause 7.4(a).
- (d) Before declaring the Special Dividend, Legend must provide BidCo with supporting documents evidencing that the franking account of Legend shall not be in deficit at any time after the payment of such and that the Special Dividend does not breach the Benchmark Franking Rule of section 203-25 of the *Income Tax Assessment Act 1997* (Cth).
- (e) The provisions of this clause 7.4 do not prevent the determination or payment of a dividend by Legend if this agreement is terminated.

8. Conduct of business before the Implementation Date

8.1 Conduct of Legend business

- (a) Subject to clause 8.2(a), from the date of this agreement up to and including the Implementation Date, Legend must conduct and must cause each of its Subsidiaries to conduct their businesses in the ordinary and usual course of business and:
 - (i) operate those businesses consistent with past practice, in substantially the same manner as conducted in the 12 month period prior to the date of this agreement and use its reasonable endeavours to operate those businesses generally and materially consistent with the business plan and budget for the Legend Group for the 2019 financial year, disclosed in the Due Diligence Materials;
 - (ii) use reasonable endeavours to:
 - (A) preserve their relationships with customers, suppliers, landlords, licensors, licensees, Government Agencies and others having material business dealings with them, and to retain the services of all key employees;
 - (B) preserve and maintain the value of the businesses and assets of the Legend Group; and

- (C) keep available the services of the directors, officers, contractors and employees of each member of the Legend Group.
- (iii) use reasonable endeavours to ensure that all assets are maintained in the normal course consistent with its practices in the 12 month period prior to the date of this agreement;
 - (iv) without limiting clause 8.1(a), ensure each Legend Group Member collects receivables and pays payables in a manner generally consistent with its practices in the 12 month period prior to the date of this agreement;
 - (v) not enter into any new line of business or new type of activities in which the Legend Group is not engaged as of the date of this agreement;
 - (vi) ensure that Stock is ordered, managed, maintained or otherwise dealt with consistent with the Legend Group's practices in the 12 month period prior to the date of this agreement, except as otherwise Fairly Disclosed in the Due Diligence Materials;
 - (vii) ensure that no material change is made or permitted to be made to the businesses' product prices, promotional activity or terms of supply of any goods or services other than consistent with its practices in the 12 month period prior to the date of this agreement except as otherwise Fairly Disclosed in the Due Diligence Materials;
 - (viii) manage the working capital of the Legend Group in the ordinary course of business and in substantially the same manner as it was prior to the date of this agreement, except as otherwise Fairly Disclosed in the Due Diligence Materials;
 - (ix) use reasonable endeavours to comply in all material respects with all material contracts to which a member of the Legend Group is a party, and with laws, authorisations and licences applicable to each member of the Legend Group;
 - (x) not take or fail to take any action that constitutes a Legend Prescribed Occurrence or that could reasonably be expected to result in a Legend Prescribed Occurrence; and
 - (xi) use its reasonable endeavours to avoid the occurrence of an event within its control or the control of any other Legend Group Member that would constitute or be likely to constitute a Material Adverse Change.
- (b) Without limiting clause 8.1(a) but subject to clause 8.2(a), Legend must not, and must procure that its Subsidiaries do not, from the date of this agreement up to and including the Implementation Date, do any of the following (or agree or offer to do any of the following):
- (i) incur any additional Financial Indebtedness (except for draw-downs on existing banking facilities or utilisation of existing securitisation programs which are Fairly Disclosed in the Due Diligence Materials) or guarantee or indemnify the obligations of any person other than a member of the Legend Group, other than in the usual and ordinary course of business and consistent with its practices in the 12 month period prior to the date of this agreement;
 - (ii) make any change to its constitution;
 - (iii) (except as required by law or as provided in an existing contract in place as at the date of this agreement) enter into or make any material change to the terms of employment of (including increasing the remuneration or compensation of), any person, including an officer, director, executive or other employee, whose total employment cost exceeds \$150,000 (**Key Person**), in each case other than relating to rights or entitlements in effect on the date of this agreement and which are Fairly Disclosed in the Due Diligence Materials;
 - (iv) amend the terms of any option, performance right, incentive or share plan;

- (v) accelerate the rights of any of their employees to compensation or benefits of any kind (including under any option, performance right, incentive or share plan) for, in aggregate, in excess of \$100,000;
- (vi) terminate or encourage the resignation of a Key Person, except in accordance with current personnel practices;
- (vii) pay any of its officers, directors, executives or other employees a bonus, severance, termination or retention payment in excess of \$200,000 (in aggregate), other than pursuant to:
- (A) contractual arrangements in effect on the date of this agreement; or
 - (B) proposed bonus payments for the financial year ending 30 June 2019 consistent with past practice,
- all of which are Fairly Disclosed in the Due Diligence Materials;
- (viii) settle or compromise any dispute, audit or inquiry in relation to tax or duty or amends any tax return, other than in the ordinary course of its business;
- (ix) (except under contractual arrangements in effect on the date of this agreement and which are Fairly Disclosed in the Due Diligence Materials) enter into any enterprise bargaining agreement or similar collective employment agreement;
- (x) in respect of any single transaction or series of related or similar transactions, acquire, lease or dispose of any interest in a business, securities, assets, real property, entity or undertaking, the value of which exceeds \$100,000, individually or \$500,000 when aggregated with all such businesses, securities, assets, real property, entities or undertakings the subject of the transaction or series of related or similar transactions;
- (xi) enter into, amend or terminate any contracts or commitments with an annual value in excess of \$3,000,000 or with a value over the life of the contracts or commitments in excess of \$10,000,000;
- (xii) incur or enter into commitments involving capital expenditure of more than \$500,000 whether in one transaction or a series of related transactions;
- (xiii) write-down any of its material assets other than in accordance with the Accounting Standards and other than usual stock write-downs conducted in the ordinary course of its business;
- (xiv) enter into, vary or terminate any contract, joint venture, partnership or commitment for a duration of over 2 years or involving total expenditure greater than \$1,000,000 per year, individually or when aggregated with all such contracts, joint ventures, partnerships or commitments;
- (xv) create any Security Interest (other than a Permitted Security Interest) over any of its assets securing in excess of \$500,000 (in aggregate);
- (xvi) provide financial accommodation to any person other than to members of the Legend Group (irrespective of what form of Financial Indebtedness that accommodation takes);
- (xvii) enter into any agreement, arrangement or transaction with respect to derivative instruments (including swaps, futures contracts, forward commitments, commodity derivatives or options) or similar instruments other than in the ordinary course of its business;
- (xviii) settle any legal proceedings, disputed claim, investigation, arbitration or other like proceeding where the settlement amount payable by any member of the Legend Group exceeds \$150,000;
- (xix) change any accounting policy applied to a party to report its financial position, other than any change in policy required by a change in accounting standards;

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- (xx) cancel any existing insurance policy in the name of or for the benefit of a Legend Group Member in respect of any material assets or material risks unless a replacement policy (on the same or substantially similar terms) has been put in place;
 - (xxi) vary or terminate or intentionally fail to renew any Material Contract or material Authorisation;
 - (xxii) do anything that would result in a change in the Legend Consolidated Tax Group;
 - (xxiii) amend any arrangements with its advisers, or appoint any new adviser, resulting in an increase in fees payable by the Legend Group to any existing or new adviser of \$100,000 or more (in aggregate), in respect of the Proposed Transaction or a Competing Proposal. For the avoidance of doubt, Legend may make any payment as and when required to be made under an engagement existing at the date of this agreement which are Fairly Disclosed in the Due Diligence Materials in accordance with the terms of that engagement (without amendment); or
 - (xxiv) authorise, commit or agree to do any of the matters set out above.

8.2 Permitted activities

- (a) The obligations of Legend under clause 8.1 do not apply in respect of any matter:
 - (i) required to be done by Legend under, or which is otherwise permitted by, this agreement or the Scheme;
 - (ii) required by law or by an order of a court or Governmental Agency;
 - (iii) required for any Legend Director to comply with his fiduciary or statutory duties, provided that, to the extent possible in the circumstances, Legend first provides BidCo with reasonable details and consults in good faith with BidCo in relation to the act to be done (or not done) in reliance of this clause;
 - (iv) required in order to pay any tax or duty when due;
 - (v) required to obtain insurances for the Legend Group (or any member thereof) or the business conducted by the Legend Group (or any member thereof);
 - (vi) which, in the reasonable opinion of Legend, is a necessary and prudent response to any emergency or disaster (including a situation giving rise to a risk of personal injury or damage to property);
 - (vii) which was Fairly Disclosed in the Due Diligence Materials or in documents that were publicly available in the 24 months prior to the date of this agreement from public filings of Legend with ASX, ASIC or Public Registers; or
 - (viii) the undertaking of which BidCo has approved in writing (which approval must not be unreasonably withheld or delayed).

8.3 Access

- (a) In the period from the date of this agreement to the Implementation Date, and for so long as the Legend Board continues to publicly recommend that Legend Shareholders vote in favour of the Scheme, Legend must:
 - (i) keep BidCo fully informed of all material developments relating to the Legend Group and the conduct of its business;
 - (ii) procure that at least two members of Legend's executive management team meet with representatives of BidCo on a monthly basis to assist with, among other things:
 - (A) keeping BidCo fully informed of the matters contemplated by clause 8.3(a)(i) above; and

- (B) providing BidCo with access to information and people it has requested under clause 8.3(a)(iii) below;
- (iii) within 21 days of the end of each month, provide BidCo with a copy of the management accounts and other reports on the financial affairs of the Legend Group relating to the previous month with such access being provided through the Chief Executive Officer and Chief Financial Officer of Legend;
- (iv) provide a copy of the FY2020 budget for the Legend Group to BidCo before the earlier of:
- (A) 10 Business Days after the date on which the budget is finalised; and
- (B) 31 July 2019,
- with such access being provided through the Chief Executive Officer and Chief Financial Officer of Legend and
- (v) promptly following a reasonable request by BidCo, provide BidCo (and its Authorised Persons) with reasonable access to:
- (A) documents and information relating to the Legend Group; and
- (B) executives and Senior Managers of the Legend Group,
- for the purpose of or in connection with:
- (C) planning the transition of the Legend Group and other matters relating to the conduct of the Legend Group following the Implementation Date; and
- (D) otherwise facilitating the Proposed Transaction.
- (b) Nothing in this clause 8.3 obliges Legend to provide to BidCo or its Authorised Persons any information:
- (i) concerning the Legend Directors' consideration of the Scheme; or
- (ii) which would breach an obligation of confidentiality to any person or any applicable privacy laws.
- (c) Legend will provide reasonable assistance to BidCo for the purpose of satisfying Legend's obligations under this clause 8.3 but nothing in this clause 8.3 requires Legend to provide access to its people or documentation or to take any other action which would involve refreshing or updating the Due Diligence Material or which would result in unreasonable disruption to the usual and ordinary course of Legend's businesses and operations.
- (d) The parties agree and acknowledge that nothing in this clause 8.3 requires Legend to provide any information that is different or in addition to the information Legend provides to its Board and Senior Managers in the usual and ordinary course consistent with past practice.

