

8 April 2016

**ATLANTIC EXECUTES SCHEME IMPLEMENTATION DEED  
WITH DROXFORD INTERNATIONAL LIMITED**

Atlantic Ltd's (ASX: ATI) (**Atlantic**) Independent Director is pleased to announce that Atlantic has entered into a Scheme Implementation Deed (**Implementation Deed**) with Droxford International Limited (**Droxford**) under which it is proposed that Droxford will acquire all of the Atlantic shares which it does not already own by way of a scheme of arrangement for cash consideration of \$0.003 per share (**Scheme**).

Droxford is the largest shareholder of Atlantic with 17.4% of Atlantic's issued capital.

Droxford is also the largest creditor of Atlantic and as at 31 March 2016 is owed \$332.5 million under convertible bonds and promissory notes (including accrued interest) issued by Atlantic to Droxford.

The cash consideration of \$0.003 per share represents an implied market capitalisation of \$464,272 for Atlantic.

Payment of the cash consideration under the Scheme will be funded by an amount of outstanding convertible bond interest due and payable by Atlantic to Droxford. Droxford will direct this amount to be paid to Atlantic shareholders in consideration for the transfer of their Atlantic shares under the Scheme. Approval of Atlantic shareholders will be required to facilitate this.

The Atlantic Board appointed Independent Non-Executive Director, Dr Mike Daniel, to consider and respond to Droxford's Scheme proposal.

The Independent Director has evaluated the Scheme proposal and, in the absence of a superior proposal and subject to an Independent Expert concluding that the Scheme is in the best interests of Atlantic shareholders, the Independent Director recommends that Atlantic shareholders vote in favour of the Scheme.

Subject to those same qualifications, the Independent Director intends to vote all the Atlantic shares held or controlled by him in favour of the Scheme at the Scheme meeting.

The Independent Director has engaged Deloitte Corporate Finance Pty Limited (**Independent Expert**) on behalf of Atlantic to prepare an independent expert's report on whether the Scheme is in the best interests of Atlantic shareholders.

The Independent Expert's report will be included in the Scheme Booklet which is expected to be distributed to shareholders on or about 2 May 2016.

## **Overview of the Scheme**

The Implementation Deed contains certain customary conditions to the implementation of the Scheme including:

- Australian Foreign Investment Review Board approval;
- Atlantic shareholder approval of the Scheme (noting that Droxford and its associates holding Atlantic shares will be effectively excluded from voting on the Scheme);
- Atlantic shareholder approval of the financial assistance to be provided to assist Droxford to acquire the shares through the payment of the outstanding convertible bond interest as described above; and
- other customary conditions for transactions of this nature.

Full details of the conditions are set out in the executed Implementation Deed annexed to this announcement. The Scheme is not subject to a due diligence condition and the Implementation Deed does not contain any deal protection mechanisms such as exclusivity provisions, matching and notification rights or reimbursement obligations.

## **Background**

Droxford is an investment holding company that holds mining and other investments in Australia and elsewhere.

Droxford has been a substantial shareholder of Atlantic since September 2010. Droxford also holds certain convertible bonds and promissory notes under which a total amount of \$332.5 million (including accrued interest) is due and payable by Atlantic to Droxford as at 31 March 2016.

## **Forbearance agreement**

On 6 May 2015, Atlantic announced that it had entered into a forbearance agreement with Droxford under which Droxford agreed to forbear and not take any action to accelerate any of its convertible bond or promissory note debts until 6 October 2015, subject to certain conditions. This forbearance was subsequently extended until 6 April 2016 by Droxford.

The Implementation Deed further extends the forbearance period beyond 6 April 2016 until the earliest to occur of the following:

- the date on which the Scheme fails to become effective;
- the Independent Director of Atlantic recommending a competing proposal (as defined in the Implementation Deed) and not, within three business days, reinstating his recommendation of the Scheme; and
- 30 business days after the Scheme becomes effective.

If the Scheme (or other solvent restructuring of Atlantic) is not implemented and the forbearance period ends, Droxford is entitled to rely on and pursue all its rights against Atlantic under the convertible bonds and promissory notes. Droxford has indicated to the Atlantic Board its intention to pursue recovery of the amount owing if the Scheme does not proceed.

**Indicative timetable and next steps**

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

A Scheme Booklet containing information relating to the Scheme, reasons for the Independent Director's recommendation, the Independent Expert's report and details of the Scheme meeting is expected to be sent to Atlantic shareholders on or about 2 May 2016 after its preparation and review by ASIC.

It is anticipated that the Scheme will proceed according to the indicative timetable set out below. Atlantic shareholders will have the opportunity to vote on the Scheme at a meeting expected to be held on or around 2 June 2016. Subject to shareholder approval and the other conditions to the Scheme being satisfied, the Scheme is expected to be implemented on or around 24 June 2016.

<b>Event</b>	<b>Expected date</b>
Lodge Scheme Booklet with ASIC for review	11 April 2016
First Court Hearing Date	29 April 2016
Dispatch Scheme Booklet	2 May 2016
Scheme Meeting	2 June 2016
Second Court Hearing Date	9 June 2016
Effective Date	10 June 2016
Record Date	17 June 2016
Implementation Date/Scheme Consideration Paid	24 June 2016

Note: this is an indicative timetable only and subject to change, including following any regulatory consultation and as may be required by the Court

**Further Information**

Further announcements in relation to the Scheme will be made by Atlantic, if and when appropriate, as the Scheme progresses.

--ends--

**For further information please contact:**

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**DATED**

*7 April*

**2016**

**(1) ATLANTIC LTD**

**- and -**

**(2) DROXFORD INTERNATIONAL LIMITED**

**SCHEME IMPLEMENTATION  
DEED**

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THIS SCHEME IMPLEMENTATION DEED is made on

7 April

2016

**BETWEEN:**

- (1) **ATLANTIC LTD ACN 009 213 763** of Level 11, 125 St Georges Terrace, Perth WA 6000 ("Target")
- (2) **DROXFORD INTERNATIONAL LIMITED (I.B.C. Number 461087)** of 175A Bencoolen Street, #10-11/12 Burlington Square, Singapore 189650 ("Bidder")

**BACKGROUND:**

- A The Bidder and the Target have agreed that a scheme of arrangement will be proposed under Part 5.1 of the Corporations Act between the Target and the holders of its ordinary shares under which the Bidder will acquire all the shares that it does not already own in the Target.
- B The parties have agreed to implement the scheme of arrangement on the terms of this deed.

**IT IS AGREED:**

**1. DEFINITIONS AND INTERPRETATION**

**Definitions**

- 1.1 The following definitions apply in this document:

"ACCC" means the Australian Competition and Consumer Commission;

"ASIC" means the Australian Securities and Investments Commission;

"ASX" means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires;

"ASX Listing Rules" means the listing rules of ASX;

"Authorisation" means:

- (a) an approval, authorisation, consent, declaration, exemption, licence, notarisation, permit or waiver, however it is described, including any renewal or amendment and any condition attaching to it from or by a Government Agency; and
- (b) in relation to anything that could be prohibited or restricted by law, if a Government Agency acts in any way within a specified period, the expiry of that period without that action being taken;

"Authorised Person" means, in respect of a person:

- (a) a director, officer, partner, member or employee of the person;
- (b) any person engaged to provide professional advice of any type (including legal, accounting, consulting or financial advice) to that person; and



- (c) a director, officer, partner or employee of a person referred to in subclause (b) above;

**"Bidder Material"** means such information regarding the Bidder that is provided by or on behalf of the Bidder to the Target or the Independent Expert:

- (a) to enable the Scheme Booklet to be prepared and completed in compliance with all applicable laws; and
- (b) otherwise in compliance with the Bidder's obligations under clause 7.1.1 and 7.1.2;

**"Bidder Representations and Warranties"** means each of the representations and warranties given by the Bidder to the Target under clauses 10.1 (to the extent applicable to the Bidder) and 10.3;

**"Claim"** means, in relation to a person, any claim, allegation, cause of action, proceeding, liability, suit or demand made against the person concerned however it arises and whether it is present or future, fixed or unascertained, actual or contingent;

**"Competing Proposal"** means any proposal (including a scheme of arrangement) or offer that would, if completed substantially in accordance with its terms, result in any person or persons other than the Bidder acquiring (directly or indirectly):

- (a) an interest in all or a substantial part of the assets of the Target;
- (b) a relevant interest in more than 20% of the voting shares of the Target;
- (c) control of the Target within the meaning of section 50AA of the Corporations Act; or
- (d) otherwise acquiring or merging with the Target (including by way of reverse takeover, reverse scheme of arrangement or dual listed company structure) except for any acquisition by the Target of:
- (i) any entity whose consolidated gross assets as shown in its most recently published financial statements are less than 20% of the consolidated gross assets of the Target Group as shown in its most recently published financial statements; or
- (ii) any business or assets, other than a business or assets whose aggregate fair value is less than 20% of the consolidated gross assets of the Target Group as shown in its most recently published financial statements;

**"Condition"** means a condition precedent set out in clause 4.2;

**"Confidential Information"** has the meaning given in clause 14.1;

**"Corporations Act"** means the *Corporations Act 2001* (Cth);

**"Court"** means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing;

**"Deed Poll"** means a document in the form of Schedule 3;

**"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 the Scheme;

**"Effective Date"** means the date on which the Scheme becomes Effective;

**"End Date"** means 30 June 2016, subject to any extension to that date made under clause 4.5;

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

**"Financial Assistance Amount"** means \$383,397.22 being part of the accrued interest payable by the Target to the Bidder under the terms of the Class A convertible bond deed (as amended) dated 2 March 2012;

**"Financial Assistance Approval"** means approval by the Target Shareholders of the payment by the Target to the Bidder of the Financial Assistance Amount in accordance with section 260B of the Corporations Act to assist the Bidder to pay the Scheme Consideration;

**"First Court Date"** means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening the Scheme Meeting;

**"Forbearance Agreement"** means the forbearance agreement dated 3 October 2015 between the Target and the Bidder;

**"Government Agency"** means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including the ACCC, ASIC, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX;

