

AGREED JOINT TAKEOVER OFFER FOR S. KIDMAN AND CO. LIMITED

The Directors of Australian Rural Capital Limited (**ARC**) are pleased to announce that ARC has executed a Bid Implementation Agreement with its consortium partner, Dakang Australia Holdings Pty Limited (**Dakang Australia**) and S. Kidman & Co Limited (**Kidman**) to acquire 100% of the ordinary shares in Kidman.

Offer consortium partners

Dakang Australia is owned 51% by the Shenzhen Stock Exchange listed Hunan Dakang Pasture Farming Co. Limited and 49% by Shanghai CRED Real Estate Stock Co. Limited. Hunan Dakang Pasture Farming Co. Limited has an equity market capitalisation of approximately A\$3.75billion and is 55% owned by Shanghai Pengxin Group.

Under the consortium arrangements, ARC would acquire 20% of the ordinary shares in Kidman and Dakang Australia would acquire 80% of the ordinary shares in Kidman and the consortium would jointly oversee the operations and development of the Kidman business. Importantly, the existing management of Kidman will be retained, and enhanced by the additional knowledge on the board of an Asian market participant and ARC's extensive Australian agribusiness experience.

Offer terms and conditions

Under the Bid Implementation Agreement, ARC and Dakang Australia will make an off market takeover offer to jointly acquire 100% of Kidman for approximately \$370 million, plus transaction costs which includes a substantial portion of stamp duty given the significant land component of Kidman (**Offer**).

The Offer is subject to the Treasurer having no objection to, or being precluded from exercising power under the Foreign Acquisitions and Takeovers Act 1975 (Cth) in relation to, the acquisition by Dakang Australia of 80% of shares in Kidman. ARC has been advised that the Treasurer has signed an interim order extending the period he is able to consider the Offer for ninety days from the date the order is published in the Commonwealth Gazette. ARC is advised that the date of publication is expected to be on or before 26 April 2016.

Other key Offer conditions are:

- a minimum acceptance condition of 90%;
- obtaining certain regulatory approvals in Western Australia and South Australia in relation to the change of control of certain pastoral leases;
- obtaining certain Chinese regulatory approvals;
- completing the divestment of the Anna Creek station by Kidman;

- the shareholders of Hunan Dakang Pasture Farming Co. Limited approving the acquisition by Dakang Australia of 80% of shares in Kidman under the Offer;
- the shareholders of ARC approving, as an ordinary resolution, the acquisition of 20% of shares in Kidman under the Offer for the purposes of ASX Listing Rules 11.1.2 and 11.2;
- no 'Superior Proposal' being received by Kidman that is recommended by the majority of the Kidman board of directors; and
- no 'material adverse change' occurring in relation to Kidman.

Kidman and the consortium have agreed to exclusivity arrangements and a matching right for the benefit of the consortium in relation to the Offer.

Attached is a copy of the agreed terms of the Bid Implementation Agreement.

The indicative timetable for the Offer is set out below:

2 May 2016	The Consortium lodges its Bidders' Statement with ASIC and serves it on Kidman. Kidman lodges its Target's Statement (including the Independent Experts Report) with ASIC and serves it on the Consortium.
2 May 2016	The Consortium dispatches its Bidders' Statement and Targets' Statement to Kidman shareholders. Kidman Offer opens
5 August 2016	Close of Kidman Offer (unless extended).

Full details of the Offer will be provided in the Bidders' Statement and Target's Statement along with an independent experts report.

ARC funding strategy

ARC has executed a debt finance facility agreement with an international bank to fund the acquisition of its 20% of the Kidman shares. Following the acquisition, ARC intends to transfer that holding to a newly listed agricultural investment entity and to raise equity funds to refinance the Kidman shareholding and for ARC to then use these funds to retire the debt facility.

It is intended that Australian Rural Capital Management Pty Limited (a wholly owned subsidiary of ARC), or its nominee, will be the investment manager of the new listed investment entity. ARC will consider investing in the newly listed investment entity. This transaction, if completed, is consistent with the stated ARC business model in seeking to invest in and manage agribusiness and agricultural assets.

The proposed newly listed investment entity will provide the opportunity for Australian investors to participate in the ownership of the Kidman business and the Kidman legacy.

ARC costs of the bid

ARC and Dakang has agreed that ARC will become liable for its share of the costs of the joint bid and the Offer only once the Offer becomes unconditional. At that point, ARC will then become liable for 20% for the costs of the transaction and this will be funded through the finance facility. ARC's direct costs in respect of the transaction, which are not considered costs of the joint bid, are estimated to be approximately \$150,000.

ARC shareholder approval

In compliance with the Listing Rules, ARC is required to seek shareholder approval for:

- the change in scale in ARC's activities as a result of the acquisition of the Kidman shares pursuant to LR 11.1.2;
- change of nature in ARC's activities to formally change the Company's investment strategy to agribusiness assets, also under LR 11.1.2; and
- the subsequent transfer of the Kidman shares to the newly listed entity pursuant to LR 11.2, at the same time as it seeks shareholder approvals under LR 11.1.2, as set out above.

Details relating to these matters this will be set out in a Notice of Meeting to ARC shareholders. ARC expects to hold the shareholders meeting in June 2016.

Key features of the ARC & Dakang Australia Shareholders' Agreement

ARC and Dakang have agreed a Shareholders' Agreement which becomes binding on the parties once the transaction is completed. From the time the Offer becomes unconditional, the parties agree to comply with the intent of the Shareholders' Agreement. This agreement governs the business relationship between the parties. The Shareholders' Agreement enables ARC to transfer its 20% Kidman shares to an investment entity managed by ARC, and will continue to retain its board positions and other rights under the Shareholders' Agreement.

Key features of the Shareholders Agreement are:

- **(ARC Nominees)** ARC may nominate up to 2 directors on the board of Kidman. ARC confirms that Mr James Jackson, Chairman, ARC, will be one of the ARC nominees;
- **(Dakang Nominees)** Dakang may nominate up to 4 directors on the board of Kidman;
- **(Other Directors)** The parties will jointly nominate 2 other directors (one of which will be the current Managing Director of Kidman).

In addition, there are number of board decisions which require the approval of the ARC nominee directors, including but not limited to:

- **(Business Plan and Budget)** approving or varying the agreed Kidman business plan or budget;
 - **(borrowings)** providing new or varying the terms of any financial accommodation provided to Kidman that exceeds the limit approved under the agreed delegations framework;
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- **(Managing Director)** the appointment or removal of the Kidman Managing Director and the terms of engagement of the Managing Director;
- **(transaction with Director, Shareholder or Affiliate)** entering into a transaction with a Kidman director, shareholder or an 'affiliate' of a director or a shareholder that is not on a commercial arms' length basis;
- **(intellectual property transactions)** entering into a transaction involving the use of the "Kidman" name or brand with a Kidman director, shareholder or an 'affiliate' of either a director or shareholder.

Furthermore, ARC as shareholder in Kidman must agree to any issue of new shares or new equity in Kidman before any new issues can be made. ARC also maintains participation rights in respect of any new issues.

Further enquiries

Investor enquiries should be directed to Executive Chairman, James Jackson on 0402 435 762.

Please direct all media enquiries to Mark Rudder at GRACosway on +61 (0)411 362 362.



James Jackson
Executive Chairman

20 April 2016

Bid Implementation Agreement

S. Kidman & Co Ltd

and

Dakang Australia Holdings Pty Ltd

and

Australian Rural Capital Ltd

and

Hunan Dakang Pasture Farming Co., Ltd

Ref NK:550623

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Bid Implementation Agreement

Date

Parties

S. Kidman & Co Ltd

ABN 36 007 872 317 of 183 Archer Street, North Adelaide, South Australia 5006

(Kidman)

Dakang Australia Holdings Pty Ltd

ACN 608 911 388 of C/- Ashurst Australia, Level 26, 181 William Street, Melbourne, Victoria, Australia 3000

(Dakang Australia)

Australian Rural Capital Ltd

ACN 001 746 710 of Suite 6, Level 7, 2-14 Kings Cross Road, Potts Point, New South Wales, Australia 2011

(ARC)

Hunan Dakang Pasture Farming Co., Ltd

A company incorporated in the PRC of No 43, HongQiao Commercial Villa, Lane 2188, HongQiao Road, Shanghai, 200336, China

(Hunan Dakang)

Recitals

- A. The Bidders propose to make a Takeover Bid.
 - B. Kidman and the Bidders have agreed to certain matters in relation to the conduct of the Takeover Bid as set out in this document.
 - C. Hunan Dakang has provided Kidman with a guarantee and indemnity in relation to the obligations of Dakang Australia on the terms of this document.
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1. Definitions and interpretation clauses

1.1 Definitions

In this document:

Accounts	means: <ul style="list-style-type: none"> (a) the statement of financial position of Kidman as at the Accounts Date; and (b) the statement of financial performance of Kidman for the year ending on the Accounts Date, <p>with all notes to the financial statements, which are attached to this document in Schedule 5.</p>
Accounts Date	means 30 June 2015.
Agreed Announcement	means the joint announcement set out in Schedule 1.
Agreed Bid Terms	means the terms and conditions set out in Schedule 2.
Anna Creek Restructure	means the disposal of the Anna Creek Station by way of a: <ul style="list-style-type: none"> (a) sale and purchase as contemplated by the Call and Put Option Deed set out in the Annexure; or (b) sale and purchase by Kidman to WPH in accordance with a business asset sale agreement and a land sale agreement both dated 23 March 2016.
Anna Creek Station	means the pastoral business in relation to the Anna Creek Lease (South Australian Crown Lease 1331/50) and the Peake Lease (South Australian Crown Lease 1332/1).
Announcement Date	means the date on which the Agreed Announcement is made in accordance with clause 2.1(b).
Approval	means a filing, registration, licence, authority, consent, approval, order, exemption, waiver, ruling or decision.

ARC Associate	means an Associate of ARC, or an investment fund or other vehicle which is managed by ARC or an Associate of ARC.
ARC Break Fee	means an amount equal to \$741,423, being part of the costs incurred by ARC in connection with the Transaction.
ARC Escrow Amount	means an amount equal to \$741,423.
ARC Confidentiality Deed	means the confidentiality deed between Kidman and ARC dated on or about 3 July 2015.
ASIC	means the Australian Securities and Investments Commission.
Associate	has the same meaning as in the Corporations Act and Associated has a corresponding meaning.
Bidders	means Dakang Australia and ARC.
Bidder Group	means each Bidder, the Guarantor and each of their Related Bodies Corporate.
Bidder's Statement	has the same meaning as in the Corporations Act.
Break Fee	means the Dakang Australia Break Fee and the ARC Break Fee.
Business	means the pastoral business carried on by Kidman as at the date of this document excluding the Anna Creek Station.
Business Day	means any day except Saturdays, Sundays and declared public holidays in: <ul style="list-style-type: none"> (a) South Australia, Australia (b) Sydney, New South Wales, Australia; and (c) Shanghai, People's Republic of China.

Claim	means a claim, notice, demand, action, proceeding, litigation, investigation, judgment or Liability however arising, whether present, unascertained, immediate, future or contingent, whether based in contract, tort, equity or statute and whether involving a third party or a party to this document.
Competing Proposal	<p>means any proposal or transaction which, if completed, would mean a person (other than the Bidders or any Associate of the Bidders) would:</p> <ul style="list-style-type: none"> (a) acquire Voting Power in Kidman of more than 20%; (b) acquire Control of Kidman; (c) directly or indirectly acquire an interest in, or a Relevant Interest in: <ul style="list-style-type: none"> (i) more than 20% of all of the Kidman Shares; or (ii) the whole or a material part of the business or property of Kidman; or (d) otherwise acquire, merge or amalgamate with Kidman, <p>irrespective of how it is structured including by way of takeover bid, scheme of arrangement, shareholder approved acquisition, capital restructure, sale or purchase of assets, joint venture or synthetic merger, or where Kidman would be required to abandon or otherwise fail to proceed with the Transaction.</p>
Confidential Information	has the meaning given to that term in the Hunan Dakang Confidentiality Deed and the ARC Confidentiality Deed.
Control	has the same meaning as set out in section 50AA of the Corporations Act and Controlled has a corresponding meaning.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Dakang Australia Break Fee	means an amount equal to \$2,965,692, being part of the costs incurred by Dakang Australia in connection with the Transaction.
Dakang Australia Escrow Amount	means an amount equal to \$2,965,692.

Data Room	means the virtual data room operated by or on behalf of Kidman.
Disclosed	means fully and fairly disclosed in such a manner so that, if on review of the relevant document or material, a reasonable person would be aware of the specific fact, matter or other information and be in a position to make a reasonably informed assessment of the fact, matter or other information without the assistance of or guidance by any third party or parties.
Disclosure Documents	has the meaning given in clause 7.4(a).
Disclosure Letter	means the letter (if any) from Kidman to the Bidders dated the same date as this document and delivered to each Bidder prior to executing this document which contains disclosures in respect of the Warranties.
Due Diligence	means the inquiries and investigations into the Kidman Shares, Kidman and the Business carried out by each Bidder and its Representatives prior to the date of this document.
Due Diligence Material	<p>means:</p> <ul style="list-style-type: none"> (a) the written information and documents provided to the Bidders and their Representatives by Kidman and its Representatives before the date of this document in the Data Room; and (b) the written responses given by Kidman and its Representatives in the Q&A process before the date of this document in the Data Room, <p>a copy of which is stored on the non-rewritable USB stick exchanged between Kidman and each Bidder (or their respective advisers) prior to the execution of this document.</p>
Duty	means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes any interest, fine, penalty, charge, fee or other amount imposed in respect of the above but excludes any Tax.
Employee	means an employee of Kidman.