8.4 Financing arrangements

- (a) Between the date of this agreement and the Implementation Date, Legend must provide assistance requested by BidCo in connection with any repayment of the Legend Group's Financial Indebtedness that BidCo reasonably requires in connection with the Transaction, including:
- (i) liaising with its creditors to obtain information on any of the Legend Group's Financial Indebtedness or Security Interests granted by any of them;
- (ii) providing BidCo with information reasonably requested by BidCo in relation to use of existing cash reserves of the Legend Group for such purpose;
- (iii) issuing repayment notices in relation to the existing Legend Group debt facilities; and

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- (iv) using reasonable endeavours to procure discharge of registrations on the PPS Register from secured parties in relation to any Security Interests granted by a Legend Group Member in favour of that party.
 - (b) Subject to confidentiality arrangements reasonably acceptable to Legend, Legend agrees to provide reasonable assistance in connection with the arrangement or syndication of any debt financings by any member of the BidCo Group (**Transaction Financing**) as may be reasonably requested by BidCo and from time to time, including:
 - (i) furnishing BidCo and the financing sources of BidCo Group within a reasonable timeframe with financial and other pertinent information regarding the Legend Group or an entity in which any member of the Legend Group has an investment, as may be reasonably requested by BidCo;
 - (ii) providing reasonable information in relation to acquisitions proposed to be made by the Legend Group after the date of this agreement;
 - (iii) providing reasonable assistance in facilitating the grant of security over shares and units held by the Legend Group Members in connection with the Transaction Financing; and
 - (iv) providing reasonable information required to complete a reconciliation of financial statements to applicable accounting standards,provided, in each case, that no Legend Group Member will be required to incur any liability in connection with any Transaction Financing (other than remuneration of its employees) prior to implementation of the Scheme that is not reimbursable by BidCo.
 - (c) Nothing in this clause 8.4 will require co-operation to the extent that it would cause any Condition Precedent to not be satisfied or otherwise cause a breach of this agreement.

8.5 Change of control provisions

- (a) As soon as practicable after the date of this agreement, Legend and BidCo must seek to identify any change of control or unilateral termination rights in leases or material contracts to which Legend or another Legend Group Member is party which may be triggered by or exercised in response to the implementation of the Proposed Transaction.
- (b) In respect of those leases and contracts:
 - (i) the parties will agree a proposed course of action and then Legend will initiate contact, including joint discussions if required, with the relevant counterparties and request that they provide any consents or confirmations required or appropriate;
 - (ii) Legend must take all reasonable action necessary to obtain such consents or confirmations as expeditiously as possible, including by promptly providing any information reasonably required by counterparties. Legend must strongly resist any requirements of landlords or contract counterparties that new or increased bank guarantees or security deposits be provided and ensure that no directors or other personal guarantees are offered or agreed to; and
 - (iii) BidCo must cooperate with, and provide all reasonable assistance to, Legend to obtain such consents or confirmations, including by promptly providing any information reasonably required by counterparties.
 - (iv) Despite anything in this agreement, a failure by Legend to obtain any third party change of control consents will not, of itself, constitute:
 - (A) a breach of this agreement by Legend; or
 - (B) a non-satisfaction of any Condition unless the change of control consent is in relation to a Material Contract.

9. Actions on and following Implementation Date

9.1 Reconstitution of the board of each member of the Legend Group

- (a) On the Implementation Date, but subject to the Scheme Consideration having been paid in full by BidCo to Legend and receipt by Legend of signed consents to act, Legend must take all actions necessary (and in accordance with the constitution of the Legend Group member, the Corporations Act and the Listing Rules) to appoint the persons nominated by BidCo as new Legend Directors and new directors of each Subsidiary.
- (b) Without limiting clause 9.1(a), on the Implementation Date, but subject to receipt by Legend of written notices of resignation to the effect that the outgoing directors have no claim outstanding against any member of the Legend Group, Legend must procure that:
 - (i) all outgoing Legend Directors resign from the Legend Board; and
 - (ii) all outgoing directors of each Subsidiary of Legend resign from their office.

9.2 Sequence of actions on the Implementation Date

On the Implementation Date, the transactions which form part of the Scheme will be implemented in the following sequence:

- (a) BidCo will provide the Scheme Consideration to Legend in accordance with the Scheme;
- (b) Legend will disburse the Scheme Consideration to Scheme Shareholders in accordance with the Scheme;
- (c) the Legend Board and the board of each Subsidiary of Legend will be reconstituted in accordance with clause 9.1; and
- (d) BidCo will acquire all of the Scheme Shares in accordance with the Scheme.

10. Representations and warranties

10.1 BidCo representations

- (a) BidCo represents and warrants to Legend (on Legend's own behalf and separately as trustee for each of the other Legend Parties) each of the matters set out in clause 10.1(b) as at the date of this agreement and on each subsequent day until the Delivery Time on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) BidCo represents and warrants that:
 - (i) BidCo is a validly existing corporation registered under the laws of its place of incorporation;
 - (ii) the execution and delivery of this agreement has been properly authorised by all necessary corporate action and BidCo has full corporate power and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;
 - (iii) this agreement constitutes legal, valid and binding obligations on it and this agreement does not result in a breach of or default under any deed or any writ, order or injunction, rule or regulation to which BidCo is a party or is bound;
 - (iv) the BidCo Information provided to Legend in accordance with clause 7.2(a) for inclusion in the Explanatory Booklet will:
 - (A) comply in all material respects with the requirements of the Corporations Act, the Listing Rules and RG 60; and
 - (B) be provided on the understanding that each of the Legend Parties will rely on that information for the purposes of preparing the Explanatory Booklet

and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;

- (v) all information provided by or on behalf of BidCo to the Independent Expert to enable the Independent Expert's Report to be included in the Explanatory Booklet 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 purposes of preparing the Independent Expert's Report;
- (vi) as at the date the Explanatory Booklet is dispatched to Legend Shareholders, the BidCo Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act will not be misleading or deceptive in any material respect (whether by omission or otherwise);
- (vii) BidCo will, as a continuing obligation, provide to Legend all such further or new information which may arise after the Explanatory Booklet has been dispatched until the date of the Scheme Meeting which is necessary to ensure that the BidCo Information, in the form and context in which that information appears in the version of the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act, is not misleading or deceptive in any material respect (whether by omission or otherwise);
- (viii) all factual information BidCo has provided to Legend prior to this agreement is, to the best of BidCo's knowledge, accurate in all material respects and not misleading in any material respect (whether by omission or otherwise), including that there are reasonable grounds for all statements as to future matters and a reasonable basis for all statements of opinion in that information;
- (ix) no BidCo Prescribed Occurrence has occurred;
- (x) the Equity Commitment Letter has been duly executed by the parties to that letter and constitutes legally binding obligations of those parties that is enforceable in accordance with its terms and the Equity Commitment Letter has not been terminated;
- (xi) as a continuing obligation, without the prior written consent of Legend (not to be unreasonably withheld):
 - (A) BidCo will not amend the Equity Commitment Letter in any respect which will, or is reasonably likely to, prejudice BidCo's ability to pay the Scheme Consideration in accordance with this agreement and the Deed Poll; and
 - (B) BidCo will not waive any of its rights under the Equity Commitment Letter in any respect which will, or is reasonably likely to, prejudice BidCo's ability to pay the Scheme Consideration in accordance with this agreement and the Deed Poll;
- (xii) the Debt Commitment Letter has been duly executed by BidCo and constitutes legally valid and binding obligations of BidCo that are enforceable against BidCo in accordance with its terms and the Debt Commitment Letter has not been terminated;
- (xiii) as a continuing obligation, without the prior written consent of Legend (not to be unreasonably withheld):
 - (A) BidCo will not amend the Debt Commitment Letter in any respect which will, or is reasonably likely to, prejudice BidCo's ability to pay the Scheme Consideration in accordance with this agreement and the Deed Poll; and
 - (B) BidCo will not waive any of its rights under the Debt Commitment Letter in any respect which will, or is reasonably likely to, prejudice BidCo's ability to pay the Scheme Consideration in accordance with this agreement and the Deed Poll;

- (xiv) on each date from the date on which the BidCo Facility Agreement is entered into until the Delivery Time on the Implementation Date:
- (A) the BidCo Facility Agreement has been duly executed by BidCo and constitutes legally valid and enforceable obligations on, and rights of, BidCo that are enforceable in accordance with its terms; and
 - (B) without the prior written consent of Legend (not to be unreasonably withheld), BidCo will not amend or agree to amend the BidCo Facility Agreement in any respect which will, or is reasonably likely to, prejudice BidCo's ability to pay the Scheme Consideration in accordance with this agreement and the Deed Poll;
- (xv) as at the date of this agreement BidCo has a reasonable basis to expect that it will, by the Implementation Date, have available to it sufficient cash amounts (whether from internal cash resources or external funding arrangements (including debt and equity financing) or a combination of both) to satisfy BidCo's obligation to pay the Scheme Consideration in accordance with its obligations under this agreement, the Scheme and the Deed Poll;
- (xvi) by the Delivery Time on the Second Court Date, BidCo will have available to it on an unconditional basis (other than conditions relating to the approval of the Court and other conditions within the control of BidCo) sufficient cash amounts (whether from internal cash resources or external funding arrangements including debt and equity financing or a combination of both) to satisfy BidCo's obligation to pay the Scheme Consideration in accordance with its obligations under this agreement, the Scheme and the Deed Poll;
- (xvii) BidCo will have available to it on the Implementation Date sufficient cash amounts (whether from internal cash resources or external funding including debt and equity financing arrangements or a combination of both) to satisfy BidCo's obligation to pay the Scheme Consideration in accordance with its obligations under this agreement, the Scheme and the Deed Poll; and
- (xviii) between the date of this agreement and the Scheme Record Date, BidCo will not, and will procure that each other member of the BidCo Group does not, enter into any arrangement under which it obtains the beneficial interest in any Shares, unless the Shares are registered in the name of BidCo.

10.2 BidCo's indemnity

BidCo agrees with Legend (on Legend's own behalf and separately as trustee or nominee for each of the other Legend Parties) to indemnify and keep indemnified the Legend Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the Legend Parties may suffer or incur by reason of any breach of any of the representations and warranties in clauses 10.1(a) or 10.1(b).

10.3 Legend representations

- (a) Legend represents and warrants to BidCo (on its own behalf and separately as trustee for each of the BidCo Parties) each of the matters set out in clause 10.3(b) as at the date of this agreement and on each subsequent day until on the Second Court Date (except that where any statement is expressed to be made only at a particular date it is given only at that date).
- (b) Legend represents and warrants that:
 - (i) Legend is a validly existing corporation registered under the laws of its place of incorporation;
 - (ii) the execution and delivery of this agreement by Legend has been properly authorised by all necessary corporate action and Legend has full corporate power

and lawful authority to execute and deliver this agreement and to perform or cause to be performed its obligations under this agreement;

- (iii) this agreement constitutes legal, valid and binding obligations on Legend and the execution of this agreement of itself does not result in a breach of or default under:
- (A) any provision of Legend's constitution; or
 - (B) any agreement or deed or any writ, order or injunction, rule or regulation to which Legend or any of its Subsidiaries is a party or to which they are bound,
- and it is not otherwise bound by any agreement that would prevent or restrict it from entering into or performing this agreement;
- (iv) the Legend Information contained in the Explanatory Booklet:
- (A) will comply in all material respects with the requirements of the Corporations Act, Listing Rules and RG 60; and
 - (B) will be prepared and included in the Explanatory Booklet in good faith,
- and all information provided by Legend to the Independent Expert will be provided in good faith and on the understanding that the Independent Expert will rely on that information for the purpose of preparing the Independent Expert's Report;
- (v) as at the date the Explanatory Booklet is dispatched to Legend Shareholders, the Explanatory Booklet registered by ASIC under section 412(6) of the Corporations Act (excluding the BidCo Information and the Independent Expert's Report) will not be misleading or deceptive in any material respect (with any statement of belief or opinion having been formed on a reasonable basis), whether by omission or otherwise;
- (vi) as at the date of this agreement, Legend is not in breach of its continuous disclosure obligations under the Listing Rules and is not relying on the exclusion in Listing Rule 3.1A to withhold any information from disclosure (other than in relation to the Proposed Transaction or as disclosed in writing to BidCo on or before the date of this agreement);
- (vii) as at the date of this agreement, the total issued capital of Legend is:
- (A) 216,723,693 Shares; and
 - (B) 1,350,000 Performance Rights
- and there are no other Legend options, performance rights, shares, convertible notes, warrants or other securities which may convert into Legend Shares (or offers or agreements to issue any of the foregoing) and no person has any right to call for the issue or grant of, any Legend Shares, options, warrants, performance rights or other securities or instruments in Legend;
- (viii) no Insolvency Event has occurred in relation to it or another Legend Group Member, nor, as far as Legend is aware, has any regulatory action of any nature been taken that would prevent or restrict its ability to fulfil its obligations under this agreement;
- (ix) no member of the Legend Group has incurred any Financial Indebtedness (other than Permitted Indebtedness);
- (x) there are no Security Interests (other than a Permitted Security Interest) over any asset or securities of a member of the Legend Group;
- (xi) as far as Legend is aware, each member of the Legend Group has complied in all material respects with all Australian and foreign laws and regulations applicable to them and orders of Australian and foreign Government Agencies having jurisdiction over them and have all material Authorisations necessary for them to conduct the

business of the Legend Group as presently being conducted, other than where the failure to comply with such laws and regulations or to hold such Authorisations, could not be reasonably expected to have a material adverse effect on the financial and operational performance or reputation of the Legend Group;