**"GST Law"** means the same as "GST Law" in *A New Tax System (Goods and Services Tax) Act 1999* (Cth);

**"Implementation"** means the implementation of the Scheme, on it becoming Effective;

**"Implementation Date"** means the fifth Business day following the Record Date;

**"Independent Expert"** means an expert, independent of the parties, engaged by the Target in good faith to provide its opinion on whether the Scheme is in the best interests of Target Shareholders;

**"Independent Expert's Report"** means the report from the Independent Expert commissioned by the Target for inclusion in the Scheme Booklet;

**"Loss"** includes any loss, damage, liability, obligation, compensation, fine, penalty, charge, payment, cost or expense (including any legal cost and expense) however it arises and whether it is present or future, fixed or unascertained, actual or contingent but excluding any consequential or indirect loss, economic loss or loss of profits;

**"Meeting Date"** means the date on which Target Shareholders vote on a resolution to approve the Scheme under section 411(4)(a)(ii) of the Corporations Act;

**"Record Date"** means 5:00 pm on the day which is five Business days after the Effective Date, or any other date (after the Effective Date) agreed by the parties to be the record date to determine entitlements to receive Scheme Consideration under the Scheme;

**"Regulatory Approvals"** means the consents, approvals, clearances, decisions, determinations or other acts by a Government Agency, which the Target and the Bidder agree are necessary to effect Implementation, including:

- (a) written notification by or on behalf of the Treasurer of the Commonwealth of Australia under FATA that the Commonwealth Government has no objection under the Federal Government's foreign investment policy or under FATA to the Bidder acquiring all the Target Shares (which it does not already own) under the Scheme, or the Treasurer becomes precluded from exercising any power to make an order under the FATA in respect of the Bidder acquiring all the Target Shares (which it does not already own) under the Scheme; and
- (b) all other Authorisations, which the Target and the Bidder agree are necessary for Implementation;

**"Scheme"** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Target Shareholders substantially in the form of Schedule 2 or in such other form as is agreed between the Target and the Bidder, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved by each party;

**"Scheme Booklet"** means the information described in clause 6.1.2 to be approved by the Court and dispatched to Target Shareholders, and includes the Scheme, an explanatory statement as that term is defined in section 412 of the Corporations Act, an independent expert's report, a notice of meeting and proxy form;

**"Scheme Consideration"** means the consideration to be provided by the Bidder in consideration for the transfer of the Target Shares held by a Scheme Participant to the Bidder, being in respect of each Scheme Share, \$0.003 cash;

**"Scheme Meeting"** means the meeting of Target Shareholders to be convened:

- (a) as ordered by the Court under section 411(1) of the Corporations Act, to consider the Scheme; and
- (b) for the purposes of section 260B of the Corporations Act, to approve the payment of the Financial Assistance Amount;

**"Scheme Participants"** means each Target Shareholder as at the Record Date (taking into account registration of all registrable transfers and transmission applications received at the Target's share registry by the Record Date);

**"Scheme Share"** means a Target Share held by a Scheme Participant;

**"Second Court Date"** means the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard;

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

**"Target Board"** means the board of directors of Target as at the Implementation Date;

**"Target Group"** means Target and its related bodies corporate;

**"Target Option"** means an option to subscribe for a Target Share, listed in schedule 4;

**"Target Representations and Warranties"** means each of the representations and warranties given by the Target to the Bidder under clauses 10.1 (to the extent applicable to the Target) and 10.2;

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

**"Target Shareholder"** means each person who is registered as a holder of Target Shares other than the Bidder and its associates;

**"Target Shareholder Approval"** means a resolution in favour of the Scheme passed by the required majority of Target Shareholders under section 411(4)(a)(ii) of the Corporations Act;

**"Third Party Consent"** means any consent, agreement, waiver, licence or approval from or by a party (other than the Bidder or its associates) in respect of a contract involving the Target or a subsidiary of the Target; and

**"Timetable"** means the indicative timetable for the Implementation of the Scheme as set out in Schedule 1, subject to any modifications as the parties may agree in writing.

### **Interpretation**

- 1.2 In the interpretation of this deed, the following provisions apply unless the context otherwise requires:
- 1.2.1 a reference to "dollars" or "\$" means Australian dollars and all amounts payable under this deed are payable in Australian dollars;
  - 1.2.2 an expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency;
  - 1.2.3 where a word or phrase is given a defined meaning another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;
  - 1.2.4 a word which indicates the singular also indicates the plural, a word which indicates the plural also indicates the singular, and a reference to any gender also indicates any other gender;
  - 1.2.5 a reference to the word "include" or "including" is to be interpreted without limitation;
  - 1.2.6 a reference to the word "owing" means actually or contingently owing, and "owe" and "owed" have an equivalent meaning;

- 1.2.7 a reference to a party, clause, part, schedule, annexure or attachment is a reference to a party, clause, part, schedule, annexure or attachment of or to this deed;
- 1.2.8 a reference to "associate", "controller", "entity", "officer", "relevant interest" and subsidiary have the same meaning as in the Corporations Act;
- 1.2.9 a reference to any document or agreement is to that document or agreement as amended, novated, supplemented or replaced;
- 1.2.10 the schedules, annexures and attachments form part of this deed;
- 1.2.11 headings are inserted for convenience only and do not affect the interpretation of this deed;
- 1.2.12 words defined in the GST Law have the same meaning in clauses concerning GST; and
- 1.2.13 a reference to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision, in either case whether before, on or after the date of this agreement.

**Business day; references to and calculations of time**

- 1.3 In this deed, unless the context otherwise requires:
  - 1.3.1 a reference to a business day means a day other than a Saturday, Sunday or public holiday on which banks are open for business generally in the place the laws of which govern the construction of this deed;
  - 1.3.2 a reference to a time of day means that time of day in the place whose laws govern the construction of this deed;
  - 1.3.3 where a period of time is specified and dates from a given day or the day of an act or event it must be calculated exclusive of that day; and
  - 1.3.4 a term of this deed which has the effect of requiring anything to be done on or by a date which is not a business day must be interpreted as if it required it to be done on or by the next business day.

**Reasonable endeavours and reasonable requests**

- 1.4 Any provision of this agreement which requires a party to use its reasonable endeavours to procure that something is performed or occurs or does not occur, or to comply with all reasonable requests, does not impose an obligation to:
  - 1.4.1 pay any money or to provide any financial compensation, valuable consideration or any other incentive to or for the benefit of any person, except for any such payment, compensation, consideration or income expressly contemplated in the relevant provision; or
  - 1.4.2 commence any legal action or proceeding against any person, except where that provision expressly specifies otherwise.

## **Knowledge**

- 1.5 Where this deed makes reference to the knowledge or awareness of a party, or any similar reference, such knowledge or awareness will be taken to mean the actual knowledge and awareness of the party, but will not include any deemed or imputed knowledge of the party.
- 1.6 Notwithstanding anything contained in clause 1.5, where any of the representations and warranties in this deed are qualified by the expression "so far as that party is aware" or "to the best of that party's knowledge, information and belief" or any similar expression, that statement is taken to include an additional statement that it has been made after due and careful enquiry by that party or in the case of a corporation the party's officers as that term is defined in the Corporations Act.

## **2. AGREEMENT TO PROCEED WITH SCHEME**

### **Agreement to propose and implement the Scheme**

- 2.1 The Target agrees to propose and implement the Scheme in accordance with the terms of this deed, and must use all reasonable endeavours to do so in accordance with the Timetable.
- 2.2 The Bidder agrees to assist the Target to propose and implement the Scheme in accordance with the terms of this deed, and must use all reasonable endeavours to do so in accordance with the Timetable.

## **3. THE SCHEME**

### **Outline of the Scheme**

- 3.1 Subject to the terms of this deed, if the Scheme becomes Effective, on the Implementation Date, all of the Target Shares held by Scheme Participants must be transferred to the Bidder and the Scheme Participants will be entitled to receive the Scheme Consideration.

### **No amendments to the Scheme without consent**

- 3.2 The Target must not consent to any modification of, or amendment to, or the making or imposition by the Court of any condition in respect of, the Scheme without the prior written consent of the Bidder.

### **Scheme Consideration**

- 3.3 The Bidder agrees with the Target (in its own right and as trustee on behalf of each Scheme Participant) that, if the Scheme becomes Effective, in consideration of the transfer to the Bidder of each Target Share held by a Scheme Participant under the terms of the Scheme, the Bidder will, subject to the terms of this deed and the Scheme, on the Implementation Date:
  - 3.3.1 accept that transfer; and
  - 3.3.2 pay, or procure the payment of the Scheme Consideration in accordance with the Scheme.

#### 4. CONDITIONS

##### **Obligations not binding until Conditions satisfied**

- 4.1 Subject to this clause 4, the Scheme will not become Effective and the obligations of the Bidder under clause 3.3 will not become binding until each Condition is satisfied or waived under clauses 4.3 or 4.4 (as applicable).

##### **Conditions**

- 4.2 The Conditions are:

- 4.2.1 **(Regulatory Approvals)** the Regulatory Approvals are obtained and not withdrawn by 5.00 pm on the business day immediately prior to the Second Court Date;
- 4.2.2 **(Shareholder Approval)** before 8.00 am on the Second Court Date, Target Shareholder Approval is obtained;
- 4.2.3 **(Financial Assistance Approval)** before 8:00 am on the Second Court Date, Financial Assistance Approval is obtained;
- 4.2.4 **(Court approval of Scheme)** the Court makes orders under section 411(4)(b) of the Corporations Act approving the Scheme;
- 4.2.5 **(no restraint adversely affecting Implementation)** no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing Implementation is in effect at 8.00 am on the Second Court Date;
- 4.2.6 **(Third Party Consents)** before 8.00 am on the Second Court Date, all Third Party Consents are granted or obtained in respect of the Implementation and those Third Party Consents are not withdrawn, cancelled or revoked;
- 4.2.7 **(Target Representations and Warranties)** the representations and warranties of the Target set out in clauses 10.1 and 10.2 are true and correct in all material respects as at the date of this deed and as at 8.00 am on the Second Court Date, unless expressed to be given at another date; and
- 4.2.8 **(Bidder Representations and Warranties)** the representations and warranties of the Bidder set out in clauses 10.1 and 10.3 are true and correct in all material respects as at the date of this deed and as at 8.00 am on the Second Court Date, unless expressed to be given at another date.