Escrow Amount	means the Dakang Australia Escrow Amount and the ARC Escrow Amount.
Escrow Deed	means the escrow deed to be entered into by Kidman, each Bidder and the Stakeholder substantially in the form in Schedule 9.
Government Agency	means any government or governmental, semi governmental, administrative, statutory, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, whether in Australia or elsewhere.
GST	includes any additional tax, penalty, fine, interest or other charge relating to GST.
GST Concession	means any concessional treatment under the GST Act including but not limited to: <ul style="list-style-type: none"> (a) a GST-free supply of a going concern under Subdivision 38-J of the GST Act; and (b) a GST-free supply of farm land under Subdivision 38-O of the GST Act.
Guarantor	means Hunan Dakang.
Hunan Dakang Confidentiality Deed	means the confidentiality deed between Kidman and Shanghai Pengxin Group Co., Ltd dated 19 May 2015.
Independent Expert	means the independent expert appointed by Kidman to determine whether the Offer is fair and reasonable to Kidman Shareholders, being Leadenhall Corporate Advisory Pty Ltd ABN 11 114 534 619.
Intellectual Property Rights	means all present and future rights conferred by law in or in relation to copyright, trade marks, designs, patents, circuit layouts, plant varieties, inventions and confidential information, and other results of intellectual activity in the industrial, commercial, scientific, literary or artistic fields whether or not registrable, registered or patentable. These rights include: all rights in all applications to register these rights; all renewals and extensions of these rights; and all rights in the nature of these

rights, excluding moral rights.

Kidman Board	means the board of directors of Kidman.
Kidman Share	means a fully paid ordinary share in the issued capital of Kidman.
Kidman Shareholder	means a registered holder of Kidman Shares.
Leased Properties	means each of the properties leased to Kidman under the Leases.
Leases	means each of the pastoral leases listed in Schedule 7.
Liabilities	means all liabilities (whether actual, contingent or prospective), losses, damages, outgoings, costs and expenses of whatever description.
Material Adverse Change in relation to Kidman	<p>means any change or event which (either individually or when aggregated with any other change or event) diminishes or could reasonably be expected to diminish the net assets of Kidman by 5% or more other than as a consequence of:</p> <ul style="list-style-type: none"> (a) any legislation or regulation, any judicial or administrative interpretation of the law, any practice or policy of a regulatory authority or applicable change in accounting standards (whether or not retrospective in effect); (b) general industry, regulatory, political, market or economic conditions (including any event, occurrence, circumstance or matter generally affecting the beef industry as well as changes in currency exchange rates, securities markets or commodities prices); (c) acts of terrorism, war (whether or not declared) or the like; (d) any matter Disclosed in the Disclosure Documents or otherwise within the actual knowledge of either Bidder; (e) or in connection with, the Anna Creek Restructure; or (f) changes occurring as a result of any matter, event or circumstance required by this document, the Offer or the transactions contemplated by them or otherwise

consented to by the Bidders.

Offer	means the offer to acquire the Kidman Shares made in connection with the Takeover Bid.
Offer Period	means the period that the Offer is open for acceptance.
Owned Properties	means each of the properties owned by Kidman as set out in Schedule 6.
Permitted Dividend	means the dividend or dividends which may be declared and paid by Kidman after the date of this document in accordance with section 254T of the Corporations Act.
Policy Limit	means \$50 million.
PRC	means the People's Republic of China, which for the purposes of this document excludes Hong Kong, Macau and Taiwan.
Related Body Corporate	has the meaning given to that term in the Corporations Act.
Relevant Interest	has the same meaning as in the Corporations Act.
Relevant Person	has the meaning given to that term in clause 5.2.
Representative	means, in relation to a party, each of its Related Bodies Corporate, employees, agents, officers, directors, advisers (including legal, financial and other expert advisers), partners, joint venturers, contractors or sub-contractors.
Retention Bonus Regime	means the terms on which Kidman has agreed to pay eligible employees or former employees a retention bonus in the context of the Transaction, as set out in letters to employees Disclosed in the Due Diligence Materials.
Security Interest	means an interest or power: <ul style="list-style-type: none"> (a) reserved in or over an interest in any asset, including any retention of title; or

(b) created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of security for the payment of a debt or any other monetary obligation or the performance of any other obligation, including any agreement to grant or create any of the above.

Stakeholder	means the Stakeholder under the Escrow Deed.
Superior Proposal	means a bona fide Competing Proposal received after the date of this document which the Kidman Board reasonably determines, based on written external expert financial and legal advice from advisers who have the relevant expertise to provide advice in this area, provides greater value to the Kidman Shareholders than the Agreed Bid Terms and is reasonably capable of being completed.
Takeover Bid	means a takeover bid by the Bidders for all of the Kidman Shares and that satisfies the requirements in clause 2.1.
Target's Statement	has the same meaning as in the Corporations Act.
Tax	means any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, which is assessed, levied, imposed or collected by any Government Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above but excludes Duty.
Tax Claim	means an assessment notice or amended assessment, demand or other document issued or action taken by or on behalf of a Government Agency whether before or after the date of this deed, to the extent to which it relates to an act or omission of, or occurrence affecting Kidman on or before, or as a consequence of, the Transaction as a result of which Kidman is liable to make a payment for Tax.
Tax Law	means the <i>Income Tax Assessment Act 1936</i> (Cth) and the <i>Income Tax Assessment Act 1997</i> (Cth).
Tax Warranty	means a Warranty set out in item 12 of Schedule 4.

Timetable	means the timetable set out in Schedule 3.
Title and Capacity Warranty	means a Warranty set out in: <ul style="list-style-type: none"> (a) items 1 and 2 of Schedule 4; and (b) clauses 7.1(a) to (g) (in so far as such Warranty relates to Kidman).
Transaction	means the acquisition of Kidman Shares by the Bidders through implementation of the Offer in accordance with the terms of this document.
Voting Power	has the same meaning as in the Corporations Act.
Warranties	means each of the representations and warranties given by Kidman under clause 7.1 and Schedule 4.
Warranty Insurance	has the meaning set out in clause 7.8(a).
WPH	means Williams Pastoral Holdings Pty Ltd (ACN 610 890 554) as trustee for the Williams Pastoral Holdings Trust.

1.2 Interpretation

In this document unless the context otherwise requires:

- (a) words denoting the singular include the plural and vice versa;
- (b) a reference to any gender includes all genders;
- (c) a reference to a person or entity includes a natural person, a partnership, corporation, trust, association, unincorporated body, authority or other entity;
- (d) headings and the table of contents (if any) are for convenience only and do not affect interpretation;
- (e) where a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to any document is a reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;

- (g) a reference to a party to this document includes that party's executors, administrators, successors and permitted assigns;
- (h) a reference to (\$) or (**Dollars**) is a reference to Australian currency;
- (i) a reference to a recital, clause, schedule or annexure is to a recital, clause (including sub-clause, paragraph, sub-paragraph or further subdivision of a clause), schedule or annexure of or to this document and a reference to a paragraph is to a paragraph in a schedule;
- (j) a reference to any books or records or writing includes a reference to such documents or writing in all formats including electronic, disk, magnetic or written format;
- (k) a reference to any legislation or legislative provision includes any regulations or other delegated legislation or instruments made or issued under it and any consolidations, amendments, re-enactments or replacements of it and them and any of them;
- (l) a word or expression defined in the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) has the meaning given to it in that Act, in clauses about GST, unless the context otherwise requires;
- (m) the word (**including**) is not to be treated as a word of limitation;
- (n) a reference to time is a reference to the time in Adelaide, South Australia;
- (o) if the time prescribed or allowed by this document for doing any act or thing falls or expires on a day which is not a Business Day, such time is extended so as to fall or expire on the next succeeding Business Day after that day, except where doing so would result in a party being in breach of, or failing to comply with, any applicable law; and
- (p) no rule of construction applies to the disadvantage of a party because that party was responsible for the preparation of this document.

2. Takeover Bid

2.1 Making of Takeover Bid

Each Bidder agrees to:

- (a) make offers pursuant to a takeover bid under Chapter 6 of the Corporations Act to acquire all the Kidman Shares on terms no less favourable than the Agreed Bid Terms;
- (b) publicly propose (by means of an announcement which is substantially in accordance with the form of the Agreed Announcement) to make offers under the Takeover Bid as soon as practicable after both parties have executed this document; and

- (c) use its reasonable endeavours, to the extent practicable, to co-ordinate despatch of the Bidder's Statement to Kidman Shareholders at the same time as the Target's Statement is despatched but, if despite the exercise of reasonable endeavours, it is not practicable to do so, the Bidders will despatch the Bidder's Statement no later than 14 days after serving it on Kidman.

2.2 Kidman's assessment of Takeover Bid

Kidman represents and warrants that:

- (a) the Kidman Board has met and considered the possibility of the Bidders agreeing to make the Takeover Bid;
- (b) each Kidman director has informed Kidman that, if each Bidder complies with clause 2.1:
 - (i) the director will recommend that Kidman Shareholders accept an offer under the Takeover Bid; and
 - (ii) the director intends to accept, or procure the acceptances of, the Offer in respect of all Kidman Shares controlled or held by, or on behalf of, them within 5 Business Days of the first date that the Offer can be accepted,

subject to the following qualifications:

- (iii) there is no Superior Proposal; and
- (iv) the Independent Expert concluding that the Offer is both fair and reasonable to Kidman Shareholders; and
- (c) it will include statements in the Target's Statement to the effect of the recommendations referred to in paragraph (b) above.

2.3 Fiduciary exception

Nothing in clause 2.2 prevents Kidman or the Kidman Board from taking, or failing to take, action where to do otherwise would, in the reasonable opinion of the Kidman Board, constitute a breach of any of the statutory or fiduciary duties of the Kidman directors. The reasonable opinion of the Kidman Board must be based on written legal advice from legal advisers who have the relevant expertise to provide advice in this area.

3. Confidentiality Deeds

- (a) The parties confirm the terms of the Hunan Dakang Confidentiality Deed and the ARC Confidentiality Deed continue to apply.

- (b) On signing this document, Kidman and the Bidders will make the Agreed Announcement.
- (c) Kidman releases Dakang Australia and Shanghai Pengxin Group Co., Ltd (the release of which Dakang Australia shall hold on trust for Shanghai Pengxin Group Co., Ltd) from their confidentiality obligations under the Hunan Dakang Confidentiality Deed to the extent that Bidder is required by applicable law or the rules of any stock exchange to disclose any Confidential Information in a Bidder's Statement relating to the Takeover Bid or otherwise perform its obligations under this document.
- (d) Kidman releases ARC from its confidentiality obligations under the ARC Confidentiality Deed to the extent that Bidder is required by applicable law or the rules of any stock exchange to disclose any Confidential Information in a Bidder's Statement relating to the Takeover Bid or otherwise perform its obligations under this document.

4. Facilitation of Offer

4.1 Timetable

- (a) The parties agree:
 - (i) to use reasonable endeavours to implement the Transaction in accordance with the Timetable; and
 - (ii) that, in the event any step in the Timetable is not completed by the relevant date, they will use reasonable endeavours to complete that step as quickly as reasonably practicable.
- (b) Kidman agrees that the Bidder's Statement and accompanying documents to be sent by the Bidders under the Takeover Bid under step 6 of s633(1) of the Corporations Act may be sent on the date specified in the Timetable and consents to early despatch of the Bidder's Statement for that purpose.

4.2 Bidder's Statement and Target's Statement

- (a) The Bidders will, to the extent practicable, give Kidman a reasonable opportunity to review an advanced draft of the Bidder's Statement, and will consult in good faith with Kidman with respect to any comments Kidman may have.
- (b) Kidman will, to the extent practicable, give the Bidders a reasonable opportunity to review an advanced draft of the Target's Statement and will consult in good faith with the Bidders with respect to any comments the Bidders may have.

4.3 Bidder's obligations

Each Bidder must take all necessary steps to make the Offer as soon as is reasonably practicable, including taking each of the following steps:

- (a) make the Agreed Announcement including on any applicable securities exchange on the day of execution of this document;
- (b) subject to compliance by Kidman with its obligations under clauses 4.4(b) and 4.4(d), promptly prepare and despatch, or cause to be prepared and despatched, a Bidder's Statement in respect of the Offer to Kidman Shareholders which complies with the requirements of the Corporations Act;
- (c) provide to Kidman and its authorised representatives reasonable access to employees, and to the books and records of Dakang Australia and its subsidiaries and ARC and its subsidiaries (as applicable), to the extent required for the preparation by Kidman of the Target's Statement provided that nothing in this clause 4.3(c) requires either Bidder to provide to Kidman information concerning that Bidder's:
 - (i) consideration of the Transaction; or
 - (ii) assessment of Kidman, its business or affairs;
- (d) promptly provide to Kidman the information requested by Kidman for inclusion in the Target's Statement and such assistance to Kidman in relation to the drafting of the sections of the Target's Statement which relate to it as Kidman reasonably requires (including not unreasonably withholding its consent to the form and context in which the information appears in the Target's Statement); and
- (e) promptly provide to Kidman any further or new information which may arise after the date of the Target's Statement which, had the information arisen before the date of the Target's Statement, would have been required by section 638 of the Corporations Act to be included in the Target's Statement.