- (xii) Legend' financial statements as disclosed to ASX have been prepared in accordance with the accounting standards on a basis consistent with past practice financial statements and, as far as Legend is aware, there has not been any event, change, effect or development which would require Legend to restate its financial statements as disclosed to ASX;
- (xiii) the Legend Group owns, or has the right to use, all of the assets that are material for the conduct of the business of the Legend Group, and will continue to do so upon and immediately following the Implementation Date;
- (xiv) no litigation, prosecution, arbitration, mediation, or other proceedings relating to the Legend Group and which is material to the business of the Legend Group is current or, as far as Legend is aware, pending or threatened or might reasonably be expected to arise as a result of current circumstances;
- (xv) during the 5 year period prior to the date of this agreement, no member of the Legend Group nor, to the Legend Group's knowledge, any of the officers, directors, employees, agents, intermediaries, representatives, suppliers or joint venture partners of any member of the Legend Group has, directly or indirectly, in connection with the business of the Legend Group:
 - (A) requested, received, made, offered, authorised, solicited or promised to make or offer any unlawful payment, loan or transfer of anything of value or advantage to or for the benefit of or from any person, including any government official, candidate for public office, political party or political campaign;
 - (B) requested, received, paid, offered or promised to make or offer any bribe, payoff, influence payment, kickback, unlawful rebate, or other similar unlawful payment of any nature;
 - (C) requested, received, made, offered or promised to make or offer any unlawful contributions (including political or charitable contributions), gifts, entertainment or other unlawful expenditures;
 - (D) established or maintained any unlawful fund of corporate monies or other properties;
 - (E) created or caused the creation of any false or inaccurate books and records of any member of the Legend Group related to any of the foregoing; or
 - (F) have sold or purchased goods or services from, or otherwise engaged in any such transaction with, any person in Cuba, Iran, North Korea, Syria, Sudan or the Crimea Region of Ukraine and no such sales, purchases or other transactions are pending or have any outstanding obligations involving any person in Cuba, Iran, North Korea, Syria, Sudan or the Crimea Region of Ukraine;
- (xvi) during the five year period prior to the date of this agreement, no current or former director or officer of any member of the Legend Group is or was a Sanctioned Person and, so far as Legend is aware, no member of the Legend Group or any of their respective current or former employees or their respective intermediaries is or was a Sanctioned Person;
- (xvii) the Due Diligence Materials adequately and completely describe all:
 - (A) arrangements for the award of any payments, bonus, incentive or severance pay to senior management of the Legend Group;

- (B) fees payable to all third party advisers in connection with the Transaction; and
- (C) other agreements or arrangements entered into by any member of the Legend Group pursuant to which consideration becomes payable to any person in connection with the Transaction.

- (xviii) the Due Diligence Materials have been collated and disclosed in good faith for the purposes of a due diligence process and in this context and, so far as the Legend Board and the Senior Managers of Legend are aware after due enquiry, the Due Diligence Materials are materially true, complete and accurate and not misleading or deceptive in any material respect, including by omission; and
- (xix) as far as Legend is aware, it has disclosed all material information relating to the Legend Group or its respective businesses or operations as at the date of this agreement, which could reasonably be expected to be material for a reasonable and sophisticated buyer to make an informed assessment of:
 - (A) Legend's material agreements and their respective change of control or termination provisions which would be enlivened by implementation of the Proposed Transaction; and
 - (B) material disputes between Legend and a third party (including a Government Agency).

10.4 Legend's indemnity

Legend agrees with BidCo (on BidCo's own behalf and separately as trustee for each of the BidCo Parties) to indemnify and keep indemnified the BidCo Parties from and against all claims, actions, proceedings, liabilities, obligations, damages, loss, harm, charges, costs, expenses, duties and other outgoings of whatever nature and however arising which any of the BidCo Parties may suffer or incur by reason of any breach of any of the representations and warranties in clauses 10.3(a) or 10.3(b).

10.5 Qualifications on Legend's representations, warranties and indemnities

The representations and warranties in clause 10.3 and the indemnity in clause 10.4 are each subject to matters that have been Fairly Disclosed in:

- (a) the Due Diligence Materials; and
- (b) Legend's announcements to ASX, or a publicly available document lodged with ASIC, in the 24 month period prior to the date of this agreement.

10.6 Notifications

Each party will promptly advise the other in writing if it becomes aware of any fact, matter or circumstance which constitutes or may constitute a breach of any of the representations or warranties given by it under this clause 10.

10.7 Survival of representations

Each representation and warranty in clauses 10.1 and 10.3:

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

10.8 Survival of indemnities

Each indemnity in this agreement (including those in clauses 10.2 and 10.4) will:

- (a) be severable;
- (b) be a continuing obligation;
- (c) constitute a separate and independent obligation of the party giving the indemnity from any other obligations of that party under this agreement; and
- (d) survive the termination of this agreement.

11. Releases

11.1 Legend Parties

- (a) Without limiting BidCo's rights under clause 10, BidCo (for itself and as agent of every member of the BidCo Group) releases all rights against and agrees with Legend that it will not make a Claim against, any Legend Party (other than Legend) in connection with:
 - (i) Legend's execution or delivery of this agreement;
 - (ii) any breach of any representation or warranty of Legend in this agreement;
 - (iii) the implementation of the Scheme; or
 - (iv) any disclosure made by any Legend Party including in the Due Diligence Material that contains any statement which is false or misleading whether in content or by omission,

except to the extent the relevant Legend Party has not acted in good faith or has engaged in wilful misconduct or fraud.
- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. Legend receives and holds the benefit of this clause as trustee for each other Legend Party.

11.2 BidCo Parties

- (a) Without limiting Legend's rights under clause 10, Legend releases its rights against, and agrees with BidCo that it will not make a Claim against any BidCo Party (other than BidCo) in connection with:
 - (i) BidCo' execution or delivery of this agreement;
 - (ii) any breach of any representation or warranty of BidCo in this agreement;
 - (iii) the implementation of the Scheme; or
 - (iv) any disclosure made by any BidCo Party that contains any statement which is false or misleading whether in content or by omission,

except to the extent that the relevant BidCo Party has not acted in good faith or has engaged in wilful misconduct or fraud.
- (b) This clause is subject to any Corporations Act restriction and will (if and to the extent required) be read down accordingly. BidCo receives and holds the benefit of this clause as trustee for each other BidCo Party.

11.3 Deeds of indemnity

- (a) Subject to the Scheme becoming Effective, BidCo undertakes in favour of Legend and each other person who is a Legend Party that it will:
 - (i) subject to clause 11.3(d), for 7 years from the Implementation Date, ensure that the constitutions of Legend and each other member of the Legend Group continue to

contain such rules as are contained in those constitutions at the date of this agreement that provide for each company to indemnify each of its directors and officers against any liability incurred by that person in his capacity as a director or officer of the company to any person other than a member of the Legend Group; and

- (ii) procure that Legend and each other member of the Legend Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time.
- (b) The undertakings contained in clause 11.3(a) are subject to any Corporations Act restriction, or any restriction in the law of a jurisdiction in which an entity is incorporated, and will be read down accordingly.
- (c) Legend receives and holds for the benefit of clause 11.3(a), to the extent it relates to the other Legend Parties, as trustee for them.
- (d) The undertakings contained in clause 11.3(a) are given:
 - (i) in the case of clause 11.3(a)(i), until the earlier of 7 years from the Implementation Date or the relevant member of the Legend Group ceasing to be part of the BidCo Group; or
 - (ii) in the case of clause 11.3(a)(ii), until the earlier of 7 years from the retirement of each director and officer or the relevant member of the Legend Group ceasing to be part of the BidCo Group.

11.4 Obligations in relation to directors' and officers' insurance

From the Implementation Date, Legend must not:

- (a) vary or cancel the directors' and officers' insurance policy for Legend and all other members of the Legend Group (**Policy**); or
- (b) unless required under the Policy, commit any act or omission that may prejudice any claim by a director or officer of Legend under the Policy .

12. Confidentiality and Public Announcement

12.1 Confidentiality

Each party agrees and acknowledges that it is bound by the terms of the Confidentiality Agreement save that the terms of this agreement will prevail over the Confidentiality Agreement to the extent of any inconsistency.

12.2 Statements on termination

The parties must use all reasonable endeavours to issue agreed statements in respect of any termination of this agreement and, to that end but without limitation, clause 6.3(b) applies to any such statements or disclosures.

13. Termination

13.1 Termination by notice

- (a) BidCo or Legend may, by notice in writing to the other, terminate this agreement:
 - (i) at any time prior to the Delivery Time on the Second Court Date:
 - (A) if the other is in material breach of any of its obligations under this agreement (other than the breaching of a party's respective representations and warranties which are regulated by clause 13.2) and the other party has failed to remedy that breach within 10 Business Days

(or the Delivery Time on the Second Court Date if earlier) of receipt by it of a notice in writing from the terminating party setting out details of the relevant circumstance and requesting the other party to remedy the breach;

- (B) if the Court refuses to make any order directing Legend to convene the Scheme Meeting, provided that both Legend and BidCo have met and consulted in good faith and agreed that they do not wish to proceed with the Scheme; or
 - (C) if the Effective Date for the Scheme has not occurred on or before the End Date; or
- (ii) in accordance with clause 3.7.
- (b) Legend may, by notice in writing to BidCo, terminate this agreement at any time prior to the Delivery Time on the Second Court Date if at any time before then each of that number of Legend Directors as constitutes a majority of the Legend Board changes, withdraws or modifies his Recommendation as permitted by clause 6.1(b).
 - (c) BidCo may, by notice in writing to Legend, terminate this agreement at any time prior to the Delivery Time on the Second Court Date if at any time before then any Legend Director:
 - (i) fails to recommend the Scheme;
 - (ii) withdraws, adversely revises or adversely modifies their recommendation of the Proposed Transaction; or
 - (iii) makes a public statement indicating that they no longer recommend the Transaction or recommends, endorses or supports a Competing Proposal.

13.2 Termination for breach of representations and warranties

- (a) BidCo may, by notice in writing to Legend, terminate this agreement at any time prior to the Delivery Time on the Second Court Date if:
 - (i) Legend is in material breach of a Legend Warranty; or
 - (ii) Legend is in breach of the Legend Warranty in clause 10.3(b)(vii),
and Legend has failed to remedy that breach within 10 Business Days (or the Delivery Time on the Second Court Date if earlier) of receipt by it of a notice in writing from BidCo setting out details of the relevant circumstance and requesting Legend to remedy the breach.
- (b) Legend may, by notice in writing to BidCo, terminate this agreement at any time prior to the Delivery Time on the Second Court Date if BidCo is in material breach of a BidCo Warranty (and any breach of clauses 10.1(b)(xvi) and 10.1(b)(xvii) (inclusive) will be deemed to be a material breach) and BidCo has failed to remedy that breach within 10 Business Days (or the Delivery Time on the Second Court Date if earlier) of receipt by it of a notice in writing from Legend setting out details of the relevant circumstance and requesting BidCo to remedy the breach.

13.3 Effect of termination

- (a) In the event of termination of this agreement under clause 3.7, 13.1 or 13.2, this agreement will become void and have no effect, except that the provisions of clauses 10.7, 10.8, 13, 14, 15 and 19.3 to 19.15 (inclusive) survive termination.
- (b) Termination of this agreement does not affect any accrued rights of a party in respect of a breach of this agreement prior to termination.