##### **Benefit and waiver of a Condition**

- 4.3 The following Conditions are included for the benefit of the following parties:
- 4.3.1 the Conditions in clauses 4.2.1 to 4.2.5 cannot be waived;
- 4.3.2 the Conditions in clauses 4.2.6 and 4.2.7 are for the benefit of the Bidder and may only be waived by the Bidder; and

- 4.3.3 the Condition in clause 4.2.8 is for the benefit of the Target and may only be waived by the Target.

#### **Fulfilment of each Condition**

- 4.4 Each party must:

- 4.4.1 use its reasonable endeavours to ensure and procure that each Condition is satisfied as soon as reasonably practicable after the date of this deed;
- 4.4.2 keep the other party promptly and reasonably informed of the steps it has taken and of its progress towards satisfaction of the Conditions;
- 4.4.3 promptly inform the other party of any circumstances which may result in any of the Conditions not being satisfied in accordance with its terms; and
- 4.4.4 promptly advise the other party of the satisfaction of a Condition.

#### **Consequences of Condition not fulfilled or waived**

- 4.5 If an event occurs which would, or does, prevent a Condition being satisfied and that Condition is not waived (if capable of being waived) in accordance with clause 4.3, the parties:
- 4.5.1 must consult in good faith to determine whether the Scheme may proceed by way of alternative means or method so as to achieve a commercial outcome which reflects the Scheme; and
- 4.5.2 may agree to extend the relevant date for the satisfaction of the Condition or the End Date, or both.

#### **Termination**

- 4.6 If the parties are unable to reach agreement under clause 4.5 within 10 business days of becoming aware of the relevant occurrence, the relevant date or by the End Date, unless that Condition is waived (if capable of being waived) in accordance with clause 4.3, either party may terminate this deed without any liability to that other party because of that termination, unless the relevant occurrence or the failure of the Condition to be satisfied, arose out of a breach by the terminating party.

#### **Consequences of expiry of forbearance arrangements**

- 4.7 The Target acknowledges that, should a circumstance set out in clause 5.1 of the Forbearance Agreement (as amended by clause 11 of this deed) occur for any reason whatsoever, the forbearance arrangements set out in the Forbearance Agreement will expire and the Bidder will seek to immediately enforce its rights to recover debts payable by the Target to the Bidder under the terms of convertible notes and promissory notes that matured on or around 6 March 2015, which may include applying to the court for an order to wind up the Target.



## 5. OBLIGATIONS OF THE PARTIES

### Certificate

- 5.1 On the Second Court Date, each party must provide to the Court a joint certificate confirming whether or not the Conditions (other than the Condition in clause 4.2.4) have been satisfied or waived in accordance with the terms of this deed.

## 6. TARGET OBLIGATIONS

- 6.1 The Target must take all steps reasonably necessary to propose and implement the Scheme as soon as reasonably practicable and substantially in accordance with the Timetable, including taking each of the following steps:

- 6.1.1 **(announcement)** announce, in a form agreed between the Target and the Bidder which includes a statement that the independent director of the Target:

6.1.1.1 intends to recommend to Target Shareholders that the Scheme be approved; and

6.1.1.2 intends to vote his Target Shares in favour of the Scheme,

subject to:

6.1.1.3 the Independent Expert's Report concluding and continuing to conclude that the Scheme is in the best interests of Target Shareholders; and

6.1.1.4 no superior proposal emerging;

- 6.1.2 **(Scheme Booklet)** prepare the Scheme Booklet which complies with all applicable laws (including all relevant ASIC regulatory guides, the Corporations Act and the ASX Listing Rules);

- 6.1.3 **(commission Independent Expert's Report)** promptly appoint an Independent Expert to provide the Independent Expert's Report, and provide any assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;

- 6.1.4 **(approval of the Bidder Material)** seek approval from the Bidder for the form and context in which the Bidder Material appears in the Scheme Booklet, which approval the Bidder must not unreasonably withhold or delay, and the Target must not lodge the Scheme Booklet with ASIC until such approval is obtained from the Bidder;

- 6.1.5 **(Court documents)** prepare all documents necessary for the Court proceedings relating to the Scheme in accordance with all applicable laws;

- 6.1.6 **(consult with the Bidder)** in a timely manner consult with the Bidder as to the form and content of all documents required for the purposes of the Scheme, including:

6.1.6.1 the Scheme Booklet, including taking into account the Bidder's reasonable comments and incorporating the Bidder Material; and

- 6.1.6.2 the documents required for the Court proceedings relating to the Scheme, including taking into account the Bidder's reasonable comments;
- 6.1.7 **(ASIC review of Scheme Booklet)** as soon as reasonably practicable after the date of this deed:
- 6.1.7.1 provide an advanced draft of the Scheme Booklet to ASIC for its review and approval for the purposes of section 411(2) of the Corporations Act; and
- 6.1.7.2 liaise with ASIC during the period of its consideration of that draft of the Scheme Booklet and keep the Bidder reasonably informed of any matters raised by ASIC in relation to the Scheme Booklet and use reasonable endeavours, in consultation with the Bidder, to resolve any such matters.
- 6.1.8 **(approval of Scheme Booklet)** as soon as reasonably practicable after conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the Target Board is held to consider approving the Scheme Booklet for despatch to the Target Shareholders subject to orders of the Court under section 411(1) of the Corporations Act;
- 6.1.9 **(Court order to convene Scheme Meeting)** apply to the Court under section 411(1) of the Corporations Act for an order directing the Target to convene the Scheme Meeting;
- 6.1.10 **(registration of Scheme Booklet)** if the Court directs the Target to convene the Scheme Meeting, as soon as reasonably practicable after such orders are made, request ASIC to register the Scheme Booklet in relation to the Scheme in accordance with section 412(6) of the Corporations Act;
- 6.1.11 **(convene Scheme Meeting)** convene the Scheme Meeting, in accordance with any order made by the Court under section 411(1) of the Corporations Act and dispatch a copy of the Scheme Booklet to each Target Shareholder and to all other persons entitled to receive notice of the Scheme Meeting;
- 6.1.12 **(Financial Assistance Amount)** two business days before the Implementation Date, pay the Financial Assistance Amount as directed by the Bidder in accordance with clause 7.1.7;
- 6.1.13 **(section 411(17)(b) statement)** if Target Shareholder Approval is obtained, apply to ASIC for the production of a statement in writing under section 411(17)(b) of the Corporations Act stating that ASIC has no objection to the Scheme;
- 6.1.14 **(Court approval)** subject to satisfaction or waiver of all Conditions other than the Condition in clause 4.2.4, promptly apply to the Court for orders approving the Scheme under section 411(4) of the Corporations Act;
- 6.1.15 **(lodge copy of order)** if the Court approves the Scheme under section 411(4) of the Corporations Act, promptly lodge an office copy of the Court order with ASIC in accordance with section 411(10) of the Corporations Act;

- 6.1.16 **(Scheme Participants' entitlements)** determine the identity of the Scheme Participants and their entitlements to the Scheme Consideration on the Record Date; and
- 6.1.17 **(register transfers)** subject to the Scheme Consideration having been paid to the Scheme Participants, register all transfers of Target Shares held by Scheme Participants to the Bidder on, or as soon as practicable after, the Implementation Date.

## 7. **BIDDER OBLIGATIONS**

7.1 The Bidder must take all steps reasonably necessary to assist the Target to propose and implement the Scheme substantially in accordance with the Timetable, including taking each of the following steps:

- 7.1.1 **(Bidder Material)** prepare and promptly provide to the Target for inclusion in the Scheme Booklet such information regarding the Bidder, the Scheme Consideration and the Bidder's intentions with respect to the assets, business and employees of the Target if the Scheme becomes Effective as is required under all applicable laws (including all relevant ASIC regulatory guides, the Corporations Act and the ASX Listing Rules), in reasonable time to allow the Target to prepare the Scheme Booklet in accordance with this deed;
- 7.1.2 **(further information)** promptly provide to the Target any further information reasonably required by Target before the Meeting Date to ensure that the information contained in the Scheme Booklet is not, having regard to applicable disclosure requirements, false, misleading or deceptive in any material respect (including because of any material omission);
- 7.1.3 **(confirmation of the Bidder Material)** subject to clause 8.2, promptly after the Target requests that it does so, confirm in writing to the Target that it consents to the inclusion of the Bidder Material in the Scheme Booklet, in the form and context in which the Bidder Material appears;
- 7.1.4 **(Independent Expert)** promptly provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report for inclusion in the Scheme Booklet;
- 7.1.5 **(accuracy of Bidder Material)** before a draft of the Scheme Booklet is lodged with ASIC, and again before the Scheme Booklet is despatched to Target Shareholders, confirm to the Target the accuracy and completeness of the Bidder Material in the Scheme Booklet, including that it does not contain any material statement that is false or misleading in a material respect including because of any material omission;
- 7.1.6 **(Deed Poll)** before the First Court Date, enter into the Deed Poll;
- 7.1.7 **(Scheme Consideration)** at least three business days before the Implementation Date, direct the Target to pay the Financial Assistance Amount into an Australian dollar denominated trust account operated by or on behalf of the Target, such amount to form the Scheme Consideration and to be held on trust for the Scheme Participants and any interest, less bank fees and charges, for the Target;

- 7.1.8 (share transfer) if the Scheme becomes Effective, accept a transfer of the Target Shares as contemplated by clause 3.3.1; and
- 7.1.9 (Scheme) do all things within its power that are reasonably necessary to lawfully give effect to the Scheme and the orders of the Court approving the Scheme.

## **8. CONTENT OF SCHEME BOOKLET**

### **Responsibility statements**

8.1 The parties agree that the Scheme Booklet will contain statements to the effect that:

8.1.1 to the maximum extent possible at law, the Target will not be responsible for any Bidder Material and will disclaim any liability for the Bidder Material appearing in the Scheme Booklet; and

8.1.2 to the maximum extent possible at law, the Bidder will not be responsible for any information appearing in the Scheme Booklet other than the Bidder Material and will disclaim any liability for any information appearing in the Scheme Booklet other than the Bidder Material.