4.4 Kidman's obligations

Kidman must:

- (a) make the Agreed Announcement on the day of execution of this document;
- (b) promptly provide to the Bidders the information requested by the Bidders for inclusion in the Bidder's Statement and such assistance to the Bidders in relation to the drafting of the sections of the Bidder's Statement which relate to Kidman as the Bidders reasonably require (including not unreasonably withholding its consent to the form and context in which the information appears in the Bidder's Statement);
- (c) promptly provide to the Bidders any further or new information which may arise after the date of the Bidder's Statement which, had the information arisen

before the date of the Bidder's Statement, would have been required by section 636 of the Corporations Act to be included in the Bidder's Statement;

- (d) provide to the Bidders and their authorised representatives reasonable access to employees, offices, assets and other facilities, and to the books and records of Kidman for the purpose of implementation of the Transaction provided that nothing in this clause 4.4(d) requires Kidman to provide to the Bidders information concerning Kidman's:
 - (i) consideration of the Transaction; or
 - (ii) assessment of either Bidder, its business or affairs;
- (e) use its reasonable endeavours, to the extent practicable, to co-ordinate despatch of the Target's Statement to Kidman Shareholders at the same time as the Bidder's Statement is despatched;
- (f) to the extent it is entitled to do so, not register a transfer of any Kidman Shares where those Kidman Shares are the subject of an acceptance of an Offer notified to Kidman in accordance with clause 4.6 (other than a transfer to either Bidder in accordance with an Offer), unless:
 - (i) that acceptance has been validly withdrawn in accordance with section 650E of the Corporations Act; or
 - (ii) the takeover contract in respect of that acceptance has become void as a result of the operation of section 650G of the Corporations Act;
- (g) direct its Company Secretary to:
 - (i) co-operate with the Bidders for the purposes of satisfying the Bidders' obligations under the Corporations Act and allowing the Bidders to dispatch the Bidder's Statement in accordance with the Timetable; and
 - (ii) provide the Bidders with a copy of the register of Kidman Shareholders as at the date nominated by the Bidders in the form requested by the Bidders within 2 Business Days after such request;
- (h) during the Offer Period, subject to there being no Superior Proposal:
 - (i) use its reasonable endeavours to procure that all of the Kidman directors maintain (including by statements in the Target's Statement) their recommendation that Kidman Shareholders accept an Offer under the Takeover Bid; and
 - (ii) participate in efforts reasonably required by the Bidders to promote the merits of the Takeover Bid, including meeting with Kidman Shareholders, analysts, management, customers, press and other parties mutually agreed if requested to do so by the Bidders; and
- (i) upon the successful completion of the Takeover Bid, procure that the directors and senior management of Kidman do all such things as are reasonably

necessary to deliver effective control of Kidman to the Bidders, including but not limited to:

- (i) transfer of all authorities to operate bank accounts held by Kidman as nominated by the Bidders; and
- (ii) ensure the company records of Kidman remain at its registered office address.

4.5 Amendments to the Agreed Bid Terms

Without limiting their obligations under clauses 4.3 and 4.4, but subject to clause 6, the parties agree that any variation to the Agreed Bid Terms requires the consent of each of Kidman and the Bidders, notwithstanding that amendments may be required under any orders of a Government Agency in relation to the Offer.

4.6 Information regarding acceptances of the Offer

- (a) During the Offer Period, the Bidders must give Kidman notice of any acceptance of the Offer received by the Bidders within two (2) Business Days of receipt of that acceptance by the Bidders.
- (b) Upon written request from Kidman, the Bidders must within a reasonable time (and no later than within two (2) Business Days) give to Kidman notice providing details of all acceptances of the Offer received by the Bidders.

4.7 Appointment of directors

- (a) If:
 - (i) together the Bidders have a Relevant Interest in more than 50% of the Kidman Shares;
 - (ii) the Offer has become unconditional; and
 - (iii) the Bidders have paid the consideration to all persons who have accepted the Offer as at the time the Offer became unconditional,

Kidman will provide reasonable assistance to any actions necessary to cause the:

- (iv) appointment of nominees of the Bidders to the Kidman Board; and
- (v) resignation or removal of all those Kidman directors who have not been nominated or appointed by the Bidders,

such that a majority of Kidman directors are nominees of the Bidders.

- (b) If:

- (i) together the Bidders have a Relevant Interest in at least 90% of the Kidman Shares;
- (ii) the Offer has become unconditional; and
- (iii) the Bidders have paid the consideration to all persons who have accepted the Offer as at the time the Offer became unconditional,

Kidman will provide reasonable assistance to any actions necessary to cause the:

- (iv) appointment of nominees of the Bidders to the Kidman Board; and
- (v) resignation or removal of all those Kidman directors who have not been nominated or appointed by the Bidders,

such that all but one of the Kidman directors are nominees of the Bidders.

4.8 Co-operation

- (a) Nothing in this clause 4 requires any party to act at the direction of another party.
- (b) The co-operation between the Bidders and Kidman contemplated in this clause 4 does not result in any of them having any responsibility for a document prepared and issued under Chapter 6 of the Corporations Act by another party.
- (c) The parties agree that nothing in this document constitutes the relationship of partners or joint venturers between the parties.

4.9 Bid conditions

- (a) Each Bidder must use all reasonable endeavours to ensure the satisfaction of the conditions to the Offer (which are set out in Schedule 2).
- (b) Each of Dakang Australia and Hunan Dakang must as soon as practicable after the Announcement Date make all necessary filings and applications to:
 - (i) the National Development and Reform Commission, PRC;
 - (ii) the Ministry of Commerce, PRC; and
 - (iii) the relevant provincial branch of the State Administration of Foreign Exchange, PRC,
 as are required in connection with the conditions set out in Item 2(d) of Schedule 2.
- (c) Kidman must use all reasonable endeavours to ensure the satisfaction of the condition to the Offer which is set out in item 2(l) of Schedule 2.

- (d) Kidman agrees to use, and to procure that each of its directors uses, all reasonable endeavours and cooperate with any reasonable request of the Bidders to ensure the satisfaction of the conditions to the Offer (which are set out in Schedule 2).
- (e) Subject to clause 4.10, ARC must, within 45 days of the date of this document, hold a meeting of its shareholders to consider and vote on the resolution that must be passed by its shareholders in order to satisfy the Offer condition set out in Item 2(m) of Schedule 2.
- (f) Subject to clause 4.10, Hunan Dakang must, within 30 days of the date of this document, hold a meeting of its shareholders to consider and vote on the resolution that must be passed by its shareholders in order to satisfy the Offer condition set out in Item 2(c) of Schedule 2.
- (g) Dakang Australia must procure that Shanghai Pengxin Group Co., Ltd:
 - (i) contemporaneously with the execution of this document duly executes the deed poll set out in Schedule 10 and provides a copy of the duly executed deed poll to Kidman; and
 - (ii) as soon as practicable following the execution of this document, delivers to:
 - (A) Kidman the original duly executed deed poll; and
 - (B) Hunan Dakang a copy of the duly executed deed poll.
- (h) Each party must immediately notify the other if it becomes aware that a condition to the Offer has been or is likely to be breached or become incapable of satisfaction.

4.10 Counterproposal

Each of ARC and Hunan Dakang will be taken to have complied with clauses 4.9(e) and 4.9(f) respectively, regardless of the date of the shareholder meetings, if:

- (a) the Bidders have made a Counterproposal as contemplated in clause 5.5; and
- (b) ARC and Hunan Dakang, respectively, hold the relevant shareholders meeting as soon as practicable, taking into account any requirements to issue a supplementary notice of meeting containing details of the Counterproposal.

4.11 Fiduciary exception

Nothing in clause 4 prevents Kidman or the Kidman Board from taking, or failing to take, action where to do otherwise would, in the reasonable opinion of the Kidman Board, constitute a breach of any of the statutory or fiduciary duties of the Kidman directors. The reasonable opinion of the Kidman Board must be based on written legal advice from legal advisers who have the relevant expertise to provide advice in this area.

5. Exclusivity

5.1 Cease discussions

- (a) Kidman must cease any discussions or negotiations existing as at the date of this document relating to a Competing Proposal.
- (b) To the extent that Kidman has provided confidential information (including Confidential Information and any other non-public information) to any person other than either Bidder and its Associates at any time during the 12 months before the date of this document in relation to a Competing Proposal, Kidman must as soon as practicable and in any event within 2 Business Days of the date of this document, terminate the access of that person to Kidman's confidential information on an on-going basis and must request in writing the immediate return, destruction or erasure of all of Kidman's confidential information that has been provided to that person (including copies and summaries based on, utilising or related to that information) other than:
 - (i) any documents required to be retained by the recipient by law;
 - (ii) board papers or minutes of the recipient's board (or any committee of that board);
 - (iii) documents retained in the files of a legal advisor to a recipient that are reasonably necessary to support any advice given to the recipient; and
 - (iv) documents required to be retained by the recipient for legal, corporate governance or internal audit purposes.

5.2 Non solicitation

From the date of this document until the end of the Offer Period, Kidman must not and must ensure that each of its officers, employees, agents, consultants, investments bankers, lawyers or other advisers (each a **Relevant Person**) does not, directly or indirectly solicit, initiate or encourage (including without limitation by the provision of non-public information) any inquiries, expression of interest, offer, proposal or discussions by any person to make a Competing Proposal (whether from a person with whom Kidman has previously been in discussions or not) or which would reasonably be expected to lead to a Competing Proposal;

5.3 Access to information

Where Kidman or any of its employees, officers, Associates, advisers or agents proposes to provide any information relating to Kidman to any third party in connection with or for the purposes of a current or future Competing Proposal, it must, to the extent that a Bidder has not previously been provided with the information, provide that Bidder with a complete copy of that information at the same time it is provided to the third party.

5.4 Notification

Until the end of the Offer Period Kidman must within one (1) Business Day notify the Bidders of any approach or attempt to initiate discussions or negotiations regarding a Competing Proposal, or any request for information about Kidman that Kidman reasonably considers to be in connection with a current or future Competing Proposal, such notification to include the detailed nature of the approach (including reasonable details of the material terms of the Competing Proposal and the identity of the party making the approach).

5.5 Matching right

Kidman must:

- (a) not enter into any agreement, arrangement or understanding (whether or not in writing) with a party other than the Bidders and their respective Associates in relation to an actual, proposed or potential Competing Proposal; and
- (b) use its best endeavours to procure that none of the Kidman directors change their recommendation in favour of the Offer to publicly recommend an actual, proposed or potential Competing Proposal (or recommend against the Offer),

unless:

- (c) the Kidman Board has reasonably determined in good faith that the Competing Proposal is bona fide and that, after receiving the benefit of written financial and legal advice, the Competing Proposal is or would reasonably be expected to lead to a Superior Proposal;
- (d) Kidman has complied with its obligations under clause 5.4 and has notified the Bidders that the Kidman Board proposes to withdraw or change its recommendation in favour of the Offer;
- (e) Kidman has given the Bidders not less than 3 Business Days after provision of the information referred to in clause 5.5(d) to consider the Competing Proposal and make a new proposal or propose a revision to the Offer (**Counterproposal**) (for clarity, the Bidders have the right, but not the obligation, to make a new proposal or propose a revision to the Offer during the relevant 3 Business Day period);
- (f) if the Bidders have made a Counterproposal before the expiry of the 3 Business Day period referred to above in paragraph (e), Kidman has reviewed such Counterproposal in good faith; and
- (g) either:
 - (i) the Bidders have not made a Counterproposal by the expiry of the 3 Business Day period referred to above in paragraph (e); or
 - (ii) the Bidders have made a Counterproposal by the expiry of the 3 Business Day Period referred to above in paragraph (e) but such Counterproposal is not more favourable than the Competing Proposal

having regard to the value to Kidman Shareholders (for clarity, if such Counterproposal is more favourable than the Competing Proposal having regard to the value to Kidman Shareholders, Kidman must, in the absence of a further proposal which is more favourable having regard to the value of Kidman Shareholders, proceed exclusively with that Counterproposal).

5.6 Revisions to a Competing Proposal

Any material modification to any Competing Proposal will be deemed to make that proposal a new Competing Proposal in respect of which Kidman must comply with its obligations under clauses 5.4 and 5.5.

6. Takeover Offer Variation and Waiver

6.1 Variation

The Bidders may vary the terms and conditions of the Takeover Bid in any manner which is permitted by the Corporations Act, if the varied terms and conditions are not substantially less favourable to Kidman Shareholders than the Agreed Bid Terms.

6.2 Waiver of Conditions and extension

Subject to the Corporations Act, the Bidders may declare the Takeover Bid to be free from any condition or extend the Takeover Bid at any time.