14. Legend Break Fee

14.1 Background

- (a) Legend and BidCo acknowledge that, if they enter into this agreement and the Scheme is subsequently not implemented, BidCo will incur significant costs including those described in clause 14.2.
- (b) In the circumstances referred to in clause 14.1(a), BidCo has requested that provision be made for the payments outlined in clause 14.3, without which BidCo would not have entered into this agreement.
- (c) The Legend Board believes that the Scheme will provide benefit to Legend and Legend Shareholders and that it is appropriate for Legend to agree to the payments referred to in this clause 14 in order to secure BidCo's participation in the Proposed Transaction.

14.2 Costs incurred by BidCo

- (a) The fee payable under clause 14.3 has been calculated to reimburse BidCo for the following:
 - (i) fees for legal, taxation and financial advice in planning and implementing the Proposed Transaction;
 - (ii) reasonable opportunity costs incurred in engaging in the Proposed Transaction or in not engaging in other alternative acquisitions or strategic initiatives;
 - (iii) costs of management and directors' time in planning and implementing the Proposed Transaction;
 - (iv) out of pocket expenses incurred in planning and implementing the Proposed Transaction;
 - (v) costs associated with the financing arrangements in respect of the Proposed Transaction; and
 - (vi) any damage to Adamantem's reputation associated with a failed transaction and the implications of those damages if Adamantem seeks to execute alternative acquisitions in the future,in each case, incurred by BidCo directly or indirectly as a result of having entered into this agreement and pursuing the Proposed Transaction.
- (b) The parties acknowledge that:
 - (i) the amount of fees, costs and losses referred to in this clause 14.2 is inherently unascertainable and that, even after termination of this agreement, the costs will not be able to be accurately ascertained; and
 - (ii) the amount of the costs payable under clause 14.3 is a genuine and reasonable pre-estimate of those fees, costs and losses.

14.3 Payment by Legend to BidCo

- (a) Legend agrees to pay to BidCo \$1,030,000 (exclusive of GST) (**Legend Break Fee**) in any of the following circumstances:
- (i) **(Competing Proposal)** both of the following occur:
 - (A) a Competing Proposal is publicly announced during the period commencing on the date of this agreement and ending on the End Date; and
 - (B) within 9 months from the date of the public announcement of such Competing Proposal:
 - (I) the Competing Proposal is implemented or completed substantially on the terms described in the public announcement; or
 - (II) without limiting clause 14.3(a)(i)(B)(I), the proponent of that Competing Proposal acquires a relevant interest in at least 50% of the Shares and the Competing Proposal is (or becomes) free of any defeating condition; or
 - (ii) **(Change of Recommendation)** At any time prior to the Second Court Date, any Legend Director:
 - (A) withdraws or adversely modifies their recommendation of the Proposed Transaction or recommends or supports a Competing Proposal;
 - (B) does not recommend in the Announcement or Explanatory Booklet that Legend Shareholders approve the Scheme; or
 - (C) makes any public statement to the effect that the Scheme is not, or is no longer, recommended,except where that act is:
 - (D) as a result of the Independent Expert opining that the Scheme is not in the best interest of Legend Shareholders (other than where the reason for that opinion is a Superior Proposal);
 - (E) as a result of a failure of a condition precedent in clause 3, other than as result of a failure of a condition precedent in clauses 3.1(b) (No Legend Prescribed Occurrences), 3.1(d) (Legend Warranties), 3.1(g) (Legend Performance Rights), 3.1(i) (No Material Adverse Change), or 3.1(j) (Third party Consents); or
 - (iii) **(Material breach or Breach of Legend Warranty)** BidCo terminates this agreement in accordance with clauses 13.1(a)(i)(A) or 13.2(a).
- (b) Legend must pay BidCo the Legend Break Fee within 10 Business Days of receipt by Legend of a demand for payment from BidCo made after the occurrence of the event referred to in clause 14.3.
- (c) The Legend Break Fee is not payable merely because the resolution submitted to the Scheme Meeting in respect of the Scheme is not approved by the majorities required under section 411(4)(a)(ii) of the Corporations Act.
- (d) The Legend Break Fee is not payable by Legend if Legend validly terminates this agreement in accordance with clause 13.1(a)(i)(A).
- (e) The Legend Break Fee is only payable once and the maximum amount payable by Legend under this clause 14.3 is \$1,030,000 (exclusive of GST).

- (f) Where the Legend Break Fee becomes payable to BidCo under this clause 14.3 and is actually paid to BidCo, BidCo (for itself and as agent of every member of the BidCo Group):
- (i) releases all rights against and agrees with Legend that BidCo will not make a Claim against any Legend Party (other than a claim under this clause 14.3) in connection with:
 - (A) the event that gave rise to the right to demand the payment of the Legend Break Fee; nor
 - (B) any other event, matter or circumstance that may give rise to a separate right to the Legend Break Fee or that constitutes or may constitute a breach of this agreement; and
 - (ii) indemnifies any Legend Party against a Claim that is made contrary to the release under clause 14.3(f)(i),
with the effect that the payment of the Legend Break Fee represents the sole and exclusive remedy of any BidCo Group Member.
- (g) Notwithstanding any other provision of this agreement but subject to clause 17:
- (i) the maximum liability of Legend to BidCo under or in connection with this agreement including in respect of any breach of this agreement will be the Legend Break Fee; and
 - (ii) a payment by Legend in accordance with this clause 14.3 represents the sole and absolute liability of Legend under or in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by Legend in connection with this agreement.
- (h) The Legend Break Fee is not payable where Legend has become entitled to the BidCo Break Fee.
- (i) The Legend Break Fee is not payable if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 14.3.

15. BidCo Break Fee

15.1 BidCo Break Fee

- (a) BidCo agrees to pay to Legend \$1,030,000 (exclusive of GST) (**BidCo Break Fee**) if:
- (i) Legend terminates this agreement in accordance with clauses 13.1(a)(i)(A) or 13.2(b); or
 - (ii) BidCo does not pay the Scheme Consideration in accordance with the terms and conditions of this agreement and the Deed Poll.
- (b) BidCo must pay Legend the BidCo Break Fee within 10 Business Days of receipt by BidCo of a demand for payment from Legend made after the occurrence of the event referred to in clause 15.1(a).
- (c) The BidCo Break Fee is only payable once and the maximum amount payable by BidCo under clause 15.1(a) is \$1,030,000 (exclusive of GST).
- (d) The BidCo Break Fee is not payable by BidCo if BidCo validly terminates this agreement in accordance with clause 13.1(a)(i)(A).
- (e) Where the BidCo Break Fee becomes payable to Legend under this clause 15.1 and is actually paid to Legend, Legend (for itself and as agent of every member of the Legend Group):

- (i) releases all rights against and agrees with BidCo that Legend will not make a Claim against any BidCo Party (other than a claim under this clause 15.1) in connection with:
- (A) the event that gave rise to the right to demand the payment of the BidCo Break Fee; nor
 - (B) any other event, matter or circumstance that may give rise to a separate right to the BidCo Break Fee or that constitutes or may constitute a breach of this agreement; and
- (ii) indemnifies any BidCo Party against a Claim that is made contrary to the release under clause 15.1(e)(i),

with the effect that the payment of the BidCo Break Fee represents the sole and exclusive remedy of any Legend Group Member.

- (f) Notwithstanding any other provision of this agreement but subject to clause 17:
- (i) the maximum liability of BidCo to Legend under or in connection with this agreement including in respect of any breach of this agreement will be the BidCo Break Fee; and
 - (ii) a payment by BidCo in accordance with this clause 15.1 represents the sole and absolute liability of BidCo under or in connection with this agreement and no further damages, fees, expenses or reimbursements of any kind will be payable by BidCo in connection with this agreement.
- (g) The BidCo Break Fee is not payable where BidCo has become entitled to the Legend Break Fee.
- (h) The BidCo Break Fee is not payable if the Scheme becomes Effective, notwithstanding the occurrence of any event in clause 15.1.

16. Exclusivity

16.1 No shop restriction

During the Exclusivity Period, except with the prior written consent of BidCo, Legend must not, and must ensure that none of its Related Bodies Corporate nor any of their Authorised Persons, directly or indirectly:

- (a) solicit, invite, encourage, continue or initiate any Competing Proposal or any enquiries, negotiations or discussions with any third party in relation to, or that may reasonably be expected to lead to, an actual, proposed or potential Competing Proposal or which may otherwise lead to the Transaction not being completed;
- (b) solicit, invite, encourage or initiate approaches, enquiries, discussions or proposals with a view to obtaining any offer, proposal or expression of interest from any person in relation to, or which may reasonably be expected to lead to, an actual, proposed or potential Competing Transaction,

or communicate any intention to do any of those things.

16.2 No talk restriction

Subject to clause 16.4, during the Exclusivity Period, Legend must not, and must ensure that none of its Related Bodies Corporate nor any of their Authorised Persons (whether directly or indirectly):

- (a) negotiate or enter into or participate in or continue any negotiations or discussions with any person; or
- (b) communicate any intention to do any of these things,

in relation to, or that may reasonably be expected to lead to, an actual or potential Competing Proposal or any agreement, understanding or arrangement that may be reasonably expected to encourage or lead to a Competing Proposal or which may otherwise lead to the Transaction not being completed, even if:

- (c) the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Legend or any of its Related Bodies Corporate; or
- (d) that person has publicly announced the Competing Proposal.

16.3 No due diligence

- (a) During the Exclusivity Period, except with the prior written consent of BidCo, Legend must not, and must ensure that its Related Bodies Corporate and their respective Authorised Persons do not, directly or indirectly:
 - (i) solicit, invite, initiate, or encourage, or (subject to clause 16.4) facilitate or permit, any person (other than BidCo) to undertake due diligence investigations in respect of Legend, its Related Bodies Corporate, or any of their businesses and operations, in connection with or with a view to obtaining or which would reasonably be expected to lead to such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal; or
 - (ii) subject to clause 16.4, make available to any person (other than BidCo) or permit any such person to receive any non-public information relating to Legend, its Related Bodies Corporate, or any of their businesses and operations, in connection with or with a view to obtaining or which would reasonably be expected to lead to such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.
- (b) If Legend proposes that any non-public information be provided to a third party, then:
 - (i) before Legend provides such information, the third party must enter into a confidentiality agreement which contains obligations on the recipient of that information which are no less onerous in any material respect than the obligations of BidCo and Legend under the Confidentiality Agreement; and
 - (ii) any non-public information provided to that third party must also be provided to BidCo (unless the information has already been provided to BidCo or an Authorised Person).

16.4 Exceptions

Clauses 16.2 and 16.3 do not apply to the extent that it restricts Legend or the Legend Board from taking or refusing to take any action with respect to a genuine Competing Proposal (in relation to which there has been no contravention of this clause 16) provided that:

- (a) the Competing Proposal is bona fide and is made by or on behalf of a person that the Legend Board considers is of sufficient commercial standing; and
- (b) the Legend Board, acting in good faith, determines:
 - (i) where there is a written Competing Proposal, after consultation with its financial advisors, that the Competing Proposal is a Superior Proposal or the steps which the Legend Board proposes to take may reasonably be expected to lead to a Competing Proposal which is a Superior Proposal; and
 - (ii) after receiving written legal advice from Legend's external legal advisers experienced in transactions of this nature, that failing to respond to the Competing Proposal may constitute a breach of its fiduciary or statutory duties.

16.5 Legend warranty and undertakings

- (a) Legend warrants as at the date of this agreement:
 - (i) that it has, and its Authorised Persons have, ceased any existing discussions or negotiations with any party which may reasonably be expected to lead to a Competing Proposal; and
 - (ii) that it has requested the return of Legend's confidential information in accordance with the terms of any relevant confidentiality agreement from all third parties conducting due diligence investigations on the Legend Group prior to the date of this agreement.
- (b) During the Exclusivity Period, Legend must:
 - (i) enforce all its rights under each confidentiality agreement entered into in connection with a Competing Proposal (before the date of this agreement), including any standstill obligations and its rights to require the return of confidential information as referred to in clause 16.5(a)(ii);
 - (ii) as soon as reasonably practicable, ensure that the electronic data room access granted to any third party prior to the date of this agreement in connection with a Competing Proposal is withdrawn; and
 - (iii) not grant any waivers or agree to any amendments under any confidentiality agreements entered into in connection with a Competing Proposal (before the date of this agreement).