### **Disagreement on content**

8.2 If the parties disagree on the form or content of the Scheme Booklet, they must immediately consult in good faith to try to settle an agreed form and content of the Scheme Booklet. If no agreement is reached within two business days of the commencement of this consultation, then:

8.2.1 in respect of information other than the Bidder Material, the final form and content of the Scheme Booklet shall be determined by the Target acting in good faith; and

8.2.2 in respect of the Bidder Material, the Target must make such amendments to the form or content of the disputed part of the Bidder Material as the Bidder reasonably requests.

## **9. TERMINATION**

### **Termination by notice**

9.1 Either party may, by notice in writing to the other party, terminate this deed at any time prior to 8:00 am on the Second Court Date:

9.1.1 if the other party is in material breach of any of its obligations under this deed (other than a material breach of a representation or warranty), and, if capable of remedy, the other party has failed to remedy that breach within five business days (or 5:00 pm on the day before 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 circumstances and requesting the other party to remedy the breach; or

9.1.2 in accordance with clause 4.6.

### **Termination by the Target**

- 9.2 The Target may, by notice in writing to the Bidder, terminate this deed at any time prior to 8:00 am on the Second Court Date if at any time before then:
- 9.2.1 the independent director of the Target publicly recommends a Competing Proposal and does not, within three business days, reinstate his recommendation of the Scheme; or
  - 9.2.2 the Bidder is in material breach of any of its obligations under this deed (including a breach of a Bidder Representation and Warranty) and:
    - 9.2.2.1 the Target has given written notice to the Bidder setting out the breach and stating an intention to terminate this deed if the breach is not remedied; and
    - 9.2.2.2 the breach is not remedied by the Bidder to the Target's reasonable satisfaction within five business days (or any shorter period ending on the Second Court Date) from the time the notice is given in accordance with clause 9.2.2.1.

### **Termination by the Bidder**

- 9.3 The Bidder may, by notice in writing to the Target, terminate this deed at any time prior to 8:00 am on the Second Court Date if at any time before then:
- 9.3.1 the independent director of the Target withdraws or adversely modifies his recommendation of the Scheme, or recommends a Competing Proposal; or
  - 9.3.2 the Target is in material breach of any of its obligations under this deed (including a breach of a Target Representation and Warranty) and:
    - 9.3.2.1 the Bidder has given written notice to the Target setting out the breach and stating an intention to terminate this deed if the breach is not remedied; and
    - 9.3.2.2 the breach is not remedied by the Target to the Bidder's reasonable satisfaction within five business days (or any shorter period ending on the Second Court Date) from the time the notice is given in accordance with clause 9.3.2.1.

### **Automatic termination**

- 9.4 Without limiting any other term of this deed, this deed will terminate automatically if the Scheme is not approved by the necessary majorities at the Scheme Meeting.

### **Effect of termination**

- 9.5 In the event of termination of this deed under clause 4.6 or this clause 9, this deed will become void and have no effect, except that the provisions of clauses 11, 12, 14 and 16 survive termination.
- 9.6 The termination of this deed does not affect any accrued rights or any Claim that a party may have against another party where that Claim arose before this deed was terminated.

## 10. REPRESENTATIONS AND WARRANTIES

### Mutual representations and warranties

10.1 Each party represents and warrants to the other party (subject to obtaining any relevant Regulatory Approvals) each of the following matters as at the date of this deed and at 8:00 am 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):

10.1.1 **(status)** it validly exists and has been duly registered under the laws of its place of incorporation;

10.1.2 **(power)** it has full legal capacity and power to enter into this deed and carry out the transactions that this deed contemplates;

10.1.3 **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise it entering into this deed and carrying out the transactions that this deed contemplates;

10.1.4 **(document effective)** this deed constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms; and

10.1.5 **(no contravention)** neither its execution of this deed nor the carrying out by it of the transactions that it contemplates, does or will contravene:

10.1.5.1 any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;

10.1.5.2 any Authorisation held by it;

10.1.5.3 any undertaking or instrument binding on it or any of its property; or

10.1.5.4 its constitution.

### Target representations and warranties

10.2 The Target represents and warrants to the Bidder each of the following matters as at the date of this deed and at 8:00 am 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):

10.2.1 **(information in Scheme Booklet)** the information contained in the Scheme Booklet (other than the Bidder Material and the Independent Expert's Report) will:

10.2.1.1 be prepared and included in the Scheme Booklet in good faith; and

10.2.1.2 comply in all material respects with the requirements of the Corporations Act, ASX Listing Rules and relevant ASIC regulatory guides.

10.2.2 **(Scheme Booklet not false or misleading)** to the Target's knowledge, as at the date of dispatch of the Scheme Booklet, the Scheme Booklet (other than the Bidder Material and the Independent Expert's Report) will not contain any material statement which is false or misleading (including because of any material omission); and

- 10.2.3 **(schedule accurately details Target capital)** Schedule 4 accurately records the total number and details of Target Shares, securities convertible into Target Shares, Target Options, notes or other securities issued by the Target at the date of this deed and the Target is not under any actual or contingent obligation to issue, convert or cancel any securities (other than as set out in Schedule 4).

#### **Bidder representations and warranties**

- 10.3 The Bidder represents and warrants to the Target each of the following matters as at the date of this deed and at 8:00 am 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):
- 10.3.1 **(Bidder Material)** the Bidder Material provided to the Target in accordance with clauses 7.1.1 and 7.1.2 for inclusion in the Scheme Booklet will:
- 10.3.1.1 be provided in good faith;
  - 10.3.1.2 comply in all material respects with the requirements of the Corporations Act, ASX Listing Rules and relevant ASIC regulatory guides; and
  - 10.3.1.3 be provided on the understanding that the Target will rely on that information for the purposes of preparing the Scheme Booklet and proposing and implementing the Scheme in accordance with the requirements of the Corporations Act;
- 10.3.2 **(no false or misleading statement)** to the Bidder's knowledge, as at the date of dispatch of the Scheme Booklet, the Bidder Material, in the form and context in which that information appears in the version of the Scheme Booklet registered with ASIC under section 412(6) of the Corporations Act, will not contain any material statement which is false or misleading (including because of any material omission);
- 10.3.3 **(information to Independent Expert)** all information provided by or on behalf of the Bidder to the Independent Expert to enable the Independent Expert's Report to be included in the Scheme Booklet to be prepared and completed will not contain any material statement which is false or misleading (including because of any material omission) and 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 for inclusion in the Scheme Booklet; and
- 10.3.4 **(no other approvals necessary)** to the Bidder's knowledge, no consents, approvals or other acts by its shareholders or a Government Agency are necessary to effect Implementation other than those identified in the definition of Regulatory Approvals in clause 1.1.

## **11. EXTENSION OF FORBEARANCE ARRANGEMENTS**

- 11.1 The parties agree that the Forbearance Agreement is amended by:
- 11.1.1 inserting as new clause 10.1(v) the following:

*"10.1(y) Scheme Implementation Deed means the scheme implementation deed between Atlantic and Droxford entered into on 6 April 2016."*

11.1.2 deleting clause 5.1(iv) of the Forbearance Agreement and replacing it with the following after existing clause 5.1(iii):

*"(iv) 30 business days after the Effective Date (as defined in the Scheme Implementation Deed);*

*(v) the date on which the Scheme Implementation Deed is terminated in accordance with clause 9 of the Scheme Implementation Deed; and*

*(vi) the independent director of the Target publicly recommends a Competing Proposal (as defined in the Scheme Implementation Deed) and does not, within three Business Days, reinstate his recommendation of the Scheme (as defined in the Scheme Implementation Date)."*

## **12. RELEASE**

12.1 Subject to section 199A of the Corporations Act and clause 12.2, no director, officer or employee of a party, is liable for anything done or purported to be done in connection with Implementation.

12.2 Clause 12.1 does not exclude a director, officer or employee from any liability which may arise from wilful misconduct or a grossly negligent act or omission on the part of the person.

12.3 Each party receives and holds the benefit of this release, to the extent that it relates to its directors, officers and employees, as trustee for them.

## **13. GST**

### **GST pass on**

13.1 If GST is or will be imposed on a supply made under or in connection with this document, to the extent that the consideration otherwise provided for that supply under this document is not stated to include an amount for GST on the supply:

13.1.1 the consideration otherwise provided for that supply under this document is increased by the amount of that GST; and

13.1.2 the recipient must make payment of the increase as and when the consideration otherwise provided for, or relevant part of it, must be paid or provided or, if the consideration has already been paid or provided, within 7 days of receiving a written demand from the supplier.

### **Tax Invoice**

13.2 The right of the supplier to recover any amount in respect of GST under this document on a supply from the recipient is subject to the issuing of the relevant tax invoice or adjustment note.



### **Consideration exclusive of GST**

- 13.3 Any consideration otherwise provided for a supply or payment obligation in connection with this document is exclusive of GST unless stated otherwise.

### **Adjustments**

- 13.4 If there is an adjustment event in relation to a supply which results in the amount of GST on a supply being different from the amount in respect of GST already recovered by the supplier, as appropriate, the supplier within 14 days of becoming aware of the adjustment event:
- 13.4.1 may recover from the recipient the amount by which the amount of GST on the supply exceeds the amount already recovered by giving seven days written notice; or
  - 13.4.2 must refund to the recipient the amount by which the amount already recovered exceeds the amount of GST on the supply to the extent that the supplier is entitled to a refund or credit from the Commissioner of Taxation; and
  - 13.4.3 must issue an adjustment note or tax invoice reflecting the adjustment event in relation to the supply to the recipient within 28 days of the adjustment event.

### **Reimbursements**

- 13.5 Costs actually or estimated to be incurred or revenue actually or estimated to be lost by a party that is required to be reimbursed or indemnified by another party, or used as the basis for calculation of consideration for a supply, under this document must exclude the amount of GST referable to the cost to the extent to which an entitlement arises or would arise to claim an input tax credit and any amount in respect of GST referable to the revenue.

## **14. CONFIDENTIALITY**

### **Confidential Information**

- 14.1 Subject to clause 14.2, each party acknowledges and agrees that all information and material disclosed or provided or obtained by either party, from the other, in the course of proposing, negotiating or implementing the Scheme (including information and material provided before or after the date of this deed but excluding information that is known by a party before the date of this deed that was not obtained on a confidential basis) are strictly confidential and may not be disclosed to any third party.