6.3 Disclosures by Kidman

To the extent that facts disclosed by Kidman in the Disclosure Documents pursuant to clause 7.1(g) constitute a breach of any condition in Schedule 2, the Bidders agree that they will not rely on such facts as a breach of the condition.

7. Warranties and representations

7.1 General

Each party represents and warrants to the other that, at the date of this document:

- (a) it is duly incorporated, validly existing and in good standing under the laws of the place of its incorporation;
- (b) it has full power to enter into and perform its obligations under this document and can do so without the consent of any other person;
- (c) it has taken all necessary action to authorise the execution, delivery and performance of this document in accordance with its terms;

- (d) the execution, delivery and performance by the party of this document complies with:
 - (i) each applicable law, regulation, authorisation, ruling, judgment, order or decree of any Government Agency;
 - (ii) the constitution of the party or other constituent documents of the party; and
 - (iii) any Security Interest or document which is binding on the party;
- (e) it is not bound by any contract which may restrict its right or ability to enter into or perform this document;
- (f) no resolutions have been passed and no other step has been taken or legal proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer or any or all of its assets, and no regulatory action of any nature has been taken, which would prevent, inhibit or otherwise have a material adverse effect on its ability to fulfil its obligations under this document; and
- (g) it is not aware of any act, omission, event or fact that would result in one or more of the conditions set out in Schedule 2 being triggered, except as Disclosed by the party to the other party in writing on or before the date of this document.

7.2 Bidders' warranties and acknowledgements

- (a) Each Bidder acknowledges that:
 - (i) it has negotiated this document with the assistance of its professional advisers and relies only on the matters expressly set out in this document in executing this document; and
 - (ii) the warranties and representations contained in this clause 7.2 are given by it to Kidman for the purpose of inducing Kidman to execute this document.
- (b) Each Bidder represents and warrants to Kidman that, at the date of this document, it, or its Associates, have:
 - (i) the cash resources; or
 - (ii) entered into binding funding arrangements subject only to customary conditions to drawdown,

necessary to enable the Bidders to pay the aggregate consideration to all Kidman Shareholders under the Takeover Bid when the Takeover Bid becomes or is declared unconditional.

7.3 Kidman warranties

Kidman gives the representations and warranties set out in Schedule 4 in favour of each Bidder as at the date of this document.

7.4 Disclosure

- (a) The Warranties are given subject to and qualified by, and neither Bidder is entitled to claim that any fact, matter or circumstance causes any of the Warranties to be breached if and to the extent that the fact, matter or circumstance:
 - (i) is Disclosed in:
 - (A) this document;
 - (B) the Due Diligence Material; or
 - (C) the Disclosure Letter;
 - (ii) is or would be revealed by searches no later than:
 - (A) 31 March 2016 of any public register kept by ASIC;
 - (B) 30 March 2016 of the Personal Property Securities Register;
 - (C) 1 April 2016 of the register books of the South Australian Lands Titles Office, the Northern Territory Lands Titles Office, the Western Australian Lands Titles Office and the Queensland Lands Titles Office;
 - (D) 31 March 2016 of the High Court of Australia;
 - (E) 29 March 2016 of the Federal Court of Australia;
 - (F) 29 March 2016 of the Supreme Courts (throughout Australia); or
 - (G) 22 March 2016 of IP Australia,

(the documents in clauses 7.4(a)(i) and 7.4(a)(ii) together being the **Disclosure Documents**);
 - (iii) is otherwise within the actual knowledge of either Bidder, as at the date of this document; or
 - (iv) arises from, or is otherwise in connection with, the Anna Creek Restructure.
- (b) For the avoidance of doubt, any fact, matter or circumstance:
 - (i) Disclosed by a method detailed in clause 7.4(a)(i);

- (ii) which is or could reasonably be Disclosed by a search conducted on the dates set out above under clause 7.4(a)(ii); or
 - (iii) which is within the scope of clause 7.4(a)(iii),
- is deemed to qualify all of the Warranties.

7.5 Acknowledgements

Each Bidder acknowledges and agrees with Kidman that:

- (a) it has had the opportunity to conduct, and has conducted, Due Diligence in relation to the Kidman Shares, Kidman and the Business before the date of this document and has had the opportunity to raise such enquiries as it considered necessary with Kidman in relation to the Kidman Shares, Kidman and the Business;
- (b) irrespective of whether or not the Due Diligence investigations undertaken by it were as full or exhaustive as it would have wished, it has nevertheless independently and without the benefit of any inducement, representations or warranty (other than the Warranties and the other terms of this document) from Kidman or any of its Representatives determined to enter into this document;
- (c) the offer price set out in Schedule 2 has been determined after each Bidder has conducted Due Diligence and taking into consideration all of the Disclosure Documents, including without limitation the fees payable to Kidman's advisers (including EY) as well as a working capital adjustment based on Kidman's audited 30 June 2015 financial statements, and in reliance on the warranties provided by Kidman in clause 7.3;
- (d) the Warranties are the only warranties that each Bidder requires, and on which each Bidder has relied, in entering into this document;
- (e) for the avoidance of doubt, no warranty or representation, expressed or implied, is given in relation to any information or expression of intention or expectation nor any forecast, budget or projection contained or referred to in the Due Diligence Materials;
- (f) except as expressly set out in this document, all terms, conditions, warranties, representations and undertakings (whether express, implied, oral, in writing, collateral, statutory or otherwise) made or given by Kidman or their respective employees, customers, agents or representatives are excluded to the maximum extent permitted by law and to the extent that they cannot be excluded, Kidman disclaims all Liability in relation to them to the maximum extent permitted by law;
- (g) the Warranties are personal to each Bidder and may not be assigned to any other person; and
- (h) as at the date of this document, it is not aware of any fact, matter or circumstance which renders any Warranty untrue or inaccurate.

7.6 No reliance

- (a) Each Bidder acknowledges, and represents and warrants to Kidman, that:
- (i) at no time:
 - (A) has Kidman or any person on its behalf made or given; or
 - (B) has it relied on,

any representation, warranty, promise or undertaking in respect of the future financial performance or prospects of Kidman or the Business or otherwise (including in connection with any financial analysis or modelling conducted by either Bidder or any of its Representatives);
 - (ii) no representations, warranties, promises, undertakings, statements or conduct:
 - (A) have induced or influenced it to enter into, or agree to any terms or conditions of, this document;
 - (B) have been relied on in any way as being accurate by it;
 - (C) have been warranted to it as being true; or
 - (D) have been taken into account by it as being important to its decision to enter into, or agree to any or all of the terms of, this document,

except the Warranties;
 - (iii) it has entered into this document after satisfactory inspection and investigation of the affairs of Kidman and the Business, including a detailed review of all the Due Diligence Materials undertaken with the assistance of professional advisers; and
 - (iv) it has made, and it relies upon, its own searches, enquiries and evaluations in respect of the Kidman Shares, Kidman and the Business (including in connection with any financial analysis or modelling conducted by it or any of its Representatives).
- (b) The parties acknowledge that Kidman is not under any obligation to provide the Bidders or their Representatives with any information (including financial information) on the future performance or prospects of Kidman or the Business. If either Bidder has received opinions, estimates, projections, business plans, budget information or forecasts in connection with Kidman and the Business (including in connection with any financial analysis or modelling conducted by either Bidder or any of its Representatives), that Bidder acknowledges and agrees that:

- (i) there are uncertainties inherent in attempting to make these opinions, estimates, projections, business plans, budgets and forecasts and it is familiar with these uncertainties;
- (ii) it is taking full responsibility for making its own evaluation of the adequacy and accuracy of all opinions, estimates, projections, business plans, budgets and forecasts furnished to it and is not relying on any assumptions contained in such materials; and
- (iii) Kidman is not liable under any Claim arising out of or relating to any:
 - (A) opinions, estimates, projections, business plans, budgets or forecasts in connection with Kidman or the Business; or
 - (B) animal disease outbreak, trade dispute, act of war, financial or agricultural market movement or other circumstance beyond Kidman's control which affects the Business.

7.7 Financial forecasts

Without limiting clause 7.6(b), the parties acknowledge and agree that the Warranties are not intended to, and do not, apply to any financial forecasts, projections, opinions of future performance or other statements relating to financial prospects of Kidman or the Business that have been provided by Kidman or any of its Representatives. No warranty is given or representation made that any such financial forecast, projection or opinion will be met or achieved. Any such information that has been provided to the Bidders or their Representatives was provided for information purposes only.

7.8 Warranty Insurance

- (a) The Bidders will obtain a warranty and indemnity insurance policy or policies in the form and for the premium agreed between the parties prior to the date of this document (**W&I Policy**), indemnifying the Bidders with effect from the date of this document against any Claims against Kidman for breach of the Warranties described in the policy, subject to the conditions, exclusions and limitations set out in the policy (including the provisions described in clause 7.9) and to a de minimus of \$150,000, a fixed retention of \$3,000,000 in the aggregate reducing in according with clause 5.2 of the W&I Policy and a Claims maximum equal to the Policy Limit, with:
 - (i) Dakang Australia to be entitled to 80% of the amount insured; and
 - (ii) ARC to be entitled to 20% of the amount insured.

(Warranty Insurance).
- (b) The Bidders must pay when due all costs for the Warranty Insurance, including any associated fees, Tax and Duty.

- (c) The insurance cover under the Warranty Insurance shall be the sole recourse for each Bidder for Claims against Kidman for breach of the Warranties subject to clause 7.18.
- (d) Each Bidder will take all reasonable steps to enforce the terms of the Warranty Insurance in respect of any claim that it has against Kidman for Claims for breach of any of the Warranties to the extent that the Warranty Insurance, upon its terms, is expressed to protect such Claims.

7.9 Terms of Warranty Insurance

The parties agree that the Warranty Insurance includes terms to the following effect (which in each case are acceptable to them):

- (a) an express acknowledgement by the insurer that the insurer underwrites the Warranty Insurance on the basis:
 - (i) of the limited recourse regime contained in clause 7.10; and
 - (ii) that the limitations in clauses 7.10, 7.14(a) and 7.15 are to be ignored in the determination of whether or not the Warranty Insurance responds and in the measurement of covered loss;
- (b) an express waiver of the insurer's rights of subrogation, contribution and rights acquired by assignment against Kidman except:
 - (i) in relation to a Claim that arose in whole or in part out of fraud or intentional non-disclosure by Kidman (which, for the avoidance of doubt, includes an officer of Kidman); and
 - (ii) then only to the extent of the rights of recovery relating directly to the fraud or intentional non-disclosure of Kidman or officer of Kidman; and
- (c) an express acknowledgement by the insurer that Kidman is entitled to directly enforce such waivers and that, in respect of the waivers, each Bidder contracts in its own right and as agent of Kidman.

7.10 Limited recourse

Notwithstanding anything in this document neither Bidder shall have any remedy against Kidman under or in connection with any Claim for breach of a Warranty that is the subject of and described in the Warranty Insurance except to permit or facilitate a Claim by a Bidder under an insurance policy (including the Warranty Insurance) and only on the basis that Kidman is to have no liability in relation to the Claim for breach of a Warranty.

7.11 Limitation to Claims Under this Document

Kidman is not liable to either Bidder for any Claim arising from or relating to any statement, representation, warranty, promise, undertaking or agreement in connection with the Takeover Bid made by Kidman or any person acting, or purporting to act, on

behalf of Kidman or resulting from or implied by conduct made in the course of communications or negotiations in connection with the Takeover Bid, unless:

- (a) it is expressly set out or referred to in this document; or
- (b) the right to make or institute legal proceedings in respect of the Claim arises out of a statutory right which cannot be excluded by contract; or
- (c) to the extent finally determined by a court of competent jurisdiction it results from the fraud (including fraudulent misrepresentation or fraudulent non-disclosure) of Kidman or anyone on its behalf.

7.12 Ceasing to Own Business

The liability of Kidman to:

- (a) Dakang Australia for any Claim ceases if and when Dakang Australia or its Associate; or
- (b) ARC for any Claim ceases if and when ARC or an ARC Associate,

ceases to own Kidman Shares or has sold its interest in the Business, whichever is the earlier.

7.13 Limitation for Future Events

Kidman is not liable to either Bidder for any Claim which would not have arisen but for:

- (a) anything done or not done after the end of the Offer Period by either Bidder or an Associate of either Bidder or any person acting, or purporting to act, on behalf of a Bidder or the relevant Associate except where what was done or not done, as applicable, was done or not done in reliance on a fact, circumstance or information that is the subject of Warranty or which has been Disclosed in the Disclosure Documents and the fact, circumstance or information is incorrect or misleading;
- (b) the enactment of any legislation after the date of this document or change in legislation in force on the date of this document, including legislation which has a retrospective effect, unless the legislation has been announced prior to the end of the Offer Period; or
- (c) a change in the judicial interpretation of the law in any jurisdiction after the date of this document.

7.14 Time Limits

Kidman is not liable to either Bidder for any Claim unless:

- (a) a Bidder has given written notice to Kidman setting out reasonable details of the Claim:

- (i) by 18 April 2023 in respect of a Tax Claim or a Claim for a breach of a Tax Warranty;
 - (ii) by 18 April 2023 in respect of a Claim for breach of a Title and Capacity Warranty;
 - (iii) by 18 April 2018 in respect of a Claim for a breach of any other Warranty not referred to in clauses 7.14(a)(i) and 7.14(a)(ii); or
 - (iv) by the second anniversary of the end of the Offer Period for all other Claims; and
- (b) the Claim is agreed, compromised or settled or a Bidder has issued and served legal proceedings against Kidman in respect of the Claim within 6 months after a Bidder gives notice in respect of the Claim under clause 7.14(a).