16.6 Notice of Competing Proposal

- (a) During the Exclusivity Period, Legend must promptly (and in any event, within 24 hours) notify BidCo in writing of:
 - (i) any approach, inquiry or proposal made by any person to Legend, any of its Related Bodies Corporate or any of their respective Authorised Persons, to initiate any discussions or negotiations that concern, or that could reasonably be expected to lead to, an actual, proposed or potential Competing Proposal; and
 - (ii) any request made by any person to Legend, any of its Related Bodies Corporate or any of their respective Authorised Persons, for any information relating to Legend, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of a Competing Proposal,
(Competing Proposal Notice).
- (b) A Competing Proposal Notice 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 or proposal to initiate discussions or negotiations referred to in clause 16.6(a)(i) or who made the relevant request for information referred to in clause 16.6(a)(ii); and
 - (ii) the material terms and conditions (including price, conditions precedent, timetable and any break fee) of any Competing Proposal or any proposed Competing Proposal (to the extent known).
- (c) If Legend gives BidCo a Competing Proposal Notice, BidCo agrees that the notice will be Confidential Information of Legend (as defined in the Confidentiality Agreement).
- (d) During the Exclusivity Period, Legend must also notify BidCo in writing as soon as possible after becoming aware of any material developments in relation to any actual, proposed or potential Competing Proposal, including in respect of any of the information previously notified to Bidder under this clause 16.6.

16.7 Legend's response to Competing Proposal and BidCo's right to respond

(a) If Legend receives a Competing Proposal and as a result, any Legend Director proposes to either:

- (i) change, withdraw or modify his recommendation of the Scheme; or
- (ii) approve or recommend entry into any agreement, commitment, arrangement or understanding relating to the Competing Proposal with the person who has made the applicable Competing Proposal (**Rival Acquirer**) (other than an Acceptable Confidentiality Agreement),

Legend must ensure that no Legend Director does so:

- (iii) unless the Competing Proposal is bona fide and constitutes a Superior Proposal; and
 - (iv) until each of the following has occurred:
 - (A) Legend has given BidCo written notice (**Relevant Notice**) of the Legend Director's proposal to take the action referred to in clauses 16.7(a)(i) or 16.7(a)(ii) (subject to BidCo's rights under clause 16.7(b)), including details of the grounds on which the Legend Directors propose to take such action;
 - (B) Legend has given BidCo all information that would be required by clause 16.6(b); and
 - (C) either:
 - (I) BidCo has not announced or provided to Legend a Counter Proposal before the Cut Off Date; or
 - (II) BidCo has announced or provided to Legend a Counter Proposal before the Cut Off Date and the Legend Board has determined, in good faith, that the Counter Proposal would not provide an equivalent or superior outcome to Legend shareholders as a whole compared with the Competing Proposal and BidCo has been given an opportunity to amend the Counter Proposal in accordance with clause 16.7(e).
- (b) If Legend gives a Relevant Notice to BidCo under clause 16.7(a)(iv)(A), BidCo will have the right, but not the obligation, at any time during the 5 Business Days following the receipt of the Relevant Notice (**Cut Off Date**), to amend the terms of the Proposed Transaction including increasing the amount of consideration offered under the Proposed Transaction or proposing another form of transaction (each a **Counter Proposal**), and if it does so then the Legend Directors must review the Counter Proposal and determine whether, in good faith, the Counter Proposal would provide an equivalent or superior outcome to Legend shareholders as a whole compared with the Competing Proposal.
- (c) Legend must procure that the Legend Board promptly, and in any event within 2 Business Days, notifies BidCo of the determination in writing, stating reasons for that determination.
- (d) If the Legend Directors determine in good faith that the Counter Proposal would provide an equivalent or superior outcome to Legend Shareholders as a whole compared with the Competing Proposal, then Legend and BidCo must use their best endeavours to agree the amendments to this agreement that are reasonably necessary to reflect the Counter Proposal, and to enter into an amended agreement to give effect to those amendments and to implement the Counter Proposal, and Legend must use its best endeavours to procure that the Legend Directors recommend the Counter Proposal to the Shareholders and not recommend the applicable Competing Proposal.
- (e) If the determination is that the Counter Proposal would not provide an equivalent or superior outcome to Legend shareholders as a whole compared with the Competing Proposal, then BidCo may take steps to amend the Counter Proposal to address the

reasons given within a further period of 2 Business Days. If BidCo does so to Legend's satisfaction, then the process in clause 16.7(d) applies to that amended Counter Proposal.

- (f) For the purposes of this clause 16.7, each successive material modification of any third party expression of interest, offer or proposal in relation to a Competing Proposal will constitute a new Competing Proposal.

17. Modification of Legend Break Fee, BidCo Break Fee or exclusivity arrangements

17.1 Modifications following regulatory intervention

If any of the following occurs:

- (a) a Governmental Agency finds that all or any part of the payment required to be made under clauses 14 or 15 or an exclusivity arrangement under clause 16 is unacceptable or unenforceable; or
- (b) as a result of an application to the Takeovers Panel, the Takeovers Panel indicates that, in the absence of a written undertaking under section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) to modify the amount of the Legend Break Fee or the BidCo Break Fee or the circumstances in which it is to be paid or the circumstances in relation to an exclusivity arrangement under clause 16, it will make a declaration of unacceptable circumstances,

then, subject to clause 17.3:

- (c) the parties must amend clause 14, 15 and/or 16 to the extent required to give effect to the requirements of the Governmental Agency or the Takeovers Panel (as the case may be) and (in circumstances referred to in clause 17.1(b)) must give the required undertaking(s); and
- (d) neither the occurrence of any of the events referred to in clauses 17.1(a) or 17.1(b) nor the amendment of clause 14, 15 and/or 16 will be taken to be a breach of, or permit any party to terminate, this agreement.

17.2 Conduct during proceedings

- (a) During the course of any Takeovers Panel or court proceedings (including any appeal or review thereof) referred to in clause 17.1, the parties must take all reasonable steps to ensure that any such declaration or determination has the minimum effect possible.
- (b) The parties must not make or cause or permit to be made any application to a court of the Takeovers Panel for or in relation to a determination referred to in clause 17.1.

17.3 No requirement to act unless decision final

The parties are only required to take steps under 17.1(c) in relation to any requirement of a Governmental Agency or the Takeovers Panel if:

- (a) no appeal or review proceeding is available from the decision to impose that requirement or the period for lodging an appeal or commencing review proceedings has expired without an appeal having been lodged or review proceedings commenced; or
- (b) BidCo and Legend agree in writing not to appeal or seek review of the decision to impose that requirement.

17.4 Appeals and review of regulatory decisions

Nothing in this agreement requires either party to appeal or seek review of any decision of a Governmental Agency or the Takeovers Panel referred to in clauses 17.1(a) or 17.1(b). If either BidCo and Legend wishes to appeal or seek review of any such decision then the other must

make submissions in the course of those proceedings supporting the review made by the first party.

17.5 Determination by Governmental Agency

If a Governmental Agency determines that payment of all or any part of the Legend Break Fee or BidCo Break Fee is unacceptable, unlawful or involves a breach of the fiduciary or statutory duties of the members of the Legend Board (**Impugned Amount**) and either no appeal from that determination is available or the period for lodging an appeal has expired without having an appeal having been lodged then:

- (a) the obligation of Legend to pay the Legend Break Fee does not apply to the extent of the Impugned Amount;
- (b) the obligation of BidCo to pay the BidCo Break Fee does not apply to the extent of the Impugned Amount; and
- (c) if either party has received any part of the Impugned Amount, it must refund it within 5 Business Days after that determination is made or the period for lodging has expired, whichever is later.

18. Notices

Any communication under or in connection with this agreement:

- (a) must be in writing;
- (b) must be sent to the address for service of the addressee specified in the Details;
- (c) must be signed by the party making the communication or by a person duly authorised by that party;
- (d) must be delivered or posted by prepaid post to the address, or sent by email to the email address, of the addressee, in accordance with the Details; and
- (e) will be deemed to be received by the addressee:
 - (i) **(in the case of prepaid post)** on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting to an address outside Australia;
 - (ii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in the Details, unless that delivery is not made on a Business Day, or after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day; and
 - (iii) **(in the case of email)** immediately after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

19. General

19.1 Further acts

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

19.2 Timetable

The parties agree that the Timetable is indicative only and is not binding on the parties.

19.3 Payments

Unless otherwise provided in this agreement, where an amount is required to be paid to a party (**Receiving Party**) by another party under this agreement, that amount shall be paid:

- (a) in immediately available and irrevocable funds by electronic transfer to a bank account or accounts notified by the Receiving Party in writing on or before the due date for payment, or in other such immediately payable funds as the parties may agree; and
- (b) without deduction, withholding or set-off.

19.4 Interest

- (a) If a party fails to pay any amount payable under this agreement on the due date for payment, that party must pay interest on the amount unpaid at the higher of the Interest Rate plus 3% per annum or the rate (if any) fixed or payable under any judgment or other thing into which the liability to pay the amount becomes merged.
- (b) The interest payable under clause 19.4(a):
 - (i) accrues from day to day from and including the due date for payment up to the actual date of payment, before and, as an additional and independent obligation, after any judgment or other thing into which the liability to pay the amount becomes merged; and
 - (ii) may be capitalised by the person to whom it is payable at monthly intervals.

19.5 GST

- (a) Any reference in this clause 19.5 to a term defined or used in the *A New Tax System (Goods and Services Tax) Act 1999* is, unless the context indicates otherwise, a reference to that term as defined or used in that Act.
- (b) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (c) To the extent that any supply made by a party (**Supplier**) to another party (**Recipient**) under or in connection with this agreement is a taxable supply, the Recipient must pay to the Supplier, in addition to the consideration to be provided under this agreement but for the application of this clause 19.5(c) for that supply (**GST Exclusive Consideration**), an amount equal to the amount of the GST Exclusive Consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of the supply. This clause 19.5(c) does not apply to any taxable supply under or in connection with this agreement that is stated to include GST.
- (d) The amount on account of GST payable in accordance with this clause 19.5 will be paid at the same time and in the same manner as the consideration otherwise payable for the supply is provided.
- (e) Any reference in the calculation of any consideration or of any indemnity, reimbursement or similar amount to a cost, expense or liability incurred by a person (**Relevant Expense**) is a reference to the relevant expense reduced by an amount equal to any input tax credit entitlement of that person (or of the representative member of any GST group to which the person belongs) in relation to the Relevant Expense. A party will be assumed to have an entitlement to a full input tax credit unless it demonstrates otherwise prior to the date on which the relevant payment or consideration must be provided.

19.6 Stamp duty

BidCo must pay all stamp duties (if any) and any fines and penalties with respect to stamp duty in respect of this agreement or the Scheme or the steps to be taken under this agreement or the Scheme (including without limitation the acquisition or transfer of Scheme Shares under the Scheme).

19.7 Expenses

Except as otherwise provided in this agreement, each party will pay its own costs and expenses in connection with the negotiation, preparation, execution, and performance of this agreement and the Explanatory Booklet and the proposed, attempted or actual implementation of this agreement and the Scheme.

19.8 Amendments

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

19.9 Assignment

- (a) Subject to clause 19.9(b) below, a party cannot assign, novate or otherwise transfer any of its rights or obligations under this agreement without the prior written consent of each other party, which consent that other party may give or withhold in its absolute discretion.
- (b) BidCo may assign, grant a Security Interest over, novate or otherwise transfer by way of security, any of its rights or obligations under this deed to a financier or financiers (or a security agent or security trustee thereof) without the prior written consent of Legend solely for the purpose of obtaining finance or providing security in connection with the Scheme.