### **Permitted disclosures**

- 14.2 Notwithstanding clause 14.1, a party may only use Confidential Information for the purposes of implementing the Scheme or disclose Confidential Information where such disclosure:
- 14.2.1 is made to an Authorised Person of that party for the purposes of implementing the Scheme, provided that the disclosing party ensures that the recipient only uses it for the purposes of implementing the Scheme and otherwise keeps the information confidential in accordance with this clause 14; or
  - 14.2.2 is required by law or a regulatory body (including a relevant stock exchange), court or governmental or administrative authority.

## 15. NOTICES

### Notices only by authorised signatories

- 15.1 Any notice or communication that must or may be given by a party to this deed is only given if it is executed by that party or signed by an authorised signatory of that party. A person is an authorised signatory if he or she is a solicitor, director or company secretary of the relevant party, or if he or she is authorised in writing by that party.

### Giving notices

- 15.2 Any notice or communication given to a party under this deed is only given if it is in writing and sent in one of the following ways:

15.2.1 delivered or posted to that party at its address set out in clause 15.6; or

15.2.2 emailed to that party at its email address set out in clause 15.6.

### Change of address or email address

- 15.3 If a party gives the other party three business days' notice of a change of its address or email address, any notice or communication is only given by that other party if it is delivered or posted to the latest address or emailed to the latest email address.

### Time notice is given

- 15.4 Any notice or communication is to be treated as given at the following time:

15.4.1 if it is delivered, when it is left at the relevant address;

15.4.2 if it is sent by post, two (or, in the case of a notice or communication posted to another country, nine) business days after it is posted; or

15.4.3 if it is sent by email, on the earlier of the sender receiving an automated message confirming delivery or, provided no automated message is received stating that the email has not been delivered, three hours after the time the email was sent by the sender, such time to be determined by reference to the device from which the email was sent.

- 15.5 However, if any notice or communication is given, on a day that is not a business day or after 5.00 pm on a business day, in the place of the party to whom it is sent it is to be treated as having been given at the beginning of the next business day.

### Address for notices

- 15.6 For the purposes of this deed, the details for the receipt of notices or communications are as follows:

<b>Bidder</b>	
Name:	Droxford International Limited
Address:	175A Bencoolen Street, #10-11/12 Burlington Square, Singapore

	189650, Singapore
Email:	fpurnamasidi@gmail.com
Attention:	Ferdian Purnamasidi

<b>Target</b>	
Name:	Atlantic Ltd
Address:	Level 11, 125 St Georges Terrace, Perth WA 6000, Australia
Email:	tveitch@atlanticltd.com.au
Attention:	Tony Veitch

### **Copies of notices**

- 15.7 If a party is required by any term of this agreement to give a copy of any notice or communication to a person, the failure to give the copy of it to the person may not be raised to rebut that it was effectively given.

## **16. GENERAL**

### **Governing law**

- 16.1 This deed is governed by the law of Western Australia, Australia. Each party irremovably submits to the non-exclusive jurisdiction of its courts and courts of appeal from them. The parties will not object to the exercise of jurisdiction by those courts on any basis.

### **Appointment of local agent**

- 16.2 The Bidder irrevocably appoints Terry Bourke to be its agent for service of process in connection with this deed and agrees that any document served in connection with this deed may be effectively served on it by service on its agent if sent to Terry Bourke c/- Mach Energy Australia Pty Ltd, Level 2, 179 Grey Street, South Brisbane QLD 4101, Australia.

### **Timetable**

- 16.3 The parties acknowledge the Timetable as an indicative timetable and will consult with each other regularly in relation to:
- 16.3.1 performing their respective obligations within the framework established by the Timetable; and
  - 16.3.2 any need to modify the Timetable.

### **Stamp duty**

- 16.4 The Bidder must pay all stamp duty payable (and any fines or penalties in respect of stamp duty) on this deed or the Scheme or any other transactions contemplated under this deed or the Scheme.

### **Costs and expenses**

- 16.5 Subject to clause 16.4, the Target agrees to pay all expenses incurred in negotiating, preparing, executing and performance of the parties' respective obligations under this deed, including the proposed, attempted and actual implementation of the transactions contemplated under this deed.

### **Further acts**

- 16.6 Each party must at its own expense promptly execute all documents and do or use reasonable endeavours to cause a third party to do all things that another party from time to time may reasonably request in order to give effect to, perfect or complete this deed and all transactions incidental to it.

### **Variation**

- 16.7 No variation of this deed will be of any force or effect unless it is in writing and signed by each party to this deed.

### **Assignment**

- 16.8 A party must not assign, novate or transfer any of its rights or obligations under this deed or attempt to do so without the prior written consent of each other party.

### **Waiver of rights**

- 16.9 A waiver of any right, power or remedy under this deed must be in writing signed by the party granting it. A waiver only affects the particular obligation or breach for which it is given. It is not an implied waiver of any other obligation or breach or an implied waiver of that obligation or breach on any other occasion. The fact that a party fails to do, or delays in doing, something the party is entitled to do under this agreement does not amount to a waiver.

### **No partnership or agency**

- 16.10 Nothing in this document is to be treated as creating a partnership and, except as specifically provided in this document, no party may act as agent of or in any way bind another party to any obligation.

### **Entire agreement**

- 16.11 This deed contains everything the parties have agreed on in relation to the subject matter it deals with. No party can rely on an earlier written document or anything said or done by or on behalf of another party before this deed was executed.

### **No representation or reliance**

- 16.12 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 deed, except for representations or inducements expressly set out in this deed.
- 16.13 Each party acknowledges and confirms that it does not enter into this deed in reliance on any representation or other inducement by or on behalf of any other party, except for any representations or inducements expressly set out in this deed.

### **Severability**

- 16.14 Each provision of this deed is individually severable. If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction, it is to be treated as being severed from this deed in the relevant jurisdiction, but the rest of this deed will not be affected. The legality, validity and enforceability of the provision in any other jurisdiction will not be affected.

### **Approvals and consents**

- 16.15 Unless this deed expressly provides otherwise, a party may give or withhold an approval or consent in that party's absolute discretion and subject to any conditions determined by the party. A party is not obliged to give its reasons for giving or withholding a consent or approval or for giving a consent or approval subject to conditions. Where this deed refers to a matter being to the 'satisfaction' of a party, this means to the satisfaction of that party in its absolute discretion.

### **No merger**

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

### **Execution of separate documents**

- 16.17 This deed may be executed in any number of counterparts. All counterparts, taken together, constitute one instrument. A party may execute this deed by signing any counterpart.

EXECUTED AS A DEED:

DATE: 7<sup>th</sup> APRIL 2016

Executed by ATLANTIC LTD ACN 009 213 763 acting by the following person or, if the seal is affixed, witnessed by the following person in accordance with section 127 of the *Corporations Act 2001* (Cth):



.....  
Signature of director

MICHAEL JOHN DANIEL  
.....  
Name of director (print)



.....  
Signature of ~~director~~ company secretary

TOM VEITCH  
.....  
Name of ~~director~~

Executed by DROXFORD INTERNATIONAL LIMITED in accordance with the laws of its place of incorporation:



.....  
Signature of director

Anthoni Salim  
.....  
Name of director (print)

**SCHEDULE 1: INDICATIVE TIMETABLE**

<b>Step</b>	<b>Date</b>	<b>Action</b>
1.	6 April 2016	Sign Implementation Deed and announce transaction
2.	11 April 2016	Provide ASIC and Court with draft Scheme Booklet
3.	29 April 2016	<b>First Court Date</b>
4.	2 May 2016	Scheme Booklet registered by ASIC and lodged with ASX
5.	2 May 2016	Dispatch Scheme Booklet
6.	2 June 2016	Hold <b>Scheme Meeting</b> and announce results to ASX
7.	9 June 2016	<b>Second Court Date</b> and announce to ASX
8.	10 June 2016	<b>Effective Date</b> File Court order with ASIC and announce to ASX Target securities cease trading at close of trading on ASX
9.	17 June 2016	<b>Record Date</b> for entitlements to Scheme Consideration
10.	24 June 2016	<b>Implementation Date</b> Bidder issues Scheme Consideration

**SCHEDULE 2: SCHEME**

*See annexed Scheme of Arrangement*





**(1) ATLANTIC LTD**

**- and -**

**(2) SCHEME PARTICIPANTS**

**SCHEME OF ARRANGEMENT**

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**THIS SCHEME OF ARRANGEMENT is made under section 411 of the Corporations Act**

**BETWEEN:**

- (1) **ATLANTIC LTD ACN 009 213 763** of Level 11, 125 St Georges Terrace, Perth WA 6000 ("Target")
- (2) **EACH PERSON REGISTERED AS A HOLDER OF FULLY PAID ORDINARY SHARES IN THE TARGET AS AT THE RECORD DATE (OTHER THAN THE BIDDER) ("Scheme Participants")**

**BACKGROUND:**

- A The Target and the Bidder have entered into the Implementation Deed, pursuant to which (among other things), the Target has agreed to propose this scheme to Target Shareholders and each of the Target and the Bidder have agreed to take certain steps to implement this scheme.
- B If the scheme becomes Effective, the Bidder will provide or procure the provision of the Scheme Consideration to the Scheme Participants in accordance with the provisions of this scheme, and the Bidder will acquire all Scheme Shares.