7.15 Monetary Limit

Kidman is not liable to the Bidders for any Claim unless:

- (a) the amount finally adjudicated or agreed as being payable in respect of the Claim (or a series of like Claims arising from the same or substantially similar facts) exceeds \$150,000; and
- (b) the aggregate amount finally adjudicated or agreed as being payable in respect of all Claims which may be recovered under clause 7.15(a) is not less than \$3,000,000,

in which case Kidman is liable for all of the Claims which may be recovered under clause 7.15(a) and not just the amount by which its Claim exceeds the relevant threshold.

7.16 Maximum Amount of Claims

- (a) Notwithstanding any of the other provisions of this document, the maximum aggregate amount which the Bidders may recover, in respect of all Claims, is the Policy Limit.
- (b) For the avoidance of doubt, when calculating whether Kidman's maximum aggregate liability has been reached for the purposes of clause 7.16(a), the following amounts must be taken into account:
 - (i) the sum of all amounts recovered from Kidman (if any); and
 - (ii) the sum of all amounts recovered under the Warranty Insurance,
 in respect of any Warranty Claim.

7.17 Claims covered by Bidder's insurance

Kidman is not liable to the Bidders for any Claim for any Liability which is recoverable by a Bidder or a Related Body Corporate of a Bidder under a policy of insurance.

7.18 Exclusion of directors from liability

- (a) Subject to the Corporations Act, each Bidder releases its rights against, and agrees with Kidman that it will not make a Claim against any director of Kidman (or former director) in their capacity as a director of Kidman in connection with:
 - (i) any breach of any Warranty, representations and covenants made by, or any obligation of, Kidman in this document;
 - (ii) any disclosures containing any statement that is false or misleading whether in content or by omission; or
 - (iii) the Anna Creek Restructure,

except where a director of Kidman (or former director) has engaged in wilful misconduct or fraud or intentional non-disclosure.
- (b) Kidman receives and holds the benefit of this clause 7.18 to the extent it relates to each director of Kidman (or former director) as trustee for each of them.

7.19 Anna Creek Restructure

Kidman releases its rights against, and agrees with each of the Bidders that it will not make a Claim against, either Bidder in connection with Anna Creek Station or the Anna Creek Restructure.

8. Conduct

8.1 Conduct of Business

- (a) From the date of this document until the end of the Offer Period, except as otherwise expressly provided for in this document, Kidman must:
 - (i) conduct its business in the usual and ordinary course consistent with past practice or as may be required in order to satisfy a specific requirement of a Government Agency; and
 - (ii) not take, or fail to take, any action that constitutes, results in or gives rise to any of the prescribed occurrences set out in item 2(g) of Schedule 2.
- (b) The obligations in clauses 8.1(a)(i) and 8.1(a)(ii) do not in any way prevent, limit or restrict Kidman from:

- (i) making payments to Ernst & Young Transaction Advisory Services Limited (**EY**) under the terms of engagement with that entity in its capacity as corporate adviser to Kidman in relation to the Transaction;
- (ii) making payments to HWL Ebsworth Lawyers (**HWLE**) for services rendered in its capacity as legal adviser to Kidman in relation to the Transaction;
- (iii) making payments to Cox Inall (**CI**) for services rendered in its capacity as media adviser to Kidman in relation to the Transaction;
- (iv) declaring and paying the Permitted Dividend (and the parties agree and acknowledge that to the extent that franking credits are available the Permitted Dividend may be franked);
- (v) making payments under the Retention Bonus Regime to any Kidman employees or former employees; and
- (vi) taking any actions to implement or give effect to the Anna Creek Restructure.

8.2 Fiduciary exception

Nothing in clause 8.1 prevents Kidman or the Kidman Board from taking, or failing to take, action where to do otherwise would, in the reasonable opinion of the Kidman Board, constitute a breach of any of the statutory or fiduciary duties of the Kidman directors. The reasonable opinion of the Kidman Board must be based on written legal advice from legal advisers who have the relevant expertise to provide advice in this area.

9. Termination

9.1 Termination by Kidman - Breach

This document may be terminated at any time by Kidman if either Bidder is in material breach of a material term of this document (other than a representation or warranty given under clause 7), taken in the context of the Transaction as a whole provided that:

- (a) Kidman has given notice to the Bidder that is in default (copying in the other Bidder) setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist for seven (7) Business Days from the time such notice is given; and
- (b) Kidman has given a further notice in writing to the Bidder that is in default (copying in the other Bidder) stating that the document is terminated.

9.2 Termination by the Bidders - Breach

This document may be terminated at any time by the Bidders if Kidman is in material breach of a material term of this document (other than a representation or warranty given under clause 7), taken in the context of the Transaction as a whole provided that:

- (a) the Bidders have given notice to Kidman setting out the relevant circumstances and stating an intention to terminate and the relevant circumstances have continued to exist for seven (7) Business Days from the time such notice is given; and
- (b) the Bidders have given a further notice in writing to Kidman stating that the document is terminated.

9.3 Termination by either Kidman or the Bidders

This document may be terminated at any time by either Kidman or the Bidders (each a party for the purpose of this clause 9.3) by notice in writing to the other party:

- (a) if a court or other Government Agency has issued a final and non appealable order or ruling or taken action which permanently restrains or prohibits the Transaction;
- (b) if the Offer lapses for any reason or is withdrawn by the Bidders in accordance with the Corporations Act;
- (c) upon completion of the Transaction; or
- (d) if a Call Option Notice or Put Option Notice is issued under the Call and Put Option Deed set out in the Annexure and the conditions precedent to completion of the Anna Creek Restructure are not satisfied by the date contemplated in clause 4.6(a)(i) of the Call and Put Option Deed.

9.4 Termination by the Bidders

The Bidders may, by notice in writing to Kidman, terminate this document with immediate effect if on or before the end of the Offer Period, a majority of Kidman directors:

- (a) make any public statement to the effect that they do not recommend (or no longer recommend) the Offer;
- (b) fail to recommend that Kidman Shareholders accept the Offer in the absence of a Superior Proposal or, having done so, publicly withdraw or adversely vary or qualify their favourable recommendation of the Offer (or any part of it); or
- (c) publicly recommend, promote or otherwise endorse in any way a Competing Proposal.

9.5 Effect of termination

In the event of termination of this document under this clause 9:

- (a) each party is released from its obligations to further perform its obligations under this document except for those expressed to survive termination;
- (b) each party retains the rights it has against the other party in connection with any Claim that has arisen before termination; and
- (c) clauses 3, 7, 9, 12, 13.1, 13.4 and 13.5 survive termination.

10. GST

10.1 GST gross up

- (a) Subject to clause 10.1(b), if a party makes a supply under or in connection with this document in respect of which GST is payable, the consideration for the supply but for the application of this clause 10.1 (GST exclusive consideration) is increased by an amount equal to the GST exclusive consideration multiplied by the rate of GST prevailing at the time the supply is made.
- (b) Clause 10.1(a) does not apply to any consideration that is expressed in this document to be inclusive of GST.

10.2 Reimbursements and indemnifications

If a party must reimburse or indemnify another party for a loss, cost or expense, the amount to be reimbursed or indemnified is first reduced by any input tax credit the other party is entitled to for the loss, cost or expense, and then increased in accordance with clause 10.1.

10.3 Tax invoice

A party need not make a payment for a taxable supply made under or in connection with this document until it receives a tax invoice for the supply to which the payment relates.

11. Escrow Amount

- (a) The parties must enter into the Escrow Deed with the Stakeholder contemporaneously with the execution of this document under which:
 - (i) Dakang Australia will pay the Dakang Australia Escrow Amount; and
 - (ii) ARC will pay the ARC Escrow Amount,
 to the Stakeholder on the date of this document.

- (b) Subject to clause 11(c):
 - (i) Dakang Australia is always entitled to the Dakang Australia Escrow Amount and any interest earned on the Dakang Australia Escrow Amount; and
 - (ii) ARC is always entitled to the ARC Escrow Amount and any interest earned on the ARC Escrow Amount.
- (c) Kidman is entitled to the Escrow Amount and any interest earned on the Escrow Amount if:
 - (i) the Offer is not made within 2 months of the date of this document, other than as a result of Kidman breaching its obligations under this document;
 - (ii) the Bidders withdraw the Offer otherwise than in accordance with the Corporations Act;
 - (iii) the Bidders do not pay the consideration to Kidman Shareholders by the time payment is due in accordance with the Offer;
 - (iv) Kidman has not notified the Bidders of a Competing Proposal as contemplated by clause 5.5 and the Offer condition set out in:
 - (A) Item 2(c) of Schedule 2 has not been satisfied within 30 days of the date of this document; or
 - (B) Item 2(m) of Schedule 2 has not been satisfied within 45 days of the date of this document,

other than as a result of a breach by Kidman of clause 4.9(d); or
 - (v) Kidman has notified the Bidders of a Competing Proposal as contemplated by clause 5.5 and the Bidders have made a Counterproposal as contemplated by clause 5.5 that is more favourable than the Competing Proposal, the Offer condition set out in:
 - (A) Item 2(c) of Schedule 2 has not been satisfied within 30 days of the date that the Kidman Board accept the Counterproposal; or
 - (B) Item 2(m) of Schedule 2 has not been satisfied within 45 days of the date that the Kidman Board accept the Counterproposal,

other than as a result of a breach by Kidman of clause 4.9(d).
- (d) If Kidman becomes entitled to the Escrow Amount in accordance with clause 11(c), Kidman and the Bidders must give a notice to the Stakeholder pursuant to clause 3.1(a) of the Escrow Deed directing the Stakeholder to release the relevant funds to accounts nominated by Kidman.
- (e) Except where Kidman has become entitled to the Escrow Amount in accordance with clause 11(c), upon the earlier of termination of this document

and the date that is 10 days after the end of the Offer Period, Kidman and the Bidders must give a notice to the Stakeholder pursuant to clause 3.1(a) of the Escrow Deed directing the Stakeholder to release the relevant funds to accounts nominated by each Bidder.

12. Break Fee

12.1 Background and acknowledgements

- (a) Each Bidder confirms that it will incur significant costs in connection with performing its obligations under the document and the Takeover Bid.

The Bidders have requested that provision be made in this document for the payment set out in clause 12.2 in the absence of which it would not have entered into this document. Kidman confirms its belief that it is appropriate to agree to the payment which it agrees to make under this clause 12 in order to secure the Bidders' participation in the Takeover Bid. Kidman acknowledges that the amount it has agreed to pay the Bidders under this clause 12 is an amount appropriate to compensate each Bidder for its reasonable external and internal costs and opportunity costs in connection with the Takeover Bid.

- (b) Kidman acknowledges that the Break Fee is reasonable in the context of the Takeover Bid.

12.2 Break Fee payment

Subject to clause 12.5, Kidman must pay Dakang Australia the Dakang Australia Break Fee and ARC the ARC Break Fee:

- (a) if a Competing Proposal is announced and consummated at any time between the date of this document and the day that is 18 months after the date of this document;
- (b) if a majority of Kidman directors change their recommendation of the Transaction or recommends, supports or endorses a Competing Proposal, except where the Independent Expert does not conclude that the Offer is both fair and reasonable to Kidman Shareholders; or
- (c) if the Bidders terminate this document in accordance with clause 9.2.

For the purposes of this clause 12.2, "consummated" includes, in respect of a Competing Proposal, a person other than the Bidders or any Associate of the Bidders acquiring control of Kidman within the meaning of section 50AA of the Corporations Act.

12.3 Break fee timing

Kidman must pay:

- (a) Dakang Australia the Dakang Australia Break Fee in the event that it is payable in accordance with clause 12.2 within 15 Business Days of receiving a written demand from the Bidders for payment of the Break Fee; and
- (b) ARC the ARC Break Fee in the event that it is payable in accordance with clause 12.2 within 15 Business Days of receiving a written demand from the Bidders for payment of the Break Fee.

12.4 Repayment

Despite any event in clause 12.2 occurring, if together the Bidders ultimately acquire beneficial ownership in 90% or more of Kidman Shares:

- (a) Dakang Australia must repay Kidman any amount received by it under clause 12.2 which has not already been refunded pursuant to this clause 12; and
- (b) ARC must repay Kidman any amount received by it under clause 12.2 which has not already been refunded pursuant to this clause 12.

12.5 Compliance with law

If a court or the Takeovers Panel determines that any part of the Break Fee:

- (a) constitutes, or would if performed constitute:
 - (i) a breach of the fiduciary or statutory duties of the Kidman Board; or
 - (ii) unacceptable circumstances within the meaning of the Corporations Act; or
- (b) would, if paid, be unlawful for any reason,

then Kidman will not be obliged to pay such part of the Break Fee and, if the Break Fee has already been paid, then:

- (c) Dakang Australia must within 5 Business Days after receiving written demand from Kidman refund that part of the Dakang Australia Break Fee received by it to Kidman; and
- (d) ARC must within 5 Business Days after receiving written demand from Kidman refund that part of the ARC Break Fee received by it to Kidman.