19.10 Waiver

- (a) Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this agreement by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other right, power or remedy provided by law or under this agreement.
- (b) Any waiver or consent given by any party under this agreement will only be effective and binding on that party if it is given or confirmed in writing by that party.
- (c) No waiver of a breach of any term of this agreement will operate as a waiver of another breach of that term or of a breach of any other term of this agreement.
- (d) Nothing in this agreement obliges a party to exercise a right to waive any conditional term of this agreement that may be in its power.

19.11 Counterparts

- (a) This agreement may be executed in any number of counterparts and by the parties on separate counterparts. Each counterpart constitutes the agreement of each party who has executed and delivered that counterpart. Each counterpart is an original but the counterparts together are one and the same agreement.
- (b) This agreement is binding on the parties on the exchange of duly executed counterparts.
- (c) The parties agree that a copy of an original executed counterpart sent by email to the other party, instead of the original, is sufficient evidence of the execution of the original and may be produced in evidence for all purposes in place of the original.

19.12 Entire agreement

- (a) This agreement:
 - (i) embodies the entire understanding of the parties and constitutes the entire terms agreed on between the parties; and
 - (ii) supersedes any prior agreement (whether or not in writing) between the parties.
- (b) Despite clause 19.12(a), the Confidentiality Agreement continues to apply to the parties in accordance with its terms, except to the extent of any express inconsistency, in which case this agreement prevails.

19.13 No representation or reliance

- (a) Each party acknowledges that no party (nor any person acting on its behalf) has made any representation or other inducement to it to enter into this agreement, except for representations or inducements set out in this agreement.
- (b) Each party acknowledges and confirms that it does not enter into this agreement in reliance on any representation or other inducement by or on behalf of any other party, except for any representation or inducement set out in this agreement.

19.14 No merger

The rights and obligations of the parties will not merge on completion of any transaction under this agreement. They will survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction.

19.15 Governing law

- (a) This agreement is governed by and will be construed according to the laws of Victoria.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria and of the courts competent to determine appeals from those courts.

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Schedule 1 - Indicative timetable

Event	Date
Lodge Explanatory Booklet with ASIC for review and comment	18 June 2019
First Court Date	5 July 2019
Explanatory Booklet registered with ASIC	5 July 2019
Dispatch Explanatory Booklet to Legend Shareholders	10 July 2019
Scheme Meeting	12 August 2019
Second Court Date	16 August 2019
Effective Date – lodge office copy of Court order approving the Scheme with ASIC	16 August 2019
Dividend Record Date	20 August 2019
Scheme Record Date	23 August 2019
Implementation Date: Dispatch cheques or electronically transfer funds to participants in the Scheme. Reconstitute boards of each Legend Group company	30 August 2019

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Schedule 2 - Scheme

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Scheme of Arrangement

—
Legend Corporation Limited ACN 102 631 087
Scheme Shareholders
—

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Scheme of Arrangement

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Details

This scheme of arrangement is made under section 411 of the *Corporations Act 2001* (Cth)

Between the parties

Legend Corporation Limited ACN 102 631 087 of 1 Butler Drive, Hendon, South Australia 5014
and

Each Scheme Shareholder

1. Definitions and interpretation

1.1 Defined terms

In this Scheme, unless the context requires otherwise:

Adamantem means Adamantem Capital Fund 1 GP, LP as general partner for Adamantem Capital Fund 1 L.P., One Funds Management Limited as trustee for Adamantem Capital Fund 1 Trust 1B, One Funds Management Limited as trustee for Adamantem Capital Fund 1 Trust 1D, One Investment Management Pty Limited as trustee for Adamantem Capital Fund 1 Trust 1E and Columbus Investment Services Ltd as trustee for Adamantem Capital Co-Investment Trust.

ASIC means the Australian Securities and Investments Commission.

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

BidCo means Greenland BidCo Pty Ltd.

BidCo Group means BidCo and each of its Related Bodies Corporate (excluding, at any time, Legend and its Subsidiaries to the extent that Legend and its Subsidiaries are Subsidiaries of BidCo at that time). A reference to a member of **BidCo Group** or a **BidCo Group Member** is a reference to BidCo or any such Related Bodies Corporate.

Business Day means a day that is not a Saturday, Sunday or a public holiday or bank holiday in Melbourne, Australia.

CHESS means the clearing house electronic subregister system of share transfers operated by ASX Settlement Pty Limited ABN 49 008 504 532.

CHESS Holding has the meaning given in the Settlement Rules.

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

Court means the Supreme Court of Victoria or any other court of competent jurisdiction under the Corporation Act agreed in writing between Legend and BidCo.

Deed Poll means the deed poll dated [*] 2019 executed by BidCo under which BidCo covenants in favour of the Scheme Shareholders to perform the actions attributed to BidCo under this Scheme.

Delivery Time means, in relation to the Second Court Date, 2 hours before the commencement of the hearing (or if the commencement of the hearing is adjourned, the commencement of the adjourned hearing), of the Court to approve this Scheme in accordance with section 411(4)(b) of the Corporations Act.

Effective means the coming into effect, under 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.

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

End Date means the 'End Date' determined in accordance with the Scheme Implementation Agreement.

Implementation Date means the later of:

- (a) the seventh Business Day following the Scheme Record Date; and
- (b) the fifteenth Business Day following the date of the Scheme Meeting,

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or such other Business Day as agreed between Legend and BidCo, following the Scheme Record Date.

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

Legend means Legend Holdings Limited ABN 84 057 274 049 of Level 10, 71 Queens Road, Melbourne VIC 3004.

Legend Registry means Security Transfer Australia Pty Ltd ACN 008 894 488 of 770 Canning Highway, Applecross WA 6153 or any replacement provider of share registry services to Legend.

Legend Shareholder means a person who is registered in the register maintained by Legend under section 168(1) of the Corporations Act as a holder of one or more Shares.

Performance Right means a right granted to acquire by way of issue a Share.

Registered Address means, in relation to a Legend Shareholder, the address shown in the Share Register as at the Scheme Record Date.

Regulatory Authority means:

- (a) any government or governmental, semi-governmental, administrative, monetary, fiscal or judicial body, tribunal, agency or entity;
- (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; or
- (c) any regulatory organisation established under statute,

in Australia whether federal, state, territorial or local

Related Body Corporate of a person, means:

- (a) a related body corporate of that person under section 50 of the Corporations Act and includes any body corporate that would be a related body corporate if section 48(2) of the Corporations Act was omitted; and
- (b) in respect of BidCo, includes any fund, limited partnership or other collective investment vehicle which is managed or controlled by Adamantem (or its general partner) or a related body corporate (as referred to paragraph (a) above) of Adamantem.

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act between Legend and the Scheme Shareholders, subject to any alterations or conditions that are:

- (a) agreed to in writing by Legend and BidCo, and approved by the Court; or
- (b) made or required by the Court under section 411(6) of the Corporations Act and agreed to by Legend and BidCo.

Scheme Consideration means, in respect of each Scheme Share held by a Scheme Shareholder, \$0.365 cash (as reduced by the amount of any Special Dividend).

Scheme Implementation Agreement means the scheme implementation agreement dated [*] 2019 between Legend and BidCo.

Scheme Meeting means the meeting of Legend Shareholders ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Record Date means 7.00pm on the fourth Business Day (or such other Business Day as agreed between Legend and BidCo, following the Effective Date.

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

Scheme Shareholder means a person who holds one or more Scheme Shares.

Second Court Date means the first day on which an application made to the Court for an order under 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.

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Share means an issued fully paid ordinary share in the capital of Legend.

Share Register means the register of members of Legend maintained in accordance with the Corporations Act.

Special Dividend means a cash only dividend of up to \$0.07 per Share, to be paid by Legend (in its absolute discretion) in accordance with the Scheme Implementation Agreement, between the date of the Scheme Implementation Agreement and the Implementation Date.

Settlement Rules means the ASX Settlement Operating Rules.

Subsidiary has the meaning given to that term in section 46 of the Corporations Act.

Trust Account means an Australian dollar denominated trust account operated by Legend as trustee for the benefit of Scheme Shareholders.

1.2 Interpretation

Headings are for convenience only and do not affect interpretation. The following rules apply unless the context requires otherwise.

- (a) The singular includes the plural, and the converse also applies.
- (b) A gender includes all genders.
- (c) If a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (d) A reference to a person, corporation, trust, partnership, unincorporated body or other entity includes any of them.
- (e) A reference to a clause or schedule is a reference to a clause of or schedule to this Scheme.
- (f) A reference to an **agreement** or **document** (including a reference to this Scheme) is to the agreement or document as amended, supplemented, novated or replaced, except to the extent prohibited by this Scheme or that other agreement or document, and includes the recitals, schedules and annexures to that agreement or document.
- (g) A reference to a party to this Scheme or an agreement or document includes the party's successors, permitted substitutes and permitted assigns (and, where applicable, the party's legal personal representatives).
- (h) A reference to legislation or to a provision of legislation includes a modification or re-enactment of it, a legislative provision substituted for it and a regulation or statutory instrument issued under it.
- (i) A reference to conduct includes an omission, statement or undertaking, whether or not in writing.
- (j) A reference to an agreement includes any undertaking, deed, agreement and legally enforceable arrangement, whether or not in writing, and a reference to a document includes an agreement (as so defined) in writing and any certificate, notice, instrument and document of any kind.
- (k) A reference to **dollars** and **\$** is to Australian currency.
- (l) All references to time are to Melbourne, Australia time.
- (m) Mentioning anything after *includes*, *including*, *for example*, or similar expressions, does not limit what else might be included.
- (n) A reference to, an officer or subsidiary is to that term as it is defined in the Corporations Act.

1.3 Business Day

Where the day on or by which any act, matter or thing under this Scheme is to be done is not a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.4 Listing requirements included as law

A listing rule or operating rule of a financial market and a Market Integrity Rule will be regarded as

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a law, and a reference to such a rule is to be taken to be subject to any waiver or exemption granted to the compliance of those rules by a party.

2. Preliminary

2.1 Legend

- (a) Legend is a public company limited by shares, registered in Victoria and admitted to the official list of ASX.
- (b) The Shares are officially quoted on ASX. As at the date of the Scheme Implementation Agreement:
 - (i) 216,723,693 Shares were on issue which are officially quoted on ASX; and
 - (ii) 1,350,000 Performance Rights were on issue which are not quoted on any financial market.

2.2 BidCo

- (a) BidCo is a proprietary company limited by shares registered in Victoria, Australia on 9 May 2019.
- (b) BidCo is ultimately controlled by Adamantem and has been established by Adamantem to act as the acquiring entity of the Shares if the Scheme becomes Effective.
- (c) From the date of its incorporation to the date of the Scheme Implementation Agreement, BidCo has not conducted any business and holds no material assets.

2.3 General

- (a) Legend and BidCo have agreed by executing the Scheme Implementation Agreement to proposed this Scheme and, it is becomes Effective, implement it.
- (b) This Scheme attributes actions to BidCo but does not itself impose an obligation on it to perform those actions, as BidCo is not a party to this Scheme. BidCo has agreed, by executing the Deed Poll, to perform the actions attributed to it under this Scheme, including the provision of the Scheme Consideration to the Scheme Shareholders.

2.4 Consequence of this Scheme becoming Effective

If this Scheme becomes Effective:

- (a) BidCo will provide or procure the provision of the Scheme Consideration to Scheme Shareholders in accordance with this Scheme; and
- (b) all the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to BidCo, and Legend will enter BidCo in the Share Register as the holder of the Scheme Shares with the result that Legend will become a wholly owned subsidiary of BidCo.