**IT IS AGREED:**

## **1. DEFINITIONS AND INTERPRETATION**

### **Definitions**

- 1.1 The following definitions apply in this Scheme:

"ASIC" means the Australian Securities and Investments Commission;

"ASX" means the Australian Securities Exchange or ASX Limited (ABN 98 008 624 691), as the context requires;

"Bidder" means Droxford International Limited (I.B.C. Number 461087) of 175A Bencoolen Street, #10-11/12 Burlington Square, Singapore 189650;

"CHESS" means the clearing house electronic subregister system for the electronic transfer of securities operated by ASX Settlement Pty Limited ABN 49 008 504 532;

"Corporations Act" means the *Corporations Act 2001* (Cth);

"Court" means the Federal Court of Australia or any other court of competent jurisdiction under the Corporations Act as the parties may agree in writing;

"Deed Poll" means the deed poll executed by the Bidder dated 6 April 2016 under which the Bidder covenants in favour of the Scheme Participants to perform the obligations attributed to it under this Scheme;

"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 30 June 2016, or subject to any extension under clause 4.12 of the Implementation Deed;

**"Implementation"** means the implementation of the Scheme, on it becoming Effective;

**"Implementation Deed"** means the scheme implementation deed between Target and Bidder dated 6 April 2016;

**"Implementation Date"** means the fifth Business Day following the Record Date;

**"Operating Rules"** means the official operating rules of ASX;

**"Record Date"** means 5:00 pm on the day which is five Business days after the Effective Date, or any other date (after the Effective Date) agreed by the parties to be the record date to determine entitlements to receive Scheme Consideration under this Scheme;

**"Register"** means the register of shareholders of the Target maintained by the Target Share Registry;

**"Registered Address"** means, in relation to a Target Shareholder, the address of the shareholder shown in the Register;

**"Scheme"** means this scheme of arrangement under Part 5.1 between the Target and the Scheme Participants subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by the Target and the Bidder;

**"Scheme Consideration"** means the consideration to be provided by the Bidder in consideration for the transfer of the Target Shares held by a Scheme Participant to the Bidder, being in respect of each Scheme Share, \$0.003 cash;

**"Scheme Meeting"** means the meeting of Target Shareholders to be convened as ordered by the Court under section 411(1) of the Corporations Act, to consider this Scheme;

**"Scheme Participant"** means each Target Shareholder as at the Record Date (taking into account registration of all registrable transfers and transmission applications received at the Target's share registry by the Record Date in accordance with clause 6.1);

**"Scheme Share"** means a Target Share held by a Scheme Participant;

**"Second Court Date"** means the first day on which the Court hears the application for an order under section 411(4)(b) of the Corporations Act approving the Scheme or, if the application is adjourned or subject to appeal for any reason, the first day on which the adjourned or appealed application is heard;

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

**"Target Share Registry"** means Security Transfer Registrars Pty Limited of 770 Canning Highway, Applecross WA 6153, Australia; and

**"Target Shareholder"** means each person who is registered in the Register as a holder of Target Shares other than the Bidder and its associates.

## **Interpretation**

- 1.2 In the interpretation of this Scheme, the following provisions apply unless the context otherwise requires:
- 1.2.1 a reference to "dollars" or "\$" means Australian dollars and all amounts payable under this deed are payable in Australian dollars;
  - 1.2.2 an expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency;
  - 1.2.3 where a word or phrase is given a defined meaning another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning;
  - 1.2.4 a word which indicates the singular also indicates the plural, a word which indicates the plural also indicates the singular, and a reference to any gender also indicates any other gender;
  - 1.2.5 a reference to the word "include" or "including" is to be interpreted without limitation;
  - 1.2.6 a reference to the word "owing" means actually or contingently owing, and "owe" and "owed" have an equivalent meaning;
  - 1.2.7 a reference to a party, clause, part, schedule, annexure or attachment is a reference to a party, clause, part, schedule, annexure or attachment of or to this deed;
  - 1.2.8 a reference to "associate", "controller", "entity", "officer", "relevant interest" and subsidiary have the same meaning as in the Corporations Act;
  - 1.2.9 a reference to any document or agreement is to that document or agreement as amended, novated, supplemented or replaced;
  - 1.2.10 the schedules, annexures and attachments form part of this deed;
  - 1.2.11 headings are inserted for convenience only and do not affect the interpretation of this deed;
  - 1.2.12 words defined in the GST Law have the same meaning in clauses concerning GST; and
  - 1.2.13 a reference to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision, in either case whether before, on or after the date of this agreement.

## **Business day; references to and calculations of time**

- 1.3 In this Scheme, unless the context otherwise requires:

- 1.3.1 a reference to a business day means a day other than a Saturday, Sunday or public holiday on which banks are open for business generally in the place the laws of which govern the construction of this deed;
- 1.3.2 a reference to a time of day means that time of day in the place whose laws govern the construction of this deed;
- 1.3.3 where a period of time is specified and dates from a given day or the day of an act or event it must be calculated exclusive of that day; and
- 1.3.4 a term of this deed which has the effect of requiring anything to be done on or by a date which is not a business day must be interpreted as if it required it to be done on or by the next business day.

## **2. BACKGROUND TO SCHEME**

### **Target**

- 2.1 The Target is a public company incorporated in Australia. It is registered in Western Australia and is a company limited by shares.
- 2.2 The Target is admitted to the official list of ASX and the Target Shares are quoted on the stock market conducted by ASX.
- 2.3 As at the date of the Implementation Deed, the Target had 154,757,405 Target Shares on issue.

### **Bidder**

- 2.4 The Bidder is an unlisted company limited by shares incorporated in the British Virgin Islands. As at the date of the Implementation Deed, the Bidder holds 26,958,333 of Target Shares.

### **What happens if Scheme becomes Effective**

- 2.5 If this Scheme becomes Effective then:
  - 2.5.1 in consideration of the transfer of each Scheme Share held by the Scheme Participants, the Bidder will provide or procure the provision of the Scheme Consideration to each Scheme Participant in accordance with the terms of the Implementation Deed;
  - 2.5.2 all the Scheme Shares (and all the rights and entitlements attaching to them as at the Implementation Date) will be transferred to the Bidder on the Implementation Date; and
  - 2.5.3 the Target will enter the Bidder's name in the Register as the holder of all the Scheme Shares on the Implementation Date.

### **Implementation Deed**

- 2.6 The Target and the Bidder have entered into the Implementation Deed, to facilitate the implementation of this Scheme.

## **Deed Poll**

- 2.7 The Bidder has executed a Deed Poll under which it covenants to carry out its obligations under this Scheme including to pay, or procure the payment of, the Scheme Consideration to the Scheme Participants in accordance with the terms of this Scheme.

## **CONDITIONS PRECEDENT**

### **Conditions precedent to this Scheme**

- 2.8 This Scheme is conditional on and will have no force or effect until each of the following conditions are satisfied:
- 2.8.1 all the conditions set out in clause 4.2 of the Implementation Deed (other than the condition relating to Court approval of this Scheme) having been satisfied or waived in accordance with the terms of the Implementation Deed by 8:00 am on the Second Court Date;
  - 2.8.2 as at 8:00 am on the Second Court Date and immediately before Implementation, neither the Implementation Deed nor the Deed Poll having been terminated in accordance with their terms;
  - 2.8.3 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 agreed to in writing by the Target and the Bidder;
  - 2.8.4 such other conditions imposed by the Court under section 411(6) of the Corporations Act in relation to this Scheme and agreed to in writing by the Target and the Bidder having been satisfied or waived; and
  - 2.8.5 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, under section 411(10) of the Corporations Act.

### **Parties to provide certificate to Court**

- 2.9 The Target and the Bidder must provide to the Court on the Second Court Date, a joint certificate, or such other evidence as the Court requests, confirming (in respect of matters within their knowledge) whether or not as at 8:00 am on the Second Court Date all the conditions set out in clause 4.2 of the Implementation Deed (other than the condition relating to Court approval of this Scheme) have been satisfied or waived.

### **Conclusive evidence**

- 2.10 The giving of a certificate by the Target and the Bidder under clause 2.9 will be conclusive evidence that such conditions are satisfied, waived or taken to be waived.

### **End Date**

- 2.11 This Scheme will lapse and be of no further effect if the Effective Date has not occurred on or before the End Date.



### **3. IMPLEMENTATION OF THIS SCHEME**

#### **Target to lodge orders with ASIC**

- 3.1 The Target must lodge with ASIC an office copy of the Court order approving this Scheme in accordance with section 411(10) of the Corporations Act as soon as practicable and by no later than by 5:00 pm on the first business day after the date on which the Court makes that order.

#### **Transfer of Scheme Shares**

- 3.2 On the Implementation Date:
- 3.2.1 subject to the provision of the Scheme Consideration in the manner contemplated by this Scheme, all of the Scheme Shares, together with all rights and entitlements attaching to the Scheme Shares as at the Implementation Date, will be transferred to the Bidder, without the need for any further act by any Scheme Participant (other than acts performed by the Target or its officers as agent and attorney for Scheme Participants under clause 7.1.5) by:
- 3.2.1.1 the Target delivering to the Bidder a duly completed and executed share transfer form to transfer all the Scheme Shares to the Bidder; and
- 3.2.1.2 the Bidder duly executing such transfer form, attending to the stamping of such transfer form (if required) and delivering it to the Target for registration; and
- 3.2.2 as soon as practicable after receipt of the transfer form under clause 3.2.1.2, the Target must enter the name of the Bidder in the Register in respect of all the Scheme Shares.

### **4. SCHEME CONSIDERATION**

- 4.1 Each Scheme Participant is entitled to receive the Scheme Consideration in respect of each Scheme Share held by that Scheme Participant.

### **5. PROVISION OF SCHEME CONSIDERATION**

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

- 5.1 The Bidder satisfies its obligations to provide, or procure the provision of, the Scheme Consideration to Scheme Participants by:
- 5.1.1 paying, or procuring the payment of, by no later than two business days before the Implementation Date, an amount equal to the aggregate amount of the Scheme Consideration payable to each Scheme Participant into an Australian dollar denominated trust account operated by or on behalf of the Target, to be held on trust for the Scheme Participants and notified to the Bidder at least three business days prior to the Implementation Date, except that any interest on the amount deposited (less bank fees and other charges) will be to the Target's account; and
- 5.1.2 providing the Target with written confirmation of that payment.

- 5.2 Within five Business Days after the Implementation Date and subject to compliance with clause 5.1 by the Bidder, the Target must pay or procure the payment from the trust account referred to in clause 5.1 to each Scheme Participant such amount of Scheme Consideration as is due to that Scheme Participant under clause 5.1 in respect of all that Scheme Participant's Scheme Shares as set out in the Register on the Record Date.
- 5.3 The amount referred to in clause 5.2 must be paid by the Target doing either of the following in its absolute discretion:
- 5.3.1 sending (or procuring the Target Share Registry to send) that amount to the Scheme Participant's Registered Address by cheque in Australian currency drawn out of the trust account referred to in clause 5.1; or
- 5.3.2 if the Scheme Participant has a payment direction (including a direction used for the payment of dividends) for a bank account with any Australian ADI (as defined in the Corporations Act) recorded in the Target Share Register as at the Record Date, depositing (or procuring the Target Share Registry to deposit) that amount into that account in accordance with that direction.