For the purposes of this clause, a determination will not be taken to have been made unless and until any period for lodging an application for review or a notice of appeal of the decision has expired without such application or notice having been lodged or, if an application for review or a notice of appeal has been lodged within the prescribed time, the relevant review Panel or court has made the determination.

13. General

13.1 Costs Generally

Each party must pay its own costs in relation to:

- (a) the negotiation, preparation, execution, performance, amendment or registration of, or any consent given or made; and
- (b) the performance of any action by that party in compliance with any liability arising,

under this document, or any agreement or document executed or effected under this document, unless this document provides otherwise. For the avoidance of doubt, this clause 13.1 will continue to apply in the event that Kidman is required to pay the Break Fee to the Bidders in accordance with clause 12.

13.2 Stamp Duty

- (a) Subject to clause 13.2(b), the Bidders will bear the Duty incurred on this document and any instrument or transaction contemplated by this document (including any Duty payable in any relevant jurisdiction as a result of the transfer of Kidman Shares to either Bidder).
- (b) In relation to the Anna Creek Restructure:
 - (i) Kidman will bear the Duty incurred in connection with the Anna Creek Restructure where the disposal of the Anna Creek Station occurs under paragraph (a) of the definition of "Anna Creek Restructure"; or
 - (ii) WPH will bear the Duty incurred in connection with the Anna Creek Restructure where the disposal of the Anna Creek Station occurs under paragraph (b) of the definition of "Anna Creek Restructure".

13.3 Assignment

A party must not transfer any right or liability under this document without the prior consent of each other party, except where this document provides otherwise.

13.4 Notices

- (a) A notice must be in writing and delivered on a Business Day, sent by prepaid mail (airmail if overseas) or by facsimile to the address or facsimile number of the recipient party set out in this clause or to such other address or facsimile number as that party may from time to time notify the other parties for the purposes of this clause.
- (b) A notice given in accordance with clause 13.4(a) will be taken to have been received:

- (i) if it is delivered before 5.00pm on a Business Day, at the time of delivery, otherwise at 9.00am on the next following Business Day;
 - (ii) on the second Business Day (or if sent overseas, on the seventh Business Day) after posting;
 - (iii) if sent by facsimile, upon production of a correct and complete transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety to the facsimile number of the recipient notified for the purposes of this clause (but if the communication is not completed by 5.00pm on a Business Day, at 9.00am on the next following Business Day); and
 - (iv) if sent by email, if it is received by the recipient's email server before 5.00pm on a Business Day, at the time of delivery, or otherwise at 9.00am on the next following Business Day.
- (c) The address for service for notices of the parties are:

Dakang Australia

Address: BDO, Level 10, 12 Creek Street
Brisbane QLD 4000

Attention: Dennis Lin

Facsimile: +61 7 3221 9227

Email: Dennis.Lin@bdo.com.au

and copy to:

Address: Ashurst Australia
Level 26, 181 William Street
Melbourne VIC 3000

Attention: Kylie Lane

Facsimile: (03) 9679 3111

Email: kylie.lane@ashurst.com

ARC

Address: Suite 6, Level 7, 2-14 Kings Cross Road

Potts Point NSW 2011

Attention: James Jackson
Facsimile: N/A
Email: jamesjackson2480@gmail.com

and copy to:

Address: Broadley Rees Hogan
Level 24, ONE ONE ONE, 111 Eagle Street
Brisbane QLD 4000

Attention: Darren Anderson
Facsimile: (07) 3223 9103
Email: Darren.Anderson@brhlawyers.com.au

S. Kidman & Co Ltd

Address: 183 Archer Street
North Adelaide SA 5006

Attention: Greg Campbell
Facsimile: (08) 8334 7150
Email: gcampbell@kidman.com.au

and a copy to:

Address: HWL Ebsworth Lawyers
Level 21, 91 King William Street
Adelaide SA 5000

Attention: Jamie Restas
Facsimile: 1300 464 135
Email: jrestas@hwle.com.au

Hunan Dakang

Address: No 43, HongQiao Commercial Villa, Lane 2188, HongQiao Road, Shanghai, 200336, China

Attention: Henry (Tao) Hong

Facsimile: N/A

Email: hongtao@peng-xin.com.cn

and copy to:

Address: Ashurst Australia
Level 26, 181 William Street
Melbourne VIC 3000

Attention: Kylie Lane

Facsimile: (03) 9679 3111

Email: kylie.lane@ashurst.com

13.5 **Governing law and jurisdiction**

- (a) This document is governed by and construed under the law in the State of South Australia.
- (b) Any legal action in relation to this document against any party or its property may be brought in any court of competent jurisdiction in the State of South Australia.
- (c) Each party by execution of this document irrevocably, generally and unconditionally submits to the non exclusive jurisdiction of any court specified in this provision in relation to both itself and its property.

13.6 **Amendments**

Any amendment to this document has no force or effect unless effected by an agreement executed by the parties.

13.7 **Third parties**

This document confers rights only upon a person expressed to be a party, and not upon any other person.

13.8 **Pre contractual negotiation**

This document:

- (a) expresses and incorporates the entire agreement between the parties in relation to its subject matter, and all the terms of that agreement; and
- (b) supersedes and excludes any prior or collateral negotiation, understanding, communication or agreement by or between the parties in relation to that subject matter or any term of that agreement.

13.9 Further assurance

Each party must do or cause to be done all acts and things necessary or desirable to give effect to this document and refrain from doing all acts and things that could hinder performance by any party of this document.

13.10 Continuing performance

- (a) The provisions of this document do not merge with any action performed or document executed by any party for the purpose of performance of this document.
- (b) Any representation in this document survives the execution of any document for the purposes of, and continues after, performance of this document.
- (c) Any indemnity agreed by any party under this document:
 - (i) constitutes a liability of that party separate and independent from any other liability of that party under this document or any other agreement; and
 - (ii) survives and continues after performance of this document.

13.11 Waivers

Any failure by any party to exercise any right under this document does not operate as a waiver and the single or partial exercise of any right by that party does not preclude any other or further exercise of that or any other right by that party.

13.12 Remedies

The rights of a party under this document are cumulative and not exclusive of any rights provided by law.

13.13 Severability

Any provision of this document which is invalid in any jurisdiction is invalid in that jurisdiction to that extent, without invalidating or affecting the remaining provisions of this document or the validity of that provision in any other jurisdiction.

13.14 Counterparts

This document may be executed in any number of counterparts, all of which taken together are deemed to constitute one and the same agreement.

13.15 Attorneys

Each attorney who executes this document on behalf of a party declares that the attorney has no notice of the revocation or suspension of the power of attorney under the authority of which the attorney executes this document.

13.16 No party acting as trustee

Each party acknowledges and agrees that it enters into this document in its own right (and not as trustee of a trust).

13.17 Time of the essence

Time is of the essence in this document.

14. Guarantee and Indemnity

14.1 Consideration

The Guarantor acknowledges that:

- (a) Kidman enters into this document at the Guarantor's request and subject to the Guarantor giving the guarantee and indemnity in this clause 14; and
- (b) the Guarantor has entered into this document for valuable consideration.

14.2 Guarantee

- (a) The Guarantor unconditionally and irrevocably guarantees to Kidman:
 - (i) the due and punctual performance of all of Dakang Australia's obligations, undertakings, covenants and warranties under this document (**Guaranteed Obligations**); and
 - (ii) the due and punctual payment to Kidman of all moneys which Dakang Australia is or at any time becomes liable to pay to or for the account of Kidman under or in connection with this document, including by way of:
 - (A) consideration, interest, fees, costs, indemnities, charges, duties or expenses; or

- (B) payment of damages under or in relation to or as a result of any breach of or default under or in relation to this document, including a failure to properly and adequately perform Guaranteed Obligations,

(Guaranteed Moneys) in accordance with this clause 14.

- (b) If Dakang Australia does not perform Guaranteed Obligations or pay Guaranteed Moneys on time and in accordance with this document, the Guarantor agrees to perform Guaranteed Obligations or pay Guaranteed Moneys, as the case may be, within 15 Business Days of written demand from Kidman. A demand may be made at any time and from time to time.

14.3 Indemnity

- (a) The Guarantor unconditionally and irrevocably indemnifies Kidman against all losses, damages, costs, charges, liabilities and expenses which Kidman may at any time suffer or incur because:
 - (i) of the insolvency, liquidation or winding up of Dakang Australia;
 - (ii) of any failure to properly or adequately perform Guaranteed Obligations; or
 - (iii) Guaranteed Moneys are not or have never been recoverable from the Guarantor under clause 14.2 or from Dakang Australia because of any other circumstance whatsoever, including any transaction relating to Guaranteed Moneys being void, voidable or unenforceable.
- (b) The Guarantor as principal debtor agrees to pay Kidman, within 15 Business Days of written demand, money owing under this document in immediately available funds without deduction.

14.4 Unconditional Nature of Obligations

Neither the liability and obligations of the Guarantor under this clause 14 nor the rights of Kidman hereunder shall be affected (in whole or in part) by anything which, but for this clause 14, might otherwise have that effect at law or equity, including:

- (a) the granting to Dakang Australia or any other person of any time waiver or other indulgence or the discharge or release of Dakang Australia or any other person;
- (b) any transaction or arrangement that may take place between Kidman and Dakang Australia or any other person;
- (c) the insolvency, liquidation or winding up of Dakang Australia, Kidman, the Guarantor or any other person;
- (d) Kidman exercising or refraining from exercising its rights under any rights powers or remedies against Dakang Australia or any other person;

- (e) the amendment, variation, replacement, extinguishment, unenforceability, failure, loss, release, discharge, abandonment or transfer either in whole or in part of any Security Interest now or in the future held by Kidman from Dakang Australia or any other person or by the taking of or failure to take any such security interest;
- (f) the failure or omission by Dakang Australia or Kidman to give notice to the Guarantor of any default by Dakang Australia or any other person under this document;
- (g) Kidman obtaining a judgment against Dakang Australia or any other person for the payment of any of Guaranteed Moneys; and
- (h) any legal limitation, disability, incapacity or other circumstances related to Dakang Australia, the Guarantor or any other person,

whether with or without the consent of any person.

14.5 **Principal Obligation**

Each obligation of the Guarantor under this clause 14 shall be a principal obligation and shall not be treated as ancillary or collateral to any other right or obligation.

14.6 **Continuing Obligation**

The guarantee and indemnity under this clause 14 shall be a continuing guarantee and indemnity and shall remain in full force and effect until all Guaranteed Obligations have been properly and adequately performed and all Guaranteed Moneys have been paid in full.

14.7 **Costs**

The Guarantor agrees to pay, and indemnify and shall keep indemnified, Kidman against all proper direct costs and expenses (including legal costs on a solicitor and own client basis) incurred by Kidman in any successful enforcement of this clause 14.

14.8 **Maximum liability**

- (a) The Guarantor's aggregate liability in respect of any Claims Kidman may have against Dakang Australia shall not exceed the amount of the related Claim against Dakang Australia.
- (b) The maximum aggregate liability of the Guarantor for all Claims made or brought by Kidman under or in connection with this document or the Transaction, is limited to \$296,569,226 in each case including a Claim under this clause 14.

Schedule 1 Agreed Announcement

Schedule 2 Agreed Bid Terms

1. Offer Price and payment

- (a) The Bidders offer to acquire all Kidman Shares (being 11,812,273 Kidman Shares) for not less than the amount equal to the following:

$$OP = FA - PD + EP$$

Where:

OP = the offer price per Kidman Share;

FA = \$31.38359 per Kidman Share;

PD = any Permitted Dividend declared or paid per Kidman Share; and

EP = an earnings payment equal to the following per Kidman Share:

$$\$0.0725 \times (n/30)$$

where n = the number of days between 1 June 2016 and the date that the Offers are declared by the Bidders to be free from all conditions (both inclusive).

- (b) Subject to the receipt of any additional documents required, and in accordance clauses 3, 4.4, 4.5, 6.2, 6.3 and 6.6 of the terms of the Offer as set out in the draft Bidders' Statement provided to Kidman by or on behalf of the Bidders on the date of this document, if the contract resulting from acceptance of the Offer becomes or is declared unconditional, the Bidders will pay the consideration to a person who has accepted the Offer on the earliest of:
- (i) if the Offer has not become unconditional at the time of acceptance, on the date that is 7 days after the Offer becomes unconditional;
 - (ii) if the Offer has become unconditional at the time of acceptance, on the date that is 7 days after the acceptance is received by the Bidders; or
 - (iii) the date that is 7 days after the end of the Offer Period.
- (c) Kidman Shares acquired under the Offer, including any Kidman Shares acquired pursuant to compulsory acquisition, will be allocated as between Dakang Australia and ARC in the ratio of 4:1 (or as near as practicable thereto).

2. Offer conditions

The Offer and any contract resulting from its acceptance, is subject only to the conditions set out below.

(a) Minimum acceptance condition

That during or at the end of the Offer Period, together the Bidders have a Relevant Interest in at least 90% (by number) of all Kidman Shares.