3. Conditions

3.1 Conditions precedent

- (a) This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:
 - (i) all the conditions precedent in clause 3.1 of the Scheme Implementation Agreement (other than the condition in clause 3.1(h) of the Scheme Implementation Agreement (Court approval)) having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by no later than the Delivery Time on the Second Court Date;

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- (ii) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms as at the Delivery Time on the Second Court Date;
 - (iii) approval of this Scheme by the Court under section 411(4)(b) of the Corporations Act, including with any alterations made or required by the Court under section 411(6) of the Corporations Act as are agreed to in writing by Legend and BidCo;
 - (iv) any other conditions imposed by the Court under section 411(6) of the Corporations Act, as are acceptable to Legend and BidCo, having been satisfied or waived; and
 - (v) the orders of the Court made under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving this Scheme coming into effect, pursuant to section 411(10) of the Corporations Act, on or before the End Date (or any later date Legend and BidCo agree in writing).
- (b) The satisfaction of the conditions referred to in clause 3.1(a) of this document is a condition precedent to the operation of clauses 4 and 5.

4. Implementation

4.1 Lodgement of Court orders

Legend must lodge with ASIC office copies of any Court orders under section 411(4)(b) (and if applicable section 411(6)) of the Corporations Act approving this Scheme as soon as reasonably practicable after the Court approves the Scheme and in any event no later than by 5.00pm on the first Business Day after the Court approves this Scheme.

4.2 Transfer of Scheme Shares

On the Implementation Date:

- (a) subject to BidCo depositing (or procuring the deposit of) the Scheme Consideration in the manner contemplated by clause 5.2(a), the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares at the Implementation Date, will be transferred to BidCo, without the need for any further act by any Scheme Shareholder (other than acts performed by Legend or its officers as agent and attorney of the Scheme Shareholders under clause 8.6 or otherwise), by:
 - (i) Legend delivering to BidCo a duly completed and executed share transfer form to transfer all the Scheme Shares to BidCo, executed on behalf of the Scheme Shareholders by Legend; and
 - (ii) BidCo duly executing that transfer form and delivering it to Legend for registration; and
- (b) immediately after receipt of the transfer form in accordance with clause 4.2(a)(ii), Legend must enter, or procure the entry of, the name of BidCo in the Share Register in respect of the Scheme Shares transferred to BidCo in accordance with this Scheme.

5. Scheme Consideration

5.1 Amount of Scheme Consideration

Each Scheme Shareholder is entitled to receive the Scheme Consideration.

5.2 Payment of Scheme Consideration

- (a) BidCo must, by no later than the Business Day before the Implementation Date, deposit (or procure the deposit of) in cleared funds into the Trust Account an amount equal to the aggregate amount of the total Scheme Consideration payable to all Scheme Shareholders, that amount to be held by Legend on trust for the Scheme Shareholders

and for the purpose of sending the aggregate Scheme Consideration to the Scheme Shareholders (except that any interest on the amount will be for the account of BidCo).

- (b) On the Implementation Date and subject to funds having been deposited in accordance with clause 5.2(a), Legend must pay or procure the payment of the Scheme Consideration to each Scheme Shareholder from the Trust Account by doing any of the following at its election:
- (i) sending (or procuring the Legend Registry to send) it to the Scheme Shareholder's Registered Address by cheque in Australian currency drawn out of the Trust Account; or
 - (ii) depositing (or procuring the Legend Registry to deposit) it into an account with any Australian ADI (as defined in the Corporations Act) notified to Legend (or the Legend Registry) by an appropriate authority from the Scheme Shareholders.
- (c) To the extent that, following satisfaction of Legend's obligations under clause 5.2(b), there is a surplus in the amount held in the Trust Account, that surplus may be paid by Legend to BidCo.

5.3 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be sent under this Scheme will be made payable to the joint holders and sent at the sole discretion of Legend, either to the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders; and
- (b) any other document required to be sent under this Scheme, will be forwarded, at the sole discretion of Legend, either to the holder whose name appears first in the Share Register as at the Scheme Record Date or to the joint holders.

5.4 Foreign resident capital gains withholding

- (a) If BidCo determines that it must pay an amount to the Commissioner of Taxation (**Commissioner**) under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth) (**TAA**) with respect to the acquisition of the Scheme Shares from a Scheme Shareholder, BidCo will, for any such Scheme Shareholder:
 - (i) determine the amount to be paid to the Commissioner (**Payment Amount**);
 - (ii) remit the Payment Amount to the Commissioner within the time required under the TAA; and
 - (iii) pay an amount equal to the Scheme Consideration less the Payment Amount to the Scheme Shareholder.
- (b) BidCo will, for the purposes of the Deed Poll, this Scheme and the Scheme Implementation Agreement, be deemed to have satisfied its obligations to pay the Scheme Consideration to a Scheme Shareholder if the amount paid to the Scheme Shareholder is the amount of the Scheme Consideration that would have otherwise been payable to the Scheme Shareholder pursuant to the Scheme, less the Payment Amount for that Scheme Shareholder.

5.5 Fractional entitlements

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

5.6 Unclaimed monies

- (a) Legend may cancel a cheque sent under this clause 5 if the cheque:
 - (i) is returned to Legend; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.

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- (b) During 11 months commencing on the Implementation Date, on request in writing from a Scheme Shareholder to Legend (or the Legend Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Legend must reissue a cheque that was previously cancelled under clause 5.6(a).
- (c) The Unclaimed Moneys Act 2008 (Vic) will apply in relation to any Scheme Consideration which becomes *unclaimed money* (as defined in section 3 of the Unclaimed Moneys Act 2008 (Vic)).
- (d) Any interest or other benefit accruing from unclaimed Scheme Consideration will be to the benefit of BidCo.

5.7 Order of a court or Regulatory Authority

If:

- (a) written notice is given to Legend (or the Legend Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder by Legend in accordance with this clause 5, then Legend may procure that payment is made in accordance with that order or direction; or
- (b) written notice is given to Legend (or the Legend Registry) of an order or direction made by a court of competent jurisdiction or by another Regulatory Authority that prevents Legend from making a payment to any particular Scheme Shareholder in accordance with clause 5.2(b), or that payment is otherwise prohibited by applicable law, Legend may retain an amount equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Scheme Consideration until the time that the payment in accordance with this clause 5 is permitted by that order or direction or otherwise by law,

and the payment or retention by Legend (or the Legend Registry) will constitute the full discharge of Legend's obligations under clause 5.2(b) with respect of the amount so paid or retained until, in the case of clause 5.7(b), it is no longer required to be retained.

5.8 Definition of *sending*

For the purposes of clause 5, the expression *sending* means, in relation to each Scheme Shareholder:

- (a) sending by ordinary pre paid post or courier to the Registered Address of that Scheme Shareholder as at the Scheme Record Date; or
- (b) delivery to the Registered Address of that Scheme Shareholder as at the Scheme Record Date by any other means at no cost to the recipient.

6. Dealings in Shares

6.1 Determination of Scheme Shareholders

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

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Share Register as the holder of the relevant Shares on or before 7.00pm on the Scheme Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in respect of those dealings are received on or before 5.00pm on the day that is the Scheme Record Date at the place where the Share Register is kept,

and Legend will not accept for registration, nor recognise for any purpose (except a transfer to BidCo under this Scheme and any subsequent transfer by BidCo or its successors in title), any transfer or other request received after those times, or received prior to those times but not in registrable or actionable form, as appropriate.

6.2 Register

- (a) **(Registration of transfers)** Legend must register registrable transmission applications or transfers of the kind referred to in clause 6.1(b) before the Scheme Record Date (provided that for the avoidance of doubt nothing in this clause 6.2 requires Legend to register a transfer that would result in a Legend Shareholder holding a parcel of Shares that is less than a 'marketable parcel' (as defined in the Settlement Rules).
- (b) **(No registration after Scheme Record Date)** Legend will not accept for registration or recognise for any purpose any transfer in respect of Shares received after 5.00pm on the Scheme Record Date, other than to BidCo in accordance with this Scheme and any subsequent transfer by BidCo or its successors in title.
- (c) **(Maintenance of Share Register)** For the purpose of determining entitlements to the Scheme Consideration, Legend must maintain the Share Register in accordance with the provisions of this clause until the Scheme Consideration has been delivered to the Scheme Shareholders. The Share Register in this form will solely determine entitlements to the Scheme Consideration.
- (d) **(No disposal after Scheme Record Date)** From the Scheme Record Date until registration of BidCo in respect of all Scheme Shares under clause 4, no Legend Shareholder may dispose or otherwise deal with Shares in any way except as set out in this Scheme and any attempt to do so will have no effect and Legend shall be entitled to disregard any disposal or dealing of this nature.
- (e) **(Statements of holding from Scheme Record Date)** All statements of holding for Shares (other than statements of holding in favour of BidCo) will cease to have effect from the Scheme Record Date as documents of title in respect of those shares. As from the Scheme Record Date, each entry current at that date on the Share Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Shares relating to that entry.
- (f) **(Provision of Scheme Shareholder details)** As soon as practicable on or after the Scheme Record Date and in any event within one Business Day after the Scheme Record Date, Legend will ensure that details of the names, Registered Addresses and holdings of Shares for each Scheme Shareholder are available to BidCo in the form BidCo reasonably requires.

7. Suspension and delisting

- (a) Legend will apply to ASX to suspend trading on the ASX in Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by BidCo, and to take effect only after the transfer of the Scheme Shares has been registered in accordance with clause 4.2(b), Legend will apply:
- (i) for termination of the official quotation of Shares on ASX; and
 - (ii) to have itself removed from the official list of ASX.

8. General Scheme provisions

8.1 Consent to amendments to this Scheme

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

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

8.2 Binding effect of Scheme

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

8.3 Scheme Shareholders' agreements and acknowledgment

Each Scheme Shareholder:

- (a) agrees to the transfer of their Shares together with all rights and entitlements attaching to those Shares in accordance with this Scheme;
- (b) who holds their Shares in a CHESS Holding agrees to the conversion of those Shares to an Issuer Sponsored Holding and irrevocably authorises Legend to do anything necessary or expedient (whether required by the Settlement Rules or otherwise) to effect or facilitate such conversion;
- (c) agrees to any variation, cancellation or modification of the rights attached to their Shares constituted by or resulting from this Scheme;
- (d) agrees on the direction of BidCo, to destroy any holding statements or share certificates relating to their Shares; and
- (e) acknowledges and agrees that this Scheme binds Legend and all Scheme Shareholders (including those who did not attend the Scheme Meeting or did not vote at that meeting or voted against this Scheme at that Scheme Meeting).

8.4 Warranties by Scheme Shareholders

- (a) Each Scheme Shareholder is deemed to have warranted to Legend, in its own right and for the benefit of BidCo, that as at the Implementation Date:
 - (i) all of its Shares which are transferred to BidCo under this Scheme, including any rights and entitlements attaching to those Shares, will, at the time of transfer, be free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any *security interests* within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (ii) all of its Shares which are transferred to BidCo under this Scheme will, on the date on which they are transferred to BidCo, be fully paid;
 - (iii) it has full power and capacity to transfer its Shares to BidCo together with any rights attaching to those shares; and
 - (iv) it has no existing right to be issued any Shares, options, Performance Rights, or any other Legend securities, other than, in the case of any Scheme Shareholder who is also the holder of Performance Rights, the right to be issued Shares on the exercise of those Performance Rights before the Scheme Record Date in accordance with their terms.
- (b) Legend undertakes that it will provide the warranties in clause 8.4(a) to BidCo as agent and attorney of each Scheme Shareholder.

8.5 Title to and rights in Scheme Shares

- (a) To the extent permitted by law, the Scheme Shares (including any right and entitlements attaching to the Scheme Shares) transferred under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances, pledges, security interests (including any *security interests* within the meaning of section 12 of the *Personal Property Securities Act 2009* (Cth)) and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind.
- (b) On and from the Implementation Date, subject to BidCo depositing (or procuring the deposit of) the Scheme Consideration in the manner contemplated by clause 5.2(a), BidCo will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by Legend of BidCo in the Share Register as the holder of the Scheme Shares.