#### **Joint holders**

- 5.4 In the case of joint holders of Scheme Shares, subject to clause 5.3, the Scheme Consideration must be paid by a cheque payable to and forwarded to the holder whose name appears first in the Register as at the Record Date or where the joint holders have nominated a bank account under clause 5.3.2, the amount must be deposited directly to the nominated bank account of the joint holders.

#### **Unclaimed money**

- 5.5 The Target may cancel a cheque issued under clause 5.3.1 if the cheque:
- 5.5.1 is returned to the Target; or
- 5.5.2 has not been presented for payment within six months after the date on which the cheque was sent,
- provided that, within one year after the Implementation Date, on written request from a Scheme Participant to the Target (or the Target Share Registry), the Target must reissue a cheque that was previously cancelled under this clause 5.5.
- 5.6 Subject to clause 5.5, in the event that a cheque sent to the Scheme Participant's Registered Address by the Target for the purpose of clause 5.3.2, or a deposit into such an account is rejected or refunded, the Target may credit the amount payable to the relevant Scheme Participant to a separate bank account of the Target to be held on trust by the Target for the Scheme Participant until the Scheme Participant claims the amount or the amount is dealt with in accordance with any applicable unclaimed money legislation (except that any interest accruing on the amount will be for the account of the Bidder after the deduction of any costs, expenses or applicable taxes). An amount credited to the account is to be treated as having been paid to the Scheme Participant when credited to that account. The Target must maintain records of the amount paid, the people who are entitled to the amounts and any transfer of the amounts.

## **Orders of governmental agency**

- 5.7 If any amount is required under any law or by any government or any governmental, semi-governmental or judicial entity or authority to be:
- 5.7.1 withheld from an amount payable under clause 5.2 and paid to that entity or authority; or
  - 5.7.2 retained by the Target out of an amount payable under clause 5.2,
- its payment or retention by the Target (or the Target Share Registry) will constitute the full discharge of the Target's obligations under clauses 5.2 to 5.6 with respect to the amount so paid and or retained until, in the case of clause 5.7.2, it is no longer required to be retained.

## **6. DEALINGS IN TARGET SHARES**

### **What Target Share dealings are recognised?**

- 6.1 To establish the identity of the Scheme Participants, dealings in Target Shares or other alterations to the Register will only be recognised if:
- 6.1.1 in the case of dealings of the type to be effected using CHESSE, the transferee is registered in the Register as the holder of the relevant Target Shares at or before the Record Date; and
  - 6.1.2 in all other cases, registrable transfers or transmission applications in respect of those dealings, or valid requests in respect of other alterations, are received at the Target Share Registry at or before the Record Date.

### **Target to register transfer and transmission applications**

- 6.2 The Target will register registrable transfers or transmission applications of the kind referred to in clause 6.1.2 by, or as soon as practicable after, the Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2 requires the Target to register a transfer that would result in a Target Shareholder holding a parcel of Target Shares that is less than a 'marketable parcel' (for the purposes of this clause 6.2, 'marketable parcel' has the meaning given in the Operating Rules).

### **Transfers received after Record Date not recognised**

- 6.3 The Target will not accept for registration, nor recognise for any purpose, any transfer or transmission application in respect of Scheme Shares received after the Record Date, or received prior to the Record Date but not in registrable or actionable form (as appropriate).

### **Disposal of Scheme Shares of no effect**

- 6.4 If this Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them on or after the Record Date otherwise pursuant to this Scheme, and any attempt to do so will have no effect and the Bidder shall be entitled to disregard any such disposal.

### **Target to maintain Register to determine entitlements**

- 6.5 In order to determine entitlements to the Scheme Consideration, the Target will maintain, or procure the maintenance of, the Register in accordance with this clause 6 until the Scheme Consideration has been paid to Scheme Participants and the Register in this form will solely determine entitlements to the Scheme Consideration.

### **Holding statements no effect from Record Date**

- 6.6 From the Record Date, all holding statements for Target Shares will cease to have effect as documents of title in respect of those shares, and each entry on the Register (other than entries on the Register in respect of the Bidder) at the Record Date will cease to have any effect other than as evidence of the entitlements of Scheme Participants to the Scheme Consideration.

### **Target to provide contact information for Scheme Participants**

- 6.7 As soon as practicable after the Record Date and in any event at least three Business Days before the Implementation Date, the Target will provide to the Bidder or procure the provision to the Bidder of, the details of the name, Registered Address and the number of Target Shares held by each Scheme Participant, as shown in the Register at the Record Date, in a form the Bidder reasonably requires.

### **Suspension of trading**

- 6.8 The Target must, unless the Target Shares are already suspended from trading, apply to ASX to suspend trading on ASX in Target Shares with effect from the close of trading on the Effective Date.

### **Target to apply for termination of quotation of Target Shares**

- 6.9 On a date after the Implementation Date to be determined by the Bidder, the Target will apply for termination of the official quotation on the stock market conducted by ASX of Target Shares and must apply to have itself removed from the official list of ASX.

## **7. GENERAL PROVISIONS**

### **Scheme Participants' agreements**

- 7.1 Each Scheme Participant:
- 7.1.1 agrees to the transfer of their Target Shares, together with all rights and entitlements attaching to those Target Shares, to the Bidder, in accordance with this Scheme;
  - 7.1.2 agrees to the variation, cancellation or modification of the rights attached to their Target Shares constituted by or resulting from this Scheme;
  - 7.1.3 agrees to, on the direction of the Bidder, destroy any share certificates relating to their Target Shares;
  - 7.1.4 acknowledges that this Scheme binds the Target and all Scheme Participants, including those who do not attend the Scheme Meeting, do not vote, or vote against the Scheme, at the Scheme Meeting;

- 7.1.5 without the need for any further act, irrevocably appoints the Target and each of its directors and officers, jointly and severally, on and from the Effective Date, as the Scheme Participant's attorney and agent, and the Target accepts each such appointment, to:
- 7.1.5.1 enforce the Deed Poll against the Bidder, and the Target undertakes in favour of each Scheme Participant that it will enforce the Deed Poll against the Bidder on behalf of and as agent and attorney for each Scheme Participant; and
  - 7.1.5.2 execute any document or do any other act necessary, expedient or desirable to give full effect to this Scheme and the transactions contemplated by it, including the provision of a proper instrument of transfer of that Scheme Participant's Target Shares for the purposes of section 1071B of the Corporations Act (which may be a master transfer of all or part of the Scheme Shares);
- 7.1.6 from the Effective Date until the Bidder is registered as the holder of all Scheme Shares:
- 7.1.6.1 is deemed to have appointed the chairman of the Bidder as its sole proxy and, where applicable or appropriate, corporate representative to attend shareholders' meetings of the Target, exercise the votes attaching to the Scheme Shares registered in the name of the Scheme Participant and sign any shareholders' resolution;
  - 7.1.6.2 must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 7.1.6.1);
  - 7.1.6.3 must take all other action in the capacity of a registered holder of Scheme Shares as the Bidder reasonably directs; and
  - 7.1.6.4 acknowledges and agrees that in exercising the powers referred to in clause 7.1.6.1, the chairman of the Bidder may act in the best interests of the Bidder as the intended registered holder of the Scheme Shares.

#### **Alteration or conditions to the Scheme**

- 7.2 If the Court proposes to approve this Scheme subject to any alteration or conditions, the Target may, by its counsel or solicitors, consent on behalf of all persons concerned, including each Scheme Participant, to those alterations or conditions to which the Bidder has consented to in writing.

#### **Scheme is binding**

- 7.3 The Scheme binds Target and all Scheme Participants and, to the extent of any inconsistency, overrides the constitution of the Target.

### **Target Shares transferred free from encumbrance**

- 7.4 To the extent permitted by law, the Scheme Shares transferred to the Bidder under this Scheme will be transferred free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise.

### **Each Scheme Participant warrants Target Shares free from encumbrance**

- 7.5 Each Scheme Participant is deemed to have warranted to the Target and the Bidder on the Implementation Date, and appointed and authorised the Target as its agent and attorney to warrant to the Bidder on the Implementation Date, that all their Target Shares (including any rights and entitlements attaching to those shares) will, as at the time of the transfer of them to the Bidder, be fully paid and free from all mortgages, charges, liens, encumbrances, pledges, security interests and interests of third parties of any kind, whether legal or otherwise, and from any restrictions on transfer of any kind, and that they have full power and capacity to transfer their Target Shares (including any rights and entitlements attaching to those shares) to the Bidder under the Scheme. The Target undertakes in favour of each Scheme Participant that it will provide such warranty to the Bidder as agent and attorney of each Scheme Participant.

### **Bidder beneficially entitled to Scheme Shares**

- 7.6 Immediately upon the provision of the Scheme Consideration to each Scheme Participant in accordance with clause 5.3, the Bidder will be beneficially entitled to the Scheme Shares transferred to it under this Scheme pending registration by the Target of the name and address of the Bidder in the Register as the holder of the Scheme Shares.

## **8. GENERAL**

### **Consent**

- 8.1 Each Scheme Participant consents to the Target doing all things necessary or incidental to the Implementation of this Scheme, whether on behalf of the Scheme Participants, the Target or otherwise.

### **Notices**

- 8.2 Where a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to the Target, it will be deemed to be received on the date (if any) on which it is actually received at Target's registered office and on no other date.
- 8.3 The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by any Target Shareholder may not, unless so ordered by the Court, invalidate the Scheme Meeting or the proceedings of the Scheme Meeting.

### **Stamp duty**

- 8.4 The Bidder must pay all stamp duty payable (and any fines or penalties in respect of stamp duty) in respect of this Scheme and the Deed Poll, or any other transactions contemplated under this Scheme or the Deed Poll.

**Further acts**

- 8.5 The Target must at its own expense promptly execute all documents and do or use reasonable endeavours to cause a third party to do all things that another party from time to time may reasonably request in order to give effect to, perfect or complete this Scheme and the transactions contemplated by it.