(b) Australian regulatory approvals

Before the end of the Offer Period, the following approvals are obtained:

(i) WA approval

Western Australian Minister for Lands – Ministerial approval under the *Land Administration Act 1997* (WA) to the acquisition of all of the Kidman Shares by the Bidders in respect of the Ruby Plains Pastoral Lease (Lease N049918) and the Sturt Creek Pastoral Lease (Lease N049928).

(ii) SA approval

South Australian Minister for Sustainability, Environment and Conservation – approval under the terms of the Innamincka Lease (Crown Lease 1625/52) in respect of that Lease and under section 30(1)(a) of the *Pastoral Land Management and Conservation Act 1989* (SA) in respect of the Macumba Lease (Crown Lease 1607/55).

(iii) Foreign investment approval

Before the end of the Offer Period, one of the following occurs:

(A) Dakang Australia receives written notice issued by or on behalf of the Treasurer of Australia stating that there are no objections under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) or the Australian Government's foreign investment policy to the acquisition by Dakang Australia of 80% of the Kidman Shares under the Offer; or

(B) the Treasurer of Australia becomes precluded from exercising any power to make an order under FATA in relation to the acquisition by Dakang Australia of 80% of the Kidman Shares under the Offer.

(c) Hunan Dakang Shareholder Approval

Before the end of the Offer Period, a meeting of Hunan Dakang's shareholders is held at which the shareholders approve the acquisition by Dakang Australia of 80% of all Kidman Shares under the Takeover Bid as required under Articles 41 and 42 of Hunan Dakang's Constitution and Chapter IX of the Rules Governing Listing of Stocks on Shenzhen Stock Exchange.

(d) PRC regulatory approvals

(i) NDRC approval

Before the end of the Offer Period, Hunan Dakang receives all Approvals required from the PRC National Development and Reform Commission (or its relevant local branch) for or in relation to the acquisition by Dakang Australia of 80% of all Kidman Shares under the Takeover Bid, including payment of the consideration by Dakang Australia under the Takeover Bid.

(ii) MOFCOM approval

Before the end of the Offer Period, Hunan Dakang receives all Approvals required from the PRC Ministry of Commerce (or its relevant local branch) for or in relation to the acquisition by Dakang Australia of 80% of all Kidman Shares under the Takeover Bid, including payment of the consideration by Dakang Australia under the Takeover Bid.

(iii) SAFE approval

Before the end of the Offer Period, Hunan Dakang receives all Approvals required from the PRC State Administration of Foreign Exchange (SAFE) (or its relevant local branch) for or in relation to the acquisition by Dakang Australia of 80% of all Kidman Shares under the Takeover Bid, including payment of the consideration by Dakang Australia under the Takeover Bid.

(e) No Material Adverse Change in relation to Kidman

That during the period between the Announcement Date and the end of the Offer Period (each inclusive), there is no Material Adverse Change in relation to Kidman.

(f) Conduct of Kidman business

That during the period between the Announcement Date and the end of the Offer Period (each inclusive), Kidman must not without each Bidder's prior written consent:

- (i) amend its constitution; or
- (ii) other than the Retention Bonus Regime or in connection with the Anna Creek Restructure, enter or agree to enter into any contract of service or vary or agree to vary any existing contract of service with any director or manager, or pay or agree to pay any retirement benefit or allowance to any director, manager or former manager, or make or agree to make any substantial change in the basis of remuneration of any director or manager (except as required by law).

(g) No prescribed occurrences

That, during the period between the Announcement Date and the end of the Offer Period (each inclusive), none of the following events occurs:

- (i) Kidman converts all or any of its shares into a larger or smaller number of shares;
 - (ii) Kidman resolves to reduce its share capital in any way;
 - (iii) Kidman:
 - (A) enters into a buy back agreement; or
 - (B) resolves to approve the terms of a buy back agreement under s257C(1) or 257D(1) of the Corporations Act;
 - (iv) Kidman issues shares, or grants an option over its shares, or agrees to make such an issue or grant such an option;
 - (v) Kidman issues, or agrees to issue, convertible notes;
 - (vi) Kidman disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property (other than in connection with the Anna Creek Restructure);
 - (vii) Kidman grants, or agrees to grant, a security interest in the whole, or a substantial part, of its business or property;
 - (viii) Kidman resolves to be wound up;
 - (ix) a liquidator or provisional liquidator of Kidman is appointed;
 - (x) a court makes an order for winding up of Kidman;
 - (xi) an administrator of Kidman is appointed under s436A, 436b or 436C of the Corporations Act;
 - (xii) Kidman executes a deed of company arrangement; or
 - (xiii) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Kidman.
- (h) No action by Government Agency adversely affecting the Takeover Bid

That during the period between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- (ii) no action or investigation is instituted, or threatened by any Government Agency; and
- (iii) no application is made to any Government Agency (other than an application by a Bidder or any company within the Bidder Group, an application under s657C of the Corporations Act, or an application

commenced by a person specified in s659B of the Corporations Act in relation to the Takeover Bid),

in consequence of, or in conjunction with, the Takeover Bid, which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely, impact upon, the making of the Takeover Bid or the objectives of the Takeover Bid or seeks to require the divestiture by a Bidder of any Kidman Shares, or the divestiture of any assets of Kidman other than a divestment of Anna Creek Station in accordance with the Anna Creek Restructure.

- (i) No material acquisitions, disposals, etc.

Other than in connection with the Anna Creek Restructure and except for any proposed transaction publicly announced by Kidman on or before the Announcement Date and any transaction undertaken by Kidman in its ordinary course of business, none of the following events occur during the period between the Announcement Date and the end of the Offer Period (each inclusive):

- (i) Kidman acquires, offers to acquire or agrees to acquire one or more companies or assets (including livestock) (or an interest in one or more companies or assets) for an amount in aggregate greater than \$5 million or makes an announcement in relation to such an acquisition;
- (ii) Kidman disposes, offers to dispose or agrees to dispose of one or more companies or assets (including livestock) (or an interest in one or more companies or assets) for an amount in aggregate greater than \$5 million or makes an announcement in relation to such a disposal;
- (iii) Kidman enters into, offers to enter into or announces that it proposes to enter into any joint venture, asset or profit sharing arrangement, alliance, amalgamation, merger of businesses or corporate entities, or partnership, involving a commitment of, or assets having a value, greater than \$5 million or makes an announcement in relation to such a commitment; or
- (iv) Kidman incurs or commits to, or grants to another person a right, the exercise of which would involve Kidman incurring or committing to any capital expenditure or other liability of any nature (whether conditional or otherwise) in respect of one or more related items of greater than \$5 million or where the duration of the commitment exceeds one year or makes an announcement in relation to such a commitment.

- (j) No dividends

That, during the period between the Announcement Date and the end of the Offer Period (each inclusive), Kidman must not declare or pay any dividend other than a Permitted Dividend.

(k) No Superior Proposal

No Superior Proposal being received by Kidman that is recommended by a majority of the Kidman Board.

(l) Anna Creek Restructure

The Anna Creek Restructure is completed in accordance with:

- (i) business asset sale agreement and land sale agreement referred to in clause 5 of the Call and Put Option Deed set out in the Annexure; or
- (ii) the terms of the business asset sale agreement and the land sale agreement entered into with WPH both dated 23 March 2016.

(m) ARC shareholder approval

Before the end of the Offer Period, for the purposes of Listing Rules 11.1.2 and 11.2, ARC shareholders approve, as an ordinary resolution, the acquisition by ARC of 20% of all Kidman Shares.

Schedule 3 Timetable

Item	Activity (including Corporations Act reference)	Responsible Party	Indicative Due Date
Item 1	Release Agreed Announcement	Bidders and Kidman	18 April 2016
Item 2	Preparation of Bidder's Statement	Bidders	19 April 2016
Item 3	Preparation of Target's Statement	Kidman	19 April 2016
Item 4	Lodge Bidder's Statement and Target's Statement with ASIC (s633)	Bidders and Kidman	2 May 2016
Item 5	Give copy of Bidder's Statement and Offer to Kidman (s633)	Bidders	Same day as Item 4
Item 6	Give copy of Target's Statement to Bidders (s633)	Kidman	Same day as Item 4
Item 7	Lodge notice of service to Bidder's Statement with ASIC (s633)	Bidders	Same day as Item 4
Item 8	Dispatch Bidder's Statement and Target's	Bidders and Kidman	Within a three day period, starting 2 May

Item	Activity (including Corporations Act reference)	Responsible Party	Indicative Due Date
	Statement to Kidman Shareholders (s633)		2016
Item 9	Give notice of dispatch of Bidder's Statement and Target's Statement to ASIC (s633)	Bidders and Kidman	Date of dispatch of last offer
Item 10	Close of offer (s624)		5 August 2016 (at least one month but not more than 12 months after the first offer made)
Item 11	Payment of Offer Consideration	Bidders	Dates referred to in accordance with Item 1(b) of Schedule 2

Schedule 4 Warranties

1. Kidman & Issued Capital

- (a) Kidman is a corporation duly incorporated and validly existing under the laws of Australia.
- (b) Kidman has:
 - (i) the power to own its assets and carry on the Business; and
 - (ii) conducted its business affairs in accordance with its constitution.
- (c) 11,812,273 fully paid ordinary shares constitute all of the issued shares in the capital of Kidman.
- (d) Kidman is not under any obligation to issue or allot, and Kidman has not granted any person the right (including any future right) to call for the issue or allotment of, any shares or other securities of Kidman at any time which is still current and subsisting.
- (e) Kidman does not hold or beneficially own any share in, or security of, any corporation.

2. Solvency

- (a) Kidman has not:
 - (i) gone, or proposed to go, into liquidation;
 - (ii) passed a winding up resolution or commenced steps for winding up or dissolution; or
 - (iii) received a deregistration notice under section 601AB of the Corporations Act or any communication from ASIC that might lead to such notice or applied for deregistration under section 601AA of the Corporations Act.
- (b) No petition or other process for winding up or dissolution has been presented or threatened in writing against Kidman and, so far as Kidman is aware, there are no circumstances justifying such a petition or other process.
- (c) No receiver, receiver and manager, judicial manager, liquidator, administrator or like official has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of Kidman, and, so far as Kidman is aware, there are no circumstances justifying such an appointment.

- (d) Kidman has not entered into, and has not taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment for the benefit of its creditors or a class of them.
- (e) No writ of execution has been issued against Kidman or its assets and, so far as Kidman is aware, there are no circumstances justifying such a writ.
- (f) Kidman is able to pay its debts as and when they fall due. Kidman is not taken under applicable laws to be unable to pay its debts and has not stopped or suspended, or threatened to stop or suspend, payment of all or a class of its debts.

3. Information

- (a) As far as Kidman is aware after having made reasonable enquiries, all information that has been Disclosed in the Due Diligence Material is true, complete and accurate in all material respects.
- (b) The Due Diligence Materials:
 - (i) were compiled in good faith for the purpose of fairly disclosing information about Kidman and the Business to a potential buyer; and
 - (ii) as far as Kidman is aware, include all information about Kidman and the Business that is material for a buyer of Kidman to know before deciding whether or not to acquire Kidman Shares and on what terms.

4. Accounts

- (a) The Accounts:
 - (i) have been prepared in accordance with generally accepted Australian accounting standards;
 - (ii) show a true and fair view of the financial position and value of the assets and liabilities of Kidman as at the Accounts Date and of the income, expenses and results of the operations of Kidman for the year ending on the Accounts Date;
 - (iii) contain reasonably adequate provision for a disclosure of all liabilities, whether actual, contingent or otherwise, of Kidman at the Accounts Date; and
 - (iv) in accordance with generally accepted Australian accounting standards, include all reserves and provisions for Tax that are necessary to pay all Tax liabilities under all Tax Laws.

- (b) Since the Accounts Date to the date of this document, the Business has been conducted in all material respects in the ordinary and usual course of business.

5. Assets & Equipment

- (a) All material Assets that were included in the Accounts are in either the possession, or under the control, of Kidman except for:
 - (i) items under repair;
 - (ii) stock-in-transit; and
 - (iii) anything as Disclosed in the Due Diligence Material, or elsewhere, to the Bidders.
- (b) All equipment used in the conduct of the Business has been properly maintained and is, subject to fair wear and tear, in good repair and working condition.

6. Real Property

- (a) Kidman owns the Owned Properties and leases the Leased Properties.
- (b) The Owned Properties and the Leased Properties comprise all of the properties which are used in the ordinary course of the Business and are sufficient for the conduct of the Business as it has been conducted (including having regard to any rights of any other party in respect of those properties).
- (c) Kidman has provided to the Bidders all material documentation and information which relates to the Leased Properties and Owned Properties.
- (d) The Owned Property:
 - (i) is not subject to any legal or equitable mortgage or any other Security Interest; and
 - (ii) is subject only to the encumbrances listed on the certificates of title to the Owned Property.
- (e) In respect of each Lease, Kidman has an interest as tenant free of any Security Interest.
- (f) In respect of each Lease:
 - (i) Kidman has complied with all of its material obligations, including the payment of all amounts payable under the relevant Lease;

- (ii) there is no dispute between the parties to the Leases and so far as Kidman is aware, there is no litigation pending or threatened; and
- (iii) so far as Kidman is aware, there is no event that has occurred that may be a ground for termination for a relevant party to the Leases.
- (g) All building, fixtures and other improvements on the Owned Properties and Leased Properties are in good repair and working condition and have been properly maintained.
- (h) No Owned Property or Leased Property is contaminated by any substance or affected or degraded by the presence of any substance (including any dangerous goods, hazardous materials, asbestos or any waste) to an extent that would prevent the Owned Property or Leased Property being sufficient for the conduct of the Business.