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8.6 Authority given to Legend

- (a) Scheme Shareholders will be deemed to have authorised Legend to do and execute all acts, matters, things and documents on the part of each Scheme Shareholder necessary for or incidental to the implementation of this Scheme, including executing, as agent and attorney of each Scheme Shareholder, a share transfer or transfers in relation to Scheme Shares as contemplated by clause 4.2.
- (b) Each Scheme Shareholder, without the need for any further act, irrevocably appoints Legend and each of its directors, secretaries and officers (jointly and severally) as its attorney and agent for the purpose of executing any document necessary to give effect to this Scheme including, a proper instrument of transfer of its Scheme Shares for the purposes of section 1071B of the Corporations Act which may be a master transfer of all the Scheme Shares and Legend accepts such appointment.

8.7 Appointment of sole proxy

Immediately after BidCo depositing (or procuring the deposit of) the Scheme Consideration in the manner contemplated by clause 5.2(a) until Legend registers BidCo as the holder of all Shares in the Share Register, each Scheme Shareholder:

- (a) is deemed to have irrevocably appointed BidCo as its attorney and agent (and directed BidCo in that capacity) to appoint an officer or agent nominated by BidCo as its sole proxy and, where applicable, corporate representative to attend shareholders' meetings of Legend, exercise the votes attaching to the Scheme Shares registered in its name and sign any shareholders' resolution;
- (b) undertakes not to otherwise attend shareholders' meetings, exercise the votes attaching to Scheme Shares registered in their names or sign or vote on any resolutions (whether in person, by proxy or by corporate representative) other than as under clause 8.7(a);
- (c) must take all other actions in the capacity of a registered holder of Scheme Shares as BidCo reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 8.7(a), BidCo and any officer or agent nominated by BidCo under clause 8.7(a) may act in the best interests of BidCo as the intended registered holder of the Scheme Shares.

8.8 Instructions and elections

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 Shareholder to Legend binding or deemed binding between the Scheme Shareholder and Legend relating to Legend or Shares (including any email addresses, instructions relating to communications from Legend, whether dividends are to be paid by cheque or into a specific bank account, notices of meetings or other communications from Legend) will be deemed from the Implementation Date (except to the extent determined otherwise by BidCo in its sole discretion), by reason of this Scheme, to be made by the Scheme Shareholder to BidCo until that instruction, notification or election is revoked or amended in writing addressed to BidCo at its registry.

9. General

9.1 Stamp duty

BidCo must pay all stamp duty payable in connection with the transfer of the Scheme Shares to BidCo.

9.2 Notices

- (a) If a notice, transfer, transmission application, direction or other communication referred to in this document is sent by post to Legend, 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 Legend's registered office or at the office of the Legend Registry.

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- (b) The accidental omission to give notice of the Scheme Meeting or the non receipt of a notice by any Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

9.3 Further assurances

- (a) Legend must do anything necessary (including executing agreements and documents) or incidental to give full effect to this Scheme and the transactions contemplated by it.
- (b) Each Scheme Shareholder consents to Legend doing all things necessary or incidental to give full effect to this Scheme and the transactions contemplated by it.

9.4 No liability when acting in good faith

Each Scheme Shareholder agrees that neither Legend or BidCo nor any director, officer, secretary or employee of any of those companies shall be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

9.5 Governing law and jurisdiction

- (a) This Scheme is governed by the laws of Victoria.
- (b) The parties irrevocably submit to the non exclusive jurisdiction of courts exercising jurisdiction in Victoria and courts of appeal from them in respect of any proceedings arising out of or in connection with this Scheme.

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Schedule 3 – Deed Poll

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Deed Poll

—
Greenland BidCo Pty Ltd (**BidCo**)
—

Deed Poll

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Details

Date

Parties

Name	Greenland BidCo Pty Ltd ACN 633 363 096
Short form name	BidCo
Notice details	Level 27, Chifley Tower, 2 Chifley Square, Sydney, New South Wales 2000 Email: andrew.bullock@adamantem.com.au Attention: Andrew Bullock

Background

- A On [*] 2019, Legend and BidCo entered into the Scheme Implementation Agreement to provide for (among other matters) the implementation of the Scheme.
- B The effect of the Scheme will be to transfer all Scheme Shares to BidCo in return for the Scheme Consideration.
- C BidCo enters this deed poll to covenant in favour of Scheme Shareholders to:
 - (i) perform the actions attributed to it under the Scheme; and
 - (ii) provide the Scheme Consideration in accordance with the Scheme.

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Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this document:

Scheme Implementation Agreement means the Scheme Implementation Agreement dated [*] 2019 between Legend and BidCo.

Legend means Legend Corporation Limited ACN 102 631 087 of 1 Butler Drive, Hendon, South Australia 5014 as trustee for the Scheme Shareholders.

Trust Account has the meaning given in the Scheme.

1.2 Terms defined in Scheme Implementation Agreement

Words and phrases defined in the Scheme Implementation Agreement have the same meaning in this deed poll unless the context requires otherwise.

1.3 Incorporation by reference

The provisions of clauses 1.2, 1.3 and 1.4 of the Scheme Implementation Agreement form part of this deed poll as if set out at length in this deed poll but with *deed poll* substituted for *agreement* and with any reference to *party* being taken to include the Scheme Shareholders.

2. Nature of this deed poll

BidCo agrees that this deed poll may be relied on and enforced by any Scheme Shareholder in accordance with its terms even though the Scheme Shareholders are not a party to it.

3. Conditions

3.1 Conditions

The obligations of BidCo under this deed poll are subject to the Scheme becoming Effective.

3.2 Termination

This deed poll and the obligations of BidCo will automatically terminate and this deed poll will be of no further force or effect if:

- (a) the Scheme Implementation Agreement is terminated in accordance with its terms before the Scheme becomes Effective; or
- (b) the Scheme is not Effective on or before the End Date or any later date as the Court, with the consent of Legend and BidCo, may order,

unless BidCo and Legend otherwise agree in writing.

3.3 Consequences of termination

If this deed poll terminates under clause 3.2, in addition and without prejudice to any other rights, powers or remedies available to them:

- (a) BidCo is released from its respective obligation to further perform this deed poll; and
- (b) each Scheme Shareholder retains the rights they have against BidCo in respect of any breach of this deed poll which occurred before it terminated.

4. Performance of obligations

4.1 Generally

Subject to clause 3, BidCo covenants in favour of Scheme Shareholders to perform the actions attributed to it under the Scheme and otherwise comply with the Scheme as if BidCo was a party to the Scheme.

4.2 Provision of Scheme Consideration

- (a) Subject to clause 3, BidCo covenants in favour of each Scheme Shareholder to provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme.
- (b) The obligation of BidCo under clause 4.2(a) will be satisfied if, in respect of the Scheme Consideration, BidCo deposits, no later than the Business Day before the Implementation Date, an amount equal to the aggregate of the Scheme Consideration payable to Scheme Shareholders in cleared funds to the Trust Account, in accordance with, and subject to, the provisions of the Scheme.

5. Warranties

BidCo represents and warrants to each Scheme Shareholder that:

- (a) (**status**) it is a corporation duly incorporated and validly existing under the laws of the place of its incorporation;
- (b) (**power**) it has the power to enter into and perform its obligations under this deed poll and to carry out the transactions contemplated by this deed poll;
- (c) (**corporate authorisations**) it has taken all necessary corporate action to authorise the entry into and performance of this deed poll and to carry out the transactions contemplated by this deed poll;
- (d) (**documents binding**) this deed poll is valid and binding on it and enforceable against it in accordance with its terms;
- (e) (**transactions permitted**) the execution and performance by it of this deed poll and each transaction contemplated by this deed poll did not and will not violate in any respect a provision of:
 - (i) a law or treaty or a judgment, ruling, order or decree of a Governmental Agency binding on it;
 - (ii) its constitution or other constituent documents; or
 - (iii) any other document which is binding on it or its assets; and
- (f) (**solvency**) it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up, deregistration or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

6. Continuing Obligations

6.1 Deed poll irrevocable

This deed poll is irrevocable and, subject to clause 3, remains in full force and effect until the earlier of:

- (a) BidCo having fully performed its obligations under this deed poll; or
- (b) termination of this deed poll under clause 3.2.

6.2 Variation

A provision of this deed poll may not be varied unless:

- (a) before the Second Court Date, the variation is agreed to in writing by Legend (which agreement may be given or withheld without reference to or approval by any Legend Shareholder); or
- (b) on or after the Second Court Date, the variation is agreed to in writing by Legend and is approved by the Court (which agreement may be given or withheld without reference to or approval by any Legend Shareholder),

in which event BidCo will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

7. Notices

Any notice, demand or other communication (a **Notice**) to BidCo in respect of this deed poll:

- (a) must be in writing and signed by the sender or a person duly authorised by it;
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the email address specified in the Details; and
- (c) will be conclusively taken to be duly given or made:
 - (i) **(in the case of post)** on the third Business Day after the date of posting to an address within Australia, and on the fifth Business Day after the date of posting (if posted to an address outside Australia);
 - (ii) **(in the case of delivery by hand)** on delivery at the address of the addressee as provided in the Details, unless that delivery is not made on a Business Day, or after 5.00pm on a Business Day, then that communication will be deemed to be received at 9.00am on the next Business Day; and
 - (iii) **(in the case of email)** immediately after the time sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email has not been delivered, unless that local time is not a Business Day, or is after 5.00pm on a Business Day, when that communication will be deemed to be received at 9.00am on the next Business Day.

8. General Provisions

8.1 Assignment

- (a) The rights and obligations of BidCo and each Scheme Shareholder under this deed poll are personal. They cannot be assigned, charged, encumbered or otherwise dealt with at law or in equity without the prior written consent of BidCo.
- (b) Any purported dealing in contravention of clause 8.1(a) is invalid.

8.2 Cumulative rights

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

8.3 No waiver

- (a) BidCo may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

- (b) If a Scheme Shareholder does not exercise a right arising from a breach of this deed poll at a given time, it may, unless it has waived that right in writing, exercise the right at a later point in time.
- (c) No Scheme Shareholder may rely on words or conduct of BidCo as a waiver of any right unless the waiver is in writing and signed by BidCo.
- (d) The meanings of the terms used in this clause 8.3 are set out below.

conduct includes delay in the exercise of a right.

right means any right arising under or in connection with this deed poll and includes the right to rely on this clause.

waiver includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

8.4 Stamp duty

BidCo:

- (a) must pay or procure the payment of all stamp duty (if any) and any related fines, penalties and interest in respect of the Scheme and this deed poll (including the acquisition or transfer of Scheme Shares pursuant to the Scheme), the performance of this deed poll and each transaction effected by or made under or pursuant to the Scheme and this deed poll; and
- (b) indemnifies and undertakes to keep indemnified each Scheme Shareholder against any liability arising from failure to comply with clause 8.4(a).

8.5 Further assurances

BidCo will, at its own expense, do all things reasonably required of it to give full effect to this deed poll.

8.6 Governing law and jurisdiction

This deed poll is governed by the laws of the State of Victoria. In relation to it and related non contractual matters BidCo irrevocably submits to the non exclusive jurisdiction of courts with jurisdiction there.

Signing page

EXECUTED as a deed.

Executed by Greenland BidCo Pty Ltd in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

For personal use only

Signing page

EXECUTED as an agreement.

Executed by **Legend Corporation Limited** in accordance with Section 127 of the *Corporations Act 2001*


Signature of director

Brad Dowe

Name of director (print)

Executed by **Greenland BidCo Pty Ltd** in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Name of director (print)



Signature of ~~director~~/company secretary
(Please delete as applicable)

GRAHAM SETPELT

Name of ~~director~~/company secretary (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

For personal use only

Signing page

EXECUTED as an agreement.

Executed by **Legend Corporation Limited** in accordance with Section 127 of the *Corporations Act 2001*

Signature of director

Name of director (print)

Signature of director/company secretary
(Please delete as applicable)

Name of director/company secretary (print)

Executed by **Greenland BidCo Pty Ltd** in accordance with Section 127 of the *Corporations Act 2001*



Signature of director

Robert Koczkar

Name of director (print)



Signature of director/company secretary
(Please delete as applicable)

Andrew Bullock

Name of director/company secretary (print)

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