**Governing law**

- 8.6 This Scheme is governed by the law of Western Australia, Australia. Each party irremovably submits to the non-exclusive jurisdiction of its courts and courts of appeal from them. The parties will not object to the exercise of jurisdiction by those courts on any basis.

**No liability when acting in good faith**

- 8.7 Neither the Target nor the Bidder (nor any director, officer or secretary of either) will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

**SCHEDULE 3: DEED POLL**

*See annexed Deed Poll*





**DATED**

**2016**

**DROXFORD INTERNATIONAL LIMITED**

**DEED POLL**

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THIS DEED POLL is made on

2016

**BY:**

- (1) **DROXFORD INTERNATIONAL LIMITED (I.B.C. Number 461087)** of 175A Bencoolen Street, #10-11/12 Burlington Square, Singapore 189650 ("**Bidder**")

**IN FAVOUR OF:**

- (2) **EACH PERSON REGISTERED AS A HOLDER OF FULLY PAID ORDINARY SHARES IN THE TARGET AS AT THE RECORD DATE (OTHER THAN THE BIDDER) ("Scheme Participants")**

**BACKGROUND:**

- A The Target and the Bidder entered into the Implementation Deed.
- B The Bidder makes this deed poll under for the purpose of covenanting in favour of the Scheme Participants to carry out its obligations under the Implementation Deed and the Scheme.

**IT IS AGREED:**

## **1. DEFINITIONS AND INTERPRETATION**

### **Definitions**

- 1.1 The following definitions apply in this deed poll:

**"ACCC"** means the Australian Competition and Consumer Commission;

**"First Court Date"** means the first day of the hearing of the Court of an application for an order under section 411(1) of the Corporations Act convening of the Scheme Meeting;

**"Government Agency"** means a government, government department or a governmental, semi-governmental, administrative, statutory or judicial entity, agency, authority, commission, department, tribunal, or person charged with the administration of a law or agency, whether in Australia or elsewhere, including the ACCC, ASIC, ASX, the Takeovers Panel, and any self-regulatory organisation established under statute or by ASX;

**"Implementation Deed"** means the scheme implementation deed between Target and Bidder dated 6 April 2016;

**"Scheme"** means the scheme of arrangement under Part 5.1 of the Corporations Act between the Target and the Target Shareholders substantially in the form of which is annexed to this deed poll, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and approved by each party;

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

**"Target"** means Atlantic Ltd ACN 009 213 763.

- 1.2 Unless the context otherwise requires, terms defined in the Scheme have the same meaning when used in this deed poll.

#### **Rules for interpreting this document**

- 1.3 The rules specified in clause 1.2 and 1.3 of the Scheme apply in interpreting this deed poll except that references to "this Scheme" are to be read as references to "this deed poll".

### **2. SCHEME PARTICIPANTS MAY RELY ON THIS DEED POLL**

- 2.1 The Bidder acknowledges that:

2.1.1 this deed poll may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not party to it; and

2.1.2 under the Scheme, each Scheme Participant irrevocably appoints the Target as its agent and attorney to enforce this deed poll against the Bidder.

### **3. CONDITIONS PRECEDENT AND TERMINATION**

#### **Conditions**

- 3.1 The Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.

#### **Termination**

- 3.2 The Bidder's obligations to Scheme Participants under this deed poll will automatically terminate and the terms of this deed poll will be of no force or effect if the Implementation Deed terminates in accordance with its terms or the Scheme is not Effective on or before the End Date, unless the Bidder and the Target otherwise agree in writing.

#### **Consequences of termination**

- 3.3 If this deed poll is terminated under this clause 3 then, in addition and without prejudice to any other rights, powers or remedies available to it:

3.3.1 the Bidder is released from its obligations to further perform this deed poll except those obligations contained in clause 7 and any other obligations which by their nature survive termination; and

3.3.2 each Scheme Participant retains any rights, powers or remedies it has against the Bidder in respect of any breach of this deed poll which occurred before this deed poll was terminated.

### **4. PAYMENT OF SCHEME CONSIDERATION**

#### **Undertaking**

- 4.1 Subject to clause 3, in consideration of the transfer of each Scheme Share to the Bidder, the Bidder must, subject to and in accordance with the terms of the Scheme:

4.1.1 pay, or procure the payment of, by no later than two business days before the Implementation Date, an amount equal to the aggregate amount of the Scheme

Consideration payable to each Scheme Participant into an Australian dollar denominated trust account operated by or on behalf of the Target, to be held on trust for the Scheme Participants and notified to the Bidder at least three business days prior to the Implementation Date, except that any interest on the amount deposited (less bank fees and other charges) will be to the Target's account; and

- 4.1.2 undertake or procure the undertaking of all other actions attributed to the Bidder under the Scheme.

## 5. REPRESENTATIONS AND WARRANTIES

5.1 The Bidder represents and warrants in favour of each Scheme Participant that:

- 5.1.1 **(status)** it is a corporation validly existing under the laws of its place of registration;
- 5.1.2 **(power)** it has full legal capacity and power to enter into this deed poll and to carry out the transactions that this deed poll contemplates;
- 5.1.3 **(corporate authority)** it has taken all corporate action that is necessary or desirable to authorise its entry into this deed poll and its carrying out of the transactions this deed poll contemplates;
- 5.1.4 **(documents effective)** this deed poll constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping; and
- 5.1.5 **(no contravention)** neither its execution of this deed nor the carrying out by it of the transactions that it contemplates, does or will contravene:
- 5.1.5.1 any law to which it or any of its property is subject or any order of any Government Agency that is binding on it or any of its property;
  - 5.1.5.2 any Authorisation held by it;
  - 5.1.5.3 any undertaking or instrument binding on it or any of its property; or
  - 5.1.5.4 its constitution.

## 6. CONTINUING OBLIGATIONS

6.1 This deed poll is irrevocable and, subject to clause 3, remains in full force and effect until the Bidder has completely performed its obligations under this deed poll or the earlier termination of this deed poll under clause 3.

## 7. NOTICES

### Notices only by authorised signatories

7.1 Any notice or communication that must or may be given in respect of this deed poll is only given if it is executed by that party or signed by an authorised signatory of that party. A person is an authorised signatory if he or she is a solicitor, director or company secretary of the relevant party, or if he or she is authorised in writing by that party.

### **Giving notices**

7.2 Any notice or communication given to the Bidder under this deed poll is only given if it is in writing and sent in one of the following ways:

7.2.1 delivered or posted to the Bidder at its address set out in clause 7.5; or

7.2.2 emailed to the Bidder at its email address set out in clause 7.5.

### **Time notice is given**

7.3 Any notice or communication is to be treated as given at the following time:

7.3.1 if it is delivered, when it is left at the relevant address;

7.3.2 if it is sent by post, two (or, in the case of a notice or communication posted to another country, nine) business days after it is posted; or

7.3.3 if it is sent by email, on the earlier of the sender receiving an automated message confirming delivery or, provided no automated message is received stating that the email has not been delivered, three hours after the time the email was sent by the sender, such time to be determined by reference to the device from which the email was sent.

7.4 However, if any notice or communication is given, on a day that is not a business day or after 5.00 pm on a business day, in the place of the party to whom it is sent it is to be treated as having been given at the beginning of the next business day.

### **Address for notices**

7.5 For the purposes of this deed, the details for the receipt of notices or communications are as follows:

<b>Bidder</b>	
Name:	Droxford International Limited
Address:	175A Bencoolen Street, #10-11/12 Burlington Square, Singapore 189650, Singapore
Email:	fpurnamasidi@gmail.com
Attention:	Ferdian Purnamasidi

## **8. VARIATION AND ASSIGNMENT**

### **Variation**

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

8.1.1 before the First Court Date, the variation is agreed to in writing by the Target; or

- 8.1.2 on or after the First Court Date, the variation is agreed to in writing by the Target and is approved by the Court; and
- 8.1.3 the Bidder enters into a further deed poll in favour of the Scheme Participants giving effect to that variation.

### **Assignment**

- 8.2 The rights and obligations under this deed poll are personal to the Bidder and each Scheme Participant. They cannot be assigned, encumbered, charged or otherwise dealt with, and no person shall attempt or purport to do so.

## **9. GENERAL**

### **Stamp duty**

- 9.1 The Bidder must:
  - 9.1.1 pay all stamp duty payable (and any fines or penalties in respect of stamp duty) in respect of the Scheme and the Deed Poll, or any other transactions contemplated under the Scheme or the Deed Poll; and
  - 9.1.2 indemnify each Scheme Participant against any liability arising from failure to comply with clause 9.1.1.

### **Governing law**

- 9.2 This deed poll is governed by the law of Western Australia, Australia. The Bidder irremovably submits to the non-exclusive jurisdiction of its courts and courts of appeal from them. The Bidder will not object to the exercise of jurisdiction by those courts on any basis.

### **Waiver of rights**

- 9.3 A waiver of any right, power or remedy under this deed poll must be in writing signed by the Scheme Participant granting it. A waiver only affects the particular obligation or breach for which it is given. It is not an implied waiver of any other obligation or breach or an implied waiver of that obligation or breach on any other occasion. The fact that a Scheme Participant fails to do, or delays in doing, something the party is entitled to do under this deed poll does not amount to a waiver.

### **Rights cumulative**

- 9.4 Any rights, powers and remedies of the Bidder and the Scheme Participants have under this deed poll are in addition to, and do not replace or limit, any other rights, powers and remedies the Bidder and the Scheme Participants may have.

### **Further acts**

- 9.5 The Bidder must at its own expense promptly execute all documents and do or use reasonable endeavours to cause a third party to do all things that another party from time to time may reasonably request in order to give effect to, perfect or complete this deed poll and all transactions incidental to it.

**EXECUTED AND DELIVERED AS A DEED POLL:**

**DATE:**

Executed by **DROXFORD  
INTERNATIONAL LIMITED** in accordance  
with the laws of its place of incorporation:

.....  
Signature of director

.....  
Name of director (print)



## **SCHEDULE 4: CAPITAL**

### **Target's Capital**

#### **1. TARGET SHARES**

1.1 Target has 154,757,405 fully paid ordinary shares on issue.

#### **2. TARGET OPTIONS**

2.1 Target has no options to subscribe for fully paid shares on issue.