7. Contracts

- (a) Neither Kidman nor, as far as Kidman is aware, any party to a written agreement which is material to the Business (**Agreement**):
 - (i) is in material breach of any Agreement to which it is party; or
 - (ii) but for the requirements of notice or lapse of time would be in material breach of any Agreement to which it is party.
- (b) Kidman has not received, or given, any notice of termination or intended termination or material default of any Agreement and, as far as Kidman is aware, no facts, matters or circumstances exist which may lead to the giving or receiving of any such notice.
- (c) Kidman has not had any disputes with any other party to an Agreement and as far as Kidman is aware, no such disputes are outstanding or threatened.
- (d) No customer, supplier or other party to an Agreement has notified Kidman that as a result of a change of control of Kidman or other transaction contemplated by this document, it will or may exercise a right of termination of, or withhold its consent under, the Agreement or otherwise seek to change the terms of the Agreement or reduce or withdraw its dealings with Kidman.
- (e) All written contracts to which Kidman is party that are material to the Business have been disclosed in the Due Diligence Material.

8. Intellectual Property Rights

- (a) The Due Diligence Material contain true and complete details of all material Intellectual Property Rights owned or held by Kidman (the **Business IP**)

- (b) The Business IP (together with any valid licences to use Intellectual Property Rights granted to Kidman):
 - (i) is valid and subsisting;
 - (ii) comprise all of the Intellectual Property Rights used in connection with or required for the conduct of the Business, including all trade marks, business names, trade names, domain names, brands, trade secrets, copyright, know how and other confidential information and all information technology;
 - (iii) is not as far as Kidman is aware liable to cancellation, forfeiture or modification for any reason;
 - (iv) is not the subject of any challenge (such as a challenge to its validity or to its registration) or as far as Kidman is aware threatened challenge; or
 - (v) and its use by Kidman, as far as Kidman is aware, do not infringe any right in or wrongfully use any Intellectual Property Rights;
- (c) Kidman has taken all steps needed to fully protect all Intellectual Property Rights (including the Business IP) used in connection with or required for the conduct of the Business. These steps include applying for and maintaining in force in every relevant country every possible registration (such as registration of letters patent, trade marks, designs and business names) in every relevant country, and taking all reasonable measures to record and secure trade secrets.
- (d) All business names, domain names and cattle markings used to carry on the Business are legally and beneficially owned by Kidman, are set out in Schedule 8, and are valid and subsisting.

9. Employees

- (a) A complete list of Employees is set out in document 05.02.17 of the Data Room.
- (b) Full details of each Employee's terms of employment including remuneration, accrued entitlements and length of continuous service have been Disclosed in the Due Diligence Material to the Bidders.
- (c) Other than in accordance with contractual arrangements in effect on the date of this document and Disclosed to the Bidders in the Due Diligence Material, Kidman has not paid or agreed to pay any of its directors, officers, other executives or employees any termination or retention payment or any other amount in connection with the Transaction.
- (d) So far as Kidman is aware, each Employee holds every licence or qualification which they are required to hold to perform their normal duties.
- (e) So far as Kidman is aware, in relation to each of the Employees, it has complied in all material respects with all relevant legislation, contracts of employment,

workplace agreements, industrial instruments, awards, orders and codes of conduct.

- (f) Kidman has paid all amounts which are presently due and payable in respect of the Employees and contractors as well as directors and other officers of Kidman.
- (g) There is no outstanding or unresolved, or to the best of the Kidman's knowledge, threatened or pending, Claim or dispute between Kidman and any past or present Kidman employee or group of Kidman employees or Kidman consultant or contractor. To the best of Kidman's knowledge, there is no circumstance which is likely to give rise to such a Claim or dispute.

10. Litigation

Kidman:

- (a) is not party to any dispute or legal action nor so far as Kidman is aware has it been threatened with any dispute or legal action which has not been Disclosed in the Due Diligence Material to the Bidders; and
- (b) has not received any notice relating to any investigation or prosecution from or initiated or commenced by any Government Agency which has not been Disclosed in the Due Diligence Material to the Bidders.

11. Licences & Compliance

- (a) Kidman:
 - (i) holds all Approvals necessary for the conduct of the Business; and
 - (ii) has complied with all material terms, conditions and other provisions of or applicable to those Approvals.
- (b) Kidman has Disclosed in the Due Diligence Material to the Bidders all:
 - (i) Approvals necessary for the carrying on of, or used by Kidman in conducting, the Business; and
 - (ii) conditions and notices attaching or applicable to those Approvals.
- (c) As far as Kidman is aware, Kidman has at all times conducted the Business in accordance with every material requirement of applicable law, Approval and approved industry code of practice in all material respects, including those concerning the health, safety and welfare at work of Kidman's employees and related:
 - (i) provision of information, instruction, training and supervision;

- (ii) provision of adequate facilities; and
- (iii) consultation.
- (d) As far as Kidman is aware, no inspector under any applicable law concerning occupational health and safety has ever exercised any power to dismantle plant on any Owned Property or Leased Property or to take or keep anything on any Owned Property or Leased Property or to issue a notice in connection with any Owned Property or Leased Property.

12. Taxes & Duties

To the best of Kidman's knowledge and belief:

- (a) Kidman has no liabilities in respect of unpaid and/or unassessed Taxes or Duty, nor will it on any date in the future become subject to Taxes or Duty referable to any period before the date of the Accounts Date, in excess of the provisions for Tax included in the Accounts;
- (b) any obligation under any Tax Law to withhold amounts at source, including withholding tax, has been complied with;
- (c) Kidman has maintained proper and adequate records to enable it to comply with its obligations to:
 - (i) prepare and submit any information, notices, computations, returns and payments required in respect of any Tax Law;
 - (ii) prepare any accounts necessary for the compliance of any Tax Law; and
 - (iii) retain necessary records as required by any Tax Law,

in the ordinary course of business and such records are accurate in all material respects;
- (d) Kidman has submitted any necessary information, notices, computations and returns to the relevant Government Agency as required by any Tax Law in respect of any Tax or any Duty;
- (e) Kidman is not engaged in any dispute with any Government Agency in respect of any Tax or Duty;
- (f) Kidman is not aware of any pending or threatened Tax or Duty audit;
- (g) Kidman has not entered into or been a party to any transaction which contravenes any Tax Law or any other law in respect of Tax or Duty;
- (h) Kidman has complied with all its obligations under Tax Law or any other law in respect of Tax or Duty;

- (i) all documents and transactions entered into by Kidman relating to Kidman's supply require the recipient of said supply to pay to Kidman the amount of any GST payable on that supply in addition to the consideration payable for the supply;
- (j) all documents and transactions entered into by Kidman relating to Kidman's acquisitions require the supplier to provide to Kidman a tax invoice for any GST payable on that supply prior to the due date for payment of the supply;
- (k) all documents and transactions entered into by Kidman which are required to be stamped, or in respect of which Duty is payable, have been duly stamped and all Duty paid, and there are no outstanding assessments of Duty in respect of any document or transaction in respect of which Kidman (or a Related Body Corporate) is liable to pay Duty, nor any requirement on the part of Kidman to upstamp any document in the future on account of any interim stamping;
- (l) Kidman has not, at any time in the last 3 years, been a party to any transaction in respect of which relief from Duty was obtained;
- (m) for any material transactions entered into by Kidman in the last 3 years for which a GST Concession has been claimed by any party to the transaction, Kidman has satisfied itself that the requirements of that GST Concession were satisfied;
- (n) Kidman will, at completion of the Transaction, provide to the Bidders all documents that each Bidder needs to enable that Bidder to complete any Tax return after completion of the Transaction.

Schedule 5 Accounts

Schedule 6 Owned Properties

SOUTH AUSTRALIA			
PROPERTY	ADDRESS	LOT NO.	TITLE REFERENCE
Adelaide Office	183 Archer Street North Adelaide SA 5006	164 in FP 183436	CT 5471/707
		165 in FP 183437	CT 5471/708
		168 in FP 183440	CT 5709/494
Tungali Feedlot	Section 75 Corryton Park Road Sedan SA 5353	Sections 75, 76, 77, 78, 80, 81, 82, 84 & 89 in H 120100	CT 5169/722
		Sections 85, 86, 87 & 88 in H 120100	CT 5169/723
	Lot 102 Corryton Park Road Sedan SA 5353	Lots 110 & 111 in FP 216031	CT 5981/455
		Lot 102 in FP 209552	CT 5981/456
		Sections 73, 74 & 83 in H 120100	CT 6058/417
	375 Tungali Road Sedan SA 5353	Sections 108, 110 & 111 in H 120200	CT 5308/487
		Sections 105, 106 & 107 in H 120200	CT 5308/488
		Section 112 in H 120200	CT 5308/489
		Sections 113, 114 & 115 in H 120200	CT 5564/964

QUEENSLAND		
PROPERTY	LOT NO.	TITLE REFERENCE
Rockybank	Lot 9 SP 197878	50699831
	Lot 10 SP 197878	50699832 [Note: Kidman has only a half interest as tenant in common in this title. The other half interest is held by Tony Robert Gillett.]
	Lot 17 CP WV486	50353941
	Lot 16 CP WV486	50353940
	Lot 15 CP WV486	50353939
	Lot 6 SP 126456	50294879
	Lot 12 CP WAL53513	50353923
	Lot 1 CP WV906	17540014
	Lot 8 CP WV604	17444130
	Lot 4 CP WV487	17218238
	Lot 25 CP WV1369	16382023
	Lot 5 CP WAL53436	50353922

Schedule 7 Leased Properties

PROPERTY	PASTORAL LEASE
Innamincka (SA)	Lease 1625/52
Macumba (SA)	Lease 1607/55
Glengyle (QLD)	Lease 17664011
Cuddapan (QLD)	Lease 17664170
Mooraberree (QLD)	Lease 17664174
Morney Plains (QLD)	Lease 17664175
Durrie (QLD)	Lease 17664198
Durham Downs (QLD)	Lease 17666157
Naryilco (QLD)	Lease 17666223
Karmona (QLD)	Lease 40066535
Rockybank (QLD)	Lease 17738194
Banka Banka East (NT)	Lease 01204
Brunchilly (NT)	Lease 00945
Helen Springs (NT)	Lease 01001
Ruby Plains (WA)	Lease N049918
Sturt Creek (WA)	Lease N049928

Schedule 8 Business Names, Domain Names and Kidman Stations Cattle Markings
















Business Names

Business Name	Registration Date	Renewal Date
S. KIDMAN & CO	20.05.15	20.05.2018
DURHAM DOWNS STATION	20.05.15	20.05.2018
DURRIE STATION	20.05.15	20.05.2018
GLENGYLE STATION	20.05.15	20.05.2018
HELEN SPRINGS STATION	20.05.15	20.05.2018
INNAMINCKA STATION	20.05.15	20.05.2018
MACUMBA STATION	20.05.15	20.05.2018
MORNEY PLAINS STATION	20.05.15	20.05.2018
RUBY PLAINS STATION	20.05.15	20.05.2018
ROCKYBANK STATION	02.06.15	20.05.2018
NARYILCO STATION	22.05.15	20.05.2018
TUNGALI	20.05.15	20.05.2018

Domain Names

- kidman.com.au
- kidman.net.au

Kidman Stations Cattle Markings

Station	Brand	PIC Number	Ear marking
Durham Downs	3UU	QABP0042	
Durrie	H5S	QADM0013	
Glengyle	F3T	QBM0015	
Helen Springs	BTA	TABT0176	
Brunchilly	XTX	TABT0176	
Innamincka		SA810070	
Macumba	X70	SA820017	
Morney Plains	UC9	QKBC0111	
Naryilco	N2Y	QCBP0046	
Rockybank		QHB10047	
Ruby Plains	R3B	WKHC0012	
Sturt Creek	SP3	WKHC0012	
Tungali		SA326836	N/A
All Stations		N/A	N/A

Schedule 9 Escrow Deed

Schedule 10 Deed Poll

Signing page

Executed as an agreement

Executed by S. Kidman & Co Ltd
ABN 36 007 872 317 in accordance with
s127(1) of the *Corporations Act 2001* (Cth)
by:

Signature of Director

Signature of Director/Company Secretary

Full name (print)

Full name (print)

Executed by Dakang Australia Holdings
Pty Ltd ACN 608 911 388 in accordance
with s127(1) of the *Corporations Act 2001*
(Cth) by:

Signature of Director

Signature of Director/Company Secretary

Full name (print)

Full name (print)

Executed by Australian Rural Capital Ltd
ACN 001 746 710 in accordance with
s127(1) of the *Corporations Act 2001* (Cth)
by:

Signature of Director

Signature of Director/Company Secretary

Full name (print)

Full name (print)

**Executed by Hunan Dakang Pasture
Farming Co., Ltd by:**

Signature of authorised signatory

Signature of authorised signatory

Full name (print)

Full name (print)

ANNEXURE

Anna Creek Restructure - Call and Put Option Deed